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THE HINDU

Fixing the pulses deficit

While the economy's revival is still a work in progress, higher food prices, especially of pulses, are affecting nutritional intake across India. The government is counting on a good monsoon season to spur growth and cool down the prices of essential food items. Economic Affairs Secretary Shaktikanta Das said on Thursday that the government's move to raise the minimum support price for pulses is expected to help push up their output and thereby contain food inflation. While a good monsoon would increase output, it does not necessarily mean that food prices will come down, especially those of pulses. Monsoon rains between 2005-06 and 2008-09 were normal or above normal, yet the retail cost of pulses rose at an alarming pace in three of the four years. The Centre has already undertaken some measures to deal with the current uptick in dal prices: creating a buffer stock, imposing stock limits, and offering tur dal at Rs.120 a kg through mobile vans. Prime Minister Narendra Modi is signing a pact with Mozambique to double pulses imports from that country. More dal diplomacy is under way to scale up the approximately 5 million tonnes of pulses India procures from 46 countries.

But imports cannot be a sustainable solution. Farm policy mandarins need to wake up to the reality that demand for pulses is rising even in parts of the world where it hasn't been a staple diet. Another warning came from the Food and Agriculture Organisation of the United Nations, which has incidentally designated 2016 as the year of pulses to highlight their importance in curbing malnutrition. As population increases and incomes rise, pushing up demand for high-protein foods like pulses, the weaker sections may be forced to simply cut back on consumption. This is a worrying portent for a country where per capita pulse intake has already fallen by more than a third over the past 55 years. There are structural problems in boosting output. Farmers, for instance, prefer to sow wheat and paddy instead of pulses, thanks to the Minimum Support Price regime. Since the Centre may not have the resources to procure dal on the same scale as wheat and paddy, it needs to think beyond the usual template. Now that it has allowed 100 per cent FDI in food processing, dismantling the Agricultural Produce Marketing Committee laws that cripple free trade for farmers could

pave the way for them to deal directly with large traders and retailers, thereby creating the assured market they need and bringing down consumer costs by getting rid of the myriad intermediaries.

His green revolution

As the e-commerce site for vegetables Farmersfz completes a year, its founder, Pradeep P.S. shares his plans



It started small, a young techie with a passion for the soil wanting to do his bit for his local community, most of whom are vegetable farmers, in a small village in the interiors of Thrissur. Software engineer, Pradeep P.S. working, at the time, at a tech-company in Infopark thought up the idea where he'd source vegetables from in his village, and nearby areas, and sell it at Infopark, through his website www.farmersfz.com. Thereby cutting out the middle man and not only ensuring that the profits went directly to the farmer but also that the customer got pesticide-free vegetables.

A year later, while his client base has expanded from 50 to 4,000 customers so has the number of farmers he sources vegetables from. From the initial eight farmers, today he has 120 farmers from five panchayats – Mattathur, Mala, Nenmanikara, Kanthalloor and Kodagara. He has added *naadan* eggs to the list of products, in association with a few Kudumbashree units as well. What he has managed to do is marry the two seemingly diverse fields – agriculture and technology – and put them on the same platform.

What has Pradeep on cloud nine is that his company has entered Infopark as a start-up, as part of a Nasscom-initiative and a government of Kerala project '10,000 Start-ups'. It is probably among the first completely sustainable agro-IT companies in the State. "Many such initiatives have started, but none has lasted or sustained long enough. We, on the other hand, have been consistently delivering on our word," says Pradeep.

Initially working sans an office space it now has space, as a software firm, at Nasscom. Today, e-commerce aside, there is also a Farmersfz app which can be downloaded from Playstore. There are many things happening and Pradeep is obviously excited. A project close to his heart is the demo-green patches he is creating within Infopark.

The first was the one behind Athulya Infopark, a strip of unused land has been put to good use. He plans to plant around 15 different types of vegetables, "in order to plant the seed of the idea, or make techies curious about a space like this is. The aim is not harvesting or selling, it is simply as a change for them and it will also give them similar ideas," Pradeep adds. The *cheera* is getting ready for harvest and there are a few other creepers. The space is not much, but he plans to make the most of it. He has got a similar space behind the Nasscom building too.

Grateful to Infopark authorities for their support, he says it wouldn't have been possible without their active support and involvement. As Farmersfz's first anniversary approaches, he has many plans. Primarily he wants to create more job opportunities in the agro-it sector. Anniversary celebrations include distributing saplings to customers and a 'selfie with my farm' contest to promote organic farming. He has big plans but the priority is finding investors convinced in the relevance and value of Farmersfz.

The team today includes Shajan Babu P.S., Ambhujakshan P. S., Ajay Sankar P. A., George Thomas, Babuttan P. K., Safuvan P. A., Viji S. and Sini Babu, without whom Pradeep says he couldn't have done this much.

The coconut connect



Handmade, homemade Women engaged in bottling homemade coconut oil and below, Asha Devi Varma Photos: H.Vibhu

The traditional method of coconut oil extraction, unique to Kerala, is being revived by the efforts of Asha Devi Varma

Coconut derivatives get fancier by the day. They now come packaged nattily as velvety cream to thicken gravy, as satiating cool drink for tantalising mocktails, as desiccated shavings to roll over sweets, as fleshy extracts in soufflés and mousse and more. And so as the pristine fruit gains from mechanised modernity it is losing out a traditional handmade form of extraction, the goodness of virgin coconut oil or *velichenna kaachiyathu*. This was once made in all homes in Kerala in *urulis* or bell metal vessels, on big burners.

Asha Devi Varma, a retired agriculture officer, is making small but focused efforts to revive the handmade traditional method of preparing virgin coconut oil, an extraction method unique to Kerala at her home in Tripunithura.

Asha Devi did not wish to lead a life of a retiree after completing her tenure as Joint Director of Agriculture. Armed with agricultural knowhow and with a wide network of contacts gathered during the course of her work, she began toying with ideas of doing something concrete. At one of the training sessions imparting information on making coconut burfi, pickles and chips to women of a self help group, she was asked if they could be trained in some enterprise with coconut that did not require the use of machinery. That was when she began

thinking on the possibilities of a small scale coconut related business to begin with.

