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## No more 'droughts' in India, says IMD

*Move is part of decision to re-define terms that are not scientifically precise.*

The India Meteorological Department (IMD) has officially expunged the word "drought" from its vocabulary, months after it struck a contrarian note and correctly forecast one of India's severest monsoon deficits last year.

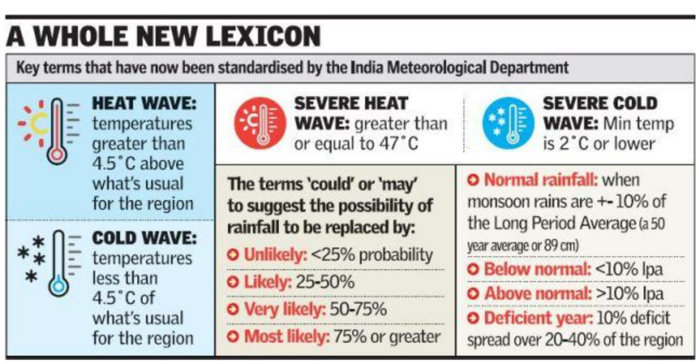
According to a circular issued by the department last Thursday, the move is part of a decision to do away with or re-define terms that are not scientifically precise. Beginning this season, for instance, if India's monsoon rainfall were to dip below 10 per cent of the normal and span between 20 and 40 per cent of the country's area, it would be called a "deficient" year instead of an "All India Drought Year" as the IMD's older manuals would say. A more severe instance, where the deficit exceeds 40 per cent and would have been called an "All India Severe Drought Year," will now be a "Large Deficient Year".

The IMD has never used the term “drought” in its forecasts and has maintained that declaring droughts was the prerogative of States. “Some confusion has been there over some years,” said B.P. Yadav, spokesperson for the agency, “and we wanted to be more precise.”

The agency had several definitions of drought: meteorological, hydrological and agricultural, and it was quite possible for a State to have a meteorological drought — 90 per cent shortfall of the average monsoon rainfall — but not suffer an agricultural drought —if the shortfall didn’t affect more than 20 per cent of the State’s area. “Declaring a drought has never been the IMD’s mandate and, in fact, not even that of the Central government,” said Shailesh Nayak, former Secretary, Ministry of Earth Sciences, to whom the IMD reports. “That’s because drought is not a measure of productivity (agricultural).”

Officials said the change in the nomenclature would not practically influence the way States viewed droughts.

The spokesperson for the agency said there would now be a standardised definition for heat waves and cold waves, and the IMD’s local arms would no longer use terms such as “could” or “may” to suggest the possibility of showers.



## Improve the investment climate

The year 2015 has ended on a lacklustre note. The growth rate projected by the International Monetary Fund (IMF) is 3.1 per cent, with advanced economies growing at around 2 per cent and developing economies at 4 per cent. These are not inspiring numbers. The World Bank estimates are even lower. However, there have thankfully not been any economic explosions.
Even Europe stumbled through despite the problem of Greece rearing its head from time to time. The oil-exporting countries suffered most with a sharp decline in oil prices. This group included not only countries in West Asia but also Russia and Venezuela.

However, what is more surprising is that even countries which had gained as a consequence of a fall in crude oil prices have not really shown faster growth. Among the developing economies, the major concerns are centred at China. With trade surpluses falling, China has to turn to its domestic demand to spur the economy. There have also been concerns about its financial system.

**A dismal picture**

Among the countries coming under the Brazil, Russia, India, China, South Africa (BRICS) bloc, only India has shown a good performance. However, the Indian story needs more elaboration. Before dealing with India, let us see what the picture looks like globally for 2016.

The IMF had projected the global growth rate for 2016 to be 3.6 per cent, with advanced economies growing at 2.2 per cent and developing economies growing at 4.5 per cent. At this point, it is not clear whether these projections will hold. A recently released World Bank report shows lower numbers for both 2015 and 2016. However, the direction of change is similar.

Among the advanced economies, one country that may show an improved performance is the United States. The recent decision to hike the policy rate by the Fed is some indication that monetary policymakers believe that the U.S. economy is on a recovery path. It is, however, to be remembered that the Fed has not yet relaxed its accommodative posture, which indicates that the recovery is fragile. Oil prices are not expected to rise, which means that oil-producing countries will continue to be in a limbo. Among the developing economies, concerns about the performance of China will continue. If anything, China's growth rate will further decline.

While the improved performance of the U.S. is a helpful factor, the rise in interest rate may have its own effects on capital flows to developing economies. As a consequence, financial markets may see greater volatility.

Thus, the picture, as a whole, does not look very encouraging. Only a few countries are likely to show better performance. Luckily, India can be one among them but some important steps need to be taken.

The mid-year economic analysis estimates India's growth rate in 2015-16 to be between 7 and 7.5 per cent. This is a fair assessment. Looking at the performance from the supply side, in agriculture, the growth rate may not be higher than the previous year which itself was low. The erratic weather in 2015 does not hold out much promise for 2015-16.

In the services sector, the growth rate may not be much different from that of the previous year. The only possibility of improvement is in the industrial sector. The Index of Industrial Production (IIP) for April-October 2015 shows a distinct improvement over the corresponding period of the previous year. Looking at the problem from the demand side, external demand, as reflected in the performance of exports, has been weak. Overall, exports during the period of April-October declined by 17.6 per cent. Much of this is due to the decline in the export of petroleum products, by more than 50 per cent. However, non-oil exports also declined by 8.7 per cent during this period. This does not auger well for many industries.

Private consumption could pick up partly because of the benefit accruing to consumers due to the fall in petroleum prices. The consumption goods sector of IIP has done well. Public sector investment has shown a rise. Capital expenditure of the Central government during the period April-October 2015 rose by 31 per cent. However, it must be noted that bulk of the public investment came from the public sector enterprises.

