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# THE HINDU

## **Support price of pulses hiked**

In a bid to boost the domestic production of pulses during the kharif season, the Centre on Wednesday announced a hike in the minimum support price (MSP) for pulses by up to Rs. 425 per quintal.

The Cabinet Committee on Economic Affairs (CCEA), which met here gave approval to the MSP for kharif crops of the 2016-17 season.

It increased the MSP for the common paddy (rice) variety by Rs. 60 to Rs. 1,470 per quintal and Grade A variety to Rs. 1,510 per quintal.

The CCEA approved the MSP, inclusive of bonus, for tur (arhar) dal at Rs. 5,050 per quintal for this year as against Rs. 4,625 last year, moong dal at Rs. 5,225 against Rs. 4,850 and urad dal at Rs. 5,000 from Rs. 4,625.

## **Motivating farmers**

“The MSP of all kharif crops has been increased for the coming season. We are also giving bonus on pulses and oilseeds. With substantial increase in the MSP for pulses we hope the farmers will be motivated to bring more area under pulses,” Agriculture Minister Radha Mohan Singh told reporters after the CCEA meeting.

In the oilseeds category, the MSP for groundnut has been increased by Rs. 190 per quintal to Rs. 4,220, while for soyabean and nigerseed it has been hiked by Rs. 175 per quintal each to Rs. 2,775 and Rs. 3,825, respectively.

The MSP of sunflower seed has been fixed at Rs. 3,950, increased by Rs. 150 per quintal, while for sesamum the MSP has been increased by Rs. 300 and fixed at Rs. 5,000 per quintal.

Meanwhile, agriculture experts have asked the government to focus on establishing an assured market mechanism for pulses procurement to aid farmers and lower country's dependence on pulses imports.

*Government must focus on establishing  
an assured market mechanism, say experts*

### **Brimming farm ponds bring cheer to Anantapur ryots**

*State, NGO play vital role in channelling rainwater*



A pond at Hampapuram in Anantapur district is in full flow on Wednesday.—  
PHOTO: R.V.S. PRASAD

The recent claim of the district administration and the State government of more than 20,000 farm ponds filling up due to the rain a few days ago, remains an unprecedented event in the decades long efforts of various governments in circumventing droughts.

The government's plan is to store rain water through numerous farm ponds besides recharging the groundwater table. Through this stored water, the government intends to give protective irrigation to crops at crucial stages in between long dry spells using rain guns which would economically and equitably distribute water to the crop, said Y.V. Malla Reddy, director of the Accion Fraterna Ecology Centre, an NGO concerned with bettering agriculture, and a member of many panels formed by the government on drought proofing the state.

Mr Malla Reddy, who along with the NGO run by him, has been crucial in taking the government on the path of large scale farm pond creation, said the

effort seems to be bearing fruit. However, he said it was too early to predict the final outcome.

Speaking to *The Hindu*, Deputy Director of the Groundwater Department at Anantapur P. Purushottam Reddy said the farm ponds certainly seemed to have played their part in ensuring the groundwater levels stabilised and registered an upward swing.

In fact, 61 of the 150 piezometers in the district, erected to measure and notify through telemetric systems the exact groundwater levels on an hourly basis, have not only shown stabilization from a downward trend but also registered an increase in groundwater levels.

However, Mr Reddy said he was positive that the water table would stabilize within the next 2-3 days as recharge would take its time in places where there were deep bore wells and due to non-contiguous pores in the sub-strata.

Farmers also seem to be a happy lot. "I have no doubt that my crop can be harvested this year. The hope arises out of the seeing the water filled to the brim in the farm pond. Even if rains fail, I will be able to harvest the crop. I just hope rains don't play spoilsport towards the harvesting season," said Narayana Reddy, a farmer of the Kotanka village of the Garladinne mandal.

### **M.P. govt to buy onions at Rs 6/kg**

Alarmed over reports of farmers throwing away their onion produce due to low prices, the Madhya Pradesh government on Wednesday announced that it would purchase the crop at Rs 6 per kilogram.

"The Government has respect for farmers who toil hard in difficult conditions. We will not allow them to suffer losses and therefore we will purchase the onion crop at Rs six per kg. I have directed officials to make all arrangements for it," Chief Minister Shivraj Singh Chouhan said. He was addressing a programme at Tara Sewania village near here under the 'Gramoday se Bharat Uday' campaign.

Farmers in various parts of the State, especially in the Malwa region, have thrown away the onions on roads after failing to recover even the cost of cultivation. In some places the prices fell to as low as 30 paise per kg.

Mr. Chouhan also announced that a farmers welfare fund will be set up to help them in the period of distress and directed the district collectors to make plans for formulating an agriculture policy.-PTI

### **Govt hikes paddy MSP by Rs. 60 per quintal for 2016-17**



The support price of paddy common variety has been raised to Rs. 1,470 per quintal, while Grade A variety paddy has been increased to Rs. 1,510 per quintal for 2016-17. File photo: P.V. Sivakumar

The government on Wednesday hiked the minimum support price (MSP) of paddy by Rs. 60 to Rs. 1,470 per quintal for the 2016-17 kharif season.

A decision in this regard was taken in the meeting of the Cabinet Committee of Economic Affairs (CCEA).

The Cabinet also approved a substantial increase in the MSP of pulses for the 2016-17 kharif season.

The government had fixed the MSP of common variety paddy at Rs. 1,410 and grade A variety grain at Rs. 1,450 per quintal for 2015-16 kharif (summer) season.

MSP is the rate at which the government buys the grain from farmers. Sowing of kharif crops will begin with the onset of southwest monsoon this month. Paddy is the main crop grown in the season.

“CCEA has approved Rs. 60 per quintal increase in the MSP of paddy for the 2016-17 kharif season,” a source said.

The support price of paddy common variety has been raised to Rs. 1,470 per quintal, while A grade variety paddy has been increased to Rs. 1,510 per quintal for 2016-17, the source said.

The government has increased paddy MSP marginally as the country has sufficient stocks and the price increase covers the cost of production.

Barring pulses and oilseeds, the CCEA has approved the MSP of other crops as per the recommendation of government’s advisory body on farm pricing CACP.

In case of pulses, the sources said the government has hiked MSP substantially for 2016-17 kharif season to boost domestic production and reduce the country’s dependence on imports.

Sources said the CCEA has approved more than Rs. 400 per quintal increase including bonus to enthruse farmers to grow more pulses this year.

Similarly in oilseeds, the sources said the MSP has been increases substantially.

In case of cotton, the CCEA has approved Rs. 60 per quintal jump in MSP of medium staple cotton to Rs. 3,860 for 2016-17 and for long staple cotton to Rs. 4,160 per quintal.

The government is bullish on farm sector growth in 2016-17 fiscal on hopes of better monsoon after two consecutive drought years.

## **Farmers demand higher procurement price for paddy**

*They are demanding implementation of Swaminathan panel report*

Farmers' organisations have expressed disappointment over the "customary and measly" increase in the minimum support price (MSP) for paddy announced by the Centre for 2016-17 kharif season on Wednesday.

The government has announced an increase of Rs. 60 a quintal of paddy. Accordingly, the MSP for the common variety paddy had been fixed at Rs. 1,470 and for A grade variety at Rs. 1,510 a quintal. The increase comes in the midst of consistent farmers demands for increasing the MSP for paddy to at least Rs. 2,500 a quintal.

Farmers' organisations were critical of the attitude of successive governments to ignore farmers' demands for increasing the MSP for paddy in proportion to the rising input and labour costs. They demanded that the M.S. Swaminathan's Committee recommendation to fix the MSP providing 50 per cent profit over and above the cost of production of agriculture produce be implemented.

"Whichever party comes to power, it has become customary to announce a nominal increase of 3 to 5 per cent in the MSP. We have been witness to this attitude over the past 50 years, despite our repeated representations to take into account the cost of production. It has become the plight of farmers to struggle against nature and government policies," said Mahadhanapuram V. Rajaram, Executive president, Cauvery Delta Farmers' Welfare Association.

Referring to the M.S. Swaminathan Committee recommendations, Mr. Rajaram said if only farmers were given remunerative price for their produce, there would be no need for crop loan waivers. Dismissing the argument that increasing the MSP for food produce would lead to a steep rise in the prices of commodities for consumers, Mr. Rajaram said the government could give remunerative prices for farmers and extend subsidy directly to consumers.

The remuneration of government servants and elected representatives have increased manifold over the past few decades and the income of farmers was nowhere near that, said P. Ayyakannu, president, Desiya-Thennidia Nadigal Inaippu Vivasayigal Sangam.



“Farmers are continuously neglected,” he said and added that the meagre increase in MSP for paddy was inadequate to cover the rise in cost of cultivation.

Ayilai Sivasuriyan, district secretary of the Tamil Nadu Vivasayigal Sangam, affiliated to the CPI, said it remained a mystery on what basis the increase in MSP was announced every year. The cost of cultivation, including input costs and labour wages, had increased manifold, he said.

“The BJP had promised to implement the M.S. Swaminathan Committee recommendations in the run up to the Lok Sabha elections. But even after two years, there is still no announcement in this regard. Even in the Assembly election, the BJP had promised Rs. 2,500 a quintal for paddy, but even this has not been fulfilled,” Mr. Sivasuriyan said.

### **Annual credit plan released**

Collector S. Natarajan released the Annual Credit Plan (ACP) of Rs. 3,149.58 crore for the district by the nationalised and private banks for the year 2016-17 for Agriculture and allied activities, non farm and other priority sectors

The Collector, who chaired the bankers’ meeting here on Tuesday, released the ACP, prepared by Indian Overseas Bank (IOB), the lead bank of the district on the basis of potential linked credit plan of National Bank for Agriculture and Rural Development (NABARD).

“The plan envisages a total outlay of Rs. 3,149.58 crore allocated to various sectors and each bank has been given a target. The outlay marked an increase of 17.54 per cent over last year’s ACP target,” the Collector said.

Uma Maheswari, Chief Regional Manager of IOB, Tuticorin, Mathiazhagan, Assistant General Manager, NABARD and Suresh Babu, the Lead Bank Manager were present on the occasion.

As the district was predominantly agriculture based, Agriculture and allied sector topped the credit target amounting to Rs. 2,139.69 crore (67.94 per cent).

Export credit, renewable energy and social infrastructure were also given separate targets this year, the Collector said.

According to the plan, the credit for housing has been fixed at Rs. 272 crore, followed by Education (Rs. 270 crore) and Micro, Small and Medium Enterprises (Rs. 150.48 crore). A credit of Rs. 47.02 crore has been fixed for social infrastructure and a total of Rs. 224.05 crore for other priority sectors.

### **Special zones to promote native crops**

The government is planning to set up special agricultural zones in Wayanad, Attappady and Idukki to promote the cultivation of indigenous varieties of crops like vegetables, pulses, grains and tubers.

Addressing a meet-the-press programme here on Wednesday, Agriculture Minister V.S. Sunil Kumar said the proposal was aimed at restoring the diversity of native crops that had lost out to exotic varieties from neighbouring States.

Mr. Kumar said the government would formulate an organic farming policy and popularise Good Agricultural Practices (GAP) to ensure quality of produce and create new market opportunities. The policy, he said, would be aimed at phased eradication of chemical pesticides and fertilizers, to make Kerala a fully organic State.

### **Vegetable production**

Highlighting the need to step up the domestic production of vegetables, he said plans were afoot to popularise miniature polyhouses for household level cultivation. The government would also hold talks with neighbouring States to ensure the supply of pesticide-free vegetables.

Mr. Kumar said steps had been initiated to clear the dues to farmers for procurement of paddy and coconut. The government had decided to issue compensation for crop loss within 48 hours.

Mr. Kumar said an action plan would be implemented to revive paddy farming. An additional 2,500 hectares would be brought under paddy farming in six months. The area would be extended to another 1,00,000 hectares over 4.5 years. Mr. Kumar said the Kuttanad package and the Thrissur- Ponnani kole land project would be revived.



## **Databank on fields**

The databank on paddy fields and wetlands would be completed in six months. Strong action would be taken against illegal conversion of paddy land after the enactment of the Kerala Conservation of Paddy Land and Wetland Act, 2008, he said.

## **Fishermen likely to get better monetary benefit during fishing holiday**

*Centre considering proposal to increase current monthly benefit of Rs. 900 to Rs. 1,500*



Members of various fishing cooperative societies across the coast, numbering about 88 in Dakshina Kannada, Udupi and Uttara Kannada, will benefit from the move.— File Photo

About 12,000 people dependent on fishing along the Karnataka coast are likely to get enhanced monetary benefit, under savings-cum-relief scheme, during the three months of the monsoon, from the current Rs. 900 to Rs. 1,500 a month, from the next fishing holiday season.

It will be available to members of various fishing cooperative societies spread across the coast, numbering about 88 in the districts of Dakshina Kannada, Udupi and Uttara Kannada.

They include fishermen, fisherwomen and others entirely depending upon the fishing industry, said Vasudeva Bloor, vice-president of National Fish Workers Forum.

Mr. Bloor told *The Hindu* that one of the demands of the forum, which held an agitation in New Delhi on March 10 this year, was enhancing the benefit from the Rs. 900 to Rs. 1,500 a month for three months.

The Union Agricultural Ministry, which held a meeting with the representatives of the forum on March 15, has agreed in principle to enhance the benefit, he said. The member of cooperative society, the State government and the Union government contribute an equal share towards this benefit. From the next fishing season, they would contribute Rs. 1,500 each towards this scheme, Mr. Bloor said.

The National Commission for Farmers in its recent report had recommended enhancement on the ground that Rs. 900 a month was insufficient for the members during the off-season. Mr. Bloor said that the benefit was conceived to benefit those depending upon the fishing industry, who would not have much income during the two-months of fishing holiday in June-July as well as during the first month of the fishing season in August.