She asked the women if they knew the traditional method of extracting coconut oil. “It came as a surprise to me but none of the women from this generation knew the way coconut oil is extracted traditionally, something that their grandmothers would have done routinely,” says Asha, who retails her line of beauty, hair and baby oil locally. In her venture, she employs women for packaging and procures oil from local women’s groups and currently also from women’s groups in Lakshadweep.

“Once I knew that these women did not have the traditional knowhow of extracting coconut oil, I contacted a few elderly women and Ayurveda experts to learn the method. I then had first-hand experience of the method and in 2013 organised women’s groups here to learn the techniques. It is a laborious process and needs expertise,” says Asha.

The beginning was difficult and the women went through several stages of trial and error, as the process is delicate, till they finally got the procedure right. To start with, the local women’s groups obliged her with cans of oil, but later as their work grew diverse they opted out. Left with no option, she approached her friend and former colleague who had served in Lakshadweep to organise oil for her. Now she has 10 to 20 litres of oil shipped from the island. “It is the purest oil. This method of extraction is time-consuming but it is traditional and handmade. No machines are used.”

After she got a license from the Department of Industries to manufacture and bottle the oil, she showcased her company Suvarna Dharithri’s product, Sudha Oil, at an exhibition where it was received well. In 2014, and in the following year, Asha presented the oil in the Kerala Pavilion at the International Trade Fair, New Delhi. “The process of making the oil is unique to Kerala. In the Philippines, they extract oil by the cold press method,” says Asha.

After the oil made a mark with some clients in North India she received feedback of it having a strong smell. They suggested the need to address the aroma factor. This was taken up as a challenge. She sourced rose oil and almond oil from Kashmir and began experimenting with blending until she reached a viable blend. She then launched aromatic baby and beauty oil. “Coconut milk has contents that are found in mother’s milk. Its properties are good for hair and

skin,” she says, and after discussions with Ayurveda doctors made hair oil, a blend of coconut with brahmi, a herb known to have properties that enhances memory, and aids hair growth.

Currently Asha’s venture is small. It is about procuring the oil, blending and packaging. Her clients are doctors, especially gynaecologists who advocate the use of the oil for new moms and babies. “A couple of spoons taken orally is supposed to heal the body after child birth. The beauty oil gives a healthy skin. This is traditional knowledge,” says Asha. She now has a small but dedicated clientele in beauty parlours that procure the oil for hair and skin. As of now she retails through one outlet in the city and retails around 500 bottles.

“It is a small venture. The women who meet over packaging, pouring and bottling the oil say that the money they make over their labour is secondary to the fun they have in the process. I too feel happy that along with extra income we have a good network. Besides, this traditional method of oil extraction that was dying has been revived. That’s a big thing for me,” says Asha.

Efforts on to improve productivity of red gram

Farmers are provided subsidy for raising demonstration plots

Cluster demonstration plots of redgram would be raised on about 700 hectares in the district during the current year under the National Food Security Mission (Pulses) to provide a road map for improving productivity in the crop.

Of this, demonstration plots would be raised on about 300 hectares in Musiri and 100 hectares each in Thathaiyengarpet, Pullampadi and Thottiyam blocks, Agriculture Department officials said.

Pulses are raised as intercrop or mixed crop and to give a fillip to increase productivity, the cluster demonstration plots are being raised.

Farmers are provided subsidy for raising the demonstration plots. According to Agriculture Department officials a yield of one to 1.5 tonnes could be achieved a hectare against the current average of 600 kg in red gram crop.

The Department of Agriculture organised an input mela under the NFSM (Pulses) at Manachanallur block on Thursday to distribute inputs to farmers. In

Manachanallur block, demonstration plots would be raised at Sirugudi, Sirupathur, Thathamangalam and Cholanganallur.

A subsidy of Rs.5000 a hectare would be extended. Farmers would be given five kg of certified seeds of Co-RG-7 redgram variety, micronutrient mixture, liquid bio fertilizer, di-ammonium phosphate (DAP) and other inputs through Agricultural Extension Centres. Weedicides and plant protection chemicals would be provided with back-ended subsidy.

The inputs were distributed at the special mela on Thursday by Parameswari Murugan, MLA, in the presence of R.Chandrasekaran, Joint Director of Agriculture. Mr.Chandrasekaran advised farmers to go in for two per cent DAP foliar spray ahead of and during flowering to improve the yield.

A.R.Periakaruppan, Deputy Director of Agriculture, explained the importance of maintaining optimum plant population for obtaining good yield in the crop. K.Saravanan, Deputy Director of Agriculture, elaborated on drill and line sowing.

Ms. Parameswari Murugan distributed back-ended subsidy and inputs to a few farmers for undertaking mechanised planting under the kuruvai special package.

An exhibition on inputs was arranged for the benefit of farmers.

Farmers seek support price for rubber, coconut

The district unit of Farmers' Relief Forum has called on the government to procure rubber at a support price of Rs.200 a kg.

At a meeting held at Koyilandy recently, forum members suggested that the procurement drive be undertaken with the support of regional agriculture offices.

“The market price offered to rural farmers had recently come down to Rs.200, which will in no way help small-scale entrepreneurs during the monsoon,” they claimed.

The farmers' collective, led by its State secretary E.V. James, also appealed to the government to procure raw coconut through agriculture offices, ensuring a minimum support price of Rs.35 per kg.

Vegetables to be tested for pesticide residues

The Department of Agriculture has announced that vegetables and fruits procured from neighbouring states for the Onam season would be rigorously tested for pesticide residue. Director of Agriculture Ashok Kumar Thekkan said the department would join hands with the Food Safety Commissionerate to step up the testing of samples. Special surveillance facilities would be established at inter-State borders.

The department has also written to officials in Tamil Nadu and Karnataka to promote safe agricultural practices among farmers in their States and ensure pesticide safety.

KAU, farm dept. functioning to be integrated

Krishi Bhavans in the State should be upgraded into farm clinics, Minister for Agriculture V.S. Sunilkumar has said.

He was interacting with Agriculture Department officials pursuing their postgraduate diploma in crop health on Thursday.

The Minister said farm officials should be capable of treating crops. They should turn protectors of seeds, tubers, and vegetables that were becoming extinct. He urged the officials to make the most of their skills and develop professionalism.

The functioning of the Agriculture Department and Kerala Agricultural University would be integrated, Mr. Sunil Kumar said.

A book in which the findings of the first batch of officials doing their PG diploma was released by the Minister on the occasion.