**Public investment alone inadequate**

The Achilles heel here is private corporate investment. All surveys point to continued stagnation in this area. Thus, from the demand side, the only redeeming feature is the rise in public investment. But that by itself will not be adequate to pull the economy strongly forward. Thus, the overall assessment is that the growth rate in 2015-16 may not be higher than that in the previous year.

What about the Financial Year of 2016-17? Are there signs which point to a faster growth? The external environment, as already noted, will not be encouraging. India's exports will face a challenging task in 2016. There is an imperative need to reverse the current negative trend.

In 2015-16, one favourable factor operating on growth has been public sector investment. Despite a lower-than-expected growth in nominal GDP, revenue growth has remained close to the budgetary expectations. On the expenditure side, the subsidy burden came down because of a fall in crude prices. All this kept government expenditures at budgeted levels and allowed it to stick to the fiscal consolidation path. Capital expenditures rose substantially.

**Pay Commission burden**

The fiscal picture for 2016 however is going to be tough. The additional burden imposed by the Seventh Pay Commission is substantial. The expenditure on pay and pension will increase by 20 per cent and it will amount to a burden of 0.4 per cent of GDP, after taking into account the additional tax revenue on the increased emoluments.

Against this background, the ability of the government to raise money for capital expenditures will be limited. However, relaxing the fiscal consolidation path is not a solution. There is some validity in the argument that the desired level of fiscal deficit should depend upon the phase of the cycle. However, our experience shows that even in the years when the economy was doing well, we were not able to abide by the mandated level, let alone improve upon it. A larger fiscal deficit will not only take up a greater share of the available pool of savings but also cause an increase in the interest rates. This is hardly conductive to a growth in private sector investment.

Private consumption may show a rise, particularly because of the additional income in the hands of government employees. This has happened in the past every time a pay commission's recommendations have been implemented. The hope for a substantial growth in 2016-17 thus revolves around the behaviour of private corporate investment or private investment in general.

The present position of private corporate investment is that while there has been some improvement in relation to stalled projects, there is no strong pick up in the new projects. This situation has to change, if the pace of the recovery is to speed up this year.

The corporate sector faces several internal problems, including a slow growth in nominal sales revenue and high levels of debt. For the investment climate to improve, investors' confidence in the system must be enhanced. The government has an important role to play here.

It is true that the reform agenda of the government has been stymied because of logjam in Parliament. But much can be done to restore and enhance confidence even within the present structure. The government can easily remove cumbersome rules and procedures and tone up the delivery system.
Globally, the prognosis for 2016 is not that good. Among the major advanced economies, the only country that can show some improvement is the United States. Among the emerging economies, the slowdown in the performance of China and the consequent further devaluation of yuan may have serious spillover effects.

India's growth performance in 2015 was certainly a bright spot. It has, however, fallen short of our expectations and needs. A strong recovery is possible in 2016 with growth rate exceeding 7.5 per cent but that is contingent on private investment, particularly private corporate investment, showing substantial improvement. Creating a proper investment climate is the need of the hour.

( *The author is former chairman of the Economic Advisory Council to the Prime Minister and former Governor, Reserve Bank of India* .)

## Rain hits maize cultivation

Workers drying maize on Ariyalur - Perambalur highway near Ariyalur. — Photo: M. Srinath

Maize cultivation has been hit due to excess rain in parts of the district, bringing huge loss to the farmers. A number of maize cultivators have been salvaging the harvested produce, making use of the sunshine.

Every thrashing floor in the tiny and interior villages in the district and also the nearest Highway on the Perambalur – Ariyalur segment are being fully utilised for drying the produce. Farmers say the yield has come down drastically this season because of the showers shortly after the onset of the monsoon.

Rani, one of the farmers of Palla Krishnapuram, about nine km from Ariyalur, says that she had invested a sum of Rs. 20,000 for raising the crop on one acre of land. Against the usual 20 bags each of 100 kg, she could just harvest five bags. A huge volume of the harvested produce can be seen being dried on the Perambalur - Ariyalur highway. The produce had been purchased by the Agricultural Marketing Committee. Official sources, however, said that the crop was safe in a major part of the district. About 19,000 hectares had been brought under cultivation in September which would be harvested by early February. Though the crop had been affected in a few villages, the yield was expected to be around 4 tonnes per hectare.

## Tiruchi gets seven farm fresh outlets

*Prices of vegetables to be fixed on a daily basis depending upon arrivals*

Customers buying vegetables at the government-owned farm fresh vegetable outlet in Srirangam.— Photo: M. Srinath

Chief Minister Jayalalithaa on Monday inaugurated seven farm fresh outlets in Tiruchi through video conferencing.

Soon after the inauguration, Collector K.S. Palanisamy visited an outlet at Chinthamani in Puthur and signalled the sale of vegetables brought from procurement centres in rural areas of the district.

The outlets are functioning at Chinthamani super market in Puthur, Srinivasa Nagar, Thiruvadi street in Srirangam, Thiruvanaikovil, Subramaniapuram, Kallukuzhi and Sundar Nagar. They will function between 7 am to 11 am and 5 pm to 9 pm.

K.C. Ravichandran, Joint Registrar of Cooperative, Tiruchi, told *The Hindu* that arrangements had been made to bring fresh vegetables from Thangammapatti in Dindigul district, Thayanur, Somarasampettai, Kovilpatti, Marungapuri and Nagalapuram in Tiruchi district.

The Primary Agricultural Credit Societies (PACS) in the respective villages would buy vegetables directly from the farmers and transport them to Tiruchi.

Small and big onions, tomato, brinjal, green chilli, leafy vegetables and others would be procured from rural areas of Tiruchi district.

English vegetables would be procured from wholesale market in Tiruchi for the time being.

**To be cheaper**

He said prices of vegetables would be fixed on a daily basis depending upon arrivals.

The prices would be at least 20 per cent less than the Uzhavar Sandhai and open market.

Mr. Ravichandran said the pricing would be on the basis of stablishing market prices whenever the prices went up. Profit would not be the motto of farm fresh outlets.

