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# THE HINDU

## 1.03 lakh saplings to be planted in Tiruvarur

*To increase green cover, give fillip to afforestation drive*



Collector M. Mathivanan inspecting saplings at a nursery at Edakeezhayoor in Tiruvarur district on Tuesday.

It has been planned to plant a total of 1.03 lakh saplings in Tiruvarur district to increase the green cover and give a fillip to the afforestation drive, Collector M. Mathivanan said at Edakeezhayoor near Mannargudi on Tuesday.

Speaking after inspecting the growth of the saplings raised under a special scheme of the State Government at a nursery at Edakeezhayoor, he said that a total of 1.36 lakh saplings were being raised and nurtured in the nursery under the aegis of the Forests Department while the target was 1.27 lakh saplings. Of the 1.36 lakh saplings around 28,000 were 'mahogany,' 42,000 'pungan,' 13,000 'Neer Marudu,' 6,000 'jamun' fruit, 3,000 'Iluppai,' 38,750 teak and 2,000 'Thoongu Vaagai.'

District Forest Officer Parthiban said that the Forests Department would plant and nurture 12,800 saplings in public offices and educational institutions across the district. Joint Director of Agriculture Mayilvahanan and Mannargudi RDO Selvasurabhi were present.

## **Team leaves for Mozambique to explore pulse imports**

Facing sharp criticism over the spiralling prices of pulses, the Union government on Tuesday sent a delegation to Mozambique to explore the options of importing pulses on a government-to-government basis.

The high-level delegation is led by Consumer Affairs Secretary Hem Pande, an official statement said.

The delegation includes senior officials of the Ministries of Commerce and Agriculture and those from the Metals and Minerals Trading Corporation of India, a state trading body.

Another team of senior officials is already in Myanmar on the same mission.

India's pulse output has been affected by two consecutive years of drought. Because of a gap of 7 million tonnes between demand and supply, the retail prices have soared, with urad dal costing Rs. 195 a kg last week. In most parts of the country, the average prices, primarily of tur dal and urad dal, are ruling high.

Malawi is another African country with which India is having talks on buying pulses. During 2014-15, India produced 17.2 million tonnes of pulses, while during 2015-16 the output was 17.06 million tonnes against the demand of 23.66 million tonnes. The pulse prices increased by 29.6 per cent on an average during 2015-16.

## **State to step up agricultural production, says Minister**

*State known for its coconuts now stands third in production*

The crisis in the farm sector was what led to climate change and water scarcity in the State, Agriculture Minister V.S. Sunilkumar has said.

The Minister was inaugurating a comprehensive vegetable farming programme and block-level eco shop at Ranni on Tuesday.

According to him, paddy farming in the State was 13 lakh ha in 1963 and this has been reduced to mere 2 lakh ha by 2015. The fate of pepper cultivation too was not much different, he said.

Mr. Sunilkumar said Kerala which was once deemed as the land of coconuts now stood third in coconut production, after Tamil Nadu and Karnataka.



**NEW EQUIPMENT:**Agriculture Minister V.S. Sunilkumar inaugurating the Agro-machinery Bank of the Pannivizha Service Cooperative Bank at Pannivizha, near Adoor, on Tuesday.

The Minister said the State has been following a wrong water utilisation plan. When other States launch projects for water conservation, the State has been wasting the water by letting it flow freely, he said.

He said the government would step up paddy production from five lakh metric tonne to eight to 10 lakh metric tonne and project for extending paddy cultivation to three lakh ha would be launched as part of the programme.

Mr. Sunilkumar said the government would extend vegetable cultivation to 50,000 ha with a view to deliver the State from the pesticide menace.

He said a comprehensive plan would be launched to make the entire fallow land arable in a time-bound manner.

## **Farmers' Day**

Mr. Sunilkumar said the Malayalam New Year day of Chingom 1 would be observed as Farmers' Day at all schools in the State so as to make the younger generation too a part of the State's farming culture.

Raju Abraham, MLA, presided over the function. Anto Antony, MP, delivered the keynote address. Chittayam Gopakumar, MLA; Annapoornadevi, District Panchayat president, and George Mamen Kondoor, vice-president, also spoke.

The Minister also inaugurated an Agro-machinery Bank of the Pannivizha Service Cooperative Bank near Adoor.

Chittayam Gopakumar, MLA, presided over the function. A.P.Jayan, CPI district secretary, also spoke.

## **Coconut**

*Kerafed to procure nuts*

A meeting convened by Agriculture Minister V.S. Sunilkumar here on Tuesday decided to entrust Kerafed with the procurement of raw coconuts collected by Krishi Bhavans from farmers. The meeting resolved to clear the dues for coconut procurement at the earliest and ensure that coconuts from other States do not make their way into Kerala. Defunct coconut drier units would be restored and steps taken to promote the sale of Kera products through PDS.