Director of Fisheries Department Veerappa Gowda told *The Hindu* that the benefit was enhanced from Rs. 600 a month to Rs. 900 a month two years back.

He is yet to get any communication from the centre about the further enhancement of the benefit, Mr. Gowda said.

Fishermen, particularly those undertaking deep-sea fishing along the Karnataka coast, have adopted a novel method to hunt fish since about a year.

They have been using lights to attract the fish during the nights and are said to be getting good catch.

Since the practice was not followed earlier, the State government has now sought the opinion of the Karnataka Karavali Meenugarara Kriya Samithi,

whether to allow the practice or not, said Vadudeva Bolloor, general secretary of the samiti.

He said that the samiti, comprising representatives from different kinds of fishing vessels, from traditional to mechanised, would meet soon and evolve a consensus on the issue.

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### ***Money matters***

- ***Currently, Rs. 900 is being paid a month for three months of the fishing holiday***
- ***All those depending upon fishing, including fishermen, get this benefit***
- ***Holiday wage is payable to members of fishing cooperative societies***
- ***There are about 88 societies in coastal Karnataka with about 12,000 members***
- ***Proposal to enhance the wage to Rs. 1,500 a month under the Centre's consideration***

### **Farmers encouraged to cultivate more pulses**



Learning new techniques: Farmers and agricultural experts at Krishi Vigyan Kendra in Mandya district on Wednesday.

C.L.L Gowda, Deputy Director General, International Crops Research Institute for Semi-Arid Tropics (ICRISAT, Hyderabad), has called upon the farmers to take up the cultivation of pulses as they are resistant to drought conditions prevailing in the State.

He was addressing the farmers and agricultural experts of different districts, at a one-day technical workshop on pulses production, at the Zonal Agricultural Research Station (ZARS), V.C. Farm, on the outskirts of the town on Wednesday.

Stressing upon the importance of pulses, Mr. Gowda, a renowned agricultural expert, advised the farmers to increase the extent of cultivation of pulses as they are a good source of vegetable protein and other ingredients.

The farmers should adopt for modern agricultural techniques, under the guidance of field staff, to improve their income, he said.

H. Shivanna, vice-chancellor, University of Agricultural Sciences, Bengaluru, inaugurated the programme. He advised the farmers to go in for appropriate strategies, use quality seeds and also approach agriculture experts to get more information on pulses cultivation for better yields.

The programme was organised at ZARS as the year 2016 has been declared as the 'International Year of Pulses', M. Venkatesh, Scientist (Horticulture), Krishi Vigyan Kendra (KVK), said.

### **Enhance knowledge**

Speaking to *The Hindu*, Mr. Venkatesh added that the ZARS and KVK have resorted to educate farmers about the cultivation of pulses through various programmes.

“We will organise workshops and seminars apart from conducting field visits to educate and encourage farmers on cultivating pulses,” he said.

‘Dwidala Deepa’, a programme on All India Radio (AIR, Mysuru), was also inaugurated on the occasion.

M.N. Rajasulochana, Joint Director, Department of Agriculture, AIR programme officer M. Raghavendra, Extensional Director of UAS-B K.

Jagadishwar, officials of UAS-B, ZARS, KVK and several government departments, and farmers from different parts of Mandya, Hassan, Mysuru, Chamarajanagar and other districts were present.

### **Water released from Manimuthar dam for ‘kar’ paddy cultivation**

*Discharge to be maintained between 45 cusecs and 75 cusecs for 105 days*



To the fields:Water being released from Manimuthar dam in Tirunelveli district.— Photo: A. Shaikmohideen

Water from Manimuthar Dam was released for ‘kar’ paddy cultivation to be taken up on over 2,000 acres in six villages near the reservoir on Wednesday.

Collector M. Karunakaran released water from the dam in the presence of Tirunelveli MP K.R.P. Prabhakaran and Ambasamudram MLA R. Murugaiah Pandian.

Dr. Karunakaran said the water being released from Manimuthar dam would enable the farmers of Zamin Singampatti, Ayan Singampatti, Vairaavikulam, South Paapaankulam, Moolachikulam and South Kallidaikurichi to go in for ‘kar’ paddy cultivation on 2,756.62 acres. The quantity of water discharged

from the reservoir would be maintained between 45 cusecs and 75 cusecs for 105 days (till September 13) based on the inflow of water into the dam.

“Since the dam now has water for about 75 feet against its maximum capacity of 118 feet and the influx of water stands at just 33 cusecs, farmers should use the water judiciously for farming operations,” Dr. Karunakaran appealed.

Sub-Collector, Cheranmahadevi, V. Vishnu, Joint Director of Agriculture P.S. Karunakaran, Executive Engineer of PWD (Water Resources Organisation) Subramanian, Ambasamudram Tahsildar Irudhayaraj and other senior officials were present.

### **The native returns to help dairy farmers**

*Influenced by her father, she had dreams of helping small farmers*

Dipti Pitta, brought up in the family of a man involved in animal husbandry for decades, always dreamt of assisting dairy farmers of India and helping them grow economically.

She is an Assistant Professor in Ruminant Nutrition, School of Veterinary Medicine, University of Pennsylvania, and brought a team of experts all the way from the U.S. to Andhra Pradesh.

### **Murrah bulls**

They have come with proposals to bring in advanced technologies and practices to develop the State as a hub of elite Murrah Bulls and also increase milk production.

Speaking about her journey from Visakhapatnam, her native city, to Pennsylvania, Ms. Dipti says she actually wanted to become a doctor but the influence of her father’s profession made her pursue veterinary sciences. “My father P. George Wilhelms retired as joint director in AP’s Animal Husbandry Department. Having specialised in meat science, he brought Yorkshire Pig into A.P. through an Indo-Swiss project. All his works inspired me to take veterinary sciences in the NG Ranga Agricultural University and later Ph.D. from Massey University, New Zealand, where I got exposed to advanced laboratories,” Ms. Dipti told *The Hindu* on the sidelines of the workshop ‘Milk Mission’ held in the city on Wednesday.



## **Animal science research**

“Soon after pursuing post graduation in the Tamil Nadu Veterinary and Animal Sciences University, I planned to come back to Hyderabad and work towards my dream of bringing change in dairy industry here. But my guides convinced me to do research in animal science and then return with more knowledge after which I have developed passion for ruminant production,” she added.

“Many farmers in India are dependant on milk-giving animals. There is great potential in improving indigenous breeds and increasing milk productivity of cows is possible through technology. It will help farmers socio-economically and that is my dream,” she said. “I am poised to uplift the small-scale farmers and it is the reason behind the proposal of an MoU with the State government,” she adds.

Ms. Dipti is part of the team which included Dr. David Galigan, Professor of Animal Health Economics, Dr. Victor Absalon Medina, Director, Large Animal Gamete and Embryo Manipulation Lab of the University and Mr. Brandon Webb, MD of Royal Atlantic Holdings, who presented the technology and practices available with them at the workshop.

## **Ryots welcome package, but say cultivating 3 lakh acres difficult**



Tough ask: Farmers say that they can go in for kuruvaionly in places where groundwater is available.— Picture used for representational purpose

A cross-section of farmers in the Cauvery Delta on Wednesday welcomed Chief Minister Jayalalithaa's announcement on kuruvai crop season package but felt achieving the target of cultivating paddy in three lakh acres would be difficult to meet.

“This is a well thought out plan but the target of three lakh acres under paddy using sub surface water is ambitious,” said general secretary of the Tamil Nadu Cauvery Delta Farmers Welfare Association Mannargudi S. Ranganathan. Farmers could go in for kuruvai only in places where there is groundwater availability. Already summer paddy has been raised on nearly one lakh acres under similar conditions. Also, three lakh acres of paddy crop cultivation requires 50 to 60 tmcft water and it needs to be underlined that the Southwest Monsoon's support to Tamil Nadu is usually minimal.

The State government has taken a calculated gamble but the support mechanism to farmers by way of pulses seeds and green manure seeds, 12-hour assured three-phase power supply are definite plus to the kuruvai farmers, Mr. Ranganathan noted.

The target of three lakh acres under kuruvai through sub surface water is unrealistic under the present circumstances, avers general secretary of the Federation of Farmers' Associations of Delta Districts Arupathy P. Kalyanam. If copious water had flown in the Cauvery then even four lakh acres would have been possible. However, Mr. Kalyanam urged the State government to extend the benefits of kuruvai package to all farmers raising the kuruvai paddy crop rather than restricting the scope of beneficiaries. In particular, some benefits must be extended to those who go in for manual transplanting too, he stressed.

“We wholeheartedly welcome the Chief Minister's announcement on the kuruvai package,” said

Swamimalai S. Vimalnathan, secretary, Thanjavur District Cauvery Farmers Protection Association. In doing so, we also urge the Chief Minister to include expeditious energisation of farm power pump sets for which applications have been pending for years. The package must benefit all sections of the farming community, Mr. Vimalnathan said.

“Also, we request the Chief Minister to extend diesel subsidy to those farmers who use diesel pump sets in the absence of energised pump sets. Senior

bureaucrats should visit the delta during the implementation of the package to have a first hand knowledge of the opportunities and challenges being faced by the farmers,” Mr. Vimalnathan said.

### **Jayalalithaa unveils sops to boost kuruvai cultivation**

*Subsidy to be directly transferred to the bank accounts of farmers*



Jayalalithaa

As water from Mettur dam would not be released on the customary date of June 12 this year due to poor storage, Chief Minister Jayalalithaa on Wednesday announced a slew of measures to boost the cultivation of the short-term *kuruvai* crop in the delta region.

The Rs. 54.65-crore package unveiled on Wednesday includes a subsidy of Rs. 4,000/acre to farmers who use mechanical paddy transplanters for cultivation; Rs. 40 crore has been earmarked for this.

The subsidy would be directly transferred to the bank accounts of the farmers, Chief Minister Jayalalithaa said in a statement after she chaired a high-level

meeting to review the *kuruvai* cultivation in delta areas in the Secretariat on Wednesday.

As the water storage in Mettur dam stood at 45.82 feet against the minimum 90 feet necessary to release water from the reservoir, Ms. Jayalalithaa said even if Tamil Nadu were to receive 10 TMC of water due from Karnataka for June, it still would not be sufficient for the release.

According to her, the six delta districts received sufficient rainfall recently, resulting in an improved water table.

The government would also allocate Rs. 5.70 crore for distributing seeds to farmers in Vennaru area to improve the soil quality.

“This would help develop the land in the area and also lead to high yield in samba cultivation,” she said.

Hundred per cent subsidy would be provided to farmers for buying high-density polyethylene pipes for optimal use of water and for obtaining micro-nutrients, she said.

To improve the soil quality, zinc sulphate would be made available at a subsidy of Rs. 400/acre.

For the benefit of farmers facing water shortage along the Cauvery, a subsidy of Rs. 1,400/acre would be provided for cultivating millets. About Rs. 2.10 crore has been earmarked for providing subsidy to over 15,000 acres.

The State government would also continue to provide three-phase power to farmers in the delta region as it did during the last four years, Ms. Jayalalithaa added.

***The current storage level of Mettur dam does not allow for water release***

***on June 12***

## Bio-manure gaining ground in Pachamalai villages

*A group of farmers is supplying 'pancha kavya' and vermin-compost*



FERTILE MIND: Vermi-compost has been fetching good returns for this progressive farmer at Ottampattiputhur in Pachamalai in Tiruchi District.—  
PHOTO: B. VELANKANNI RAJ

A group of farmers of Konganimudakku at the foot of Pachamalai has been popularising bio-manure among tribal farmers of Pachamalai. The farmers have been producing vermin-compost and 'pancha kavya' and have been supplying it to tribal farmers.

There has been a growing demand for this bio-manure as it is available on bulk quantity at this farm. The pancha kavya is produced using cow-dung, cow urine, water, curd, milk, and yeast. "We supply 'pancha kavya' to tribal farmers who are not so familiar in preparing it," says T.M.P. Thangaraj, founder of the TMP Vermicompost Production Centre at Konganimudakku village near Ottampattipudur on the foot of the hills.

P. Pazhanisamy, co-founder of the centre, said apart from tribal farmers, big farmers from Kancheepuram, Rasipuram, and Rajapalayam had been placing

bulk orders for the bio manure. “We despatch the ‘pancha kavya’ by parcel,” he said.

The sprawling area of 10 acres accounts for a large number of shade-giving trees and the dry leaves were being utilised for preparing the vermin-compost.

Mr. Thangaraj said there had been a growing demand for using bio-manure. On an average, he markets 200 litres of ‘pancha kavya’ and four tonnes of vermi-compost. The profit margin is 50 per cent for ‘panchakavya’ and about 40 per cent for vermi-compost. He is prepared to impart training to those interested in starting similar units. He can be contacted by dialling 94435-50403.

### **Advantages**

Mr. Thangaraj said that onion cultivators were the largest beneficiaries of the bio-manure. “The pancha kavya protects the onion from the bad influence of mist and gives sheen and colour to the crop,” he said. Tapioca farmers of Pachamalai had been applying bio-manure.

### **Poor procurement shows fall in paddy production**

Paddy procurement in Kerala has recorded a decline during the second crop season this year. It indicated lower production of paddy in the State.

The State procured 3.99 lakh tonnes during the 2015-16 second crop as against 4.067 lakh tonnes procured during the corresponding season in 2014-15. The procurement of second crop in 2013-14 was to the tune of 4 lakh tonnes, according to data available from Supplyco.

Drought conditions, unseasonal rain, and changes incorporated into the crop calendar were among reasons that affected production, A.V. Suresh Kumar, Paddy Marketing Officer, Supplyco, told *The Hindu*. “Subdued rainfall, ideal for a good crop, was sparse. Early dewatering of the fields during the pre-harvest period also affected the crop. The farmers resorted to such a practice to facilitate deployment of harvesting machines which were being operated on a certain schedule to which the farmers had to comply with,” he said.