The department could pass the benefits to the customers since there was no role for middlemen at any level in the procurement of vegetables.

## Bid to popularise six more conventional paddy varieties

*All these crops need less irrigation facility unlike ‘samba’ or ‘kuruvai’*

A farmer planting ‘Milagu samba’ variety at Mela Pazhuvanji near Pudukottai on Monday.

After popularising 18 conventional varieties of paddy, National Bank for Agricultural and Rural Development (NABARD) has taken up initiative for popularising six more new varieties this year in the district.

The new varieties being raised during the current season are ‘Milagu samba’, ‘Karuppu kavani’, ‘Kuzhi adhichan’, ‘Kattu ponni’, ‘Yanai komban’ and ‘Salem senna’.

The corresponding duration of these crops would be 115 days, 135, 120, 120, 130 and 140 days.

A total of 137 acres had been covered in a cluster of villages, said S. Somasundaram, Assistant General Manager, NABARD.

The programme, being implemented through Rose Trust, a service organisation, aims to revive the conventional paddy varieties.

Explaining the advantages of these varieties, A. Adhappan, managing director of the trust, said assured marketability with prospective price attracted farmers.

**Irrigation**

All these crops needed less irrigation facility in contrast to the ‘samba’ or ‘kuruvai’ varieties of paddy. The yield per acre would range between 20 and 35 bags each of 60 kg.

The new crops are being raised in a cluster of villages including Munasandhai, Nallipatti, Mela Pazhuvanji, Melur, Muthukadu and Vanagapatti, said Mr. Somasundaram.

The crops would be harvested in a few months.

## Seed farm established to increase production

Agriculture department officials inspecting a seed farmat Nambiyan Valasai near Ramanathapuramon Monday.— Photo: L. Balachandar

With a view to expanding the area of cultivation and increasing the productivity of pulses, the Department of Agriculture has raised seed farms with the cooperation of progressive farmers to supply quality seeds to farmers during the next season.

Farmers, who had cultivated pulses such as black gram, red gram, green gram and cowpea about two decades ago, and gave up the cultivation after finding them non- remunerative, began to cultivate pulses after the department introduced drought-prone high- yielding varieties.

This season, farmers have raised black gram, (VBN-Bg 4, 5), green gram (VBN-Gg 2, 3) and cowpea (Co 6,7), best suited for the arid district on about 4,000 hectares, nearly 50 per cent of them in Kamudhi area, and expected to harvest about 1,200 tonnes with an average production of about 300 kg per hectare.

After the Food and Agriculture Organisation (FAO) of the United Nations declared the year 2016 as International Year of Pulses, the department has taken fresh initiatives to bring more area under pulses cultivation and increase the production, according to S.S. Shaiek Abdullah, Assistant Director (AD), Seed Certification, told *The Hindu* after an inspection of a seed farm at Nambiyan Valasai near here on Monday.

“With the supply of certified seeds and technical support to the farmers, we could increase the production by 15 to 20 per cent in the coming season,” he said adding presently the yield was 300 to 400 kg of pulses per hectare and this could go up to 500 to 600 kg with quality seeds.

“We will ultimately achieve the target of 800 kg per hectare,” he said.

While encouraging farmers to set up seed farms, the department provided production subsidy of Rs. 15 per kg and certified seed distribution at Rs. 25 per kg under National Agriculture Development Programme and National Food Security Mission (Pulses) respectively, he said.

Mr. Abdullah said that the department proposed to procure about 17 tonnes of seeds from the seed farms to be supplied as certified seeds to the farmers.
More farmers could take up cultivation of short-duration crops, he said adding they were also drought and disease resistant.

As pulses had nitrogen fixing quality in the roots, the cultivation helped to improve soil fertility, B. Kumaravadivel, AD, Thirupullani block, said.

## Officials told to set up threshing yards in all villages

This is to desist farmers from spreading grains for harvesting on roads.—file photo

Pushpavathi Amarnath, president of Mysuru Zilla Panchayat, has directed all executive officers of the taluk panchayat to identify government lands in each village and convert them into threshing yards. She has also directed the Agriculture Department to provide necessary equipment to enable farmers to thresh their harvests.

The executive officers have been told to send a proposal to purchase private lands if there were no government lands in any village and get it approved from the government. She also mooted the idea of hiring lands during the harvest season and asked Joint Director of Agriculture Department M. Mahanteshappa to find out from senior officials if lands could be taken on rent for threshing crops.

Chairing the Karnataka Development Programme review meeting here on Monday, Ms. Amarnath suggested to the executive officers to construct threshing yards with the convergence funds available. Mr. Mahanteshappa said that finger millets (ragi), sorghum (jowar), and horse gram harvests are spread on roads. This leaves road users angry as they have to slow down and negotiate through piles of grain stalks, he said. Mr. Mahanteshappa said that there was a scheme to provide threshing yards to farmers till last year, but the government withdrew it as the Union government had allowed formation of threshing yards in government lands and even in private fields under the MNREGA.

Meanwhile, Ms. Amarnath was furious over the absence of many officers at the meeting. When she was told about the officials attending other meetings, she said that as per the government order no meeting should be held on 11th of the month as KDP meetings are scheduled for this date. She asked the chief executive officer to serve notice to the officials.

## Survey finds decline in number of birds in kole wetlands

This year’s survey showed a drop of over 22,000 birds compared to last year in the kole wetlands in Thrissur.Photo: K.K. Najeeb

A survey of the kole wetlands in Thrissur and Malappuram districts found a decline in the number of birds.

The survey conducted as part of the Green Partnership Programme for the year 2016, and also as part of the Asian Waterbird Count 2016, found a total of 31,788 birds at Kole wetlands.

In 2015, this number was 55,150, said P.O. Nameer, state co-ordinator of the Asian Waterbird Count. “The count was done in 10 base camps such as Adat, Enamav, Palakkal, Thommana, Mulloorkayal, Manakodi, Pullazhi, Uppungal I and II and Marancherry.”

