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THE HINDU

Rain brings cheer to paddy growers

Widespread rain in most parts of Punjab and Haryana, the key grain-producing States, is likely to boost paddy sowing and increase the acreage beyond last year's level, experts and officials said on Monday.

Moderate to heavy rain that lashed many places of Punjab and Haryana in the last two days has brought cheer to farmers, particularly paddy growers.

“This spell of rain will boost paddy sowing and recharge the groundwater table,” said K.K. Singh, chief of the India Meteorological Department's agricultural meteorology division. The dip in temperature because of the rain would also cut water loss, he said.

The rain has eased the worries of farmers in both States, which contribute significantly to India's central pool of rice. “The monsoon showers have been really beneficial to rice cultivation. It will help cut the cost of irrigation, besides boosting the sowing and bringing more areas under paddy,” Punjab State Farmers Commission Adviser P.S. Ranghi told *The Hindu* .

But the area under aromatic long-grained basmati varieties is likely to fall this year in both States as farmers suffered huge losses last year due to low prices.

“These farmers could shift to the non-basmati rice,” Mr. Ranghi said.

Acreage may go up

Jasbir Singh Bains, Director of the Punjab Agriculture Department, said: “The area under paddy could surpass 30 lakh hectares this kharif season against the 29.75 lakh hectares last year, if the weather continues to be conducive.”

“Already non-basmati varieties have been planted on nearly 24 lakh hectares in Punjab. The area under basmati rice is around five lakh hectares, as against eight lakh hectares last year. The rain is much needed for common as well as basmati rice varieties,” he said.

In Haryana, paddy was planted on nearly 3.04 lakh hectares by June 27.

Farmers in Punjab & Haryana contribute significantly to the country's central

pool of rice

Agency to certify seed produced in 4 States

Joint Secretary in the Union Ministry of Agriculture and Cooperation Rajesh Kumar Singh has said certification of seed by the Organisation for Economic Cooperation Development (OECD) will improve export of seed from the country by a large extent.

Speaking at a meeting on seed certification for exports to OECD countries here on Monday, he said seed companies would get opportunities to enhance their trade at international level and the extent of such crops would also grow locally.

He asked the State governments to make efforts to get International Seed Testing Association (ISTA) certification labs for getting membership in the OECD and other international bodies so that seed produced in the State could be exported.

Stating that Telangana was fortunate enough to have most suitable weather conditions for production of seed, Mr. Singh said the ISTA would conduct its conference in Hyderabad in 2019. Minister P. Srinivas Reddy said there were about 400 seed companies in the State producing about 60 per cent of the seed required for needs in the country.

The seed production activity was providing direct employment to 17,000 people and another 2 lakh farmers were participating in the seed production activity. Secretary (Agriculture) C. Parthasarathi stated that the Telangana State Seed Certification Agency had been appointed as the OECD seed certifying authority for Telangana, AP, Chhattisgarh and Odisha States. Seed companies in the State were producing quality seed of paddy, maize, sorghum, vegetables and fodder crops. Certification of seed by OECD would help seed companies promote their seed in 60 OECD members countries, he noted.

It is to be exported to 60 countries of the Organisation for Economic Cooperation Development

Paddy cultivation declining drastically in Malnad region

One reason: prevailing rate for paddy is not a match to the cost of production

DROP IN PADDY CULTIVATION	
Total paddy area in 2005-06	14.85 lakh ha
Paddy area in 2014-15	13.27 lakh ha
Decline in 10 years in districts (in ha)	
Uttara Kannada	13,802
Udupi	13,216
Shivammoga	11,725
Chikkamagaluru	4,496
Hassan	4,460
Kodagu	4,346
Dakshina Kannada	4,280

There was a time when any visitor to Malnad would be greeted by lush green paddy fields. This green expanse has seen a drastic decline over the years in a region where the growers are dependent on rain.

According to an estimate, the area covered by paddy has come down by 1.59 lakh hectares since 2005-06 in the State. A sizeable majority of farmers who gave up paddy cultivations are in the Malnad region. This was revealed by a

study done by the State Agriculture Prices Commission, which looked into data from 2005-06 to 2014-15.

“The decline is primarily in Hassan, Chikkamagaluru, Kodagu, Shivamogga, Uttara Kannada, Dakshina Kannada and Udupi districts. This is a serious issue, and needs to be addressed,” said T.N. Prakash Kammaradi, chairman of the commission.

The declining trend is continuing this year too. The Agriculture Department, for the present kharif season, had set a target of paddy cultivation in 10.56 lakh hectares. However, by the end of June this year, paddy cultivation had touched 1.38 lakh hectares, while in the same period last year it was 1.42 lakh ha.

The department had set a target of 21,700 ha of paddy cultivation in Hassan district. So far, the area covered is only 200 ha, whereas in the corresponding period last year, paddy covered 865 ha. Similarly, in Chikkamagaluru district, the target set for paddy is 41,000 ha for this year. Comparing the coverage achieved by the end of June last year, the progress this year is less by 10 per cent.

Reasons for decline

In the rain-fed areas, the yield is less compared to irrigated areas. “The yield in rain-fed areas is roughly seven to eight quintals per acre. But the cost of production is Rs. 28,000 per acre. The prevailing rate for paddy is not a match to the cost of production,” said Dr. Kammaradi. Considering the present support price for paddy i.e., Rs. 1,510, even if a farmer gets an yield of 10 quintals per acre, he or she will get a little over Rs.15,000, while the cost of production is over Rs. 28,000.

The price commission has estimated that the major component of the production cost is spent on labour.

These factors have forced the growers to shift to other crops, particularly commercial crops. M.C. Seetha, Joint Director of Agriculture in Chikkamagaluru, said the farmers in Malnad region have shifted to crops such as coffee, pepper, areca and others, where they get more income.

Raje Gowda of Belur taluk is one such farmer. “We have to spend a lot to get little in return for paddy,” he said.

The paddy growers of irrigated areas in Raichur, Koppal and others have been doing well as they get good yield (up to 25 quintal an acre).

Wanted: package for paddy growers

The Karnataka State Agriculture Prices Commission has suggested certain measures, including “Kerala-model” package to encourage paddy cultivation. In Kerala, farmers are provided with machines and other benefits to take up paddy cultivation.

“The paddy grown in rain-fed areas is de-facto organic and has greater demand. We need to encourage cultivation in rain-fed areas through mechanisation,” said Commission Chairperson T.N. Prakash Kammaradi.