Mango farmers take business in their hands

Agri-business consortium to promote their cause

Peeved at poor returns despite an annual export of over Rs.8,000 crore a year, over 700 small and medium mango farmers at Muthalamada have joined hands

to float an agri-business consortium to promote pesticide-free cultivation and value-added products.

The newly formed Muthalamada Mango Farmers Producer Company Limited (MMFPCL) is planning to approach the State and the Centre to initiate projects promoting rainwater harvesting and watershed management in the region.

The grama panchayat, which shares border with Pollachi in Tamil Nadu, has mango orchards spread over 45,000 hectares. Muthalamada varieties are the first to reach global markets, even before the produce mature in the gardens of Peru and Venezuela, the main competitors.

“Farmers are getting less than 10 per cent of the total business every year. With climate change impacting production, the farmers are forced to look for survival strategies. So, we thought of forming a company,” chief executive officer Sentil Natarajan, told *The Hindu* .

On the allegations that the orchards use heavy doses of pesticides, the company has started teaching farmers to cultivate mango organically. It is keeping a strict watch on transportation of pesticides from Pollachi to the orchards. Many government agencies, including Nabard, have extended support to the initiative.

According to mango grower Arumugan Pathichira, Muthalamada produces almost all varieties of mangoes in India, Alphonso, Neelam, Mallika, Malgovala, Chenthooram, which have good demand in the international market. Muthalamada mangoes are also known for flavour, taste, and juiciness.

The panchayat has over 600 contractors, 36 registered exporters, and 20 mango-parking facilities and they together provide jobs to over 15,000 people.

“We are expecting a favourable response from the government in the budget. Representations have already been made to Finance Minister T.M. Thomas Isaac,” Mr. Natarajan said.

Importance of pulses

Promoting the cultivation of pulses can help India overcome nutrition insecurity, improve soil fertility by nitrogen fixation and provide income support to farmers (July 7). How can we forget that the UN FAO has declared 2016 as the International Year of Pulses? We need to realise that by promoting

rice and sugarcane exports, we are also depleting our crucial water resources. To encourage pulses production, the government must hike the MSP of pulses to the level of cereals, incentivise farmers to grow pulses by rotating crops, and bring in high-yield seeds.

V. Sai Teja Reddy,

Kavali, Andhra Pradesh

Farmers urge district administration to start planting of palm saplings



Farmers in Erode district are keen to increase number of drought-resistant palm trees in and around water bodies. — Photo: M. Govarthan

Farmers in Erode expect the district administration to galvanise its machinery for planting of palm saplings during the months ahead.

Farmers in Erode expect the district administration to galvanise its machinery for planting of palm saplings during the months ahead.

The initiative took off last year requiring substantial ground-level coordination amongst Forest, Rural Development, Revenue, Highways and a few other departments.

Though a beginning was made, farmers' organisations have asked for better coordination for planting at least a few lakhs of the palm saplings throughout the length and breadth of the district.

An environmental group at Kanchikovil area has been demonstrating more than 50 per cent survival rate of the palm saplings planted in the last two years.

The Forest and School Education departments had, together, ensured collection of adequate palm seeds under the aegis of National Green Corp, and the saplings have also been readied for planting.

The Tamizhaga Vivasayigal Sangam has urged the district administration to prevail upon all panchayats to plant the palm saplings on the sides of newly-constructed roads. The palm trees, farmers assure, will bring multi-pronged benefits by way of increasing green cover, preventing soil erosion, recharging aquifer and providing yields of the sought-after fruits called nungu (ice apple).

Orchards to help tribal farmers



Palanisamy of Allangandi tribal hamlet attending to a sapling planted, with assistance from NABARD, on his farm in Coimbatore district. —Photo: M. Periasamy

Palanisamy's four acres at Allangandi, just a few km away from Annaikatti, stand apart. While his neighbours have all sold their lands, he hopes to retain his plot and continue raising crops on it.

Since water is available only at 600 ft depth on his land and he is dependent on rain, Palanisamy usually goes in for short-term crops and takes up farming only during the rainy months. In a new effort, he has some mango, gooseberry, and sapotah trees on his land now.

The National Bank for Agriculture and Rural Development (NABARD) is implementing an Integrated Tribal Development Project in 18 tribal hamlets, including seven settlements in Coimbatore district. In the hamlets where the tribal people own land, they are supported with saplings, fencing, plant maintenance, and water storage facilities so that they have orchards. The farmers can also go in for inter-cropping of short-term crops.

Mr. Palanisamy says he expects the trees to start bearing fruits from next year. "When I planted the saplings under the NABARD project, elephants destroyed some of them and hence, we went in for re-planting. The scheme helps us as we grow trees that benefit us in the long-term," he says. Nanjappan, a resident of Alangandipur, used to raise millets such as ragi and kambu on his four acres. He went in for mangoes, sapotah, and goose berry trees with the support of NABARD and had 150 kg of mangoes this year.

"Even if there are years when the rains fail, we will have fruits from the trees. Now, we need support to market the fruits," he says.

According to A.S. Sankaranarayanan, Managing Trustee of Native Medicare Charitable Trust, which is implementing the NABARD project, there are plans to form producers' companies by roping in about 500 farmers and this will be a platform for the growers to sell the produce. "The aim is to support the farmers so that they do not sell their land and continue farming," he says.

About 250 tribal farmers in the district have been covered under the project.

R. Inigo Arul Selvan, Coimbatore District Development Manager of NABARD, said, "We are closely monitoring the project. We are looking at 100 per cent success, but are sure of at least 80 per cent success." So far, 160 of the 250 orchards are doing well. The total sanctioned amount for the Integrated Tribal

Development Project in the district is Rs. 1.8 crore and it will benefit 750 families, including those in settlements. The amount is disbursed over a period of seven years from October 2011.

Pepper farmers in State face severe crisis

Centre allows import of 2,500 tonnes of black pepper under the Indo-Sri Lanka Free Trade Agreement

: The Centre has allowed the import of 2,500 tonnes of black pepper under the Indo-Sri Lanka Free Trade Agreement (ISLFTA), dealing a crushing blow to pepper farmers in Kerala who are already reeling under the combined impact of crop wilt disease, untimely rain and rising labour costs.

A trade notice issued by the Directorate General of Foreign Trade on May 27 allocated varying quantities of pepper for 12 companies to import from Sri Lanka at zero duty under the bilateral agreement for 2016-17.