## **Loss of cultivable land in State spikes vegetable prices in TS**

*Supplies from Krishna and Guntur districts to Khammam and Nalgonda come to a halt*

The impact of loss of vegetable crops following construction of the capital, Amaravati, is being felt in Khammam and Nalgonda districts of Telangana.

There has been a sharp spike in the prices of vegetables supplied to these districts as production in Krishna, Guntur, and other districts has come down drastically.

## **Sluggish monsoon**

Sluggish monsoon, depletion in groundwater levels, parched canals and tanks, decrease in cultivation, and removal of horticulture plantations for the construction of the capital are being cited by farmers as the reasons for the decline in production of vegetables and consequent increase in their prices in the two districts.

According to wholesale vendors of the two districts, farmers used to supply tomato, raw banana, gherkin (*dondakaya*), onion, cabbage, cauliflower, drumsticks, yam, sweet corn, mango, coriander, and other varieties to the market.

“We used to cultivate crops such as bitter gourd, snake gourd, ridge gourd, bottle gourd, green chilli, onion, leafy vegetables, fruits, and a variety of flowers in Undavalli, Penumaka, Chandarlapadu, Kanchikacherla, Uddandarayunipalem, Neerukonda, Thullur, and other areas on the Krishna riverbed. It is not the case any more,” says M. Venkateswara Rao, a farmer.

## **Realty boom**

After the government announced the construction of the capital on the banks of the Krishna in Guntur district, many realtors purchased fertile lands, bringing down the cultivation of vegetables.

## **Production hit**

“Many vegetable traders from Telangana districts used to come to Krishna and Guntur districts and place orders in advance. But the recent developments in Andhra Pradesh have brought down production, and there is no supply of vegetables,” says Bandi Yadaiah, a farmer from Kothagudem in Khammam district. “Green chilli is being sold at Rs. 40 per kg, tomato at Rs. 60, brinjal at Rs. 50, lady’s finger at Rs. 60, onion at Rs. 20, cabbage at Rs. 40, ridge gourd at Rs. 50, bitter gourd at Rs. 80, beans at Rs. 100, and gherkin at Rs. 40,” he says. “Earlier, vegetables used to be supplied through lorries and vans to Sattupalli, Wyra, Kothagudem, Tallada, Palvancha, Suryaraopet, Bhadrachalam, Manuguru, and other mandals of Telangana. Now, there is no such facility,” says B. Narasimhulu, a trader from Sattupalli.

## **Petty vendors worst-hit**

Petty vendors are the worst-hit. Many of them have stopped selling vegetables because of prohibitive costs, says Paka Bhadramma, another vendor.

*Supplies from Krishna and Guntur districts to Khammam and Nalgonda  
come to a halt*

## **Tea e-auction deferred by two days**

A pan India e-auction of tea scheduled from June 21 has been deferred by two days, according to the Tea Board. The move would include Darjeeling teas, according to the Board, which monitors the initiative of digitising tea-sales. Currently around 534 million kg of teas are sold through the e-auction system run by the Tea Board at the seven registered auction centres in India. As per the Tea Marketing Control Order, 50 per cent of a company's annual tea crop (with some exemptions) is to be sold through auctions. The new system allows participation of a member of any auction centre to bid for teas anywhere, through a single registration. — Special Correspondent



## **FDI in food processing puts Maharashtra state in advantage**

The Union Ministry of Food Processing has listed Maharashtra among the four states with potential to derive maximum benefits from policy reforms in food processing.

The Centre's decision to allow 100 per cent Foreign Direct Investment (FDI) in the food processing sector is likely to boost agro-industrial investments in Maharashtra. The state government also believes that the decision would help them override the agrarian crisis in the state.

The Union Ministry of Food Processing has listed Maharashtra among the four states with potential to derive maximum benefits from policy reforms in food

processing. The other states are Punjab, Haryana, and Andhra Pradesh. Maharashtra also leads in horticulture produce in the country, with 40 per cent produce.

According to NABARD status report for year 2015-16: “The food processing units would help Maharashtra to process 40 per cent vegetables and 30 per cent fruits, which are wasted due to lack of infrastructure. The inadequate food processing sector also is a primary reason for poor remunerations farmers get. They cannot bargain in absence of robust market linkages.”

In spite of huge demand for processed food, which has become a global trend, reports suggest, “The overall percentage of vegetables and fruits processed in the state is less than 1.2 per cent.”

It also implies that the gap between supply and demand is met from processed food imported from abroad. At present, the state’s processing capacity of vegetables and fruits does not exceed one lakh metric tonne (MT). Interestingly, Maharashtra, a leading state in agriculture as well as industries, has failed to develop the food processing sector.

The NABARD report mentions, “Although the state is leading in agro-industry, it ranks way below others in investment by international standards in food processing infrastructure.”