TNAU general counselling begins in Coimbatore



Minister for Agriculture R. Doraikannu (second right) handing over the admission letters to the students on the first day of general counselling at Tamil Nadu Agricultural University in the city on Monday.- Photo:S. Siva Saravanan

Three girl students from Erode and Tirupur districts secured seats on the first day of general counselling for admissions to Tamil Nadu Agricultural University (TNAU) on Monday.

Mohana of Erode with a cut off of 198.50 came first and she selected an undergraduate course in Food Processing.

Kalaipriya of Erode with a cut off of 198.25 and Thenmozhi of Tirupur district with a cut off of 198 opted for BSc Agriculture.

Pro-chancellor and Minister for Agriculture R. Doraikannu handed over the admission letters in the presence of Vice-Chancellor K. Ramasamy.

TNAU has 13 courses offering bachelors degree in science and technology and the total of number of seats was 2,660 for which a total of 36,280 applications were received.

The rank list was published on June 20 and counselling was held for 27 candidates on June 26.

For the general category, counselling commenced on July 4 and would go on till July 10.

On the first day, call letters were given to as many as 1084 applicants.

Turning banana farm waste into income



Nowhere to dump: Approximately 30 tonnes of waste is generated per acre in one crop season from banana stem alone.— file photo

Banana growers in Mysuru can now use waste generated in banana plantations to make additional income.

Approximately 30 tonnes of waste is generated per acre in one crop season from banana stem alone. This has become a worrying factor for growers in villages around Nanjangud, especially at Hadinaru village, who had the task of finding a

way to dump such large amounts of waste. Students of the Academy of Scientific Innovative Research at the Mysuru-based Central Food Technological Research Institute (CFTRI) have now come to their aid and developed a model that gives commercial value to waste.

Waste to wealth

Under CSIR-CFTRI's proposed WMM (Waste to Wealth) model, the waste generated can be used for fibre extraction and stem juice production, using technologies developed by CFTRI over the years, and for vermicomposting.

Fibre extracted from banana stem can be blended easily with cotton fibre or other synthetic fibres to produce blended fabric and textiles. It is mainly used by the cottage industry in South India at present.

Banana fibre also finds use in high-quality security/currency paper, packing cloth for agriculture produce, ship-towing ropes, wet drilling cables, etc.

The juice extracted from stem has many medicinal benefits. The model is expected to give substantial income with little capital investment, said CFTRI Director Ram Rajashekar.

Demonstration

Two tonnes of banana stem waste was brought from the fields to the CFTRI lab recently, and fibre extraction, stem juice production and bio-compost preparation were demonstrated to farmers, buyers, processors, officials of NABARD, and technologists from CSIR-CFTRI. Prof. Rajasekharan said scientists at the institute are working on a road map to make a sports beverage from banana stem juice.

Crop pattern changes in Raichur, Koppal districts

The crop pattern along the Tungabhadra Left Bank Canal (TLBC) that irrigates around 6 lakh acres in Koppal and Raichur districts has changed over the last decade. Earlier, the whole chunk of the irrigated belt grew paddy. Owing to growing scarcity of water, farmers at the tail-end sections such as parts of Manvi and Raichur taluks have now switched to alternative crops such as red gram, cotton and chilli that require less water.

On the other hand, the area under paddy cultivation has expanded in Karatagi, Munirabad, and Gangavati areas in Koppal district, and Sindhanur taluk in Raichur district.

Around 1.75 lakh acres of rain-fed lands along these areas are estimated to have been converted into irrigation lands by “illegally” using TLBC water to grow paddy. “Illegal drawing of water at the upper reaches of TLBC, particularly in Gangavati taluk, for irrigating unauthorised lands has deprived the farmers at the lower reaches, particularly in Manvi and Raichur taluks in Raichur district, of their legitimate share of water for their authorised lands,” said Chamarasa Malipatil, the State president of Karnataka Rajya Raitha Sangha.

D. Veeranagowda, leader of the Karnataka Prantha Raitha Sangha, said the organisation plans to mobilise farmers from TLBC tail-end areas in Manvi on July 14 in a rally for pressurising the government to address the issue on a priority basis. “Bending to pressure from political leaders and mighty landlords at the upper reaches, the officials of the Water Resources Department do not take action against the water theft,” he said.

Procure all milk produced: farmers

Members members of the milk cooperative society functioning in Olakkasinnanur village near Sankagiri, have urged the society to procure the entire quantity of milk being supplied by them.

The society, attached to Salem District Milk Producers Union, accounted for 70 members. In the past the members supplied about 1,200 litres of milk to the society every day. At present, only 500 litres of milk is being procured by the society and the rest of the milk supplied is being returned to the farmers, the farmers led by R. Subramanian said in a petition presented to C. Paul Princely Rajkumar, Revenue Divisional Officer, Sankagiri, recently.

The farmers have purchased the milch animals by fetching loans and the refusal of the society to procure the entire milk is causing big financial loss to the farmers, the petition said. Mr. Paul Princely Rajkumar assured to forward the petition to the General Manager of the Salem Aavin for favourable consideration.

Maharashtra: State government shifts focus from water projects to water management

To bring in 4 new policies for effective management to prevent, fight drought.

The state government is set to bring four new policies for effective water management and boost irrigation potential in the state. The draft proposal will be placed before the cabinet for formal discussion and consent.

The policies are reuse and recycle of sewage water; sectoral allocation of water; integrated use of micro-irrigation and maintenance of irrigation projects. It emphasises on interlinking projects for optimising use of available water for maximum irrigation.

While reckoning that total ban on new industrial units cannot be an option as it would retard development, it emphasises on making mandatory recycling of treated sewage water thus making it compulsory for all the 27 municipal corporations and 350 councils to install sewage treatment plants. There is also a provision to allow these local bodies to sell treated water to the industrial sector to earn revenue.

A senior officer said, “The real objective of these policies is to focus on better management and allocation of water. If we make treatment of sewage water successful in industrial sector, it would reduce water crisis by 25 to 30 per cent.”

Simultaneously, it proposes desilting of water tanks and rivers. “On an experimental basis, we will invite free tenders. Those engaged in desilting can take away the soil which has immense fertility and could be used in agriculture.

Another aspect is related to segregation of sand from the soil. The sand, which is high quality, can be used for construction purposes,” said the official.