## **Pest attack**

Severe heat during the flowering stage and pest attack further eroded the prospects of a good crop. The content of chaff in the crop was comparatively high this time, he said.

“Stretching of the conventional farm calendar has hit the yield.

The pancha crop should ideally be harvested by April 15. The period between Pathamudayam and Vishu is the ideal season,” he said, adding that the crop season extended up to the end of May this year.

Alappuzha district registered a fall of about 6,000 tonnes of paddy during the latest season. The procurement from the district was 1.14 lakh tonnes this year compared to 1.20 lakh tonnes registered last year. The procurement during the second crop in 2013-14 was to the tune of 1.23 lakh tonnes.

Taking the case of Kuttanad, the procurement was 0.88 lakh tonnes for the second crop in 2015-16 while it was 0.91 lakh tonnes in the corresponding crop season in the previous year. The procurement was to the tune of 0.96 lakh tonnes during the 2013-14 crop season.

Fall in production was reported in Palakkad, one of the major paddy producing districts. Most of the other districts also followed a similar pattern, leading to lower procurement this year, Mr. Suresh Kumar said.

## **Control feed wastage, farmers told**

Poultry farmers have been asked to take preventive measures to control feed wastage due to high wind speed during monsoon. A press release here from Agromet Field Unit of Veterinary College and Research Institute and Regional Meteorological Centre, Chennai has said that the sky will be generally cloudy with a chance of isolated rainfall in the next two days. Maximum and minimum temperature respectively be 36 degree Celsius, and 25 degree Celsius.

### **For boosting acreage: Major jump in MSPs of kharif pulses, oilseeds**

The MSPs for oilseeds have gone up somewhat, from Rs 215-225 per quintal for soyabean and groundnut to Rs 250-500 for sunflower and sesamum.



The MSPs of the three main pulses — tur/arhar (pigeon-pea), urad (black gram) and moong (green gram) — to be planted in the new 2016-17 kharif season have been increased between Rs 375 and Rs 425 per quintal over last year's levels.

The Narendra Modi government has sharply raised minimum support prices (MSP) of pulses to send out a strong signal to farmers to bring more area under these legumes and reduce the country's dependence on imports.

The MSPs of the three main pulses — tur/arhar (pigeon-pea), urad (black gram) and moong (green gram) — to be planted in the new 2016-17 kharif season have been increased between Rs 375 and Rs 425 per quintal over last year's levels. Since it has taken over in May 2014, the Modi government has effected a cumulative MSP hike of Rs 700-750 per quintal in kharif pulses, much more

than the corresponding Rs 160-165 for paddy or the even meager Rs 55-130 levels of major coarse cereals like maize, bajra (pearl millet) and jowar (sorghum).

On the other hand, the MSPs for oilseeds have gone up somewhat, from Rs 215-225 per quintal for soyabean and groundnut to Rs 250-500 for sunflower and sesamum.

Much of this has been done in the current year, through grant of one-time bonuses over the MSPs.

Again, the intention seems to be to push farmers to grow more of crops where India has or is becoming increasingly import-dependent.

In 2015-16 (April-March), the country imported 5.79 million tonnes (mt) of pulses valued at \$ 3.9 billion, up from 4.58 mt (\$ 2.79 billion) and mt (\$ 1.83 billion) during the preceding two years.

These figures were even more for edible oils: 15.57 mt and \$ 10.49 billion in 2015-16, 13.85 mt and \$ 10.62 billion in 2014-15, and 10.98 mt and \$ 7.25 billion in 2013-14.

As against this, domestic output of pulses have fallen from 19.25 mt in 2013-14 to 17.06 mt in 2015-16, while similarly declining from 32.75 mt to 25.90 mt in the case of oilseeds, according to agriculture ministry data.

A large part of this production drop has, of course, come on account of back-to-back droughts.

With forecasts of a normal monsoon this year, some recovery is expected and which could also correspondingly lead to lower imports.

### Minimum Support Prices for Kharif Crops (Rs per quintal)

	2013-14	2014-15	2015-16	2016-17
Paddy-Common	1,310	1,360	1,410	1,470
Grade A	1,345	1,400	1,450	1,510
Jowar-Hybrid	1,500	1,530	1,570	1,625
Maldandi	1,520	1,550	1,590	1,650
Bajra	1,250	1,250	1,275	1,330
Maize	1,310	1,310	1,325	1,365
Ragi	1,500	1,550	1,650	1,725
Tur/Arhar	4,300	4,350	4,625*	5,050**
Moong	4,500	4,600	4,850*	5,225**
Urad	4,300	4,350	4,625*	5,000**
Groundnut-in-shell	4,000	4,000	4,030	4,220@
Soyabean	2,560	2,560	2,600	2,775@
Sunflower seed	3,700	3,750	3,800	3,950@
Nigerseed	3,500	3,600	3,650	3,825@
Sesamum	4,500	4,600	4,700	5,000*
Cotton-Medium Staple	3,700	3,750	3,800	3,860
Long Staple	4,000	4,050	4,100	4,160

\*Inclusive of Rs 200/quintal bonus; \*\*Inclusive of Rs 425/quintal bonus;  
@Inclusive of Rs 100/quintal bonus

“The higher MSPs should act as an added stimulus to good rains. Both together should spur farmers to increase pulses and oilseeds acreages rather than paddy, where the country is saddled with surplus stocks in government godowns”, said an agriculture ministry official.

The official, however, admitted that mere MSP hikes may not suffice to spur farmers to produce pulses. The main reason why farmers prefer to cultivate paddy and wheat is because of assured MSP-based procurement by government agencies.

Currently, market prices of arhar, moong and urad are ruling way above even the MSPs announced on Wednesday.

“Farmers would want some assurance that in case of prices dropping from a bumper crop — as they have recently in onions or even for pulses such as chana in the past — the government would procure at the declared MSPs.

If that does not happen, it would be a disaster and farmers may go back to growing paddy or sugarcane”, a dal miller pointed out.



## **Genetically modified technology: Fiasco in the name of the farmer**

The Centre should fully roll-back recent moves at controlling prices and royalties for Bt cotton seeds.



A farmer inspecting his cotton plantation in Paiya village in Gujarat. (Express Photo: Javed Raja)

Kudos to the person high up in the corridors of power, whose timely intervention has saved Prime Minister Narendra Modi from a potential embarrassment during his forthcoming US visit!

The issue at stake is a May 18 gazette notification of the Ministry of Agriculture and Farmers Welfare on genetically modified (GM) cotton seeds.

An earlier order allowed the ministry to fix the maximum retail price (MRP) of GM cotton seeds incorporating US multinational Monsanto's proprietary Bollgard-II technology at Rs 800 per packet, along with a trait fee (royalty) of Rs 49.

The notification, however, went a step further by prescribing a royalty of not more than 10 per cent of the MRP of seeds for even any new commercialised GM trait, and to be reduced annually by 10 per cent after five years. Besides,

any trait, both existing and new, would have to be compulsorily licensed to all seed firms asking for it, within 30 days.

The anticipated implementation of the notification triggered a spate of accusations and defenses. On the one side were the seed multinationals, specifically Mahyco Monsanto Biotech India Private Ltd (MMB) that has commercialised Bollgard Bt cotton technology in India since 2002.

On the other were a few of the 50-odd domestic seed companies that had licensed this technology from MMB and did not want to pay the trait fees, which they claimed to be very high.

In light of the widespread backlash from economic, academic, and political quarters, the May 18 notification has thankfully been rescinded for now.

The agriculture ministry has left the notification open for discussion for 90 days, following which its future will be determined.

Clearly, had the notification still been in place, Modi would surely have had to face a harsh business and media during his visit to the US.

The Centre has invoked the Essential Commodities Act, 1955 (ECA) for control of both seed prices as well as trait fees for licensing of technology, which are basically private contracts.

In a recent article, Montek Singh Ahluwalia, former vice-chairman of the erstwhile Planning Commission, had pointed out that any notification of this kind should have gone through the Protection of Plant Varieties and Farmers' Rights Act of 2001, rather than the ECA. This would have also been in line with the current government's National Intellectual Property Rights (IPR) Policy, which incidentally was issued hardly a week before the notification.

Instead of delving deeper into IPR issues, what I would like is to question the economic basis of applying the ECA. The ECA is normally invoked to check the prices of essential foodstuffs, when these spike abnormally within a short period.



Such spikes could result from acute scarcity caused by natural calamities, war, or collusion by certain market participants (hoarders!). But in the present case, none of these seem to have happened.

There has neither been any sudden jump in cotton seed prices nor supply shortages. So, what can be the defense for the Centre's move? One of it could be on grounds of the farmer's inability to pay higher for cotton seeds.

So then, the question is what would be extent of fall in seed prices from the now-shelved notification and the earlier (March 9) order? In Maharashtra, which is the largest market for Bt cotton seeds, the MRP would come down from Rs 830 to Rs 800/packet, i.e. a decline of only 3.6 per cent.

It is somewhat larger, at 14 per cent, in Andhra Pradesh and Telangana, where the existing MRPs of Rs 930 will be capped at Rs 800/packet.

Either way, the moderation in prices isn't so much to justify the government's resort to such extreme action.

The real story, though, unfolds when one looks at the second component, i.e. trait fee. Under the order, this would go down from the current Rs 186.95 to Rs 49 per packet, a steep 74 per cent cut.

The real drift of the battle is less over providing cheaper seeds and more about reduction of royalty payments for licensees.

Both the March 9 order and the rescinded notification aim at transferring benefits away from the innovator to the domestic licensees.

It is a blatant "theft" of somebody's rightful earnings from massive financial and time investments on development of new technology.

What if MMBL does not agree to the new conditions, and decides to withdraw even Bollgard-II technology from India? Would domestic licensees give up selling hybrids incorporating this event? If that happens, the cotton revolution that the country has witnessed over the last decade will sink within the next 3-5 years.

India may, then, even turn a major cotton importer. Alternatively, if the licensees continue to sell Bt seeds based on Bollgard-II, India's credibility in IPR enforcement would be at stake.

In both cases, there will be no incentive for Monsanto for introducing its next-generation technology; the same applies to other innovator plant biotech companies, too.

Over time, the prospect of even sustaining the current cotton revolution becomes difficult.

My estimates suggest that India gained roughly \$55 billion over the period from 2002 to 2015 in terms of exports of raw cotton, additional yarn shipments, and savings in potential imports — which would have been necessitated in a business-as-usual scenario and had Bt cotton not been introduced.

At the farmer level, the estimated returns over 'A2' or actual paid-out costs at 2014-15 prices for five major states — Gujarat, Maharashtra, Andhra, MP, and Punjab — averaged only Rs 12,946 per hectare for the triennium ending (TE) 2001-02, just before Bt was introduced.

But this rose to Rs 45,438 per hectare for the TE 2012-13. The above 3.5-fold increase in profits alone explains why more than 95 per cent of India's cotton area is today under Bt, representing the fastest spread of the technology anywhere in the world.

This revolution would obviously have not happened if seed prices were really high. In fact, seed costs, which were just 6.14 per cent of farmers' total revenues in TE 2001-02, came down further to 4.78 percent in TE 2012-13.

The May 18 notification is clearly short-sighted and anti-farmer.

Wisdom lies in burying it once and for all, while encouraging the best seed technologies to flow into India under competitive conditions via private contracts.

The government can buy the technology from the innovator, if it wants to supply seeds to farmers at low prices. In an article written for this page, Pravesh Sharma, former managing director of the Small Farmers' Agribusiness Consortium, has drawn parallels with the Defense sector where the government negotiates purchase of technologies through a one-time payment (<http://bit.ly/1shBqxi>).

A still bolder move would be to aim at taking over companies like Monsanto. If ChemChina can acquire Syngenta at \$ 44 billion, and Bayer has already bid for

Monsanto at \$ 62 billion, can any arm of the Indian government (ICAR??) bid higher and thereafter sell seeds, be it of Bollgard-II or III, at any price it wants? Only PMO has the answer.

### **Monsoon to hit Bengal by June 7, heavy rains expected, claim weather experts**

Dr Kanti Prasad, climate scientist at Weather Risk Management Services (WRMS), said there will be a variation in rainfall but overall, the state will receive rainfall in excess, particularly in June.



A rickshaw puller transports goods through a flooded street after heavy rainfall in Kolkata on Wednesday. Reuters photo

West Bengal is expected to receive above-normal rainfall this monsoon, expected to hit the state within a week, while the north-eastern states are likely to face the risk of floods, a private weather forecasting agency said here on Wednesday.

Dr Kanti Prasad, climate scientist at Weather Risk Management Services (WRMS), said there will be a variation in rainfall

but overall, the state will receive rainfall in excess, particularly in June.

“From the data and satellite pictures collected, it can be assumed that monsoon would set in Bengal by the seventh of this month and the wind will advance further westward towards Bihar, east Uttar Pradesh and Himalayan belt between June 16 and 20,” Prasaid told reporters.

“While the northern part of the state is likely to receive excess rainfall in July, the southern part will receive normal rainfall. In August, there are chances of less rainfall, it will be back to normal in September,” added Prasad, former deputy director general of meteorology, IMD.

Asked about the north-eastern states, Prasad predicted heavy to very heavy rainfall in the months of June and July which can give rise to a flood-like situation.

WRMS has analysed data from the NOAA climate coupled forecast system model version 2 (CFSV2) model to predict that the onset of monsoon is expected to be slightly delayed and is likely to take place around June 6-7 as a weak current.

Prasad said the data indicated several anomalies over most part of the country during the monsoonal months.

“A few pockets of southern peninsula such as Andhra Pradesh, Telangana, Karnataka and Tamil Nadu may receive deficient rainfall during the month of July and September,” he said.

Sonu Agarwal, MD, WRMS, said their operation included weather forecasting, suggesting mitigation mechanisms and elaborating on the insurance aspect in adverse situations.

“For 2015-16, we had predicted that there would be drought-situation in many parts of the country and had suggested to farmers in those areas that they should not go for water-intensive crops.