No safety net

“With no safety net, farmers are left to the mercy of global market forces,” says Prasanth Rajesh, president, Wayanad Coffee Growers Association. Pepper is cultivated as intercrop in most coffee plantations in Kerala.

Exim trade observers fear that imported pepper destined for the oleoresin industry would be diverted to the domestic market, driving down the price of the crop and pushing farmers into a crisis.

Farmers are also concerned that importers, in cahoots with Customs officials, would exceed the allocated quantity, flooding the market with cheap pepper.

Farmers also fear that traders would mix the imported pepper of inferior quality with local produce to tap the domestic and export markets. “When crop prices go up, the government steps in to stabilize the market, but nothing is done to help the farmer when prices drop,” says Mr. Rajesh.

Real impact

Agricultural trade experts feel that the real impact of FTAs would be felt by domestic farmers, once the Regional Comprehensive Economic Partnership

(RCEP) between the 10 ASEAN member-states and six other countries, including China, becomes a reality.

“If ASEAN posed a threat to our farmers and industry, the RCEP will rain doom on the State unless we adopt safeguards to protect vulnerable sectors,” says an expert. “With Chinese imports flooding our markets, States like Kerala will really feel the heat.”

The RCEP is viewed as an alternative to the Trans-Pacific Partnership trade agreement which includes the U.S., but not China.

Blow to pepper farmers

- ❑ *Farmers already reeling under the impact of crop wilt disease, untimely rain, and rising labour costs*
- ❑ *12 companies allowed to import pepper from Sri Lanka at zero duty*
- ❑ *Farmers fear that the markets will be flooded with cheap pepper*



Economic deform

Ordering fertiliser firms to cut prices is yet another instance of the Centre’s anti-reform moves in agriculture

That agriculture is the least reformed sector in India even after 25 years of liberalisation is a known fact. Worse, the past year or so has witnessed regression, with stockholding limits on sugar and pulses, export restriction on onions, and controls on prices and royalty fees on Bt cotton seeds bringing back memories of the inspector raj of the 1970s.

Union Minister Ananth Kumar's statement on Monday that fertiliser companies have "agreed" to slash retail prices of di-ammonium phosphate (DAP), muriate of potash and complex nutrients by Rs 2,500-5,000 per tonne only adds to the list.

Whether for political reasons or otherwise, the minister seems to have ignored that all non-urea fertilisers are decontrolled and their prices are now set by companies themselves.

Making them "agree" to reduce prices sets the clock back on reforms. Moreover, it goes against the Competition Act, which does not allow companies to meet and agree on market prices either with each other or with government officials.

Of course, in the case of fertilisers, the Centre can argue that it is paying a subsidy to companies on every bag that they are selling to farmers. It has every right, therefore, to ensure that the latter are not being overcharged.

But here, companies are not being accused of charging high maximum retail prices; rather they are being told to "agree" to reduce them when the scope for it is limited. It is true that international prices of fertilisers have fallen.

Imported DAP, for instance, is currently selling at around \$ 350 per tonne, \$ 50 lower than 4-5 months ago. But the gain from this Rs 3,400/tonne decline has been pocketed entirely by the Centre.

If it was keen to pass on the benefits of softening global prices to farmers, the per-tonne subsidy on DAP could very well have been retained at earlier levels. Instead, it has been reduced by Rs 3,405 per tonne and the fertiliser minister still expects the industry to cut retail prices by another Rs 2,500 per tonne.

What is really required in fertilisers is total price decontrol and free imports extending to urea as well.

This can be coupled with a flat per-hectare subsidy payable directly to all farmers against their purchases of up to a certain number of bags annually. Such

a regime will be equitable and also conducive for balanced fertilisation, as against the current distorted pricing-cum-subsidy policy that encourages overuse of urea and makes farmers worse off in the long run.

THE HINDU BusinessLine

Kharif sowing picks up pace on ample rains



Radha Mohan Singh, Agriculture and Farmers Welfare Minister

Govt pitches for farm mechanisation to boost farmers' income

After a sluggish start, sowing of kharif crops such as paddy has picked up pace this week on account of good rains in several parts of the country, Agriculture Minister Radha Mohan Singh said today.

Till last week, total acreage under kharif (summer) crops was down 23 per cent to 215.87 lakh hectares because of inadequate rainfall in June. Sowing of kharif

(summer) crops begins with the onset of southwest monsoon from June and harvesting is done from October onwards. Paddy is the main kharif crop.

“Several parts of the country received good rainfall. The monsoon situation has improved and sowing of kharif crops has picked up pace in many places,” Singh told reporters. The kharif sowing is expected to improve further as good rainfall is predicted for the months of July, August and September, he added.

Echoing similar views, Agriculture Secretary SK Pattanayak said: “Good rains in several states have boosted sowing operations. The gap in sowing area has come down. Till last week, there was a gap of 60 lakh hectares, but this has come down to 30 lakh hectares in just last three days.” Planting of paddy, pulses, oilseeds, and even cotton is expected to improve in the coming days, he told PTI.

According to the India Meteorological Department (IMD), the overall monsoon deficiency has reduced to 9 per cent after several parts of the country received good rains. IMD has forecast overall monsoon to be better than normal this year and the government is targeting a record foodgrain production of 270.10 million tonnes in 2016-17.

Aiming to double farmers’ income in the next five years, Radha Mohan Singh said farm mechanisation will bring down the cost of cultivation by up to 25 per cent and raise production by 20 per cent.