Sources said, “If we build a three TMC dam, it will cost us Rs 500 crore. Through desilting we can free of cost create three TMC water.”

Another aspect of the policy is to have a separate budget for maintenance of irrigation projects. The Rs 850 crore sourced by the revenue ministry from water taxes should be used for irrigation projects, repairs and maintenance, it suggests.

Under sectoral water allocation, the draft proposes determining priority, along with quantity of water to be released from every dam. It calls for guidelines to avoid region-wise conflicts during drought.



Rain, strike push up prices of veggies, fruits

Citizens are having a hard time, as vegetables and fruits are being sold at almost double the wholesale rates. While tomatoes were priced at Rs18-32 a kg in the wholesale market, retailers sold it for Rs80-100 a kg.

Vegetables such as carrot, cucumber, lady’s finger and cabbage are sold for Rs60-80 in the retail market, compared to the Rs5-20 a kg in the wholesale market till Saturday.

Retailers blame steep pricing on the shortage of supply owing to the rain and the traders’ strike at the Agricultural Produce Market Committee (APMC), Vashi.

Vegetable, onion, fruits traders and mathadi workers called for a day-long strike on Monday to object to the delisting of their produce from the APMC Act.

At present, all produce has to first come to the APMC market, where the retailers make their purchases through the brokers in the market.

Traders claim allowing the farmers to sell their produce through outlets other than the APMCs will affect their business.

Hundreds of mathadis and traders from all over the state gathered at APMC Vashi on Monday and resolved to fight the decision.

MLA Shashikant Shinde, working president of Maharashtra Rajya Mathadi Transport and General Kamgar Union, said, “We welcome the open market policy for the farmers. It is not the farmers, but online shopping companies who will benefit.”

“The state government should remain firm on its decision and set up infrastructure to facilitate farmers,” said Shirish Deshpande, chairman, Mumbai Grahak Panchayat.

Consumer activists demanded action against agitators under the Maharashtra Essential Services and Maintenance (MESMA) Act.

Ashok Walunj, a trader of onions and potatoes and ex-APMC director, said, “The government is allowing direct sale in open market, but do they have the requisite infrastructure to store such a huge quantity of produce.”

“We are ready to provide direct supply to urban areas, provided we are given a fixed space at least once a week,” said Vikas Bhalerao, marketing manager of Junnar Taluka farmer-producer company.

Dr Kishore Toshniwal, director, marketing, Maharashtra, said, “We are not considering MESMA.”

THE HINDU BusinessLine

Monsoon a breath away from extending reach over entire country

Northern Gujarat and contiguous south-west Rajasthan are the only geographical regions left to be covered by the monsoon as a low-pressure area parked over South Bihar spearheaded seasonal rains in the north of the country.

In fact, the India Met Department said on Monday that this ‘low’ could intensify a round, which points to the overall strength of the monsoon over the northern half of the country.

Exceptional case

Under normal conditions, low-pressure areas gain incremental strength while based over the seaways. It is only under exceptional circumstances, for instance a vigorous monsoon that they intensify over land.

The monsoon had reached Delhi on July 2, only two days after its normal schedule. Given the current expansive phase, it may cover the rest of the landscape well before the July-15 normal.

The only worrisome feature is the continued languid performance of the Arabian Sea arm of the monsoon. As has happened a few times earlier during this season, this arm has come stuck over the Dwarka-Surendernagar in Gujarat while the Bay of Bengal arm has pushed in to Jodhpur-Phalodi in Rajasthan.

It is only a small arc that separates Dwarka-Surendernagar and Jodhpur-Phalodi that is left to be covered by the monsoon.

Pacific typhoon

According to the European Centre for Medium-Range Weather Forecasts, the existing ‘low’ would move south-southwest towards Madhya Pradesh and would be active for another three days.

The agency suspects that it could intensify another round, and bring pouring rain all over Central India and Gujarat as it keep moving in a more or less westwardly direction.

During this phase, the Indian monsoon system would have also to contend with a typhoon (cyclone) taking shape in North-west Pacific to the south-east of China.

Since the same monsoon flows go to feed the ‘low’ over India and the typhoon in the Pacific, the latter one, thanks to its sheer strength, could take away some of the flows that would have otherwise been headed towards India.

Net result is that the Bay of Bengal could briefly slump into inactivity and the next 'low' may take longer than expected to materialise. The Arabian Sea would briefly take over the baton from the Bay, heralding another wet phase to Konkan-Mumbai-South Gujarat.

Heavy rain

According to the US Climate Prediction Centre, July 3-9 would witness heavy to very showers across Central India and West India including over south Bihar, Jharkhand, south Uttar Pradesh, Madhya Pradesh, south Gujarat, Konkan-Mumbai and coastal Karnataka.

Heavy rain is also indicated for east Rajasthan, Chhattisgarh, Odisha, Gangetic West Bengal, and the North-Eastern States. During this phase, the monsoon would have extended its cover over the whole country.

The week that follows (July 10-16) will see the West Coast receiving good showers while the monsoon would continue to be active over North India – over a swathe of region from Odisha, Chhattisgarh, east Madhya Pradesh, east Rajasthan, west Uttar Pradesh, Delhi, Haryana, Himachal Pradesh, Punjab and north Rajasthan.

Teas remain unsold at Kochi sale as buyers abstain from trade

For the first time in the history of Kochi auctions, 100 per cent of tea on offer in leaf sales remained unsold on Monday, as buyers abstained from trading.

“The quantity sold was virtually nil against the offer of 2,79,450 kg, as all the members stayed away from the auction in sale no 27,” highly placed sources in the tea trade told *BusinessLine*.

The non-participation of tea buyers — large, medium and small — comes in the wake of the protest led by Tea Buyers Association on certain unfavourable conditions in the newly introduced pan-India tea auctions.

In normal business transactions, there would be a sale of around 80-85 per cent. There are about 190 active members in the association and majority constitutes small and medium buyers, the sources added.

Initially, the auction on leaf sale has been proposed on Thursday (July 7), but was advanced to Monday because of Ramzan. As the ongoing issue vis-à-vis pan-India auction is going out of proportion, the sources said that the dust sale, proposed to be held on Thursday, would likely to be affected unless any policy changes on pan-India auctions happens. As many as 10,90,211 kg was on offer in dust sales.