We collect data from 100 weather stations in Bengal and have several models. We issue advisories to farmers across the nation, take up soil moisture census and also help farmers in planning irrigation if a dry spell is predicted,” Agarwal said.

## **Jharkhand: Only 35% target met in govt's scheme to construct 1 lakh farm ponds**

As per latest figures available, at least 35,113 dobhas have been completed, while work on another 21,234 is underway.



The total number of applications received by the farmers and other beneficiaries is over a lakh now and the money has been transferred to them in more than 85,000 cases, said officials. (Source: Reuters/File)

With only 35 per cent of the work done and around nine days remaining, the likelihood of the target of one lakh dobhas (farm ponds) being met by the June 10 deadline in Jharkhand is very less.

Officials, however, said that they were hard on the task against all odds and were hoping to achieve more than 50 per cent of the target.

The construction of dobhas was taken up by the state government in mission mode towards the end of April in order to deal with water conservation in the wake of severe heat and poor rains in the last two years.

Meanwhile, the state has decided to crack whip on the non-performers in this connection. The govt suspended a BDO in Khunti district and asking officials to prepare a list of those who have met less than five per cent of their target.

At least five districts – Khunti, Dhanbad, Palamu, Jamtara and Singhbhum (West) – have been among the worst in progress achieved, less than 20 per cent of the work so far. Two senior officials have been sent from the capital to oversee the work in these districts and to expedite the same.

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Director (Land Conservation) Fanindra Nath Tripathi said: “This scheme is essentially to be run by the farmers, who are the beneficiaries. The (rural development) department works as a facilitator by way of giving specifications and providing some logistical support.

In various cases, the payments supposed to be made by the beneficiaries to the JCB owners is getting delayed, as a result of which the work gets delayed. We are hopeful to complete as much of our work as possible by the June 10 deadline.”

Under the scheme, the beneficiary applies for a dobha, which has to be sanctioned by the state government. There are four sizes – 15x15x10, 20x20x10, 25x25x10 and 30x30x10 (all in feet) – that are to be constructed over farmers’ land. The state government provides 90 per cent of the estimated fund, while the remaining 10 per cent of the expense is to be borne by the farmer.

“His job is only to get the embankments dressed up and remove excessive soil from the spot so that it does not clog the water body during rain. First 30 per cent of the fund is paid upfront and the remaining 60 per cent to be paid after the completion of the work,” said an officer associated with the scheme.

However, the officials said that they were facing problems broadly on two issues – reluctance on the part of the JCB owners to send their machines for the work as they apprehend that they would not be paid; and sheet unavailability of adequate number of JCBs in the state.



“Although, the funds are directly transferred to his accounts, farmer keeps the JCB owner waiting for the payment. This makes the latter jittery,” said Tripathi.

In some districts, the authorities held a meeting with the JCB owners and assured them that their payment would be safe as the state had 60 per cent of the funds in its possession. “This has failed to cut much ice, although we keep pressurising them,” said a senior administration official of Ranchi district.

Also, with the work on bigger ponds and other construction works underway, the sheer availability of the JCB machines is one of the major stumbling blocks, said officials.

While, a high ranking official said that, on an average, there were 70 to 80 JCBs in each districts, the problem on the ground was much worse. “In Ranchi alone, considering the extent of work left, we need around 250 JCBs, but we have only around 100 available. Also, we have had rain and squall intermittently disrupting the work,” said the official.

# hindustantimes

**Economy can touch 8% growth level with good monsoon: Finance ministry**



Finance ministry has said country's GDP growth can touch 8% in the current fiscal with good monsoon. (Reuters File Photo)

India has done well on fiscal and economic parameters and the GDP growth can touch 8% in the current fiscal with good monsoon, global headwinds notwithstanding, the finance ministry said on Wednesday.

"This year the projections for monsoon are good. We hope that the monsoon will be good. With a good monsoon, I think India will be able to reach 8% growth in the current year," said economic affairs secretary Shaktikanta Das.

Das was talking to reporters along with telecom minister Ravi Shankar Prasad after the cabinet meeting.

Das said the fiscal deficit and the revenue deficit during 2015-16 were fully contained and targets were achieved.

"Our fiscal and micro and macro economic parameters are very positive," he said.

Country's economy grew by 7.9% in March quarter to consolidate its position as the fastest growing major economy, leaving behind China, with a five-year high growth rate of 7.6% for 2015-16 on robust manufacturing growth. The growth was 7.2% in 2014-15.

Das said overall macroeconomic numbers and fiscal parameters of the country are "very very robust".

Government was "bang on target" on the fiscal deficit front. The fiscal deficit during 2015-16 was contained at 3.9% of the GDP, in line with the budget projections.

Revenue deficit showed significant improvement due to increase in capital expenditure of the government. The deficit which was 3.2% of GDP in 2013-14 improved to 2.9% in 2014-15 and 2.5% in 2015-16.

The secretary said the Plan expenditure at Rs 4.71 lakh crore in 2015-16 was higher than the budget estimate of Rs 4.65 lakh crore. The capital expenditure has exceeded budget estimates for the first time in five years.

“We can say with confidence that with all the reform measures, policy initiatives, the direction which the budget has given this year for the economic growth, especially for agriculture and rural sector, all this put together I think we are beginning to see the results. This is reflected in the overall GDP and in the fiscal numbers,” Das said.

## THE HINDU BusinessLine

### Centre hikes support price, bonus for pulses







Paddy is the main crop grown in the Kharif season.

## Kharif booster shot

	MSP in ₹ per quintal		% increase
	2016-17	2015-16	
Paddy Common	1,470	1,410	4.3
Paddy Grade A	1,510	1,450	4.1
Tur (Arhar)	5,050*	4,625	9.2
Moong	5,225*	4,850	7.7
Urad	5,000*	4,625	8.1
Groundnut in shell	4,220#	4,030	4.7
Soyabean Yellow	2,775#	2,600	6.7



\*includes bonus of ₹425 per quintal; #bonus of ₹100 per quintal

MSP for all kharif crops raised in a bid to boost output

In a bid to boost production of pulses and oilseeds and reduce the country's dependence on imports, the Centre has hiked the Minimum Support Price (MSP) and announced an increase in bonus for these commodities grown in the kharif season.

The bonus on the three main varieties of pulses — tur, arhar and moong — has more than doubled, while the Centre has also announced an increase in the incentive for oilseeds production. Support prices for all other kharif crops, such as paddy, jowar, bajra and maize, have seen a modest increase. The revision will be effective from October 1.

“A bonus of 425 per quintal will be paid for *dalhan* (pulses), 100 for *tilhan* (oilseed) and 200 for *til* (sesamum),” Agriculture Minister Radha Mohan Singh told reporters after a meeting of the Cabinet Committee on Economic Affairs on Wednesday.

“This is expected to give a strong price signal to farmers to bring more acreage under these crops,” he added.



However, farmers are not happy with the quantum of the increase in the procurement price and incentive considering the rise in cost of production.

### Targeting lower imports


The hike in bonus announced for pulses and oilseeds assumes significance as the country is highly import dependent for these commodities.

Edible oils, followed by pulses, are the top two agri-commodities imported by the country to meet the domestic consumption as local production has not kept pace with the rising demand.

Further, weak rainfall during the last two years has impacted production of pulses, resulting in a sharp increase in prices this year and triggering record imports of 5.79 million tonnes in 2015-16. Also, the sharp rally in prices has forced the Government to intervene and create a buffer stock of pulses.

The MSP for paddy was hiked by 60/quintal (4.3 per cent) to 1,470/quintal for the common variety and 1,510/quintal for the 'Grade A' variety. Jowar, bajra, maize and ragi, too, will get 3.5-4.5 per cent more.

### Farmers unhappy over 'meagre' hike in paddy MSP

<b>Kharif Minimum Support Prices</b>				(in ₹/quintal)
	<b>2016-17</b>	<b>2015-16</b>	<b>% increase</b>	
Jowar Hybrid	1,625	1,570	3.5	
Jowar Maldandi	1,650	1,590	3.8	
Bajra	1,330	1,275	4.3	
Maize	1,365	1,325	3	
Ragi	1,725	1,650	4.5	
Sunflower	*3,950	3,800	3.9	
Nigerseed	#3,825	3,650	4.8	
Sesamum	*5,000	4,700	6.4	
Cotton Medium Staple	3,860	3,800	1.6	
Cotton Long Staple	4,160	4,100	1.5	

\* Includes bonus of ₹200; # includes bonus of ₹100 per quintal



Citing Swaminathan panel formula, farmers 'reject' MSP

Farmers associations and agri-economists are angry over the “meagre” hike in the minimum support price (MSP) for paddy, pulses and other crops.

The government on Wednesday announced a hike in the MSP of ₹ 60 a quintal for paddy and ₹ 425 for pulses, far below the farmers' expectations.

### **Swaminathan panel formula**

The hike in the MSP falls well short of the recommendations of the National Commission on Farmers, headed by Prof MS Swaminathan, which had recommended that the MSP be 50 per cent more than the weighted cost of production.

P Chengal Reddy, Secretary-General of the Consortium of Indian Farmers' Associations (CIFA), said the association “rejects” the MSP since it is “too low”.

The BJP had in its election manifesto, promised that MSPs would reflect the Swaminathan Commission's recommendations, but this year's hikes are nowhere near that,” he said.

### **Rising production cost**

“The government has not taken into account the increasing cost of production. Given the drought situation, farmers were expecting good support prices for paddy, but the hike, seemingly made mechanically, are negligible,” Vijoo Krishnan, President of the All-India Kisan Sabha, told *BusinessLine*.

The AIKS had demanded an MSP hike of ₹ 2,000 a quintal for paddy, he added.

## **Pulse farmers hit**

“The hike in support prices is well below our expectation. When the government could import tur at 6,000 a quintal, it is highly disappointing that they are offering only 5,050 for domestic farmers,” Basavaraj Ingin, President of the Karnataka Tur Growers Association in Gulbarga, said.

“Considering the current market price of tur and the increase in the cost of production due to higher labour wages, the government should have fixed the support price for the pulse at 10,000 a quintal,” Ingin felt.

## **Too low**

Echoing the sentiment that the hikes are too low, GV Ramanjaneyulu of the Centre for Sustainable Agriculture pointed out that the Centre had promised to double the incomes of farmers.

“Contrary to their promise, they have hiked the MSP of paddy by just 4 per cent, which doesn’t even cover inflation,” he said.

## **Premium first flush tea output seen lower on climatic woes**



The tea industry in North India is expected to lose 30-35 per cent of its prime first flush and second flush production this year, according to the Tea Association of India (TAI). First and second flush varieties fetch better prices.

In a release issued on Tuesday, TAI claimed that excessive rainfall led to production loss in Assam from April to mid-May.

In Dooars and Terai regions of North Bengal, scanty rainfall affected production. The climatic conditions led to higher costs on irrigation and pest attacks.

The association expects both Assam and North Bengal to suffer production loss.

Despite a lower crop scenario, price realisation is down. According to TAI, during the period the average auction price in Kolkata, dropped by 4 to 151.20 a kg when compared to last year. Guwahati witnessed a sharper decline in auction prices from 149.46 a kg in 2015 to 138.87 a kg.

Tea prices in Siliguri, however, bucked the trend. So far in 2016, prices increased by 2.28 to 140.66. In 2015, it stood at 138.38.

“Unless, there is a consistent increase in the tea prices proportionate to increase in production cost, with steady demand throughout the year, the industry foresees a grim outlook in the ensuing months,” the Association said.

### **Sakthi to initiate dairy farm concept to augment milk production**



Milk testing at an ABT collection centre in a village

ABT Industries' dairy division is initiating a farming concept for the promotion of dairy farms, to get the comparative advantage in milk production.

To achieve this, it has adopted an integrated farm model for productivity increase as well as volumes from farms, with a target of achieving 15 lakh litres per day by 2025.

However, the short-term objective is to increase the production from the current 1.8 lakh litres per day to 3 lakh litres in the next two years, says CP Charles, Senior President, ABT Industries Ltd.

### **Strong demand**

With a strong demand for milk and milk products at the rate of 10-15 per cent annum as well as growth in dairy business in the organised segment coupled with the renewed focus of global companies in this trade in India has prompted ABT Industries to augment productivity and quality, he said.

Elaborating the salient features of the dairy farm concept, Charles said the model would involve facilitating induction of high yielding breeds that would produce on an average 15 litres milk per day from the current 7.3 lakh litres per day.

The size of those proposed farms would be 15-plus animals and the model will also encourage automation of dairy farms, helping farmers construct reasonably good animal shelter, supplying of good quality feed, animal breeding, nutrition management, etc.

### **Feed centres**

Going forward, Charles said the company is contemplating setting up modernised collective dairy farms at strategic locations for helping women groups in villages. It is also working on the concept of Israel-model feed centres to supply adequate feed and fodder to the member producers, for which the company has established linkages with reputed feed companies.