Mechanisation push

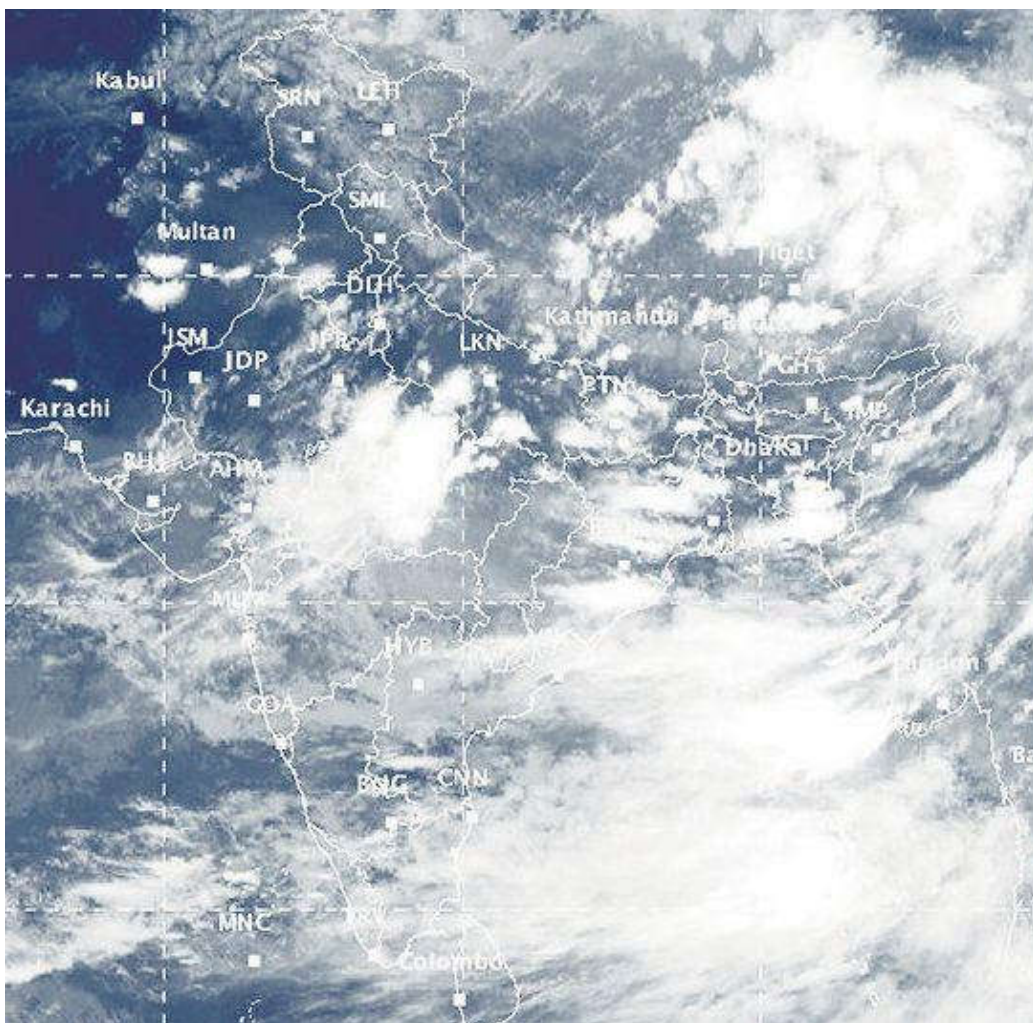
He also said that raising support price of agri-crops will not suffice, as there is a need to bring down the cost of cultivation, for which, use of innovative farm machineries is the need of the hour. The Centre is promoting farm mechanisation in a big way under various programmes and has been setting up more testing and training centres across the country, he added.

“Farm mechanisation is key for modernising agriculture sector. Use of agri-machineries will help increase production by 20 per cent and bring down the cost of cultivation by 20-25 per cent. This is the need of the hour,” Singh said addressing an event on this issue.

Asserting that farm machineries need to be promoted both in agriculture and allied sectors to address labour shortage, the minister said the states should take equal interest and spend allocated central funds for this purpose.

“We don’t have shortage of funds. The problem is that states are not utilising funds properly and timely.”

Monsoon depression brings heavy rain to Madhya Pradesh



The monsoon depression over east Madhya Pradesh held on to its status for just a day before weakening into a well-marked low-pressure area on Thursday.

But the system has already brought heavy to very heavy rainfall over Madhya Pradesh and adjoining East and Central India during the 24 hours up to Thursday morning.

Heavy rainfall

According to the India Met Department, heavy to extreme rainfall was reported from east Madhya Pradesh, and heavy precipitation in west Madhya Pradesh, Assam, Meghalaya, and coastal Karnataka.

Among the main stations reporting the heaviest rainfall (in cm) are: Satna-28; Damoh-19; Khajuraho-11; Sagar and Golaghat-10 each; Jabalpur-9; Raisen-8; Tikamgarh, Rangia and Bajpe-7 each.

An earlier bulletin from the Met had said that the well-marked 'low' may move in a west-southwest direction, which could take into Central and adjoining West Madhya Pradesh, dragging the rains along with it.

The European Centre for Medium-Range Weather Forecasts too seemed to predict a similar track with the rains likely entering East and South Gujarat and adjoining Konkan-Mumbai.

In fact, the European centre saw the monsoon holding strong in the region until Monday, following which it may start to weaken.

Weakening phase

The weakening of the monsoon is being attributed to the 'idling phase' of the Bay of Bengal, which has been active till now, conjuring up rain-driving 'lows' and sending them over land.

The North-west Pacific super typhoon (cyclone) Nepartak, located off Taipei and headed for the south-eastern coast of China, may be hastening the slow-down in the Bay.

This is because the super typhoon has been siphoning off monsoon flows from upstream Bay of Bengal to beef up in strength and intensity.

The US Climate Prediction Centre is of the view that the weak monsoon would still be able to sustain moderate rainfall over East India, adjoining Central India and North-west India.

During the week July 13 to 19, Vidarbha, Odisha, Uttar Pradesh, Delhi, Haryana, Punjab and Uttarkhand may receive moderate to occasionally heavy spells of rain.

Break-monsoon?

It remains to be seen whether this would lead up to 'break-monsoon' conditions in which rains shut themselves out over large parts of the country for a week or longer.

'Break-monsoon' is an inevitable phase that the monsoon runs into in July-August after it completes its initial run over the country.

Meanwhile, monsoon coverage of the country was complete except for a small arc representing the contiguous extreme north of Gujarat and extreme south-west Rajasthan.

The expectation is that this area would get covered as the rain driving the well-marked 'low' over east Madhya Pradesh pushes in closer over the next couple of days.

As for Friday, the Met has forecast heavy to very heavy rain at isolated paces over Madhya Pradesh; heavy rain at isolated places over Madhya Maharashtra, Vidarbha, Konkan-Goa, coastal Karnataka and Kerala.

Kochi tea sale: planters' body seeks Govt intervention



The Association of Planters of Kerala (APK) has sought the intervention of the Centre as well as the Tea Board to amicably settle issues at the Kochi Tea auction centre to avoid a total shutdown of the tea industry in the State.