The lower participation of tea traders had affected Kochi auctions right from the sale no 25, with only 715 lots of dust grades getting sold out of the 1,743 offered lots. Quoting figures, the sources said that the sold quantity in leaf varieties was only 399 lots against 838 lots offered. Subsequently, the sale no 26 also witnessed poor deal with only 529 lots was sold against 1,927 lots offered and in leaf grades, it was only 14 lots against 846 lots.

It may be recalled that Tea Buyers Association had alleged that some provisions in the pan India rules, especially with regard to division of lots, absence of any terms in splitting the lots and banning of proxy bidding is impacting several small and medium traders at Kochi auctions.

According to Dharmendra D Vora, the Association President, said the implementation of minimum lot size of 20 bags to be purchased by a single buyer would hinder purchasing/competing power of small and medium traders. It would result in the reduction of competition and more over, the small and medium buyers will be out of trade. The minimum lots size of purchase has been fixed arbitrarily without considering the ground realities prevailing in the Kochi centre.

Govt announces reduction in prices of DAP, MOP, NPK fertilisers

Will entail a benefit of Rs. 4,500 crore to farmers annually

In a bid to promote more balanced use of all varieties of fertilisers, the government has announced reduction in prices of key fertilisers such as Diammonium Phosphate (DAP), Muriate of Potash (MOP) and Nitrogen Phosphate and Potash composition (NPK).

Price of DAP has been reduced by Rs. 125 a bag of 50 kg (Rs 2,500 reduction per tonne), MOP reduced by Rs. 250 a bag of 50 kg (Rs 5,000 reduction per tonne) and NPK reduced on an average by Rs. 50 per 50 kg bag (Rs 1,000 reduction per tonne), Chemical and Fertiliser Minister Ananth Kumar said at a press conference on Monday.

"We are passing on the benefits of fall in global prices of input costs to farmers. The reduction will entail a benefit of Rs. 4500 crore for them," Kumar said adding that there won't be an increase in the subsidy bill.

Over the years, there has been a big shift towards use of urea as it is cheaper than the other varieties.

"This decision (of reducing prices of other varieties) will go in a big way in setting right the distorted fertilisation and move towards balanced fertilisation to improve fertility of soil," Kumar said.

Fall in meal exports, rising oil imports to impact soya acreage



Sowing has also been sluggish due to the monsoon delay

Insufficient government support to rein in cheap imports of soyabean oil, costly exports of oilmeal and delayed rains in growing regions may shrink soyabean acreage this year.

Even as sowing has just begun in many parts of the country, the area under soyabean last year (kharif 2015) was estimated at 110.656 lakh hectares, which may fall owing to lower returns from the crop.

“We had seen over 110 lakh hectares (lh) under soyabean. But the current scenario of cheap import of soyabean oils and costly exports of soyameal from India will adversely affect the prospects for the soyabean crop. We may end up losing some area under soyabean,” said Davish Jain, Chairman, Soyabean Processors Association in India (SOPA).

According to Jain, the export of soyameal in June 2016 stood at 17,934 tonnes as compared to 16,647 tonnes in June 2015, showing a marginal increase of 7.73 per cent over the same period last year.

However, in the three-month period from this April to June, exports fell by 61.74 per cent to 40,634 tonnes as compared to 106,209 tonnes in the same period last year.

Similarly, for the oil year (October-September), total exports till June stood at 226,404 tonnes (655,837 tonnes), SOPA data revealed.

With the monsoon delayed in growing regions, sowing has been sluggish in most parts. Jain further mentioned that the increase in oil imports coupled with the decline in the soyabean crop would prove counter-productive for the indigenous processing industry.

“In 2015, India imported about 3 million tonnes of soyabean oil, which is likely to be higher at 3.7 million tonnes in 2016. Also the cost of imports has fallen from the earlier \$1,280 per tonne to around \$750 in 2016. The Centre’s supports in terms of duty hikes have not served the desired purpose,” said Jain.

Jain anticipates India’s soyabean production to be at a record low at around 10 lakh tonnes, from around 17-18 lakh tonnes in 2011-12.

Japanese firm, TNAU in pact for mushroom cultivation

Yats Corporation, Japan, with the support of JICA (Japan International Cooperation Agency) is in the process of inking an agreement with the Tamil Nadu Agricultural University for upliftment of farmers engaged in mushroom cultivation.

A team from Japan visited the Farm Varsity here recently to understand the local condition and for transfer of technology in the cultivation of Shiitake mushroom.

The team, in the first place, initiated a feasibility survey to be followed by a verification survey of Shiitake mushroom in Coimbatore, Mettupalayam and Ooty.

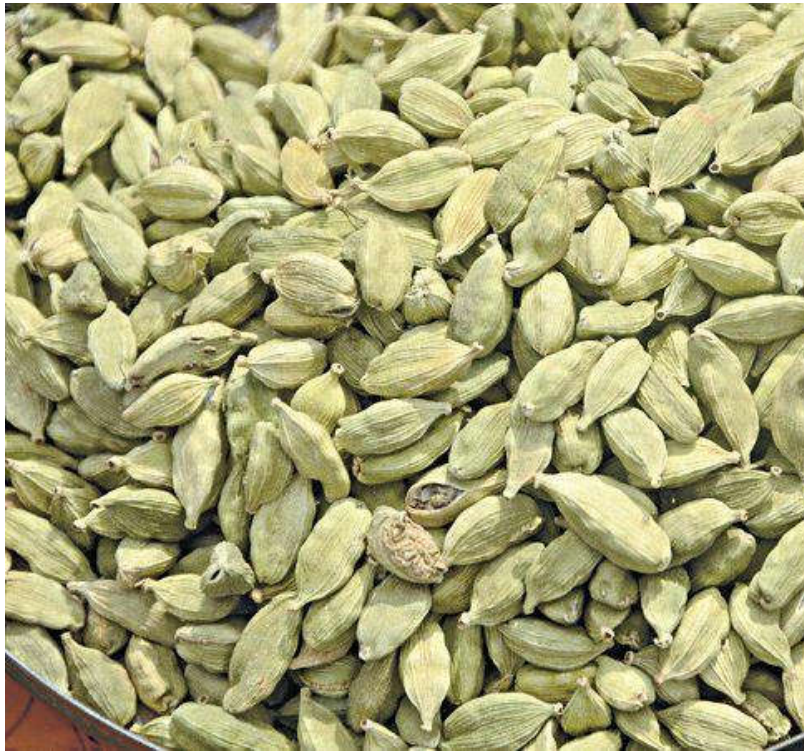
Once done, Yats Corporation would – with cooperation from TNAU – provide technological support like manufacture of sawdust blocks, incubation technology, growing of organic Shiitake mushrooms by supplying machines like auto clave, mixer and auto packaging.