The 10 most common birds found at kole land include: Purple Swamphen(5,530); Little Erget (2,380); Garganey (2,187); Little Cormorant (2,009); Whiskered Tern (1,736); Intermediate Egret (1,717); Lesser Whistling Duck (1,358); Cattle Egret (1,274); Indian Pond Heron (1,203); and Wood Sandpiper (1,058).

About 100 birdwatchers participated in the count. The survey was jointly organised by the Kerala State Forest Department, Indian Bird Conservation Network, Kerala Birder and Centre for Wildlife Studies, College of Forestry and the Kerala Agricultural University.

## CSI to hold seminar on climate change

The Department of Ecological Concerns, attached to the Church of South India, will be organising a national seminar on ‘Role of Church in mitigating climate change’ at the Eco Spirituality Centre at Othera, near Thiruvalla, on January 20.

In a statement issued here on Monday, Mathew Koshy Punnackad, director of the CSI Ecumenical Concerns Department, said that Rev. Daniel Ratnakara Sadananda, CSI general secretary, would inaugurate the seminar in the forenoon. Bishop Thomas K. Oommen, CSI deputy moderator, would preside over the inaugural function.

The Deputy Director of the Centre for Earth Sciecne Studies in Thiruvananthapuram, Chandra Bhushan, would deliver the keynote address.
T.M. Thomas Issac, former Finance Minister; Binoy Viswam, former Forest Minister; V.T. Belram, MLA; Varghese George, Plantation Corporation of Kerala Limited chairman; Rev Christopher Rajkumar of the National Council of Churches in India; Lutz Drescher from Germany; and Alfred Arun Kumar, director of the Kasam Agricultural Institute in Vellore; will also address the seminar.

## Idle land now a banana farm

Mayor V. Rajendrababu inaugurating the harvest of banana crops cultivated under the ATMA scheme at Uliyakovil in Kollam city on Monday.— Photo: C. Suresh Kumar

A two-acre plot at Uliyakovil in Kollam city, which was lying idle for years with overgrown shrubbery and infested with rodents, is now a rich plantation with 1,000 banana plants ready for harvest.

The harvest was formally inaugurated by Mayor V. Rajendrababu in the evening on Monday.

Owner of the plot Binoy Abraham says about 200 plants are ready for harvest and the remaining will season in the coming few days and get ready for being harvested. The entire crop is being sold locally.

But Mr. Binoy gives the credit of converting his idle plot into a farm to his employees at the printing press run by him. The idea sprouted in the mind of Pramod, a native of Neyyattinkara, who comes from a family of traditional farmers.

Kuwait-based Mr. Binoy, who nursed a deep interest in farming, agreed to the idea and assured the required financial support. Technical help came from the Agriculture Department through the Kollam Krishi Bhavan, and the plot that was earmarked for banana crop was soon included as a scheme the Agriculture Technology Management Agency (ATMA).

Soon the plot was cleared, the land made ready, and a year ago the banana saplings were planted.

Pramod and his colleagues turned farmers during their free time, and tended to the saplings and experimented with some inter crops like tapioca and vegetables.

Assistant Agricultural Officer Shaji D., who supervised the activities, says that plot soon turned out to be the biggest banana plantation in the city.

Only organic farming methods have been used and what is being harvested from there is pure organic, he says. After the harvest, the land will be made ready for the next banana crop.

A small function was held at the plot to herald the harvest and the main reason for that is to encourage people to use idle land for farming.

“It contributes towards food security,” says Mr. Binoy. The function was presided over by Principal Agricultural Officer (Kollam) Stanley Chacko. Bishop of the Kollam diocese of the Malankara Orthodox Syrian Church, Zachariah Mar Anthonios, former Deputy Mayor, M. Noushad, Assistant Director (Agriculture) S. Venu and, agriculture field officer R. Babu spoke.

## engagements

TIRUNELVELI

**National Bank for Agriculture and Rural Development:** One-day district-level workshop for bankers of Tirunelveli district, M. Karunakaran, Collector, inaugurates, Hotel Aryaas, Tirunelveli Junction, 9.30 a.m.

**MDT Hindu College:** Leadership training programme, S. Meenakshi Sundaram, president, MDT Hindu College, M. Chelliah, secretary, inaugurates, K. Marimuthu, Senior Associate Professor, AIMST University, Malaysia, delivers keynote address, college premises, 11.30 a.m.

**Alcoholics Anonymous and Al-Anon:** Regular meeting, V.K. Nursery and Primary School, Tirunelveli Town, 7 p.m.
VIZHUNTHAYAMBALAM

**St. Antony's Church:** Annual festival, fifth day celebrations, rosary and novena, 6 p.m., Holy Mass by Rev. Fr. V. Mariadasan, parish priest, Vattakkarai, homily by Rev. Fr. K. George, parish priest, Kaarankaadu, church premises, 6.30 p.m.

## Farmers to get Rs. 89.81 crore compensation

Bidar farmers will get a crop loss compensation of Rs. 89.81 crore, Umashree, district in-charge Minister, said here on Monday.

According to Ms. Umashree, the district administration had sought Rs. 219 crore for crop loss suffered in 2014-15.

The Minister said that the amount would be deposited to the bank accounts of individual farmers.

## Uttarakhand flower fest to be held in March

A two-day annual flower festival 'Vasantotsav 2016' will held in Uttarakhand from March 12 at Raj Bhawan here.

The decision was taken on Monday at a meeting presided over by Governor K. K. Paul, who will inaugurate the festival on the same day after which it will be opened to public, a Raj Bhawan release said.

The Governor said that like every year, the event should have a new dimension to make it relevant and beneficial to florists in the State.

**20-minute documentary**

A 20-minute documentary of the festival must be made and shown in every district of the State during fairs and festivals to encourage flower growers.

The film should also be screened at the Uttarakhand pavilion at the International Trade Fair held at Delhi's Pragati Maidan in November, a move that will benefit the flower trade in the State, he said.