According to APK, the tea buyers' boycott of the Kochi auctions has resulted in the piling up of huge quantities of unsold tea. This has created a serious cash crunch situation for growers, who are already reeling under heavy losses due to the high cost of production and low prices.

The cash realised through the auction was acting as a lifeline for meeting the operational expenses of the tea estates. This balance has been upset due to hindrance in the auction process for the last three weeks and resulted in piling up of nearly 20 lakh kg of tea at the auction Centre, the planters' body said. "It may not be a surprise if some of the growers default in statutory payments," said C Vinayaraghavan, Chairman, APK.

"APK strongly supports the Pan India Tea Auction introduced by the Tea Board. We believe that this change in rules of auction will help in realising the right price for the product as any registered buyer across India can bid for the tea produced in Kerala. This will also help in increasing the competition among

the buyers. The new rules will definitely bring in much-needed transparency in the auctioning system,” he said.

‘Crop rotation can control pest attack on Bt cotton’

The recent cut in Bt (*Bacillus Thuringiensis*) cottonseed prices is unlikely to provide much relief to farmers as the seed cost accounts for just 5 per cent of the total cost of cultivation, said Shirish R Barwale, Director, Maharashtra Hybrid Seeds Co (Mahyco).

“The cost of labour and fertilisers has increased substantially in the last few years. Farmers’ realisations were squeezed between the rising cost of cultivation and sudden fall in commodity prices. The focus should be on farm mechanisation and right use of fertilisers,” Barwale told *BusinessLine*.

Miffed over complaints by State governments and farmers’ organisations, the Centre recently capped GM cottonseed prices at 800 for a packet of 450 grams. Earlier, it was sold between 830 and 1,100 a packet in different States.

Bt cotton accounts for nearly 90 per cent of cotton acreage in India. Mahyco has a joint venture with the US multinational agrochemical company Monsanto to sell Bt cottonseeds in India.

The Centre has also capped the royalty paid to Monsanto to 43 a packet from 163.

The country has about 75 lakh farmers who produce cotton for commercial sale, and over three lakh growers who produce the hybrid cotton seeds that are used by farmers for planting.

Pest attack

Many farmers in Gujarat, Maharashtra, Karnataka and Telangana have also complained of attacks by pest-resistant pink bollworm on Bt cotton.

Asked whether Bt cotton is losing its resistance power, Barwale said the company has observed that some farmers planted a new crop immediately after harvest without giving enough time for the soil to regain its nutrients.

The cotton season was extended last year due to the delayed monsoon and farmers cultivated the new crop immediately, he said.

Ideally, cotton farmers should consider crop rotation as taking a crop holiday is not practically viable in India given the small land holding of farmers, said Barwale.

Mahyco has sought the Maharashtra government's permission to introduce its hybrid chickpea variety in the State.

The company has successfully conducted two trials in Andhra Pradesh.

From despair to hope in farming



Plough ahead: The forward trading platform can bring farmers a better tomorrow - Photo: Ch Vijaya Bhaskar

Farmers are vulnerable as sellers and buyers. Producer companies locking into futures contracts can make a difference

Farming, especially in small and marginal farms that constitute 80 per cent of our farm holdings for the last many agricultural seasons, is returning negative incomes. The problem is aggravated in rainfed areas covering 55 per cent of our agricultural land, and contributing to nearly 40 per cent of farm output, including pulses and oilseeds. Lack of fair market access for a basket of commodities is foremost among factors making farming a non-remunerative proposition.

It has been rightly pointed out that farming is among the only businesses where the entrepreneur (farmer) buys retail and sells wholesale. This severely restricts her bargaining and negotiating capacities while battling borrowing, production and marketing risks.

A disproportionate amount of risks lie with the farmer; they remain alienated from the post harvest segment where much of the agricultural value lies, making for a skewed risk-reward situation.

Farmer producer companies

In this backdrop, farmer producer companies are a powerful institution to confront issues faced by our farmers. Farmer producer companies were introduced through an amendment of the Companies Act, 1956 in 2002, that allowed for farmers to be organised as shareholders of enterprises they collectively own.

The enterprise can then undertake commercial activities related to agriculture, mitigating risks while adding and creating value.

Ramrahim Pragati Producer Company, an enterprise owned by 3,000 women and tribal farmers, was formed in 2012 to take up challenges confronting the farmer. These women belonged to over 200 self-help groups (SHGs). These SHGs became the shareholders of the enterprise. The advantage was that SHGs, which are also linked to commercial banks, channelise public finance at

competitive interest rates to their members and also earn interest income from the differential in interest rates of borrowing and lending.

Unlike private microfinance institutions, this interest income belongs to the collective, and can be used for collective assets such as a grading machine or to even contribute to start-up capital required to form a producer company as in this case. The equity could then be leveraged for working capital and capital expenditure needed for aggregating, value addition and marketing of produce.

Market-based support

However, faced with mandi and entry taxes of 2 per cent and 1 per cent, respectively, taxes which are exempt for the farmer, and additional 2 per cent commission costs at the *mandis*, the producer company was forced to hold the produce till the time market prices would allow it could break even. This also entailed additional costs of storage and interest. Farmers stood completely exposed to market risks and possibility of windfall losses, in case prices fell post harvest.

To combat this, after a year-long process in 2014, RamRahim was able to get the required clearances from the Forwards Markets Commission to use the futures platform of the National Commodities and Derivatives Exchange. In May 2014, farmers through the enterprise were able to hedge and lock onto to soyabean prices at near- 4,500 levels. When prices crashed by over 30 per cent post May, farmers of RamRahim did not lose a single rupee.

By 2015, the company had evolved a mechanism to use futures prices on the exchange as a minimum support price mechanism to insulate farmers from market volatility, which is high in primary agricultural produce.

Historically, it can be seen for most commodities that prices during the harvest season are at a trough. By taking positions ahead of the season on the futures exchange at prices agreeable to the farmer, producer companies can ensure a minimum support price to their farmers.

In case the prices rise during and post harvest, by taking long positions a producer company can pass on benefits of the price rise even after harvest.

This mechanism can also improve a farmer's portfolio of crops, especially, pulses, and increase crop diversity in the local agro ecological zone. The current subsidy based model for wheat and rice procurement skews production in favour of these crops even in areas that are not suitable for them.