Sensing shortcomings in the sector, Chief Minister Devendra Fadnavis has undertaken a course correction.

He said, “For the first time, my government has taken a conscious decision to make greater investments in the agro-industrial sector.

We have given greater impetus on strengthening value chains to provide channels for agro-produce through industrial units. The robust food processing sector, through the centre’s policy reforms, will open new avenues for farmers.”

The state government has already taken steps, with four mega food parks in Satara, Ahmednagar, Wardha and Nagpur getting a go-ahead.

At the Make In India Week in February (13-18), Fadnavis managed to get MoUs with private players in the food processing sectors. The government has already identified the regionwise potential for growth of food processing sector. Keeping in mind the interest of farmers, food processing units are being linked with crops/fruits grown in that particular region.

The districts for food/fruits processing units include Nashik, Pune, Kolhapur, Ahmednagar, Jalgaon, Nagpur, Latur and Sindhudurg. The chief minister believes the food processing sector should also be promoted in districts reeling under farmers suicide and drought.

### **Maharashtra CM Fadnavis issues advisory, asks farmers to defer kharif sowing plans**

The chief minister's advisory came following a report from the Indian Meteorological Department (IMD) on the monsoon's progress that was discussed during the cabinet meeting.

A slower-than-normal progress of the south-west monsoon has prompted Maharashtra Chief Minister Devendra Fadnavis to issue an advisory to farmers asking them to defer sowing plans for kharif crops till the end of June.

The chief minister's advisory came following a report from the Indian Meteorological Department (IMD) on the monsoon's progress that was discussed during the cabinet meeting. While pointing out that monsoon was now active across the state, the IMD's report has pointed out that the rainfall recorded in several districts so far was not yet adequate for sowing kharif crops.

The onset of monsoon in the state was delayed by 10 days. According to IMD's report the average rainfall recorded across the state between June 1 and June 21 was 65.2 mm, which came to just about 41 per cent of the normal rainfall witnessed by the state in the month of June.

Records show that for almost 50 per cent areas in Maharashtra — 17 out of the 36 districts — the rainfall received so far was below 50 per cent of the normal. In fact, in nine of these, the June rains have been lesser than 25 per cent of the



normal average. These include drought-hit belts in Marathwada's Aurangabad, Vidharbha's Nagpur, Bhandara, and Chandrapur, and North Maharashtra's Nashik, Dhule, Nandurbar, and Jalgaon. The ninth district is Palghar

The CM's advisory cautioned farmers that "haste in sowing kharif crops" may spark "the risk of a farmer needed to resow" at a later date. A positive note for the state comes in IMD's forecast for more rains across the state in the coming seven days. Three drought spells in four years have meant that the agriculture production had slipped into the negative.

The south-west monsoon is critical to the kharif crop season as nearly 72 per cent of the Maharashtra's farmland lacks assured irrigation.

### **Tackling poverty in India: In building and agri boom, rural wage lift**

The rising tide of real wage increases raised all boats between 2004-05 and 2011-12, none more than that of unskilled rural workers. Why did this happen?



Three drivers — falling rural female labour force participation, a construction boom, and favourable agricultural terms of trade — help explain why unskilled rural workers fared better than their urban counterparts or workers with more education.

**Written: Hanan Jacoby and Basab Dasgupta**

*Real wages have risen across India in the past two decades, but the increase has been especially marked among rural unskilled workers. Three drivers — falling rural female labour force participation, a construction boom, and favourable agricultural terms of trade — help explain why unskilled rural workers fared better than their urban counterparts or workers with more education. Going forward, in the light of lower agricultural prices and slower growth in the construction sector, some of the factors that contributed to the increase in relative wages for unskilled labour during this period may not be sustained over time.*

Over the last two decades, India's workers have seen their wages rise substantially relative to the cost of living.

Although real wages have risen across all of India and for all demographic groups (educated/uneducated, old/young, male/female), the rise has been especially marked among rural unskilled workers — those with less than full secondary education.

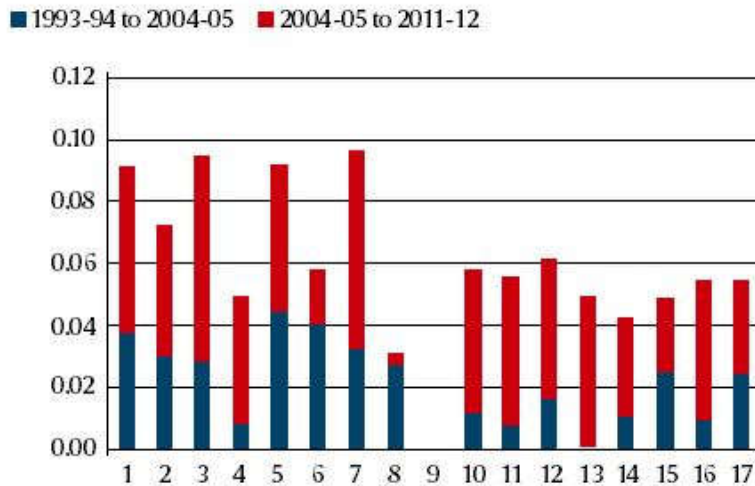
This was particularly so between 2004-05 and 2011-12. While this phenomenon helps explain the fall in rural poverty during this period, it begs the question: what were the economic forces that drove the rise in real wages during this time?