Mushroom farmers say there is good demand for Shiitake mushroom in India, but the produce at present is being imported from Thailand, Korea and China.

The average cost of the imported dried Shiitake mushroom is said to hover at around 1,600/ kg.

“After taking up the production here, this programme will fall in line with the Centre’s make in India initiative, improve the economic conditions of Indian farmers and make quality food available to Indian consumers at almost one-fifth of the imported cost,” a TNAU source said.

Cardamom rules steady in sluggish activities



Small cardamom prices remained unchanged last week due to sluggishness in the markets at auctions held in Kerala and Tamil Nadu.

Both quality of the material and quantity have showed a decline and hence the prices remained steady, trade sources in Bodinayakannur told *BusinessLine*.

Export buying is over, while there was a slowdown in domestic buying also last week. As prices were showing an upsurge in recent days those who can afford to postpone have slowed down, PC Punnoose, General Manager, CPMC, said.

Arrivals have shown a substantial decline last week and yet the prices failed to move up, he said. At the Cardamom Planters' Association (CPA), Santhanpara auction held today in Bodinayakannur the average price has, however, moved up to 747.99 a kg from 729.85 the previous Monday following drop in arrivals, trade sources in Bodi said.

Today's arrivals were at 15.8 tonnes and of this 13.4 tonnes were sold. The maximum price was at 1,076 a kg. Total arrivals last week at auctions fell to 406 tonnes from 578 tonnes the previous week.

Exporters have reportedly bought an estimated 20 tonnes only. Good colour 8 mm bold capsules were fetching 1,150-1,200 a kg, he said. Good bulk was being traded at 725-750 a kg.

The individual auction average was steady and was vacillating between 730 and 802 last week, they said. Total arrivals during the season up to July 2 were at around 32,458 tonnes and sales were at 31,252 tonnes. The individual auction average stood at 625.71.

Prices in /kg: 8mm bold good colour 1,175; 7-8 mm 850-870; 6-7 mm 725 and below 6 mm: 625.

Sugar stable in silent trade



Activities in Vashi sugar market remained absent with no trading activities. However, sugar prices remained firm as producers sold the commodity at 10-20 a quintal higher on Saturday evening. *Naka* and spot rates were also expected to open higher. Arrivals and local dispatches were nil. At Vashi nominal spot

rates were: S-grade 3,600-80 and M-grade 3,690-3,830. *Naka* delivery rates: S-grade 3,600-50 and M-grade 3,650-3,750.

Mixed trend in turmeric



Spot turmeric prices remained unchanged, while that of futures showed a decline. “The price of the spice was flat on the spot despite losing 1.5 per cent in the futures suddenly,” said RKV Ravishankar, President, Erode Turmeric Merchants Association. He said only 3,500 bags arrived for sale including 5-7 bags of quality Salem hybrid turmeric bags which fetched more than 11,000 a quintal. But other varieties including local hybrid went for 9,000. Of the arrival of 3,500 bags, 70 per cent stocks were sold. At the Erode Turmeric Merchants Association, the finger variety went for 7,899-9,264 a quintal; the root variety 7,550-8,299. Out of 824 bags kept for sale, 538 were sold. *Our Correspondent*

Non-urea fertiliser prices slashed by up to 5,000/t

Farmers to get annual benefit of 4,500 cr; govt hopes for balance in fertiliser use

For the first time in 15 years, the Centre has slashed prices of Diammonium Phosphate (DAP), Muriate of Potash (MOP) and Nitrogen Phosphate & Potash composition (NPK). This is expected to reduce farmers' dependence on urea and promote use of other nutrient-based fertilisers.

The decision, which fertiliser makers such as RCF and NFL have agreed to implement with immediate effect, has been taken to pass on the benefits of the fall in global input prices to farmers, said Chemicals and Fertilisers Minister Ananth Kumar at a press meet on Monday.

The price of DAP has been reduced by 125 per bag of 50 kg (2,500 per tonne), MOP by 250 per bag of 50 kg (5,000 per tonne) and NPK by an average of 50 per 50 kg bag (1,000 per tonne).

While private sector fertiliser companies are not statutorily bound to follow the prices announced by the government, when public sector companies such as RCF and NFL do so, the entire industry will have to follow suit.

“An annual benefit of an estimated 4,500 crore is likely to accrue to farmers on account of the price decrease,” the Minister said, adding that it would not increase the subsidy bill since it is just a passing on of the benefits of input price declines by companies to farmers.

Meeting with industry

The Minister said that officials from the Department of Fertilisers will hold six-monthly meetings with the industry to ensure that companies manufacturing MOP, DAP and NPK fertilisers pass on the benefits to farmers. The announcement is in line with the Department's attempts to bring balance in fertiliser use, which has tilted towards urea over the last few years, Kumar said.

Urea overuse

The nitrogen, phosphorous, potash ratio in NPK should ideally be 4:2:1 but has deteriorated to 8.2:4:1. This has happened because urea (a nitrogenous fertiliser) is the only fertiliser that is sold at a statutory notified uniform sale price and is consequently cheaper than other fertilisers.

“This decision (reducing prices of fertilisers other than urea) will go in a big way in setting right distorted fertilisation and help farmers move towards balanced fertilisation to improve the fertility of soil,” Kumar said.

FAO, OECD see food commodity prices remaining stable for the next decade



Joint report cites slowing population increases, moderate economic growth as reasons

Higher agricultural productivity and slightly larger crop areas in the coming decade will cover rises in food demand, leading to stable prices and a period of more restrained agricultural markets, the FAO and OECD said on Monday.

In their annual Agricultural Outlook report, the Food and Agriculture Organisation and the Organisation for Economic Cooperation and Development said food consumption would be tempered by moderate economic growth, slower population increases and the trend for households to allocate extra income to non-food items, including in developing countries.

The 10-year projections reinforced the view that agricultural commodities are emerging from the era of intense volatility unleashed by price spikes and supply tensions in 2007-08, as faltering global economic growth curbs demand and strong output bolsters stocks.

Productivity gains

“With supply and demand growth broadly matched, real agricultural prices are projected to remain relatively flat,” the FAO and OECD said.