Crop diversification also brings down the risks of mono-cropping, a result of procurement of wheat and rice at MSP. Through the introduction of options in the commodity markets, farmers through producer companies can fully insulate themselves from downside risks while retaining their choice to sell higher.

While government based public procurement needs to continue, a good portion of subsidies can be channelised for investments in public infrastructure like marketing and storage yards, instead of hard-to-phase-out consumption subsidies.

Exercising the right to sell

The enterprise in October 2014 in partnership with NCDEX also made it possible for creation of a national level online marketplace for farmers and buyers, enabling listing for FPCs as members of the exchange. This created a scenario where farmers could exercise freedoms of where to sell, when to sell and at what prices to sell through mutually agreeable prices. The forwards platform along with the electronic National Agricultural Market can enable farmers to claim their fair share of consumer rupee spent, even while allowing private entities to procure, process and retail at lower transaction costs bringing down consumer costs as well.

Farmers are showing the grit to make markets and capital work for all. To borrow from Keynes, it is ideas which are more powerful than vested interests for both good and bad. And, the time for good ideas has come.

The writer has been living and working with women farmers since the last three years in the Narmada valley, helping them establish and build RamRahim Pragati Producer Company. The views are personal

World food prices hit 4-year high in June, says FAO

World food prices posted their biggest monthly rise for four years in June, buoyed by a surge in sugar and increases for most other edible commodities, the United Nations food agency said on Thursday.

Food prices have been gaining ground since hitting a near seven-year low in January after four straight annual declines, and the United Nations Food and Agriculture Agency (FAO) now expects them to be stable for the next decade.

The 4.2 per cent gain from May was the fifth increase in a row for the index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar.

Food prices on international markets are now just 1 per cent below the same month last year, the FAO said.

Sugar prices rose 14.8 per cent in June as heavy rains hampered sugar harvesting and affected yields in the world's largest producer, Brazil, the FAO said. Vegetable oil prices defied the upward trend to slip 0.8 per cent, led by palm oil.

The FAO raised its forecast for world cereal production in the 2016-17 season to 2.544 billion tonnes, 15.3 million tonnes higher than last year but still below 2014's record harvest.

FinMin hopes higher MSP will boost pulses production, lower prices

The Finance Ministry on Thursday expressed hope that the prices of pulses will now be contained and help keep inflation under check due to the higher minimum support price for pulses.

“Increase in MSP of pulses by govt showing results. Acreage and production expected to be higher. (It) should help in containing food inflation,” tweeted Economic Affairs Secretary Shaktikanta Das.

Pulses such as ‘tur’ have been selling for close to 200 per kilogram on the back of a demand and supply mismatch and have been a significant contributor to inflation. While retail prices of pulses jumped up 31.57 per cent in May, wholesale price inflation in pulses grew by 35.56 per cent in the month.

But hoping for better supply of the pulses this fiscal, Food Minister Ram Vilas Paswan had on Wednesday said the production of pulses is estimated to rise to 18-20 million tonne (mt) this year from 17.06 mt last fiscal.

Hoping to encourage farmers to cultivate pulses, the Government had in June increased the MSP of pulses along with a bonus of 425 per quintal.

Prime Minister Narendra Modi is also set to sign a Memoranda of Understanding (MoU) with Mozambique for pulses import during his ongoing visit to Africa.

Business Standard

Experts prefer calendar year as new financial year

Experts are of the view that a calendar year, January-December, would be in line with the global markets and regulatory agencies

With the government constituting a committee to examine the desirability and feasibility of a new financial year, instead of the existing April-March period, experts are of the view that a calendar year, January-December, would be in line with the global markets and regulatory agencies.

While many countries observe their agricultural crop year — July-June in India — as financial year, experts say India should consider aligning itself with global financial, taxation and regulatory systems by following the calendar year.

“The International Monetary Fund (IMF) and the World Bank follow the calendar year. Most governments follow the calendar year. But the US follows

the October-September period. Almost all multinational companies follow the calendar year,” said a senior government official.



“Life will be simpler, especially on the taxation front. When we are talking about cross-border transaction and taxation, shifting to a calendar year will be more efficient. Taxes, data, statistics, everything will be simpler,” the official added.

It should be noted that most global forecasts by IMF, World Bank, and Organization for Economic Cooperation and Development, including on GDP or gross domestic product, are on a calendar year-basis. “The biggest positive will be that India will become more compliant with the rest of the world, as very few countries use the April-March year,” said N R Bhanumurthy of National Institute of Public Finance and Policy.

But changing the financial year of a country as large as India is easier said than done. “If such a move happens, the entire financial system has to be shifted accordingly and it may not necessarily be a short-term move. It will be a long-drawn process,” said Shubhada Rao, chief economist, YES Bank.

The government panel led by former chief economic advisor Shankar Acharya would examine the suitability of the existing financial year from the point of view of correct estimation of receipts and expenditure of central and state governments, the effect of different agricultural crop periods, relation of the financial year to the working season, impact on businesses, taxation system and procedures, statistics and data collection, and the convenience for legislatures in transacting Budget work.

The panel will also have former Cabinet secretary K M Chandrasekhar, former Tamil Nadu finance secretary P V Rajaraman, and Rajiv Kumar of the Centre for Policy Research.

In case a change in the financial year is recommended, the committee may work out modalities for effecting the change, which would include appropriate timing of change, determination of a transitional period, the change in tax laws during the transitional period. It would have to work out modalities for changes that may be required in laws and changes in the coverage of the recommendations of the Finance Commission.

BATTLE BETWEEN YEARS

- Govt on Wednesday announced a panel to probe feasibility of doing away with April-March year
- A new starting point for financial year will be decided by the panel
- Committee will be led by former chief economic advisor Shankar Acharya
- Experts say a calendar year would be in line with the global markets and regulatory agencies
-
- Many countries observe agricultural crop year as financial year

Monsoon hits stride, 35% above normal last week

The monsoon was 16 per cent above normal from June 1 to July 7 in the northwest and 15 per cent above in the southern peninsula



The Southwest Monsoon was 35 per cent above average during the week ended Wednesday, pushing overall rainfall numbers since the start of the season to one per cent above average.

The rainfall was subdued in June, before picking up pace this month, particularly so in the south and north-west. This has also begun filling the major reservoirs. As on Wednesday, these were around 18 per cent of their full capacity, up from 15 per cent till recently.