To answer this question it helps to narrow it, by shifting our gaze from the overall rising tide of higher real wages nationwide, and asking instead why some 'boats' have risen faster than others — for example, why the wages of rural workers lacking secondary education (concentrated in sectors like agriculture and construction) have risen faster than those of their urban counterparts.

Here are three key findings on how the relative wages of different groups changed between 2004-05 and 2011-12:

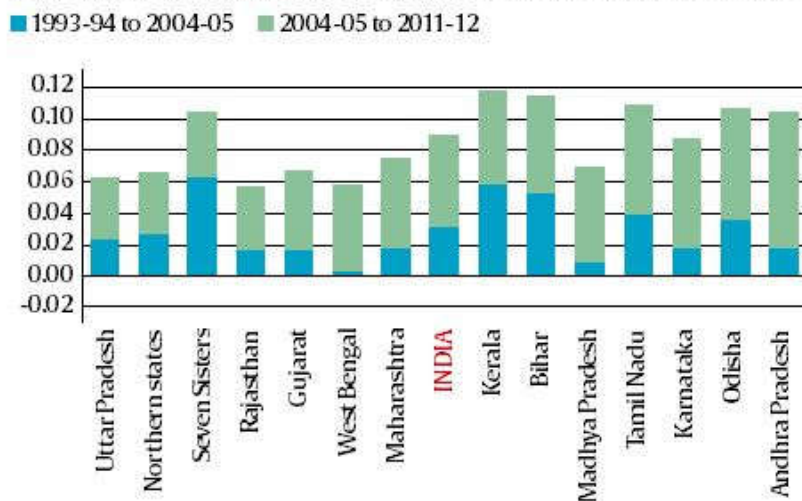
# Changing wage structure, 1993-94 to 2011-12

## ANNUALIZED LOG REAL WAGE CHANGES BY DEMOGRAPHIC GROUP



\*"E educated" workers refers to those who completed secondary school or above.  
Source: Authors' calculation from various rounds of NSSO data

## ANNUALIZED LOG REAL WAGE CHANGES FOR UNSKILLED WORKERS



Split states clubbed with parent states.  
Source: Authors' calculation from various rounds of NSSO data

First, an expanding construction sector stands out as the key driver of relative wage growth for unskilled men. States in which the rural construction sector grew faster than the urban construction sector, such as Uttar Pradesh and Karnataka, saw faster relative wage growth for men with less than complete secondary education. What this means is that the wages of these men grew

faster in rural areas of the state than in urban areas. There is no such effect on women's wages. In contrast to the construction sector, relative growth in services, such as wholesale and resale trade, is unrelated to relative wages for either males or females.

Second, falling female labour force participation has played a role in helping raise wages, but only for women. States in which rural women withdrew from the labour force faster than urban women experienced a bigger rise in the wages of rural unskilled women. This pattern is essentially absent for males, suggesting that women's unskilled labour is not a very close substitute for that of men.

Third, states that grew crops whose prices rose more sharply during the 2004-05 to 2011-12 period saw rural wages for unskilled labour, both male and female, rise faster than urban wages. Thus, against the backdrop of the overall decline in agricultural employment in India, states that benefited from the agricultural commodity boom saw a greater demand for farm labour, and hence rising wages for unskilled farm work.

While we cannot run a statistical 'horserace' to find the dominant force behind the recent changes in India's relative wage structure, these three drivers do help us understand why unskilled rural workers have fared better than their urban counterparts. Going forward, in light of the recent moderation in agricultural prices and slower growth in the construction sector, it is already clear that some of the factors that contributed to the increase in relative wages for unskilled labour during this period may not be sustained over time. As a matter of fact, the rate of growth in real wages has slowed over the past few years, with potential implications for the pace of poverty reduction in the country.

These findings are based on a standard decomposition of wage growth into growth due to supply shifts (changing group employment shares), growth due to demand shifts (changing industrial composition biased for or against a particular group), and growth due to wage-premia shifts (essentially, movements into or out of structurally low-paying jobs). The portion of relative wage growth attributable to these three factors can then be extracted for each state, or groups of smaller states, and finally correlated with various economic changes at the state level. The key findings represent statistically significant correlations.