The Governor specially stressed on the need for involving florists from hill and remote areas of the State during the festival.

Mr. Paul stressed on the need to spread awareness among locals in Munsiyari about the cultivation of Bulgarian Damask Rose and its oil production, which has a potential to benefit people and improve their standard of living.

There are great possibilities of growing exotic flowers like tulips in the hill areas of Uttarakhand, he said, adding that the places where these kinds of flowers are being grown must be identified and techniques must be taught to the farmers. PTI

## Sugarcane SAP fixed at Rs. 2,850 per tonne

*It is Rs. 550 a tonne more than the Centre's Fair and Remunerative Price*

Sugarcane farmers have been asking the government to fix SAP for the past three months since the start of the crushing season. -Picture used for representational purpose

The State government has fixed the State Advised Price (SAP) of sugarcane for the 2015-16 season at Rs. 2,850 per tonne. With the sugar industry in turmoil, both the farmers as well as the mills are highly disappointed.

After a high-level meeting at the Secretariat on Monday, Chief Minister Jayalalithaa announced that the State has fixed the SAP at Rs. 2,850 a tonne, which is Rs. 550 a tonne more than the statutory Fair and Remunerative Price (FRP) of Rs. 2,300 set by the Central government.

The SAP includes Rs. 100 per tonne as cost for transporting sugar.

With the subsidies given for irrigation to small and medium farmers, the State was ranked first in sugar production, she said in an official release hoping that the government's decision would bring happiness to the cane farmers.

Sugarcane farmers have been asking the government to fix SAP for the past three months since the start of the crushing season. For the last two years, the State had fixed the SAP at Rs. 2,650 per tonne.

**Farmers disappointed**

Meanwhile, the Tamil Nadu Sugarcane Farmers' Association has expressed disappointment stating that they were expecting Rs. 4,000 per tonne.

"For the past two years, there was no increase in SAP. This year, they have made it up by giving Rs. 200 more per tonne. In real terms, this is not an increase at all," said D. Ravindran, association general secretary. Private mills have not paid SAP for the past two years amounting to Rs. 600 crore, he said wondering if they would give it this year. Moreover, the area of cultivation and actual production of sugarcane has gone down over the past three years, he said.

In a statement, South Indian Sugar Mills Association (Tamil Nadu) secretary S. Chellappa said that paying any higher price over FRP would be beyond the means of sugar mills. Maharashtra, the biggest sugar producing State in the country, has gone for 80:20 formula for payment of FRP, and mills in Karnataka were paying FRP in instalments during the current season, he said.

VAT on sugar sales, restrictions on ethanol production and supply, un-remunerative tariff for power exports and steep fall in sugar prices have taken a toll on the financial health of sugar mills. Most of the mills have gone for debt restructuring, and accumulated losses over the past two seasons have led to a liquidity crunch.

The SISMA requested the State to remove VAT on sugar sales and the cap on ethanol production and revise power tariff so that mills would have the ability to pay the FRP. The State should consider direct subsidy to farmers to bridge the gap between the SAP and the ability of the mills to pay the same, he demanded.

## Research council meeting held at FCRI

Fisheries College and Research Institute (FCRI), Tuticorin, organised its second research council meeting and scientific workers' conference on Monday.

Vice-Chancellor of Tamil Nadu Fisheries University Baskaran Manimaran inaugurated the research council meeting. In his address, he emphasised the role of all faculty staff as researchers to serve stake holders, mainly fish farmers.

He pointed out the commitment of all staff to spare a minimum of 40 per cent of their time and efforts on research and development of technologies to solve problems in fisheries sector.

The TNFU as Science and Technology University should emerge stronger and more visible in the country in the shortest possible time, the Vice-Chancellor said.

K. Karal Marx, Director of Research (in-charge), TNFU, presented the research report summarising all research activities of the university. Earlier, the Vice-Chancellor released a compendium of TNFU's technologies which comprised of 34 different packages that emerged out of research carried out at the university since 2012. The faculty members presented their completed and ongoing research projects and also highlighted on the technologies developed.

The final session of the Research Council and Scientific Workers Conference discussed the priority areas of research to be taken up at different centres of the University.

The programme was attended by faculty members of the university and officers from Fisheries College and Research Institute, Ponneri, College of

Fisheries Engineering, Nagapattinam, and other research centres of the university in Tamil Nadu.

**TN hikes cane price to ₹ 2,850 a tonne; mills object**

Not so sweet: Sugar mill representatives say the price is unviable when compared to the prevailing sugar prices

Farmers unhappy, say it will remain on paper; Uttar Pradesh may announce SAP today

**CHENNAI, JANUARY 11:**

In a move that has left sugar mills and farmers upset, the Tamil Nadu government has pegged the sugarcane price at ₹ 2,850 a tonne for the 2015-16 season.

The State-Advised Price for the current season (October–September) is ₹ 550 a tonne more than the statutory Fair and Remunerative Price of ₹ 2,300 fixed by the Centre.

While the State government has adopted a populist approach by hiking the sugarcane SAP by ₹ 200 a tonne over the last season, sugar mill representatives say the price is unviable when compared with the prevailing sugar prices.

Even the Centre has announced a direct sugarcane subsidy to farmers for the current season to support the mills pay FRP.

**Farmers unimpressed**

For the farmers, the hike is no consolation as they realise sugar mills will not toe the State government’s line and the hike will remain on paper.

Palani G Periasamy, President of South Indian Sugar Mills Association (Tamil Nadu), said the SAP is unviable to the cash-strapped mills. While they recognise the need to support farmers, it is beyond the ability of the mills to pay.

Over the last two seasons, there has been a large mismatch, with a steep fall in sugar prices while sugarcane prices set by the State have increased. Sugar companies are undergoing a debt restructure and banks have stopped lending to the sector.

According to industry estimates, at current sugar prices, mills lose ₹ 300-400 on every tonne of cane even at FRP levels. The Centre had announced a cane subsidy of ₹ 45 tonne to support mills pay FRP.