“The increased demand for food is projected to be satisfied through productivity gains, with modest changes in crop area and livestock herds,” the organisations said in their report.

For crops, yield increases would account for 80 per cent of production growth, the remainder coming from the expansion of crop areas, notably in Brazil and Argentina, they said.

Developing countries would continue to lead consumption growth due to rising populations and higher per capita spending.

This would cut the number of undernourished people to 8 per cent of the global population, or under 650 million, in 2025 from 11 per cent, or nearly 800 million, now, they estimated.

Developing countries, like developed nations, would see the consumption of sugar, oils and fats increase faster than that of cereals and protein as people consume more processed food, the FAO and OECD said.

There would also continue to be a shift in demand in developing economies towards animal proteins such as meat, fish and dairy products, leading to higher prices for livestock and feed products compared with staple food grains.

Fish to the fore

Per capita consumption of fish in developing countries, excluding sub-Saharan Africa, is set to exceed that of developed countries by 2025.

This would result in fish produced by aquaculture overtaking volumes of caught fish, the report said.

Agricultural exports will remain dominated by a small group of countries, with several commodities forecast to be dependent on one country for more 40 per cent of export flows in 2025, such as Brazil for sugar and soybeans, the FAO and OECD said.

Reforms being introduced in China were one source of uncertainty for the market outlook, however, notably the scale and timing of the country's planned release of part of its huge maize stocks, they said.

Fertiliser price cut follows the drop worldwide

Stable rupee, rising supplies also come to farmers' rescue

A fall in international prices of potash and phosphatic fertilisers has helped the government to lower the 'indicative' prices of muriate of potash (MoP), di-ammonium phosphate (DAP) and NPK nutrients.

While some fertiliser makers such as IFFCO and Indian Potash Ltd had already announced a cut in retail prices of these nutrients to the farmers, others in this highly competitive industry could soon follow suit.

The fall in global prices this year has largely been driven by a slowing consumption in countries such as Brazil, South Africa, Indonesia and Malaysia among others, amidst increasing supplies. Consumption in these countries has taken a hit on account of currency volatility, which had made fertilisers expensive, according to industry experts.



At the same time, the movement of rupee against dollar, which was relatively stable, has helped the Indian fertiliser makers fetch a better deal with the global suppliers. Also an increase in capacity addition has resulted in improved supplies globally, working to the advantage of Indian buyers.

Also, the fall in global prices of these nutrients are seen to be indirectly aiding the Modi government's initiative of boosting farmers' income through a reduction in input costs. A reduction in prices will make the NP/NPK nutrients affordable to some extent to the beleaguered farmers, who had been reeling under the impact of consecutive weak monsoons, and can now begin to rectify the imbalance in fertiliser usage. But this would all depend on the offtake of these nutrients in the kharif season ahead.

Soil impact

The imbalance in fertiliser usage is due to the indiscriminate use of urea, the most widely used fertiliser in the country whose prices are controlled by the government, has led to deterioration of soil health in several places.

The price of the decontrolled fertilisers such as DAP, MoP and NPK are determined by the fertiliser firms, while the subsidy for these nutrients is fixed by the government.

Cotton flat on moderate buying



Cotton price remained steady on moderate demand from domestic mills and weak export buying. Gujarat Sankar-6 cotton traded flat at 42,500-43,500 per candy of 356 kg. About 2,500 bales of 170 kg arrived in Gujarat and 6,000 bales arrived in India. Kapas or raw cotton traded unchanged on weak demand from ginners. Kapas quoted 1,100-1,200 per 20 kg and gin delivery kapas stood at 1,200-1,230 per 20 kg. Cottonseed traded at 560-600 per 20 kg.

Business Standard

Monsoon rainfall advances, sowing to intensify

IMD data showed actual deficit narrowing down to 6% of Long Period Average for the period June 1-July 3, 2016 from 11% till last week



The increase in intensity and coverage of rainfall over the past weekend has resulted into a sharp decline in the deficit so far this monsoon season. Rain forecast to cover the remaining uncovered parts of Rajasthan and Gujarat in 48 hours.

Data compiled by the India Meteorological Department (IMD) showed the rain deficit had narrowed to six per cent of the Long-Period Average (LPA) for the period between June 1 and July 3, from 11 per cent till last week. LPA is the average rainfall for the past 50 years. Both the northwest and southern Peninsula have received excess rain, while east and northeast continue to face a sharp decline.

“The monsoon has further advanced into some more parts of Gujarat, most parts of east Rajasthan, the remaining parts of Punjab and Haryana, Chandigarh , Delhi and some parts of Rajasthan. The conditions are favourable for further advance of into the remaining parts of north Arabian sea, Gujarat and Rajasthan during the next 48 hours,” said IMD.

About 70 per cent of cultivable land in India is sown for the kharif crop with the onset of seasonal rain. Most cultivable land remains rainfed. Paddy, maize, most varieties of oilseeds and some varieties of pulses are grown with the help of monsoon rain. It also sets the trend for rabi sowing, for which planting starts in September-October, depending on soil moisture after kharif harvest.

“Even as the June rains were disappointing, we are not worried, as July rains matter more (for crop output) and they are forecast to improve. Assuming rains recover in July, we expect kharif output growth to rise to 3.2 per cent year-on-year in 2016 (versus minus 3.2 per cent in 2015). This, coupled with a weak base, should push up agriculture growth to 3.6 per cent in FY17 from 1.2 per cent in FY16, adding 30 basis points to headline gross domestic product growth,” said Sonal Verma, an analyst with Nomura.

The early deficit of monsoon rain affected sowing. Data compiled by the agriculture ministry showed a 23 per cent decline in the area under various agricultural crops so far this season. As of July 1, the actual acreage coverage area under kharif sowing stood at 21.59 million hectare this year, compared to 27.93 million ha the same day last year.

SEASONAL RAINFALL

Region	Actual (mm)	Normal (mm)	% departure from LPA
East and northeast	297.1	396.4	-25
Northwest	93.1	84	11
Central	179.6	192.8	-7
South Peninsula	214.6	179.9	19
All India	178.6	189.3	-6

Source : IMD, period between June 1 and Jul 3, 2016, LPA: Long-Period Average

The significance of the monsoon rainfall and its even distribution can be gauged from the fact that most agri and economy-related policy decisions are based on monsoon rainfall.