## Cotton crop hit by whitefly in Fazilka



The whitefly destroyed two-third of the total crop cultivated on 4.5 lakh hectares. (HT Representative Image)

Whitefly, the sulking pest, has hit the cotton crop in three villages—Dangar Khera, Nihal Khera and Ghallu — in Fazilka district.

Though the population of pest is less than economic threshold (the density of a pest at which a control treatment will provide an economic return), the presence of whitefly on the fibre crop has put the Punjab agriculture department and Punjab Agricultural University (PAU) on alert.

The whitefly destroyed two-third of the total crop cultivated on 4.5 lakh hectares. However, after the report of pest attack, a special team from central integrated pest management, Jalandhar, visited affected fields and interacted with farmers so as to control the attack at early stages. PAU vice-chancellor Dr Baldev Singh is going to convene meeting of agriculture department at Abohar to take stock of the situation.

Led by centre's assistant director Rajinder Singh, the team found that the crop cultivated near and around orchards and poplar trees is presently more



vulnerable to whitefly attack. Chief agriculture officer Sukhdev Singh Brar said though the situation was under control, but the department had advised affected farmers go with spray of nimbecidine pesticide.

“We have also asked the farmers to remain vigilant and must inform the agriculture department if the attack multiplies after pesticide spray,” Brar said. He added that the whitefly not only attacks cotton crop, as it also feeds upon vegetables, flowers and leaves of poplar trees.

The government has gone all out to save cotton crop this year so as to revive cotton related economy. Besides coming up with seven month long plan to ensure pest attack free crop this year, the government has constituted an inter-state committee to save the fibre crop from the whitefly pest.

## THE HINDU **BusinessLine**

### **Govt team leaves for Mozambique to explore pulses imports**

To tackle the rising prices of pulses and check its shortage, a high-level government delegation on Tuesday left for Mozambique to explore import options. A Central team is already in Myanmar for the same purpose.

The delegation, led by Hem Pande, Secretary, Consumer Affairs, also consists of senior officials from the Ministries of Commerce, Agriculture and MMTC and will explore short- and long-term measures to import pulses from Mozambique on government-to-government basis, an official release said.

The government swung into action as there has been no let-up in the prices of pulses, a key source of protein for the poor, with retail prices rising up to Rs. 200/kg. Domestic production of pulses has seen a shortfall of about seven million tonnes following two consecutive drought years.

India imports nearly a quarter of pulses to meet the domestic demand. As on June 7, about 13,000 tonnes of pulses had reached the country, imported by

private and public agencies, and delivery of about 6,000 tonnes was in the pipeline, as per the Ministry.



Besides contracted imports of 38,500 tonnes, government agencies have also procured 51,000 tonnes of Kharif and 60,000 tonnes of Rabi pulses, it added in an earlier release.

### **Monsoon makes progress in North-West**

The monsoon has made further progress over the eastern and north-western parts of the country even as it encountered fresh hurdle on the West Coast on its way to Gujarat.

On Tuesday, the seasonal rains entered Madhya Pradesh, Bihar, East Uttar Pradesh, Uttarakhand, Himachal Pradesh, and Jammu and Kashmir, the India Met Department said.

### **Trough weakens**

The pre-eminent monsoon feature in the form of the offshore trough has weakened yet again, bringing its progress along the West Coast to a brief halt.

The Met forecast indicates that the heavy to very heavy rainfall regime will be active for the next few days over the West Coast up to Konkan and Goa and the rest of North-West, East and North-East India.

Meanwhile, the Australian Bureau of Meteorology as well as the Application Laboratory of the Jamstec, the national forecast agency of Japan, suspect that the Indian Ocean may have already entered into a 'negative dipole' phase. A negative phase of the Indian Ocean Dipole (IOD) is a localised version of the El Nino-La Nina phenomena in the Pacific and has been found to modulate a concurrent Indian monsoon.



Silver Lining Dark clouds gather over Vidhana Soudha, Bengaluru, as the South-West monsoon gains strength and makes progress. Karnataka has so far received 15 per cent excess rainfall GRN SOMASHEKAR

### **Negative IOD**

The IOD has positive and negative phases. The positive IOD signals to the warming of the western basin of the Indian Ocean and corresponding cooling of the eastern basin.



The positive IOD phase has boosted the Indian monsoon. The negative IOD phase, in which the warming shifts to the eastern basin of the Indian Ocean, has a 'drag effect' on the monsoon. It remains to be seen what a negative IOD can do to the monsoon this year.

The India Met has forecast it to be above normal thanks to the favourable vibes from a building La Nina conditions in the equatorial Pacific.

An outlook by India Met and Indian Institute for Tropical Meteorology had suggested earlier that positive IOD conditions are likely to prevail during the early part of the monsoon and negative during the latter part.