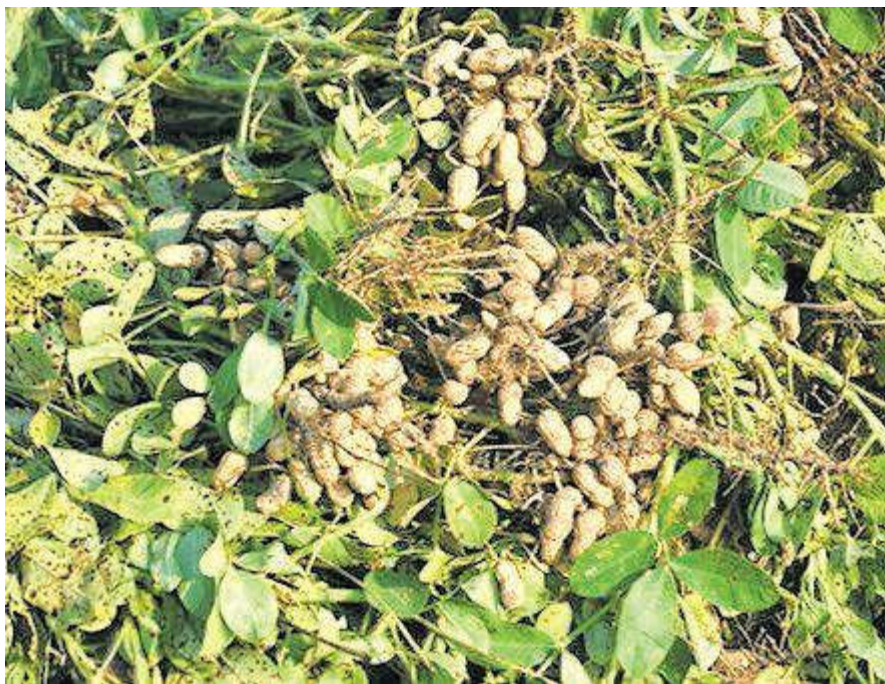


There are also plans to increase the captive milk procurement through family farm system.

ABT Industries, which markets milk and milk products under the brand name Sakthi, will invest 180 crore for capacity expansion in the next three years at its Pollachi production facility and a new plant at Krishnagiri.

Plans are also afoot to set up a new packaging unit in Kerala, the second largest market after Tamil Nadu with a capacity of 50,000 litres per day, he said adding that another plant for ultra high temperature milk with high shelf life will also be in the offing.

### **Icrisat scientists decode groundnut DNA sequencing**



A global team of 51 scientists from four countries have decoded the complete DNA sequencing of the ancestor of the groundnut, or peanut. This could help develop improved groundnut varieties, with better productivity and oil yield.

It would also help develop drought-tolerant groundnut varieties and varieties with better disease tolerance. The other spin-offs include development of aflatoxin-free, nutrition-rich and allergen-free varieties.

The important findings have been published in the prestigious journal Proceedings of the US-based National Academy of Sciences (PNAS).

“This will provide an efficient road map for sustainable and resilient groundnut production for improved livelihoods of smallholder farmers particularly in the marginal environments of Asia and sub-Saharan Africa,” David Bergvinson, Director-General, Icrisat said, commenting on the development here on Wednesday.

The team comprises scientists from nine institutes in China, India, US and Australia, including the Hyderabad-based International Crops Research Institute for the Semi-Arid Tropics (Icrisat). It decoded DNA sequencing of the ancestor of the groundnut, the diploid A-genome (*Arachis duranensis*).

“This study provides us with an insight to geocarpy, a reproductive process where the flowers grown on the stem go inside the soil and pod formations occur,” Rajeev Varshney, Co-Coordinator of Genome Sequencing Project and Research Program Director, Genetic Gains program at Icrisat, said.

“Genome sequencing has also provided genes and millions of genetic markers to accelerate development of superior groundnut varieties with high pod and oil yield, greater resistance and tolerance to biotic and abiotic stresses,” Manish K Pandey, Scientist (Groundnut Genomics) and Lead author from Icrisat, said on the research paper, pointed out.

### **‘Farmers would prefer direct income transfer’**

Two years of sub-par monsoon in India have affected the livelihood of people and increased level of hunger in the country. Farm-level distress has hurt the poor farmers the most. International Food Policy Research Institute Director-General Shenggen Fan tells *BusinessLine* that with right policy, investment and technology, India can prevent another such crisis. Excerpts:



## **How do we ensure that India does not face another livelihood and food crisis when monsoons fail again?**

The Global Food Policy Report 2016 has highlighted how the small farmers would be affected by climate change, extreme weather events here in the region. Because of climate change, monsoons have become unpredictable. This trend of events will continue and the frequency will become even greater in future. We need to design our policy strategy and our food system to reduce our vulnerability to these shocks. If monsoon comes late, how do we make sure the crops can be planted later and still have a good crop. Certain crops can still be grown in shorter growing period, and still produce a good crop. That's one approach.

Another approach is to diversify our crop away from rice, wheat and maize because these crops are heavily dependent on monsoon. But, vegetables and fruits and some others are not. Even some of the greenhouse produce do not depend on monsoon at all. That's the diversification we need to do.

There are many other methods. One is insurance. If there is a weather shock, farmers can be compensated through insurance or any disaster relief. In the longer term, we need a good model to predict weather pattern. If the monsoon is delayed every year, then it will become the new normal. Then, we need to design our crop production, food production based on this new normal. We need to make sure that farmers can become more resilient to many shocks. We need to invest in irrigation. Certain crops can tolerate drought. Newer varieties can tolerate drought and floods and grow in shorter period.

## **India uses MSP to incentivise farmers to grow certain crops. Do you think India should continue with MSP or find other ways to make farmers move away from rice and wheat?**

I think the price support is very costly, not easy to implement. We should get away from that. I would prefer a strategy which encourages farmers to diversify their crops and thereby reduce their risks, whether it is surprise risk, climate risk or market risk. So, you may lose on rice but you may gain in other crop. But, to do that, the government should move away from purely supporting one or two

crops such as rice and wheat; everybody will produce that crop and then the farmer will become more vulnerable.



SHENGGEN FAN, Director-General, IFPRI

**But India has MSP for over 20 crops. Yet, many farmers still grow cereals...**

There are a couple of reasons for that. One, it is part of tradition, they are used to growing cereals. These farmers think rice and wheat are food, nothing else. That mindset needs to change. Second, despite the government statements, there are still many policies which are anti non-staple crops, whether it is price support, whether it is research investment, whether it is insurance. You can't just make statements. You have to do it with budget allocation, research and price support.

Third, in the short-term, it is difficult to change the mindset, change the policy. In the longer run, as long as we pursue consistent strategy of diversification, of policy, of research, and communication, we can have more diverse food produced and that way ensure farmers consume more diverse foods. That will

be good for their nutrition. You should not give up after a year or so, assuming nothing has changed.

**Pulses production has not increased substantially despite big increases in their MSP a few years ago. Part of the reason is sub-par monsoon...**

That's why you need long-term perspective. Farmers respond to price changes in the long run, not in one season. There are so many constraints. Farmers' response depends on other types of policy and investments — infrastructure, technologies. Otherwise, it will become like a spider web. One year they produce more in response to higher price and then the following year, prices go down and if they continue to produce, they will lose money. What is crucial is long-term price stability — not necessarily in subsidies but through mechanisms such as reserves and value chains.

**You have said subsidies need to be phased out. But, in India's case, most farmers are small. Can they survive without subsidies?**

I have two recommendations. One, convert those subsidies into income support. Farmers need income — either from higher prices or from direct income transfer. Farmers would prefer direct income transfer. If the farmer gets direct income transfer, they will use the market to decide their production. They will optimise the use of inputs. To me, that's a much better than subsidy. Subsidies are distorting.

Second, gradually eliminate subsidies on wheat and rice and use them to support nutritious food production such as pulses, fruits, vegetables and dairy. Third, also use money saved from eliminating subsidies for cereals to support value chains. For fruits and vegetables, value chains are very important for harvesting and transportation to reduce wastages. Wastages are also a reason why farmers are reluctant to move away from traditional crops.

**By 2030, the terminal year for achieving Sustainable Development Goals, India may emerge as the most populous country. Providing food for that population will be a huge challenge. How should the government tackle this?**

From now to 2030, the country must produce at least 50 per cent more food. There are challenges — climate is changing and water is scarce. But, there are opportunities as well. One is technology. The country must continue to invest in agriculture research to produce more with less. The yield can be increased. India's investment in agriculture research as a percentage of its agriculture GDP is about one-third of China's. That's not acceptable. If you do not invest, where do you get new technologies? Instead of focusing on rice, wheat and maize, you should focus on other crops. In future, people's demand for rice and wheat will decrease as incomes increase. India doesn't need to produce everything.

You can export some and import some. Food security and nutritional security do not mean self-sufficiency. India does not have a food security problem, it has a policy problem.

### **Revamped schemes for coir industry to focus on tech upgrade, new products**

Committees for selecting projects to be set up in district capitals

Enthused by rising exports of coir products and to improve 'ease of doing business', the Ministry of Medium, Small and Micro Enterprises (MSME) plans to revamp all schemes related to the industry.

The revamped schemes, with focus on technology upgradation and incentivising new products for exports, are expected to be announced during the India International Coir Fair 2016, to be held in Coimbatore from July 16-18, sources said.

Under the revamped Coir Udyami Yojana, committees for selecting projects will now be set up in all district capitals, as opposed to all State Capitals now. The scheme is for coir business under 10-lakh turnover.

“For those above 10 lakh and within 10 crore, the Ministry is going to launch a new scheme for Technology Upgradation of Large Industries,” KK Jalan, Secretary, MSME, said.

The Ministry also plans to hold nine coir exhibitions abroad, for which airfare and stall rent will be fully borne by the Ministry, he added.

In addition, the Ministry has approved 20 SFRUTI (Scheme of Fund for Regeneration of Traditional Industries) clusters in Kerala, Tamil Nadu, Andhra Pradesh, Telengana and Karnataka.

According to the Coir Board, the nodal organisation under the MSME Ministry, total fibre production stood at 5,49,205 tonne till March 31, 2016, against 5,42,000 tonne last year. In 2015-16, coir exports were at a record 1,900 crore, against 1,400 crore during 2013-14.

### **Spot rubber rules steady**

Spot rubber was almost steady on Wednesday. RSS 4 finished unchanged at 128.50 a kg, according to traders and Rubber Board. The grade was flat at 125 as reported by the dealers.

June futures declined to 127.70 ( 128.64), July to 128.15 ( 130.11), August to 127.85 ( 130) and September to 127.50 ( 129.99) on the National Multi Commodity Exchange.

RSS 3 (spot) weakened to 102.61 ( 104.55) at Bangkok. June futures closed at ¥156.2 ( 96.47) on the Tokyo Commodity Exchange. Spot rubber rates ( /kg): RSS-4: 128.50 (128.50); RSS-5: 125 (125); Ungraded: 106 (106); ISNR 20: 110 (110.50) and Latex (60% drc): 95 (96).

# Business Standard

## Union Cabinet nod to raising minimum support price of pulses

Woods Jayalalithaa with extra foodgrains, approval to Chennai Metro Rail extension



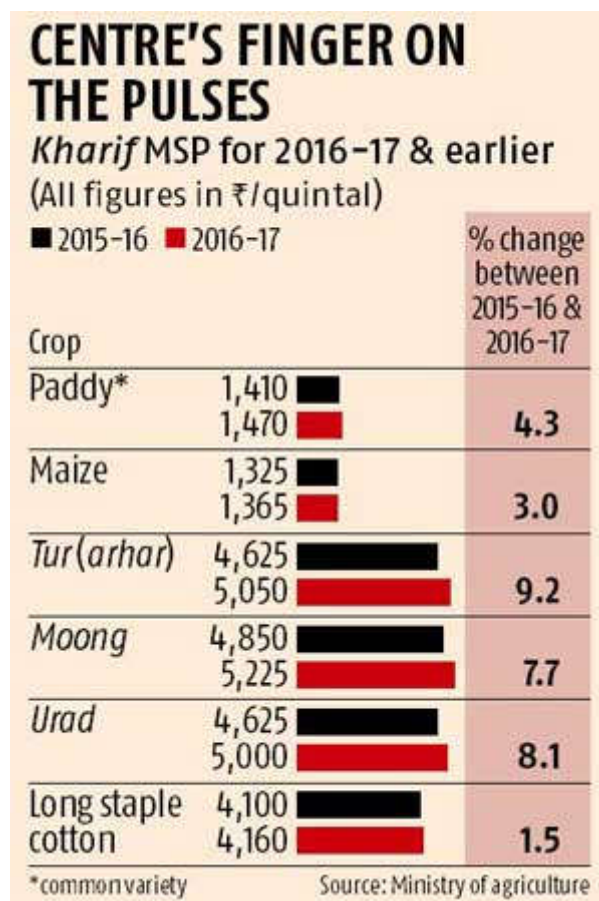
To boost the production of pulses and oilseeds, the Centre on Wednesday announced massive increases in the minimum support prices (MSP) of kharif pulses and oilseeds, but kept it nominal for paddy.

However, the previous experience with MSP hikes in pulses and oilseeds have shown that in the absence of a permanent purchase mechanism and with market rates ruling 72 per cent above the prevailing MSPs, the increases have limited impact on farmers to shift acreage.

Also, in areas where paddy is grown, pulses and oilseeds are not preferred,



which also stops any large-scale transition. But, with the Centre deciding to purchase pulses regularly to build a buffer, this might change in the coming years.



According to the Cabinet decision, the MSP of tur or arhar was increased by Rs 425 a quintal, which also included a bonus of Rs 200, while that of moong and urad was increased by Rs 375 a quintal each. After the increase, the MSP of tur will be Rs 5,050 a quintal, while that of moong and urad will be Rs 5,225 and Rs 5,000 a quintal, respectively.

The MSP of paddy, biggest foodgrain grown during the kharif season, was increased by a nominal 4.3 per cent for the common varieties, while it was increased 4.1 per cent for Grade 'A' varieties.

Among oilseeds, the MSP of groundnut was increased by Rs 190 a quintal to Rs 4,220 a quintal, while that of soyabean (yellow) was raised by Rs 175 a quintal to Rs 2,775.

The support price of sunflower seed was increased by Rs 150 to Rs 3,950 a quintal, while that of niger seed was raised by Rs 175 to Rs 3,650 a quintal. The MSP of sesame seed was raised by Rs 300 to Rs 5,000 a quintal. The MSP of long staple cotton will now be Rs 4,160 a quintal, around Rs 60 more than the current rate.

“The Food Corporation of India will be the designated central nodal agency for price support operations for cereals, pulses and oilseeds. The Cotton Corporation of India will be the central nodal agency for undertaking price support operations for cotton,” an official statement released after the Cabinet meeting said.