Aditi Nayar, senior economist at ICRA, said: “The below-average rains in June are likely to give way to surplus rainfall in the subsequent months. The expectation of an above-average volume of rain in 2016 is a relief after the deficits in the last two years, although the likely temporal distribution is less than ideal. Regional variations would impact the outlook for specific crops, such as sugar.”

IMD has projected rainfall over the country to exceed LPA by seven per cent and four per cent, respectively, during July and August 2016, thereby washing away the June deficit.

Centre asks Maha to improve performance of farm sector

Centre plans to set up a Farm Machinery Training and Testing Institute in Maharashtra



Union Agriculture Minister Radha Mohan Singh on Monday asked the Maharashtra government to achieve better results in the agriculture sector this year.

He told this to senior state agriculture officials while reviewing the progress of central schemes like Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) in the state.

"Singh urged the officials to ensure that 2016-17 should still be better in terms of achievements in various sectors of agriculture in the state," an official statement said.

The minister said 34.27 lakh soil health cards have been issued so far in the state under the soil health card scheme, for which the Centre has allocated Rs 50.03 crore to the state government for this financial year.

Under PMKSY, district irrigation plans have been prepared in nine out of 34 districts in the state, he said.

Singh also said that the central government plans to set up a Farm Machinery Training and Testing Institute in Maharashtra, for which 35 hectare land has been identified in Jalgaon district.

"Necessary action is being taken to start the institute in this financial year 2016-17," the statement said quoting the minister.

Agri-exports fall 17% to five-year low of \$32.09 bn in FY16

Marine products, buffalo meat, rice including basmati have been top contributors to exports basket



Agri-commodities are not behind in keeping Indian exports low. Rather they have fallen to a five-year low in 2015-16 according to data provided by Agricultural and Processed Food Products Export Development Authority (APEDA).

From a pick of \$42.84 billion in FY14, agri exports are falling but the fall was sharper with 17% decline in FY16 to \$32.09 billion and except sugar and couple of other small items in top ten of the agri export basket, all commodities exports declined.

In FY13 Guar gum was top revenue generating export item in agri basket with \$3.9 billion is now not even in top 10 list.

Marine products, buffalo meat, rice including basmati have been top contributors in exports basket and all have seen a significant fall in exports.

Ashok Gulati, former chairman, Commission for Agriculture Cost and pricing (CACCP) said, "Rupee's comparative strength or higher real effective exchange rate of rupee, collapse in many agri prices globally and scarcity locally due to two successive draughts, volatile currencies changing equations of India's price parity in export market are among the key reasons for the falling agri produce exports."

On Guar gum he said that shale oil price have crashed globally in last two years which reduced demand for guar gum while Chinese players have also developed alternative synthetic material leading to fall in its demand from India.

Key reason for fall in buffalo meat exports was sharp fall in Brazil currency leading to their produce much more competitive than India. For basmati rice, Iran was virtually absent for almost a year and rice prices were also not attractive.

A senior official from APEDA however said that, "The agriculture exports from India have been falling mainly in value terms. As the global prices of commodities have been lowering, even the increase in volume of exports of agri commodities has not fetched us higher incomes. So the exports in value terms have dwindled. At the same time, the domestic prices of three major agri commodities in India; wheat, soya meal and maize have remained higher than international market in the last 18 months. This has also restricted the prospects of Indian commodity exports in the international market and we are out of market."

What needs to do to arrest the fall in agri exports? This is because it helps increasing farmers' income.

APEDA official quoted earlier said that, "In the present situation, we can only encourage exporters with more relaxed norms on the access to funds from organised sector."

Commerce ministry, according to the source, has asked all commodities boards to focus on increasing exports of commodities they are supervising. However some commodities like spices exports which is growing, has faced with several quality related issues. Several quality issues, such as adulteration in jeera and chilli, have been raised during the past two years by countries importing spices from India.

As a result, Indian trade has taken a huge hit and the spice industry has suffered losses. In order to tackle these problems within the industry and to make a strong case before the government, spice traders and exporters have come together to form a new body called 'Seed and Spice Stakeholder Association' (SSSA).

But that is not enough, Ashok Gulati says, "To oversee reforms in agri sector, and export is just one part of it, cabinet shall have a champion for agriculture."

His observation is timely as cabinet expansion is happening on Tuesday. He also advocates reforming agri marketing, creating an institution for agri research and boost investment in the sector.

Dr Ramesh Chand, NITI Ayog, who is also a champion for agriculture says that historically it has been observed that when global agri prices are high, India's share in global trade for agriculture increases and vice versa. Because global agri prices were trending low, there was less incentive for india to exports.

However, "We emphasise that there is need to reform agri marketing by promoting e-mandi program or national common market for agri product on electronic platform, pilots for which has started in almost 25 mandis. What is however needed is that states should participate in such central initiatives which is lacking many times."

For example most vibrant agriculture state Punjab has so far not participated in NAM project. Many states have yet not removed fruits and vegetables from APMC act.

Dr Chand also said Land lease act which we have suggested is another key for agri reforms which could bring more investment in the sector which eventually bring down cost of production and making our product competitive.

Monsoon covers entire India, barring some parts of Gujarat, Rajasthan

Despite a deficit in June, rains are expected to improve in July, which is more beneficial for farmers



The monsoon rains had covered almost entire India except some part of Gujarat and Rajasthan until Sunday and is expected to cover the remaining parts in 48 hours, the Indian Meteorological Department (IMD) said on Sunday.

With this, rain deficit has narrowed. The IMD on June 30 had observed 1% of rainfall deficit. The rainfall spread across the country, however, was uneven with a major crop area in Rajasthan and Gujarat continuing to receive lower-normal rainfall till June 30.

“The southwest monsoon has further advanced into some more parts of Gujarat, most parts of east Rajasthan, remaining parts of Punjab and Haryana, Chandigarh and Delhi and some parts of Rajasthan. Conditions are favourable for further advance of southwest monsoon into remaining parts of north Arabian sea, Gujarat and Rajasthan during the next 48 hours,” said the IMD in its report on Monday.

Rainfall during the monsoon season assumes greater significance since around 70% of sowing takes place during this season.

Paddy, soybean along with some other oilseeds are major kharif crops sown during the onset of monsoon, for harvesting in September-October season.

The significance of the monsoon rainfall and its even distribution can be gauged from the fact that most agri and economy related policy decisions are estimated based on the monsoon rainfall and changed according to its actual receipt.