RV Giri, National President, Consortium of Indian Farmers Association, while welcoming the hike, said since 2012-13 when the SAP was ₹ 2,350 a tonne, mills have not paid more.

But the sugarcane price hike by the State government has only been a token announcement.

The State government has not supported the sugar sector with tax concessions and subsidies, which would have helped the mills pay farmers.

All the sugarcane producing States support the local industry.

Tamil Nadu has also not supported the Centre’s ethanol programme, which would give mills additional revenue when they sell ethanol to oil companies for the ethanol-blended fuel programme, or paid remunerative tariff for cogeneration power.

**UP may announce SAP**

It has also levied VAT on sugar making local industries uncompetitive and constraining their ability to make sugarcane payments, he said.

**Our Bengaluru bureau adds:** Meanwhile, Uttar Pradesh – the second largest sugar producing State in the country, is likely to announce the State-advised price (SAP) for the 2015-16 season, on Tuesday.

The SAP announcement has been delayed this year on account of the code of conduct during the recently held panchayat elections.

The expectation among the sugar industry circle is that the Akhilesh Yadav government is likely to keep the SAP unchanged at ₹ 280 a quintal for the 2015-16 season. The UP government has maintained the SAP at ₹ 280 a quintal for the past three sugar seasons, since 2012-13. At present, mills in UP have been paying the FRP of ₹ 230 per quintal for the farmers in the current 2015-16 season, sources said.

(This article was published on January 11, 2016)

## Kochi tea auctions see better demand, active participation amid low arrivals

Active participation from upcountry buyers witnessed

**KOCHI, JANUARY 11:**

Amidst low arrivals in all categories, the Kochi auctions witnessed better demand, with active blenders' participation on good liquoring varieties.

In sale no. 2, the quantity on offer was 9,49,000 kg in CTC dust, which was low compared to last week.

The market for high-priced teas witnessed some resistance and declined when the sale opened. But later, it became steady and at times appreciated in value as the sale progressed. Medium and plainer varieties were firm to dearer by ₹ 3 to ₹ 5 and sometimes more. There was active participation from upcountry buyers, the auctioneers Forbes, Ewart & Figgis said. With good demand, the quantity on offer in orthodox grades was 13,500 kg. The market for primary grades remained steady. In Cochin CTC dust quotation, good grades fetched ₹ 105-162, medium quoted ₹ 90-130, and plain stood at ₹ 77-94. In leaf varieties, the quantity on offer in orthodox was 134,000 kg. The market for select best Nilgiri brokens, whole leaf and Fannings was firm to dearer.

However the demand was better in CTC with only 48,000 kg was on offer. All varieties were dearer by ₹ 2 to ₹ 4, and sometimes more.

In the dust category, Pasuparai SFD quoted the best prices of ₹ 164, followed by Monica SFD at ₹ 162.

In leaf grades, Chamraj OP-Delight Green tea fetched the best prices of ₹ 420, followed by P’s Woodlands Hyson Green tea at ₹ 301.

(This article was published on January 11, 2016)

## Spot pepper prices down

**KOCHI, JANUARY 11:**
Spot pepper prices slipped on Monday on selling pressure.

Release of pepper held in the exchange warehouses for over two years of late, in good quantities, has created a bearish sentiment in the market which, in turn, has reportedly pulled the spot prices and the running contract on the futures market down, trade sources told *BusinessLine*.

Such a scenario has emerged at a time when the supply of new pepper continued to remain squeezed, they said.

Kochi-based inter-State dealers were reported to have bought 100 tonnes of exchange released material last week. It is claimed to be offered at ₹ 645 a kg now and that phenomenon is attributed to the fall in January contract price, they said.

On the terminal market 14 tonnes of new pepper arrived and that were traded at ₹ 625-635 a kg.

Spot prices fell by ₹ 200 a quintal to close at ₹ 63,000 (ungarbled) and ₹ 66,000 (garbled) a quintal.

January contract on the IPSTA platform dropped by ₹ 1,000 a quintal to close at ₹ 66,000 a quintal, while other contracts remained unchanged.
(This article was published on January 11, 2016)

## Kerala to host 5-day seed festival

**KOCHI, JANUARY 11:**

A five-day seed festival, aimed to celebrate seeds that feed humankind, revive interest in conserving seeds and preserving the traditional farming practices among the farmers, will be held at Karuvanchal in Kerala's Kannur district from January 22.

This is the fifth annual seed festival, conducted by Fair Trade Alliance Kerala (FTAK), a not-for-profit organisation. The festival is envisaged as a focused effort at displaying, exchanging, and preserving all sorts of seeds, planting materials, indigenous livestock, medicinal plants, and wild trees, FTAK says. The festival provides an opportunity for farmers to share and multiply traditional varieties of seeds.

"It brings together farmers, environmentalists, activists, artists, musicians and everybody in-between to celebrate the magic of seed," an FTAK statement says.

The first seed festival, held in 2010, aimed to offer local market access to the growing number of organic farmers in Kerala at a time when the agrarian market was hit by price fluctuations, along with low yields and climatic challenges.

Over the years, organic farming has spread across the State. About 5,000 farming families will be part of the festival, which the organisers claim will be the largest indigenous seed preservation effort in the Western Ghats.

A Seed Swaraj Yatra – with the message of trade justice, farmers' rights over seeds, and protection and preservation of indigenous varieties of seeds – was held as part of the run-up to the festival.

(This article was published on January 11, 2016)

## Dry conditions over the North-West to continue

**THIRUVANANTHAPURAM, JANUARY 11:**

The rather dry winter over North-West and adjoining Central India will continue to hold for the next fortnight, ending Republic Day.

According to an India Met Department update, isolated thundershowers are likely across Jammu and Kashmir, Punjab, and Rajasthan on Monday.

The weather will perk up a bit on Tuesday, bringing scattered showers over Jammu and Kashmir, while it will be isolated over Himachal Pradesh, Punjab, West and East Rajasthan.