Talking to Business Standard, Sudhir Panwar, member of Uttar Pradesh Planning Commission and president of Kisan Jagriti Manch, said: “To me, these hefty increases in MSP of pulses and oilseeds only have a nominal value and will not have much overall impact on farmers; in crops where MSP is predominant like paddy, there has been a nominal increase, while in crops where it is not prevalent like pulses and oilseeds, the government has announced big increases.”

In a related development, the Union Cabinet also approved two proposals for Tamil Nadu just days before Chief Minister and All India Anna Dravida Munnetra Kazhagam (AIADMK) leader J Jayalalithaa’s proposed visit to Delhi.

These include allocation of extra foodgrains to the state and approval of extension of the Phase-I of the Chennai Metro Rail project, a long-standing demand. According to sources, these measures are meant to keep her happy so that she does not actively obstruct the goods and services tax (GST) constitutional amendment Bill in the Rajya Sabha in the monsoon session.

Out of 18 MPs from Tamil Nadu in the Rajya Sabha, 16 are opposing GST. The Centre badly needs Tamil Nadu’s cooperation to pass the Bill. The opposition to GST is being mounted both by the AIADMK and its rival, the Dravida Munnetra Kazhagam.

If Delhi can give some sort of assurance to AIADMK, which has 12 MPs in the Upper House, it will have succeeded in neutralising a part of the opposition.

### **Agri households earn about Rs 6,400 monthly, says study**

The survey, in 4,529 villages and covering 35,200 households, found for those engaged in cultivation, income from this was Rs 5,542 a month

Agricultural households earned on average Rs 6,426 monthly during agricultural year July 2012 to June 2013.

A report from the ministry of statistics and programme implementation says income from cultivation and allied agricultural activities accounted for 60 per cent of their total income. A third accrued from regular salaried or casual wage employment.

The report was based on the National Sample Survey Office's Situation Assessment Survey of agricultural households, conducted during January-December 2013. It estimated the average monthly consumption expenditure of these households to be Rs 6,223.

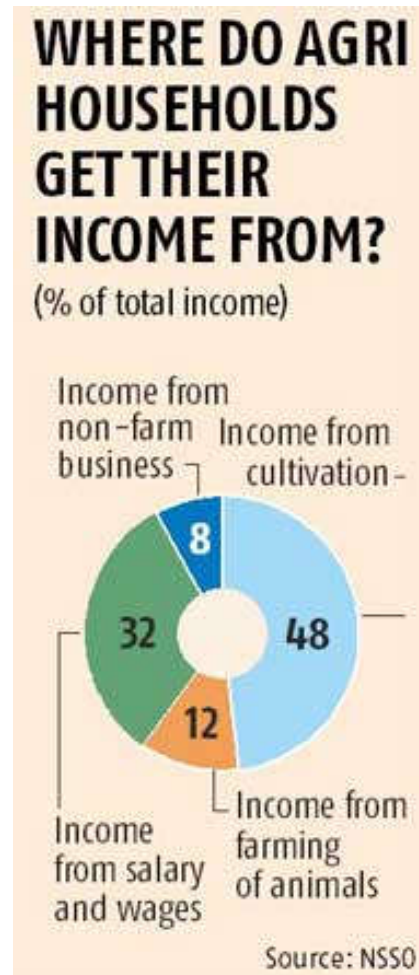
Also that these households spent Rs 1,087 a month on income enhancing assets for both farm and non-farm businesses. Of this, a third was on agricultural machinery, 18 per cent on livestock and poultry, and 42 per cent on 'other assets in farm businesses'.

By comparison, expenditure on productive assets for use in the non-farm sector accounted for only seven per cent of the total monthly expenditure.

The survey, in 4,529 villages and covering 35,200 households, found for those engaged in cultivation, income from this was Rs 5,542 a month.

Income from allied activities such as livestock accounted for a sizable share. The average monthly income from farming of animals for those engaged in these activities was Rs 2,604 a month, a little more than two-thirds of which was from sale of milk. Income from non-farm activities was Rs 5,290 a month.

About 52 per cent of the households had loan dues. Of which, 60 per cent were taken from formal sources of finance, while roughly a fourth were from agricultural or professional money lenders.



### **SAP India, CIIE announce second edition of Startup Accelerator**

The Accelerator seeks to mentor and build capacities of 30 start-ups by 2017

Global technology products firm SAP SE announced today that the second edition of its Startup Accelerator Program in collaboration with the Centre for Innovation Incubation and Entrepreneurship (SAP-CIIE) at IIM-Ahmedabad, will mentor and build capacities of 30 start-ups by 2017.

The accelerator aims at identifying investable regional start-ups, catalysing participation of regional stakeholders including domain experts, angels and academics, to foster regional entrepreneurship ecosystem. Additionally, two other initiatives were also announced -- propelling over 200 up-and-coming

youth entrepreneurs, and prospecting for three entrepreneurial individuals to become 'Innovation Fellows' at CIIE.

"SAP believes in fostering sustainable economic environment through strengthening entrepreneurship ecosystem and in this context through our partnership with CIIE, we are creating and mentoring a pipeline of investable startups" said Dilipkumar Khandelwal, Managing Director, SAP Labs India.

Launched in 2015, the SAP-CIIE Startup Accelerator Program is creating a pipeline of investable startups from the Gujarat region and providing them with mentorship opportunities. Besides Gujarat, the program aims to expand to Rajasthan and Pune.

"As CIIE increases its footprint in multiple regions, we are also developing depth in sectors like IoT, healthcare, agriculture, cleantech, water and enterprise tech. Our partnership with SAP allows us to tap into the enormous domain expertise that resides within the company - a support that is invaluable to startups", said Kunal Upadhyay, CEI, CIIE.

### **Govt hikes pulses MSP by up to Rs 425/quintal to boost output**

Govt has also decided to give a bonus of Rs 100-200 per quintal for oilseeds, said Agriculture Minister

Government today sharply hiked the minimum support price (MSP) of pulses by up to Rs 425 per quintal for this year to boost output and check price rise, while making a modest raise of Rs 60 in paddy MSP to Rs 1,470 per quintal.

The government also approved a bonus of Rs 425 for pulses and Rs 100-200 per quintal for oilseeds growers over and above the MSP to encourage domestic production and check prices.

The decision was taken by the Cabinet Committee on Economic Affairs (CCEA).

The MSP is the rate at which the government buys the grain from farmers. Paddy is the main crop grown in the kharif (summer) season. Sowing of kharif crops would begin with the onset of the South-West monsoon this month.

"We have increased the MSP of all kharif crops for 2016-17. Over and above the MSP, we have also decided to give a bonus of Rs 425 per quintal for pulses and Rs 100-200 per quintal for oilseeds," Agriculture Minister Radha Mohan Singh told reporters after the CCEA meeting.

After including the bonus component, tur MSP has been raised to Rs 5,050 per quintal for this year from Rs 4,625 per quintal last year. Last year too, the government had given a bonus of Rs 200 per quintal to growers.



*Pulses are kept on display for sale in a shop at a market in Ahmedabad*

Moong support price has been increased to Rs 5,225 per quintal for the 2016-17 kharif season from Rs 4,850 per quintal in the year-ago period, while that of urad has been raised to Rs 5,000 per quintal from Rs 4,625 in the said period.



"This (increase in pulses and oilseeds MSP) is expected to give a strong price signal to farmers to bring more acreage under pulses and oilseed crops," Singh said.

Besides pulses, the CCEA has also approved the MSP of paddy by Rs 60 per quintal for common variety to Rs 1,470 per quintal and Grade A variety to Rs 1,510 per quintal for this year.

Among oilseeds, groundnut support price has been increased by 190 per quintal to Rs 4,220, soyabean and nigerseed by Rs 175 per quintal each to Rs 2,775 and Rs 3,825, respectively for the 2016-17 kharif season.

The MSP of sunflower seed has been hiked by Rs 150 per quintal to Rs 3,950 and sesamum support price has been increased by Rs 300 to Rs 5,000 per quintal for this year.

The support price of sesamum includes Rs 200 per quintal bonus and other oilseeds MSP include Rs 100 per quintal bonus.

Among cash crops, the government has approved an increase in the MSP of cotton by Rs 60 per quintal to Rs 3,860 per quintal for medium staple and Rs 4,160 per quintal, respectively, for this year.

The CCEA has approved increase in the support price over and above the recommendation of the government's advisory body Commission for Agricultural Costs and Prices (CACP).

Among other crops, CCEA has raised the MSP of ragi by Rs 75 per quintal to Rs 1,725 per quintal; jowar - Rs 60 per quintal to Rs 1,650; bajra - Rs 55 per quintal to Rs 1,330 and maize by Rs 40 per quintal to Rs 1,365 for 2016-17.

With retail prices of pulses ruling over Rs 175 per kg in most parts of the country because of short supply, an increase in MSP of lentils may encourage farmers to sow pulses.

## **Icrisat announces DNA sequencing of groundnut**

Breakthrough likely to help in developing groundnut varieties with higher pod and oil yield, drought & heat tolerance, and disease resistance



International Crop Research Institute for the Semi-Arid and Tropics (Icrisat) today announced a scientific breakthrough on the DNA sequencing of the groundnut, which is expected to help in developing the improved groundnut varieties with enhanced traits such as increased pod and oil yield, drought and heat tolerance, and greater disease resistance.

A team of 51 scientists from 9 institutes in China, India, the US and Australia, including the Icrisat have decoded the complete DNA sequencing of the ancestor of the groundnut, the diploid A-genome.

The other significant traits this could help develop include aflatoxin-free, nutrition-rich and allergen-free varieties. The breakthrough also provides insights into geocarpy - a unique reproductive process of the groundnut, oil biosynthesis and allergens, it said.

"This study has not just provided the full genome sequence to help plant breeders across the globe to develop more productive and more resilient

groundnut varieties in a faster manner, but also provides us an insight to geocarpy, a reproductive process where the flowers grown on the stem go inside the soil and pod formations occur," said Rajeev Varshney, Co-Coordinator of Genome Sequencing Project and Research Program Director, Genetic Gains program at Icrisat.

According to David Bergvinson, director general, Icrisat, this will provide an efficient road map for sustainable and resilient groundnut production for improved livelihoods of small holder farmers particularly in the marginal environments of Asia and sub-Saharan Africa.

### **Monsoon delay has farmers on edge after 2 droughts**

Monsoon rains that usually arrive this time of year should help, but the government says they will be at least a week later than normal



Time is running out for the 70 acres of sugar cane and fruit that Balasaheb Pandharinath Shende farms in India's Maharashtra state. After two years of drought, his fields are parched and his wells have dried up.

Monsoon rains that usually arrive this time of year should help, but the government says they will be at least a week later than normal.

That has some growers worried, even though the India Meteorological Department (IMD) forecasts the rainy season will eventually produce above-normal moisture for the first time since 2013.

"We need rains as soon as possible as the water shortage is acute," said Shende. "If it doesn't rain in the next 15 days there will be severe damage to my partially-dried sugar cane crop."

India is counting on a return to normal rainfall to boost crop production, help keep food prices in check and ease a drinking-water shortage caused by the first back-to-back monsoon shortfall in three decades.

The monsoon waters about half of India's crops, and agriculture accounts for about 18 per cent of the economy. More than 800 million people live in villages and depend on farming.

The season usually starts on June 1 and lasts into September. This year, it probably won't start until June 7, the meteorological department says. But once it arrives, total rainfall will be 106 per cent of the 50-year average of 89 centimeters (35 inches), according to the government.

Skymet Weather Services Pvt., a New Delhi-based private forecaster, expects the season to start in the next few days and may be 109 per cent of the average, bringing the most rain since 1994.

Last year's monsoon rainfall was 14 per cent below average after a 12 per cent shortfall in 2014, data from the weather bureau show. Maharashtra along with Uttar Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Karnataka, Telangana, Odisha and West Bengal all declared droughts in 2015.

### **Rain boost**

Production of crops including rice, corn, sugar cane and oilseeds fell last year, increasing the cost of food in Asia's third-largest economy. Sugar production will probably drop to a seven-year low of 23.5 million tons in the year beginning October 1 due to dry conditions, according to a Bloomberg News survey in April.

"Even if the onset is delayed, it can later pick up and cover the country very well on time," Prerana Desai, vice president for research at Edelweiss Agri Services & Credit, said by phone from Mumbai on Monday. "An improvement in farm incomes will definitely help boost the economy as a whole."

Indian central bank Governor Raghuram Rajan said in May that expectations a good monsoon will boost food production may help temper inflation after a jump in April. Higher agricultural output may also be a political boon for Prime Minister Narendra Modi, who has sought to counter rising discontent in villages ahead of key state elections with a pledge to double farmer incomes by 2022.

The area planted with monsoon-sown food-grain crops is set to increase by as much as 20 per cent, boosting production to around 129 million tonnes to 130 million tonnes this year, according to Skymet. That compares with 124 million tonnes in 2015, according to farm ministry data. Soybean, peanut and pulses plantings may climb, while cotton area will probably decline marginally and sugar cane may remain the same, the forecaster said.

"After two deficient seasons we have to keep our fingers crossed for actual rainfall," said Veeresh Hiremath, head of research at Hyderabad-based Karvy Comtrade Ltd. "Distribution and progress of rain will be important."

### **MP to buy onion at Rs 6 a kg from farmers**

The chief minister made the announcement during an event to mark the Centre's 'Gramoday se Bharat Uday' campaign

Madhya Pradesh Chief Minister Shivraj Singh Chouhan on Wednesday said his government will buy onions at Rs 6 per kg from farmers in an effort to alleviate their problem of plenty.

The chief minister made the announcement during an event to mark the Centre's 'Gramoday se Bharat Uday' campaign at Phanda Vikaskhand's Gram Panchayat.