### **La Nina year**

There is a 74.1 per cent possibility for normal or above normal monsoon in an El Nino+1 year. So statistics favour a good monsoon year for 2016, the Met had said in its second long-range forecast.

In general, the monsoon is stronger than during normal during La Nina years, though there is no one-to-one association between the two.

However, there is stronger association between a La Nina and rainfall during the latter part of the monsoon, particularly with September rainfall.

During 1901-2015, there have been 24 La Nina years. Sixteen of them (67 per cent) returned above normal rainfall while seven (29 per cent) witnessed normal rainfall. But one year turned below normal.

### **Pan India e-auction launch delayed**

Tea bidding deferred to tomorrow

The Pan India E-Auction platform (for tea), which was supposed to be launched on Tuesday has been rescheduled for roll out on June 23.

Industry stakeholders told *BusinessLine* that they were not disappointed about the delay; rather they were concerned about the problem/issues that they may have to encounter if the roll-out had happened as scheduled.



“We knew fully well that the module was not ready for take-off; we had even brought it up with the Tea Board yesterday. Till this morning they maintained that the sale on the pan India auction platform would be launched today,” an industry source said.

In the meantime, the Cochin Tea Association is understood to have postponed the sale by a day while the Guwahati auction centre notified a postponement of two days.

### **Kochi postponement**

“Taking cognisance of the situation, the Tea Board made an official announcement (around mid day) about postponement of the same to June 23. The existing settlement process will continue for now. The implementation date of the post-settlement module would be launched shortly,” the Board stated in a communication to the tea auction centres.

Asked how this delay would impact the trade, the source said: “The delay in sale will result in a hold-up of sale proceeds, which, in turn, will affect cash flows. Small tea growers and sellers will be worst hit.”

Meanwhile, it is learnt that Kochi buyers have already gone to the Kerala High Court against the roll out of the module in haste, and the Court has asked the Board to sort out the issue raised by the petitioners within two weeks.

### **Campco to begin trial export of tender arecanut to China by Aug**



Eye on China Campco President SR Satishchandra (right) and Vice-President SN Khandige (left) flank former President Konkodi Padmanabha at a press conference in Mangaluru, on Tuesday HS MANJUNATH

The Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd will begin trial export of tender arecanut to China by August.

This follows a recent visit by a delegation of Campco to China to study the arecanut market there.



Addressing presspersons in Mangaluru on Tuesday, SR Satishchandra, President of Campco, said that a memorandum of understanding between Campco and the China-based company – Kou Wei Wang – has decided to initially process and export two tonnes of tender arecanut to China on a trial basis. This will be shipped by August.

Before that, a team of experts from the Chinese company will visit India in July to impart training on processing and standardisation of products of its requirements.

Suresh Bhandary, Managing Director of Campco, said that the cooperative has selected tender arecanuts from Thondamuthur in Tamil Nadu and Wayanad in Kerala for the trial consignment.



The company prefers elongated tender arecanuts for its products. For this consignment, 4.5-month-old tender arecanuts from these two regions will be used, he said.

The former Campco President, K Padmanabha, who was part of the delegation to China, said that around 20 companies in China are involved in the manufacture of arecanut mouth fresheners. Kou Wei Wang needs tender arecanut to meet its demands in the Chinese market. The Central and State governments should arrange a study tour for select arecanut growers to China.

The growers can understand the processing and standardisation requirements of the Chinese market, he said.

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India imports nearly a quarter of pulses to meet demand–supply mismatch. As on June 7, about 13,000 tonnes of pulses had reached the country, imported by private and public agencies, and delivery of about 6,000 tonnes was in the pipeline, as per the Ministry.

(in \$ billion)

<b>Lentil Soup: India's pulses imports</b>	
<b>Year</b>	<b>Value</b>
2011-12	1.96
2012-13	2.45
2013-14	2.12
2014-15	2.82
2015-16	3.95

Source: DGCIS

Besides contracted imports of 38,500 tonnes, government agencies have also procured 51,000 tonnes of Kharif and 60,000 tonnes of Rabi pulses, it said in an earlier release.

### **Cardamom average price tops 840/kg**

Cardamom prices continued to shoot up on strong demand amid decline in arrivals with the auction average crossing 840 a kg mark almost after 18 months.

At today's auction conducted by the South Indian Cardamom Company Limited, 70.4 tonnes arrived and the entire quantity was sold. The maximum price was at 1,292 a kg and the auction average stood at 832.95 a kg.

At the afternoon auction yesterday by the Idukki District Traditional Cardamom Producer Company Limited, the auction average was at 844.62 while the maximum price fetched was 1,206 a kg.



Whereas, on June 20, 2015 the auction average was at 635.94 a kg.

Last time the prices crossed 800 a kg was on January 11, 2015 when prices stood at 840.15. At the same time on December 30, 2014 the auction average was at 1,600 a kg.