On Wednesday, however, the weather is likely to quieten down, bringing isolated showers over Jammu and Kashmir, as well as over Chandigarh, Delhi, East Rajasthan and North-East India.

Meanwhile, a western disturbance parked outside the international border brought dense to very dense fog conditions over North-West Rajasthan, Punjab, Haryana, Chandigarh, Delhi, and East and North-East India during the 24 hours ending Monday morning. Western disturbances are the main weather-generating atmospheric phenomena during the winter, but have been largely indifferent this season.

They have not been able to penetrate the southern latitudes (including the North Arabian Sea and the adjoining West and West-Central India), which would help it load itself with moisture.

Normally, western disturbances dump their moisture as snow in the higher reaches of North-West India and thundershowers in the plains.

There has also been a marked decrease in the number of days on which fog-to-dense fog-to-very dense fog conditions rule the roost in North-West India for a month from mid-December.

**El Nino impact**

Weather experts see the freak winter resulting from the year 2015 El Nino, reputedly one of the most disruptive in the last 50 years.

Meanwhile, parts of East-Central India – Odisha, Telangana, Vidarbha, Chhattisgarh and North-East India – may witness rain from January 16.

(This article was published on January 11, 2016)

## Palm oil futures to correct lower, then move higher

**January 11, 2016:**

Malaysian palm oil futures on BMD ended sharply lower Monday, despite supportive government data, weighed down by plunging crude oil prices and volatile global financial markets. Data from the Malaysian Palm Oil Board, which was released after the market paused for the midday break, showed a 1.1 per cent fall in December exports. Palm oil inventories in Malaysia dropped to, its lowest level since February 2015, as the dry weather effects of the El Nino kicked in.

CPO active month March futures moved perfectly in line with our expectations.

As mentioned earlier, more declines towards 2,405 MYR/tonne followed by 2,385 levels look likely. As of now some support is noticed around 2,375-85 levels. Failure to find support here could accelerate the decline even further.

Though the decline could continue further, the trend still remains bullish and our favoured view expects support levels at 2,385 followed by 2,360-65 could still hold and prices could once again attempt to rise higher. Only an unexpected decline below 2,340 could hint that the expected rise above 2,500-10 might not materialise.

Such a decline could open the downside again targeting 2,300-20 levels or even lower. Favoured view expects a corrective decline to supports mentioned above and then prices to rise higher again.

We will now reassess the wave counts, as prices have crossed over above 2,370-2,400 . A possible new impulse looks to have started again. One of our targets at 1,850 was met. The rally from there looks very impressive. The current move could push higher towards 2,645 initially and then it could correct lower in a corrective pattern towards 2,310 or even lower to 2,250 , and then subsequently rise towards a medium to long-term target at 2,900 , which could bring this current impulse to an end. But, this is clearly a medium to long-term expectation and not to be mistaken for a short-term view. Any dips could prove to be opportunity to participate in the upcoming uptrend. RSI is in the neutral zone now indicating that it is neither overbought nor oversold.

As mentioned in the earlier update, the averages in MACD are above the zero line of the indicator hinting a bullish trend to be intact. Only a crossover again below the zero line could hint at a reversal in trend to bearish.

Therefore, look for palm oil futures to correct lower initially and then move higher again.

Supports are at MYR 2,375, 2,345 & 2,305 Resistances are at MYR 2,455, 2,495 & 2,510.

*The writer is the Director of Commtrendz Research.There is risk of loss in trading.*

(This article was published on January 11, 2016)

## NCDEX cotton contracts gain

**MUMBAI, JANUARY 11:**

The cotton contract on National Commodity and Derivatives Exchange registered trade of 4,093 lots (one lot equals 25 bales) valued at ₹ 170 crore so far in January with cotton arrivals picking up slowly. In December, the exchange facilitated trade of 6,482 lots valued at ₹ 267 crore, with average daily open interest of 389 lots. Samir Shah, Managing Director, Ncdex said the exchange would continue to strengthen the product basket to bring increased efficiencies in risk management for clients.

(This article was published on January 11, 2016)

## Downtrend in soy oil, soybean

**INDORE, JANUARY 11:**

Downtrend continued in soy oil and soybean on weak global cues and slack demand in soy meal with soy refined today in local mandis today declining to Rs. 610-Rs 612 (down Rs. 13 from last week). Similarly soy solvent also declined to Rs. 585-Rs 590 (down Rs. 15 from last week) on scattered and slack buying support. Besides weak demand in soy meal both in the domestic and export market, sluggish trend in Malasiyan palm oil has also added to bearish sentiment in soy oil, said Mr Suresh Agrawal, a local soy oil trader talking to the Business Line. Slack physical demand also dragged soybean in Indore mandis on Monday to Rs. 3,700 (down Rs. 100 from last week)..

In futures soybean traded low on weak global cues and buying support with soybean's January and February contracts on the NCEDX today closing at Rs. 3,596 (down Rs. 34) and Rs. 3,723 (down Rs. 24). Plant deliveries of soybean today were also quoted lower at Rs. 3,750 (down Rs. 50 from last week) on weak demand in soy oil.

Given weak demand in soy DOC both in the export and domestic market, rally in soybean and soy oil appears unlikely in the coming days. According to Soybean Processors Association of India, (SOPA), export of Soybean meal during December, 2015 was pegged at 5,667 tons as compared to 1,94,012 tons in December, 2014 showing a decrease of 97% over the same period of last year. Soy DOC also traded lower at Rs. 32,600-Rs 33,000 a quintal on sluggish demand and buying support in soy meal.