Due to over-production of onions this year, farmers are facing a problem of glut and have not been able to recover the cost price for their produce.



This has led to farmers throwing away their stock on the streets and roads as a means of protest.

Chouhan said the state government wants to make agriculture a booming sector, but over-production can lead to problems.

He said he was unable to get sleep when he learnt of farmers throwing away their onion produce.

Chouhan said that if the market price of onions goes below Rs 6 a kg then his government will step in to purchase the onions at the price promised.

Chouhan is to address all the village councils across the state via state-run *Doordarshan* and discuss ideas on progress and development.

The 'Gramoday se Bharat Uday Abhiyan' was launched on April 14, to mark the birth anniversary of Dalit icon B.R. Ambedkar.

## **India raises 2016/17 rice purchase price by 60 rupees/100 kg**

Minimum purchase price for common grades of rice has been raised by about 4.3%, to 1,470 rupees per 100 kg



India has raised the minimum purchase price for common grades of rice to be paid to local farmers by about 4.3%, or 60 rupees, to 1,470 rupees (\$21.89) per 100 kg, Farm Minister Radha Mohan Singh said on Wednesday.

India, the world's second biggest rice producer after China, buys the grain from local farmers to protect them from distress sale and build stocks for welfare programmes.

(\$1 = 67.1500 Indian rupees)



# THE TIMES OF INDIA

## **Dept of agriculture readies 'green gram' for local cultivation**

In an effort to enhance cultivation of pulses in the state, the department of agriculture will be introducing a new variety of grain in Goa. In its pilot project, the green gram will be planted this monsoon.

"Though green grams are sparsely cultivated in Goa, the existing product is susceptible to heavy rains. We are therefore introducing a new variety of green gram in Goa," director, department of agriculture, Ulhas Pai Kakode said.

The total requirement of green gram in Goa is estimated to be around 8000 tonnes, and the department will be sourcing the seeds from the central coastal agricultural research institute (ICAR) and distributing it among local farmers.

"We are getting a good response from farmers because they also need alternatives for growing crops. The green gram also fetches a good price," Kakode said.

While the first batch will be cultivated in July and harvested by October, the second batch is likely to be cultivated by November this year and harvested next February. "After a little irrigation in March, farmers can cultivate the third batch," Kakode suggested.

It is favourable to cultivate the green gram in the state, opined a member of the scientific advisory committee, ICAR, CK Matthew.

"It is a profitable venture for farmers in Goa. Also, besides helping the soil become more fertile due to its nitrogen-fixing nodules, the gram is also rich in protein, thus making it healthy for consumption," he said.

## **CM's package a shot in the arm for kuruvai crop**

Chief Minister J Jayalalithaa's announcement of a 54.65-crore special package for farmers of the delta districts to save the kuruvai crop includes 12 hours of power supply, 1,000 HDPE pipes at full subsidy, micronutrients for 50,000 acres identified as micronutrient deficient areas and zinc sulphate for 1 lakh acres to remove the salinity of the land.

After convening a meeting with agriculture minister R Doraikannu and officials on Wednesday to discuss the feasibility of kuruvai cultivation, the chief minister said in a statement that the level in the Mettur dam was 45.82 feet with an inflow of 102 cusecs. Usually water is released on June 12 when the level is 90 feet. As per the final verdict of the Cauvery water disputes tribunal, Karnataka should have released 10 tmcft of water to Tamil Nadu but it did not do so.

"Even if Karnataka had given 10 tmcft of water, the level in the Mettur dam would have been 61 feet and still the release of water on June 12 would not have been possible," said Jayalalithaa.

Exuding confidence that kuruvai cultivation will be carried out in 3 lakh acres using ground water, Jayalalithaa said 4,000 will be provided as 100% subsidy to those who are involved in mechanised cultivation under the system of rice intensification (SRI) method.

To help farmers fetch water from bore wells, they will be given 1,000 HDPE pipes (90 mm width and 6 metres length) at full subsidy for which the government will allot 2 crore.

The package also includes micronutrients for 50,000 acres identified as micronutrient deficient areas and zinc sulphate for 1 lakh acres to remove the salinity of the land. While the subsidy for micronutrients is 170 per acre, the subsidy for zinc sulphate will be 400 per acre.

Free three-phase power supply for 12 hours a day is also part of the package. However, the farmers are demanding 16 to 20 hours of free power supply a day.

The chief minister said the farmers in the areas of Cauvery's tributaries and Kallanai canals had not been take up kuruvai for many years now. They can make a living by cultivating short term pulses on 15,000 acres by using the southwest monsoon, for which they will get a subsidy of 1,400 per acre at a cost of 2.10 crore to the government.

The farmers in the Cauvery tail-end area, where the high salinity of water prevents kuruvai cultivation, will be encouraged to cultivate green fodder on 30,000 acres to enrich the soil, for which 5.70 crore will be allotted. The farmers can avail themselves of seeds for the green fodder at 100% subsidy.

### **Drought-hit farmers burn dried-up sugarcane crop**

Burning and cutting down standing cash crop would be the last thing on a farmer's mind. But that is exactly what agitated farmers in Kolhapur district are doing these days.

Farmers from Karvir taluka completely burned down sugarcane crop on Tuesday afternoon, protesting against the elected representatives and administration for not supplying enough water for irrigation. The sugarcane had almost died due to shortage of water.

Similarly, farmers from Shirol taluka have chopped sugarcane plantation, which has not received water for more than a month. In all the above cases, there was little possibility of survival of the plantation.

Kolhapur district collector has ordered a ban on lifting water from the river bed since March this year for agriculture purposes. Farmers alleged that the administration did not think of the consequences before imposing the ban.

Shirol taluka is one of the major sugarcane producing talukas in the district, which gets water from Warna and Panchganga rivers. The deficient rainfall in 2014 and 2015 led to dams having less water and other check dams, lakes and wells losing their stock in 4-5 months after the monsoon season.



Shirol taluka gets very low rainfall; hence, farmers are not dependent on it as source for agriculture. "My sugarcane cultivation was planned for forthcoming harvest season from November. I was supposed to get water for my crop at least once in a month. I could not get it and it turned yellow completely. I can feel the dryness in the plants. Even if I water it now, it will not grow further. Hence, I am cutting it down," said Vinayak Patil, a farmer from Haroli in Shirol taluka.

The farmers from Shiradwad, Abdullat, Shirdhon, Takawade, Herwad, Terwad, Dharangutti, Haroli and Nandani villages are the worst-affected in the taluka due to water shortage. As many as 50 farmers from Shirol taluka have finally started cutting down their sugarcane cultivation in protest.

Swabhimani Shetkari Sanghatna on Monday tried to put some barrages on Rajapur weir to store more water. "It is the last weir in the district before Panchganga river water flows into Karnataka. Though, more water is getting stored and is available for farmers for irrigation, it too late," Patil said.

Shiv Sena MLA from Shirol Ulhas Patil said, "There have been several requests made with the water resources department for rationing water properly. But the state government's order of storing 15% of the existing water stock for drinking purpose put a lot of pressure. We get water from Warna river as well, where there is enough water for farmers, but farmers on Panchganga river bank have suffered more."

Radhanagari dam, which had 7.36 thousand million cubic feet water in 2015, has exhausted its live stock completely this year. The dead stock is around 1 TMC but it is unlikely to be touched, as Panchganga river gets water from the dams on its tributaries such as Kadavi, Kumbhi and Tulashi among others.

Sugarcane cultivators in Karvir taluka are suffering the same fate. Rajendra Suryavanshi, member of Karvir Panchayat Samiti, had to face farmers' wrath as they lit their dried sugarcane and shouted slogans. "Sarjerao Patil and other farmers approached me several times regarding the demand for water for their sugarcane. Even I had requested the authorities but sharp fall in dam water levels have taken a toll on the crops. It was a sad moment that farmers had to burn their crop," he said.

Vijay Patil, executive engineer, water resources department, said, "Water is given to farmers in five rotations from the dams. The shortfall from 2014 monsoon season worsened in 2015 and except Radhanagari dam, no other dam in the district got filled up to its capacity. The farmers living upstream could have lifted more water resulting in lesser flow to Karvir."

### **Cabinet approves MSP for Kharif crops of 2016-17, prices to be effective from Oct. 1**

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Narendra Modi, has given its approval for the increase in the Minimum Support Prices (MSPs) for all Kharif Crops of 2016-17 seasons.

Further, to incentivise cultivation of pulses and oilseeds, in the country, the Government has announced a bonus on these crops, payable over and above the approved MSP.

The decision to increase MSPs is based on the recommendations of Commission for Agricultural Costs and Prices (CACP) which takes into account the cost of production, overall demand-supply, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect of the Price Policy on the rest of economy, besides ensuring rational utilization of production resources like land and water, while recommending MSPs.

The CACP being the expert body, its recommendations are generally accepted as such. However, to incentivise cultivation of pulses and oilseeds, the Cabinet has decided to give a bonus, over and above the recommendations of the CACP, of Rs.425/- per quintal for kharif pulses, namely Arhar (Tur), Urad and Moong, a bonus of Rs 200/- per quintal for Sesamum and a bonus of Rs 100/- per quintal for other kharif oilseeds namely, Groundnut-in-shell, Sunflowerseed, Soyabean, and Nigerseed.

There is an increasing gap between the demand and domestic supply of pulses and oilseeds and reliance on import is increasing. Government has, therefore, announced this bonus on pulses and oilseeds to give a strong price signal to

farmers to increase acreage and invest for increase in productivity of these crops.

The increase in cultivation of leguminous pulses and oilseeds will also have additional environmental benefits as these crops are less water consuming and help in nitrogen fixation in the soil.

The prices would be effective from 1.10.2016.

Food Corporation of India (FCI) will be the designated central nodal agency for price support operations for cereals, pulses and oilseeds. Cotton Corporation of India (CCI) will be the central nodal agency for undertaking price support operations for Cotton.

Besides increase in Minimum Support Prices (MSP) of Kharif crops, Government has also taken several farmer friendly initiatives over the last one year. (ANI)

### **Jaya announces Rs 54.65 cr package to farmers for kuruvai crop**

Tamil Nadu Chief Minister Jayalalithaa today announced a Rs 54.65 crore package to Cauvery Delta farmers including a subsidy of Rs 4,000 per acre for using modern equipment, to achieve higher yield and increase short-term 'kuruvai' paddy crop cultivation. Like in previous four years, 12-hour power would be supplied to six Cauvery Delta districts, including Thanjavur, Tiruvarur and Nagapattinam, for agriculture, she said in a release here.

At an outlay of Rs 40 crore, a subsidy of Rs 4,000 per acre would be directly transferred to the bank accounts of farmers who take up Kuruvai cultivation through farm implements.

Jayalalithaa announced the package after chairing a high-level meeting in which Agriculture Minister R Duraikannu, and top state officials participated.

She said the storage in Mettur Dam, the lifeline of delta farmers, was only 45.82 feet with storage of 15.281 TMC. Even if the state received 10 TMC water from Karnataka, being its entitlement for June, there will be only 61 feet and hence water could not be released for Kuruvai season.

"The six Cauvery Delta Districts have received sufficient rainfall in the current summer season and it has led to a rise in the ground water table. I have ordered measures to encourage farmers to go in for large scale Kuruvai crop cultivation," the Chief Minister said.

She said farmers will be encouraged to go in for timely paddy planting work by deploying farm implements, and by using the System for Rice Intensification. SRI envisages less water utilisation while fetching a higher yield.

Similarly, High Density Polyethylene (HDPE) pipes will be provided at 100 per cent subsidy to efficaciously use ground water resources and increase the Kuruvai cultivation area.

Micro-nutrients will be provided at 100 per cent subsidy which will be Rs 170 per acre for 50,000 acres of land that face nutrient deficiency.

Also, zinc sulphate will be provided to one lakh acres of land and for this purpose a subsidy of Rs 400 will be given to farmers and Rs 4.85 crore will be allotted for it, she said.

For the benefit of farmers where there are not adequate numbers of borewells and who had not carried out Kuruvai cultivation in the past several years, subsidy for seed will be given so that they could go in for short term millet (green gram) cultivation in 15,000 acres, she said.

Besides, a subsidy of Rs 1,400 per acre will be given for millet cultivation and an allocation of Rs 2.10 crore will be made for it.

Similarly seeds will be given at 100 per cent subsidy for farmers in the Cauvery tail end regions at an allocation of Rs 5.70 crore.

"These measures will entail an expenditure of Rs 54.65 crore," she said adding due to these measures farmers will be able to get higher yield and go in for kuruvai crop cultivation in more areas. VGN VS PVI

### **Varsity sensitizes farmers on PMFBY**

Assam Agricultural University has embarked on a mission to help farmers become aware of the Centre's ambitious crop insurance scheme.

A daylong farmers' fair-cum-awareness programme on Pradhan Mantri Fasal Bima Yojana (PMFBY) was organized on the Kahikuchi campus of the varsity on Tuesday.

Organized under the aegis of Krishi Vigyan Kendra (KVK), Kamrup, in collaboration with Horticultural Research Station, Kahikuchi, the programme was attended by over 700 farmers from different parts of Kamrup district.

The inaugural meeting of the programme was chaired by vice-chancellor of Assam Agricultural University, KM Bujarbaruah, and attended by Guwahati MP Bijoya Chakraborty as chief guest.

Delivering a speech, Chakraborty emphasized on soil health analysis to increase farm productivity and said PMFBY is an excellent scheme for farmers to recover losses caused by vagaries of nature. Chakraborty urged farmers to avail themselves of the advantages guaranteed by government schemes.

During the meeting, soil health cards were distributed to farmers from Satpokholi village which has been adopted by KVK, Kamrup, under the 'Mera Gaon, Mera Gaurav' programme.



## **Farmers open outlet to sell organic farm produce**

A group of 1,200 farmers, engaged in organic farming in Maoist-affected Dantewada district, inaugurated their outlet Bhoomgadhi recently to sell organic pulses, horticulture produces and millets directly to consumers near Teknaar in tribal Bastar region.