Meanwhile, Sonal Verma, an analyst with Nomura, said: “India’s monsoon season (June-September) has begun on a weak note. So far in June (1-26) rains are currently tracking 16% below the long period average (LPA). Spatial distribution of rains has been uneven, crop sowing is delayed and reservoir levels are worryingly low. Production of pulses, oilseeds, coarse cereals and cotton could be at risk, if rains don’t improve.”

She added even as June rains have disappointed, we are not worried, as July rains matter more (for crop output) and they are forecast to improve. Assuming rains recover in July, we expect kharif (summer crop) production growth to rise to 3.2% y-o-y in 2016 (versus -3.2% in 2015). This, coupled with a weak base, should push up agriculture growth to 3.6% in FY17 from 1.2% in FY16, adding 30 basis points (bps) to headline gross domestic product (GDP) growth.

Region-wise, Central India (30% below normal) and North East India (-24%) have witnessed the highest rain deficiency. Bigger states reporting deficient or scanty rainfall, such as Gujarat, Madhya Pradesh, Maharashtra and Rajasthan, have a higher share in the production of pulses, oilseeds, coarse cereals and cotton, which could be at risk, if rains don’t improve.

With monsoon rains slow to start, sowing has taken a hit. Total sown area stood at 11.7% of normal sowing area as on June 24, lower than 15.4% in 2015. Reservoir levels (at 15% of the live storage capacity) are at worryingly low levels.

Food price inflation rose sharply in May, but it has moderated in June. Going forward, although good rains are a positive for production, they do not guarantee low food price inflation. Despite that, food price inflation is expected to ease from current levels owing to relatively stable rural wage growth and favourable base effect in Q4 2016, Normura said in a report.

India received deficit monsoon rainfall during the last two seasons, resulting in lower kharif and rabi crops output which ultimately resulted in rising food inflation in the last few months.

Non-urea fertiliser prices slashed by up to Rs 5,000/tonne

The rate cut will entail a benefit of Rs 4,500 crore to farmers, said Fertiliser Minister Ananth Kumar

The retail prices of non-urea fertilisers including di-ammonium phosphate (DAP) have been slashed by up to Rs 5,000/tonne following drop in global prices of raw materials, Union minister Ananth Kumar on Monday said.

The state-run fertiliser firms Rashtriya Chemicals and Fertilizers (RCF) and National Fertilizers Ltd (NFL) as well as private firm Indian Potash Ltd (IPL) have agreed to reduce the price of non-urea fertilisers, the fertiliser minister said.

The retail price of DAP has been cut by Rs 2,500 to Rs 22,000/tonne, muriate of potash (MoP) by Rs 5,000 to Rs 11,000/tonne, while complex fertilisers rates have been brought down by Rs 1,000/tonne.

For a bag of 50 kg (kilogramme), the effective rate for DAP would come down by Rs 150, MoP by Rs 250, and other NPK fertilisers by Rs 100. NPK stands for nitrogen (N), phosphorus (P), and potassium (K).

"The ministry has taken a path-breaking decision. We have decided to bring down prices taking into account the fall in international prices of raw materials," Kumar told reporters here.

The rate cut, which would be effective immediately, would entail a benefit of Rs 4,500 crore to farmers, he said, adding the move would help promote balanced use of fertiliser.

Non-urea fertiliser prices have been reduced for the first time in past 15 years, Kumar said.

DAP, MoP, and NPK are decontrolled fertilisers, the maximum retail prices (MRP) of which are determined by the manufacturers, while the government offers fixed subsidy every year. Whereas urea price is controlled by the government and its MRP currently stands at Rs 5,300/tonne.

On average, the domestic demand of DAP is 10 million tonnes, MoP 2.5 million tonnes and NPK fertiliser nine million tonnes per year.

"All-out efforts have been made to ensure there will not be any shortage of fertilisers in our country for this kharif season and farmers can plan their sowing without any apprehension," Kumar said.

"The country is having good monsoon after two years of drought. Due to good rains, we expect a bumper output this year," he added.

THE ECONOMIC TIMES

Indians go for cheaper pulses as tur dal prices keep rising



India is the biggest importer, consumer and producer of pulses, with consumption touching 230 lakh tonnes in 2015.

NEW DELHI: High prices of tur (arhar) dal are driving consumers to newer and cheaper varieties of pulses such as dun peas, green lentils and yellow peas.

Rs 150-200 a kg while dun peas Tur dal is selling for as are much cheaper at Rs 45 a kg and yellow peas Rs 45-50 per kg.

Green lentils are currently priced at Rs 100 a kg. Traders said consumers have been quick to shift to other varieties of pulses to ensure that their grocery budgets are not disturbed due to higher prices of the varieties that they usually consume.

"The entire 'Amma's kitchen scheme in Tamil Nadu has shifted to USA and Canadian green lentils and dun peas as prices are cheaper. Similarly, consumers have gone for yellow peas across West Bengal, Bihar, Odisha and Uttar Pradesh," said Pravin Dongre, chairman of Indian Pulses and Grain Association.

Sunil Baldeva of Siliguri Associates, an importer and trader based in Delhi's Naya Bazar market, said that with arhar and chana dal prices firming up, people

have shifted to yellow peas. "It's being used to prepare dal by dhabas and restaurants, flour, roasted and fried snacks in north, east and central India," he said. According to Dongre, import of yellow peas has soared to 2224 lakh tonnes a year in India compared to 15-16 lakh tonnes earlier.

If the trend continues, pulse traders said that demand could touch 25-30 lakh tonnes in the year ahead. Similarly, import of green lentils is also expected to grow next year from 1.5-1.7 lakh tonnes at present.

India is the biggest importer, consumer and producer of pulses, with consumption touching 230 lakh tonnes in 2015. The domestic production of pulses was 170.6 lakh tonnes and imports at 58 lakh tonnes, to meet the demand-supply gap.

"The change is clearly visible in people's palates without compromising with nutritional value," said Baldeva, who imports yellow peas from countries including Canada, France, Germany, Ukraine, Russia and Romania. USA and Canada based commodity traders are keenly tracking Tamil Nadu government's tenders to procure 40,000-50,000 tonnes of green lentils every two months.

Girish Bafna, a pulses broker from Chennai, said that with wholesale price of green peas at Rs 96 a kg & tur dal at Rs 125 a kg in the local market, consumers had no other option, but to shift to the cheaper varieties.