The upsurge in prices, at present, is attributed to the strong domestic demand following apprehensions about a decline in next crop which will be long delayed and likely to be available by August end, PC Punnoose, General Manager, CPMC Kumily, told *BusinessLine*.

### **Tea industry seeks GST exemption**

The Tea Association of India, in a memorandum to the Empowered Committee of State Finance Ministers on goods and services tax, urged the panel to consider tea as an “agriculture produce”, exempt from GST, and not a plantation crop.



TAI has argued that tea plantation activity was “agricultural” in nature and about 70 per cent of industry cost consists of wages of workers, which do not offer any possibility of input credits.

The current rate of VAT for tea sector is between 5 and 6 per cent. “Thus even if the lowest rate of 12 per cent as proposed by the Committee is applicable for tea, the tax cost on tea would be increased considerably,” TAI said.

It also apprehended that in the proposed GST regime, the States might not have the flexibility to have a different rate for teas sold through auction system thus making it less attractive.

TAI felt that any rise in tax incidence would inflate cost structure of tea production and render a negative effect on its demand affecting the economic viability of the industry. The industry was already saddled with a host of problems as well as the sustenance of the large number of workforce, TAI pointed out.

# Business Standard

## **Slow start to kharif sowing in Gujarat**

Area under kharif down 80% y-o-y due to delayed monsoons, water scarcity





The delayed monsoon has slowed down the initial kharif sowing in Gujarat, which is down by about 80 per cent on a year on year basis. According to state agriculture department data, as on June 20, overall sowing has reached 274,300 hectares as against 1.34 million hectares in corresponding period of 2015.

Cotton and groundnut, which are the main kharif crops in Gujarat, have seen huge fall in sowing this year. Groundnut has covered 38,400 hectares area this year as against 370,900 hectares and cotton sowing was done on 175,500 hectares against 762,900 in last year.

"Beginning of kharif sowing is lower as monsoons have been delayed in the state. Farmers are waiting for the first showers. Sowing activity will gear up across the state once the rains set in," said a senior official of Gujarat agriculture department.

According to agriculture department data, area of cereals has declined by 92 per cent to 6,100 hectares from 78,200 hectares. Maize, which was sown on 50,900 hectares in 2015, has covered nil area in this year. Jowar too is down. Only paddy sowing has started and covered 5,600 hectares as against 18,900 hectares last year.

With delayed monsoon, water scarcity is also one of the reasons for the current sowing scenario. Saurashtra, Kutch and North Gujarat do not have enough water available because of weak monsoons in 2015.

In pulses, only tur sowing has started this year. Farmers have sown tur on 15,200 hectares as against 19,200 hectares. The state has witness downfall of 45 per cent in pulses sowing. Last year it had covered 27,600 hectares and this year only 15,200 hectares covered under pulses.

Area of oilseeds also has declined by 90 per cent this year to 38,700 hectares as against 392,400 hectares. Sesame seed and soyabean has covered very negligible areas so far.



# THE TIMES OF INDIA

## **Bumper crop triggers season of 'mango murders'**

It's a bumper crop after four years in the birthplace and cradle of Dussehrimangoes this season. But along with celebrations, it has also triggered violence and murders.

The onset of the season has been marked by successive cases of crime against cultivators, latest being murder of Mahesh Maurya, a mango grower from Kakori's Sarai Alipur village, early Monday morning. He was sleeping at his orchard when two villagers Meraj and Bablu allegedly shot him. Four days back, the two sides had fought over cattle grazing into each others' farms.

On June 13, mango grower from Nabipanah village of Maal, Deshraj Singh, was strangulated. Police probes revealed Munna's daughter-in-law had conspired along with Singh's nephews to murder him. The motive was to usurp his mango orchard and other land banks estimated to be worth more than Rs 3 crore. The mango belt (Malihabad, Mal and Kakori) is source of 90% Dusehri mango in the country. Deputy SP Javed Khan, circle officer of Malihabad and supervising three police stations of the mango belt in the district said bickering mango farmers start thronging his office as soon as the day begins. "For the past seven weeks, at least 10 to 15 persons in the mango business have lodged police complaints," said Khan.

Ram Gopal Yadav, former block chief of Malihabad area and a mango producer said, "Cultivators invest a lot of time, energy and money in growing mangoes. This is the time to make money. If someone creates trouble, they turn aggressive."

The most disturbing of the mango murders was witnessed in the city about two months back. A 10-year-old boy Satyam Dwivedi from Satwara village in Gosainganj was strangulated to death on April 24. Satyam was enjoying some mangoes in a farm with three youths of the same village. The trio allegedly

murdered the minor boy over uneven distribution of the fruit. They have yet to be arrested.