(This article was published on January 11, 2016)

## Cotton shrinks on weak demand

**RAJKOT, JANUARY 11:**

Cotton price moved down on the back of weak export demand as well as slow buying from mills. Moreover, weak international markets supported the domestic price to go down. Gujarat Sankar-6 cotton was traded down by ₹ 100 to ₹ 33,600-33,800 per candy of 356 kg. About 40,000 bales of cotton arrived in Gujarat and 1.40 lakh bales arrived in India. As cotton demand decreased, buying for kapas or raw cotton declined from ginners. Kapas was quoted down by ₹ 10 to ₹ 950-960 per 20 kg and gin delivery kapas stood at ₹ 960-970 per 20 kg. Cotton seed moved down by ₹ 5 to ₹ 460-465 per 20 kg.

(This article was published on January 11, 2016)

## Cardamom gains on good buying support

**KOCHI, JANUARY 11:**

The cardamom prices gained last week on good buying support at auctions held in Kerala and Tamil Nadu.

Arrivals moved up last week. However, the demand said to have improved because of “Pongal” and “Makar Sankranti” purchases, trade sources claimed.

Normally, the markets used to pick up after the Pongal holidays, but contrary to it, it showed some improvement last week because teh prices were ruling at lower levels, Mr P C Punnoose, General Manager, CPMC told Business Line. “The market sentiment has changed”, he said.

Exporters were buying as the prices of exportable grade material continued to stay at affordable levels, they said.

They reported to have bought an estimated 80 tonnes of cardamom last week.

Arrivals last week moved up to 760 tonnes from 703 tonnes during the previous week.

The individual auction average increased and was vacillating between Rs580-Rs620 a kg.

At today's Cardamom Planters' Association (CPA) auction in Bodinayakannur, arrivals increased to 65.9 tonnes from 59.4 tonnes the previous Monday and of this 61.7 tonnes were sold. The auction average moved up to Rs. 576.99 a kg from 567.56 a kg.

Total arrivals during the season up to January 09, 2016 were at around 17,288 tonnes and sales were at 16,775 tonnes.

The individual auction average as on January 09, 2016 was at Rs621.75 a kg.

Prices of graded varieties improved in the open market in main trading hub for the commodity in the country, Bodinayakannur, on Monday and they were in Rs/Kg: 8mm bold good green colour 950- 960; 8mm 840-900; 7-8mm 740; 6mm -7mm 630; below 6 mm: 560-570.

Good colour bulk was was being traded at Rs640-650 a kg, trade sources in Bodinayakannur said.

The weather conditions in the growing regions continued to remain favourable with good sun shine. e.o.m

(This article was published on January 11, 2016)

Business Standard

**Govt's rice procurement may exceed 32 mn tons this year**

According to a Food Ministry official, overall rice procurement in 2015-16 will surpass last year's level

Government's rice procurement may surpass last year's level of 32 million tonnes in the 2015-16 marketing year despite prospect of lower production due to deficient monsoon.

As per the latest data, rice procurement has risen by 31% to 20 MT so far in the 2015-16 marketing year that started from October, from 15.29 MT in the year-ago period.

The Centre's nodal procurement agency Food Corporation of India (FCI) and state government-owned agencies undertake procurement operations. The Centre has kept a rice procurement target of 30 MT for the this year.

"Despite the Agriculture Ministry's first estimate of lower production, somehow rice procurement has been higher so far in most states. If the current trend continues, the overall rice procurement in 2015-16 would surpass last year's level," a senior Food Ministry official told PTI.

Higher rice procurement was mainly due to fall in prices of common variety in most mandis after basmati rice rates declined sharply, the official said.

At present, procurement has been completed in Punjab and Haryana, while the operations are in full swing in Uttar Pradesh, Chattisgarh, Andhra Pradesh and Telangana.

Winter rice will be procured from Andhra Pradesh, West Bengal, Telangana and Odisha.

As per the latest data, rice procurement in Punjab rose to 9.34 MT in 2015-16 from 7.78 MT in the last year. Similarly, rice purchase in Haryana increased to 2.85 MT from 2.01 MT in the review period.

Rice procurement in Andhra Pradesh has more doubled to 1.2 MT so far this year as against 5,58,573 tonnes in the year-ago period, while neighbouring Telangana state procured only 9,07,180 tonnes as against 1.28 MT in the said period.

In Chattishgarh, the procurement was up at 2.53 MT from 1.56 MT, while in Uttar Pradesh the purchases rose to 1 MT from 6,05,000 tonnes in the said period, the data showed.

Rice procurement in Odisha increased to 7,36,945 tonnes so far this year from 1,59,793 tonnes in the year-ago period.

In its first estimate, the Agriculture Ministry has projected a fall in kharif rice production to 90.61 MT in the 2015-16 crop year (July-June) from 90.86 MT in the year-ago period due to 14% fall in monsoon rains.

The agencies buy paddy from the farmers and give to millers for conversion into rice. The government has fixed the minimum support price of common variety of paddy at Rs 1,410 per quintal for 2015-16 kharif season.

DECCAN Chronicle

**Hyderabad: Poll code to stall horticulture show**

*This show is going on for the last 15 years.*

The exhibition is held for five days every year. (Representational Image)

**Hyderabad:** The Horticulture Exhibition organised annually in the city from January 26 will not be held this time. The Telangana government has said the election code of conduct came in the way. The exhibition is held for five days every year.

Horticulture nurseries, plant lovers and farmers who come from far and near for seeds and saplings are disappointed. Praveen Satarthy of Grow More Foods Nursery explained, “This show is going on for the last 15 years. Why is the government not conducting it after elections, if not before? In the united AP, the exhibition used to have 300 stalls. This number got reduced to 160 stalls after the bifurcation. Last year, we had only 90 stalls.” It appears the government has not put in any effort to organise the show. It would involve coordination with horticulture firms and several allied agencies. S Mohan of Ganga Nursery said, “Every year we had two exhibitions, one on January 26 and the other on August 15. In the last two years, we were having only one on January 26. Now the government wants to even do away with this too.”The preparations for the exhibition start from October, when thousands of saplings of flowering plants, vegetables, fruits and other varieties are readied. They are grown in grow bags and pots for showcasing purpose. Horticulture commissioner Venkat Ram Reddy refused to comment.