Talking to TOI, progressive farmer Ludruram said, "Dantewada-based tribal farmers have spearheaded the organic cultivation movement, which is in full swing. We realize the balance of eco-system and organic farming will revive soil fertility, is harmless to environment and takes care of health of all beings. More farmers are joining us and we have identified 35 popular local varieties of horticulture produces, which would be specially branded and packaged to sell widely.

The groups of farmers are also in process to register themselves under Farmers Producers Organization (FPO) to secure financial and technical benefits from agriculture, horticulture departments and under NABARD schemes.

The real importance of organic farming and its global demand was explained to them by a non-profit organization Nirmaan. Its coordinator Akash Badave said, "Farmers of Dantewada turned out to be quick learners to realize the value of their naturally available fertile soil and opt for organic farming.

Our organization is providing training to them on methods of organic farming for last three years. We have arranged their tours to various states and research institutions to introduce them to similar farming systems there.

For instance, concept of zero budget natural farming to make input cost as less as possible to save them from being trapped in debt, is one of them."

The farmers' group also invited Dantewada district collector Saurabh Kumar for the opening of the outlet to be the first consumer of their product. A progressive farmer Ratiram said that they aim to reach two-tier and metro cities to sell their branded organic products from Bastar.

## **MSP of pulses and oilseeds hiked to motivate farmers**

Aiming to motivate farmers to grow more pulses, the government on Wednesday hiked the minimum support price (MSP) of arhar, urad and moong by up to Rs 425 per quintal for the kharif season starting September. It also announced bonus on oilseeds while making a modest increase of Rs 60 in paddy MSP to Rs 1,470 per quintal.

Both agriculture minister Radha Mohan Singh and consumer affairs minister Ram Vilas Paswan said the move to increase the MSP is meant to encourage more of production of pulses when the demand supply gap for the crop is increasing. Singh said over and above the MSP, government has decided to give a bonus of Rs 425 per quintal for pulses and Rs 100-200 per quintal for oilseeds.

However, the concern remains how government ensures 100% procurement of pulses at MSP.

" Unlike paddy and wheat where farmers are assured of getting MSP as government procures all the product, in case of pulses we have not developed such mechanism. Only FCI and a couple of other small government agencies are procuring from farmers. Assured procurement will make farmers comfortable to go for more pulses production," said a source.

In fact, a parliamentary committee has also suggested this to push dal production and tame prices which continue to rule high.

Besides pulses, the CCEA has also approved the MSP of paddy by Rs 60 per quintal for common variety to Rs 1,470 per quintal and Grade A variety to Rs 1,510 per quintal for this year.

Among oilseeds, groundnut support price has been increased by 190 per quintal to Rs 4,220, soyabean and nigerseed by Rs 175 per quintal each. The MSP of sunflower seed has been hiked by Rs 150 per quintal and sesamum support price has been increased by Rs 300 for this year.

Among cash crops, the government has approved hike in MSP of cotton by Rs 60 per quintal.

### **MP Govt to buy onions at Rs 6/kg to support farmers**

Alarmed over reports of farmers throwing away their onion produce due to low prices, Madhya Pradesh government today announced that it would purchase the crop at Rs six per kilogram.

"The Government has respect for farmers who toil hard in difficult conditions. We will not allow them to suffer losses and therefore we will purchase the onion crop at Rs six per kg. I have directed officials to make all arrangements for it," Chief Minister Shivraj Singh Chouhan said.

He was addressing a programme at Tara Sewania village near here under 'Gramoday se Bharat Uday' campaign.

Farmers in various parts of the state, especially in Malwa region, have thrown away the onions on roads after failing to recover even the cost of cultivation. In some places the prices fell to as low as 30 paise per kg.

Chouhan also announced that a Farmers Welfare Fund will be set up to help them in the period of distress and directed the district collectors to make plans for formulating an agriculture policy.

Terming the 'Gramoday Se Bharat Uday Abhiyan' as a unique campaign, he said it will help in formulating schemes for the development of rural areas at the village level.

He also administered an oath on the occasion to villagers on hygiene, saving water, sending children to school daily, saving electricity and making village free of liquor and drugs. MAS LAL KRK ANU

# THE ECONOMIC TIMES

## Cotton acreage dips as pests scare farmers



Cotton sowing begins almost a month ahead in Haryana and Punjab compared to Central and Southern cotton zones in the country. In Punjab the area under cotton is expected to come down by 35-40 % this year compared to five lakh hectares in the last year.

CHANDIGARH: Cotton acreage is likely to drop by 20% in season 2016-17 in Punjab and Haryana compared to the last season as the wary farmers opt for other Kharif crops after bearing heavy crop damage due to whitefly pest attack in the last season. The cotton output dropped by 40-45% in the two states in season 2015-16 as the national output also estimated to dip by 12 per compared to last Kharif season, as per estimated of Cotton Association of India .

"Scare of whitefly has turned away many farmers from sowing cotton this year," says Suresh Kumar Gahlawat, joint director, Agriculture Department Haryana. the state was targeting to bring 6 lakh hectares under cotton compared to 5.83 lakh hectares under the crop in the last season.

Cotton sowing begins almost a month ahead in Haryana and Punjab compared to Central and Southern cotton zones in the country. In Punjab the area under cotton is expected to come down by 35-40 % this year compared to five lakh hectares in the last year.

In Punjab the cotton sowing has also been affected by less availability of canal water in major cotton growing districts of Muktsar and Fazilka. The acreage could fall by 55,000 hectares as water supply was curtailed due to repair work of canals in the districts.

"Last year, a large number of farmers in North had to spend extra in re-sowing of cotton after whitefly and unfavourable weather damaged the saplings. Since sowing costs are high in cotton farmers are not willing to take the risk," says Rakesh Rathi, president, Indian Cotton Association Limited. Rathi complemented the intensive awareness campaign by government and industry to curb the menace of whitefly.

Shift from cotton also noticeable in upper Rajasthan, is unlikely to be replicated in other cotton growing states, feel experts.

"Spike in price of cotton in last six months will entice farmers to grow cotton," says I J Dhuria, director materials Vardhman Textiles BSE 0.03 % Limited.

"The cotton prices started picking in December after the Gujarat government announced bonus to boost the cotton market suppressed by the surplus in the global market," he says.

Also, the record cotton exports to Pakistan and Bangladesh this season had sustained the cotton market, says Dhuria. While exports to Bangladesh will continue but the crop in Pakistan will influence export to the country, he maintained.

Decline in raw cotton imports by China in the recent year had transformed the market. "There are rumours that China may allow import of cotton this year but the country has been following policy of domestic procurement of cotton in the recent years," says Dhuria, who handles cotton inventories for Vardhman



Textiles Limited, which is the largest exporter of cotton yarn to China.

The cotton output is estimated at 341.5 lakh bales for season 2015-16 by the Cotton Association of India compared to initial estimate of record output of 384 lakh bales. The output estimates have been reduced thrice as the output fell due to widespread whitefly attack in North and damage due to pink ball worm in major producer states of Gujarat and Maharashtra.

In the Central zone including states of Gujarat, Maharashtra and Madhya Pradesh the output has come down by 18 per cent over the last year and shortfall of 22 per cent in Southern states of Telangana, Karnataka, Tamil Nadu and Andhra Pradesh is estimated by the CAI.

"The total cotton arrivals this season upto the month of April are estimated at 302.40 lakh bales, which constitute around 89% of the total estimated crop," says April estimate by Cotton Association of India. Indian cotton arrival extends till September.

This season higher yield in cotton would take care of fall in area under the crop, says Mahesh Sharda, president North India Cotton Association. "The monsoon is expected to be normal this year and it will boost the crop," he maintained. He said that the government and industry has conducted intensive awareness campaign for farmers to curb whitefly menace.

### **Guar seed area to fall as shale gas producers' cut purchases**

Guar seed prices have fallen to the lowest level in five years after the US shale gas producers cut guar gum purchases due to lower oil prices.

MUMBAI: The area under guar seed production in India, the biggest producer of the tiny seed used to extract shale gas in fracturing, could drop 20 percent in the coming sowing season due to falling global oil prices .

"Guar seed farmers are unhappy. They are likely to shift to pulses. We could see as high as 15-20 percent reduction in guar seed area," said K N Rahiman, chief research officer at Ruchi Soya BSE -1.15 %, a leading guar gum exporter.

Guar seed prices have fallen to the lowest level in five years after the U.S. shale gas producers cut guar gum purchases due to lower oil prices.



Guar seed prices have fallen 41 percent in a year to 3,100 rupees per 100 kg, while the prices of pulses such as red gram have nearly doubled over the same period.

"At the current price guar is not profitable. Pulses, paddy are giving better returns," said Balbir Arniawali, a farmer from Sirsa district of northern state of Haryana.

Arniawali has not sold last year's harvest, hoping prices will recover, and has scaled back planting to 15 acres this year from 25 last year. Planting starts in June with the arrival of monsoon rains.

Guar gum is extracted from the seeds and used to thicken the slurry of water, sand and chemicals pumped into wells during the hydraulic fracturing, and tap oil and gas.

India, which produces 80 percent of the world's guar gum, saw exports from April to February fall 48 percent to 329,070 tonnes from a year ago.

The United States, whose shale gas surge has transformed it from the world's leading gas importer to a budding exporter, is the biggest importer of Indian guar gum.

More than half of India's guar gum processing plants are now closed and nearly half of the guar gum from last year's crop remains unsold, said a gum exporter based in Bikaner in north-western state of Rajasthan, the country's biggest producer.

### **Government hikes paddy MSP by Rs 60 to Rs 1,470/quintal for 2016-17**



MSP is the rate at which the government buys the grain from farmers.

NEW DELHI: The government today hiked the minimum support price ( MSP ) of paddy by Rs 60 to Rs 1,470 per quintal for the 2016-17 kharif season .

A decision in this regard was taken in the meeting of the Cabinet Committee of Economic Affairs ( CCEA ).

The Cabinet also approved a substantial increase in the MSP of pulses for the 2016-17 kharif season.

The government had fixed the MSP of common variety paddy at Rs 1,410 and grade A variety grain at Rs 1,450 per quintal for 2015-16 kharif (summer) season.

MSP is the rate at which the government buys the grain from farmers. Sowing of kharif crops will begin with the onset of southwest monsoon this month. Paddy is the main crop grown in the season.

"CCEA has approved Rs 60 per quintal increase in the MSP of paddy for the 2016-17 kharif season," a source said.

The support price of paddy common variety has been raised to Rs 1,470 per quintal, while A grade variety paddy has been increased to Rs 1,510 per quintal for 2016-17, the source said.

The government has increased paddy MSP marginally as the country has sufficient stocks and the price increase covers the cost of production.

Barring pulses and oilseeds, the CCEA has approved the MSP of other crops as per the recommendation of government's advisory body on farm pricing CACP.

In case of pulses, the sources said the government has hiked MSP substantially for 2016-17 kharif season to boost domestic production and reduce the country's dependence on imports.

Sources said the CCEA has approved more than Rs 400 per quintal increase including bonus to enthruse farmers to grow more pulses this year.

Similarly in oilseeds, the sources said the MSP has been increases substantially.

In case of cotton, the CCEA has approved Rs 60 per quintal jump in MSP of medium staple cotton to Rs 3,860 for 2016-17 and for long staple cotton to Rs 4,160 per quintal.

The government is bullish on farm sector growth in 2016-17 fiscal on hopes of better monsoon after two consecutive drought years.

## **CCEA may approve minimum support price of paddy, other kharif crops tomorrow**



The government is likely to approve tomorrow a proposal to increase the minimum support price (MSP) of paddy by Rs 60 to Rs 1,470 per quintal

NEW DELHI: The government is likely to approve tomorrow a proposal to increase the minimum support price (MSP) of paddy by Rs 60 to Rs 1,470 per quintal and for pulses by more than Rs 200 for 2016-17 kharif season.

The government had fixed the MSP of common variety paddy at Rs 1,410 and grade A variety grain at Rs 1,450 per quintal for 2015-16 kharif (summer) season.

MSP is the rate at which government buys the grain from farmers. Sowing of kharif crops will begin with the onset of southwest monsoon in June. Paddy is the main crop grown in the season.

"The Cabinet Committee on Economic Affairs (CCEA) meeting is scheduled for tomorrow. Agriculture Ministry's proposal on the 'Price Policy for Kharif crop for 2016-17 season' is listed on the agenda," a source said.

In the cabinet note, the ministry has proposed a substantial increase in the support price of pulses in order to boost domestic output.

It is believed that the ministry has proposed increase in pulses MSP over and above the recommendations made by Commission for Agricultural Costs and Prices (CACP), the source added.

According to sources, CACP has proposed an increase in the paddy MSP by Rs 60 per quintal to Rs 1,470 for common variety and to Rs 1,510 for grade A variety for 2016-17.

However, the CACP has suggested a substantial hike of Rs 200 per quintal in the MSP of tur dal to Rs 4,625 considering high inflation in pulses because of shortfall in domestic production. "But the ministry has proposed more than Rs 200 per quintal hike in MSP of tur dal," the source added.

The body has proposed a hike of Rs 150 per quintal each for moong and urad dal to Rs 4,800 and Rs 4,575, respectively.

In case of oilseeds, the CACP has proposed an increase in MSP of soyabean yellow by Rs 75 per quintal to Rs 2,675.

The body has proposed Rs 50 per quintal jump in the MSP of sunflower seed to Rs 3,850, Rs 90 per quintal increase in the support price of groundnut shell to Rs 4,120 and Rs 100 hike in sesamum seed MSP to Rs 4,800 for the 2016-17 kharif season.

In case of cotton, the CACP has suggested an increase of Rs 60 per quintal each to Rs 3,860 for small staple cotton and Rs 4,160 for long staple cotton for this year.