# THE ECONOMIC TIMES

## Maharashtra okays Rs 2,000-crore bank guarantee for farm loans



The Minister said he has asked cooperative banks not to recover pending loan amount from farmers' crop insurance payments deposited in their bank accounts.

MUMBAI: Maharashtra government today approved a bank guarantee of Rs 2,000 crore to district cooperative banks to sanction additional loans to farmers, contending they would need more money in the upcoming sowing season of kharif crops.

Chandrakant Patil, Minister for Cooperation, said Marathwada Rural Bank and 16 other cooperative banks had demanded additional Rs 2,000 crore for distribution as crop loans among farmers.

"Due to restructuring of loans since the last three years (2013-14, 2014-15 and 2015-16), and drought situation, farmers could not repay installments of loans that forced cooperative banks to seek additional monetary help from the Government," said Patil.

In view of this, the government has approved an additional bank guarantee of Rs 2,000 crore to district cooperative banks so that farmers are able to avail crop loans, he said.

These banks are predominantly in Vidarbha, Marathwada BSE -5.00 %, and North Maharashtra.

The Minister said he has asked cooperative banks not to recover pending loan amount from farmers' crop insurance payments deposited in their bank accounts.

"We will take action against those banks that recover farmer loan from crop insurance benefits. Farmers should come forward and complain if any bank deducts their insurance amount to recover crop loan."

Chief Minister Devendra Fadnavis has reviewed the prevailing agriculture scenario with all District Collectors through video conferencing and appealed to nationalised banks to provide loans to farmers wherever required, he said.

### **Small tea growers in trouble as brokers stop advance payments**



Small tea growers mainly sell teas through auction system for transparency of sale where they generally get advance payments from the brokers by sending tea.

KOLKATA: Nearly 2,000 small tea growers in Assam and West Bengal are in trouble as tea brokers have stopped paying in advance to them due to lack of clear direction on recovery of advances from tea producers in the pan India e-auction.

For the past 20 days, brokers have not given any advance payments to the factories, said Bijoy Gopal Chakroborty, president of the Confederation of Indian Small Tea Growers Association.

"Small tea growers mainly sell teas through auction system for transparency of sale process where they generally get advance payments from the brokers by sending tea. Advance payments procured from the brokers by these factories on a weekly basis are being used to meet the payment for green tea leaves procured from the small tea growers," said Chakroborty.

The same thing has been followed by the bought tea leaf factories where small tea growers are supplying green tea leaves, he said.

This system of advance payments to the self help group tea factories and bought tea leaf factories helps these establishments run smoothly in terms of payment on a weekly basis. Self help group factories have no working capital from banks, so they are solely dependent on this system.

"Now brokers have stopped advance payments and all of a sudden factories are facing acute financial crisis. Payments to the small tea growers have become irregular," said Chakroborty.

"If this goes on for long then we anticipate that factories will not be able to pay the price of green tea leaves in near future and it will create a social problem which will have the worst affect on small tea growers," he said.

## **Kharif sowing begins as monsoon finally hits north, central India**



After hovering over Karnataka coast around June 10-18, the monsoons have covered most parts of Maharashtra and is expected to cover south Gujarat, parts of Madhya Pradesh

PUNE: After a delay of eight days, the monsoons have finally hit most parts of Maharashtra and central India. With this, sowing of kharif crops like paddy, cotton, maize, oilseeds and pulses, is expected to gather pace.

Sowing is expected to peak by the last week of June and first week of July. After hovering over Karnataka coast around June 10-18, the monsoons have covered most parts of Maharashtra and is expected to cover south Gujarat, parts of Madhya Pradesh, East Uttar Pradesh and Bihar in the next 48 hours. "There will be better rainfall during the next 15 days over central India," DS Pai, director (long range forecast), IMD, has said. As of June 17, kharif sowing was completed on 84.21 lakh hectares, which is 10% less than last year.

Rice was sown on 9.17 lakh hectare, pulses on 3.32 lakh hectares, coarse cereals on 6.01 lakh hectares and oilseeds on 1.88 lakh hectares. N Chattopadhyay, deputy director general (Agrimet), IMD, said, "Nursery sowing operations have started in Andhra, Odisha, West Bengal, Jharkhand and Chhattisgarh. We have also advised farmers in Maharashtra to begin sowing of cotton and soyabean."

AK Nayak, acting director, Central Rice Research Institute, Cuttak, said, "monsoon has covered most of Odisha.

Though it is not strong, it is sufficient for nursery sowing and direct sowing, which have started." Karnataka has completed kharif sowing on 17% of its kharif area, with farmers sowing cotton, maize and red and green grams. "Cotton sowing is over in Punjab, Haryana and Rajasthan. It has just started in Vidarbha and Telangana and is yet to begin in Karnataka," said Keshav Kranthi, Central Institute of Cotton Research, Nagpur. Seed companies say farmers began seed purchase late this year.