The monsoon was 16 per cent above normal from June 1 to July 7 in the north-west and 15 per cent above in the southern peninsula. The entire country has almost been covered now. This should hasten the planting of summer crops such as rice, soybeans, cotton and pulses.

Agriculture Minister Radha Mohan Singh said, after a sluggish start, sowing of kharif crops like paddy had picked up pace this week. Till last week, total sowing of kharif crops was down 23 per cent to 21.6 million hectares, because of inadequate rainfall in June.

Good rainfall has been predicted for July, August and September, the minister noted. The government is targeting a record foodgrain output of 270.1 million tonnes in 2016-17.

CARE Ratings said July is a critical month for the monsoon, the time when all crop decisions are taken. A shortage of rain can lead to switching between crops.

“July accounts for 30-35 per cent of total rainfall in the season and August for 20-25 per cent. As the monsoon is progressing positively, the impact should be felt on the cropping pattern, too,” it said.

Kharif sowing picks up pace on ample rains

Till last week, total acreage under kharif crops was down 23% to 215.87 lakh hectare



After a sluggish start, sowing of kharif crops like paddy has picked up pace this week on account of good rains in several parts of the country, Agriculture Minister Radha Mohan Singh said today.

Till last week, total acreage under kharif (summer) crops was down 23% to 215.87 lakh hectare because of inadequate rainfall in June.

Sowing of kharif (summer) crops begins with the onset of southwest monsoon from June and harvesting is done from October onwards. Paddy is the main kharif crop.

"Several parts of the country received good rainfall. The monsoon situation has improved and sowing of kharif crops has picked up pace in many places," Singh told reporters.

The kharif sowing is expected to improve further as good rainfall is predicted for the months of July, August and September, he added.

Echoing similar views, Agriculture Secretary S K Pattanayak said: "Good rains in several states have boosted sowing operations. The gap in sowing area has come down. Till last week, there was a gap of 60 lakh hectare, but this has come down to 30 lakh hectare in just last three days."

Planting of paddy, pulses, oilseeds, and even cotton is expected to improve in the coming days, he told PTI.

As per the India Meteorological Department (IMD), the overall monsoon deficiency has reduced to 9% after several parts of the country received good rains.

IMD has forecast overall monsoon to be better than normal this year and the government is targeting a record foodgrains production of 270.10 million tonnes in 2016-17.

Govt pitches for farm mechanisation to boost farmers income

Agri Minister Radha Mohan Singh said farm mechanisation will bring down cost of cultivation by 25% and raise production by 20%



Aiming to double farmers' income in the next five years, Agriculture Minister Radha Mohan Singh today said farm mechanisation will bring down the cost of cultivation by up to 25% and raise production by 20%.

He also said that raising support price of agri-crops will not suffice, as there is a need to bring down the cost of cultivation, for which, use of innovative farm machineries is the need of the hour.

The Modi government is promoting farm mechanisation in a big way under various programmes and has been setting up more testing and training centres across the country, he added.

"Farm mechanisation is key for modernising agriculture sector. Use of agri-machineries will help increase production by 20% and bring down the cost of

cultivation by 20-25%. This is the need of the hour," Singh said addressing an event on this issue.

Asserting that farm machineries need to be promoted both in agriculture and allied sectors to address labour shortage, the minister said the states should take equal interest and spend allocated central funds for this purpose.

"We don't have shortage of funds. The problem is that states are not utilising funds properly and timely."

Blaming the previous regime for giving less priority to farm mechanisation, the minister said the focus in the past had been on increasing the minimum support price (MSP) and loan waiver in the name of the increasing farmers income.

"But MSP is one aspect. Modi government is focusing on reducing the overall cost of cultivation and boost productivity," Singh said.

Now, the government is making efforts to address the core challenges facing farm sector, be it improving soil health or providing irrigation to farm fields or for that matter promoting balanced use of fertilisers, he added.

On challenges faced in adopting new technologies, Agriculture Secretary S K Pattanayak said, "It is not financing or subsidy that is an hindrance in promoting farm mechanisation. The real issue is that not many of them are aware of innovative farm machines being developed in length and breadth of this country."

Both public and private companies and even farmers themselves have developed novel farm machineries. "We are working how to bring them together and commercialise at lower price for the benefit of farmers," he said.

"The PM has given the call to double farmers income. We are trying how to achieve this. To remove drudgery in agriculture and save labour cost, farm mechansisation is must," the Secretary noted.

The Centre is implementing a sub-mission on agricultural mechanisation under which custom-hiring facilities for agri-machinery are set up with a focus on

increasing the reach of farm machineries to small and marginal farmers. There are at present, 1,200 custom hiring centres.

THE ECONOMIC TIMES

Government pitches for farm mechanisation to boost farmers income



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NEW DELHI: Aiming to double farmers' income in the next five years, Agriculture Minister Radha Mohan Singh today said farm mechanisation will bring down the cost of cultivation by up to 25 per cent and raise production by 20 per cent.

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Tea producers voice concern at the boycott of auction by the buyers



Home Minister Rajnath Singh has given an assurance that he will look into the recent gender crimes in Bihar, according to a member of the National Commission for Women.

KOCHI: The tea producers have voiced concern at the piling up of tea due to the boycott of pan India auction by the tea buyers in Kochi at a time when the industry is facing heavy losses due to high cost of production and low prices.

The boycott of the tea auction by the tea buyers in Kochi tea auction centre has resulted in accumulation of huge quantities of unsold tea that has created serious cash crunch situation for the growers, said C Vinayaraghavan, chairman of Association of Planters' of Kerala (APK).

The cash realised through the auction was acting as a lifeline for meeting the operational expenses of the tea estates. This balance has been upset due to the

hindrance in the auction process for the last three weeks and resulted in piling up of nearly 20 lakhs kg of tea at the auction centre. "It may not be a surprise, if some of the growers default in the statutory payments," he said.

APK supports the pan India tea auction introduced by the Tea Board. According to Vinayaraghavan change in rules of auction will help in the realisation of the right price for the product as any registered buyer across India can bid for the tea produced in Kerala, raising the level of competition among the buyers and bringing much needed transparency in the auctioning system. The association requested the state and the Central government and the Tea Board to intervene and resolve the issue

"The concerns raised by the buyers, if genuine should be settled amicably at the earliest in order to avoid a total shut down of the tea industry in the state," Vinayaraghavan said.