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THE HINDU

‘Farm mechanisation on the rise’

Three-day United Agri Tech 2016 exhibition inaugurated

The Government should arrange soft loans for farmers so that they can buy machinery at lower rate of interest, said K. Vishwanathan, president of Tamil Nadu chapter of Agricultural Machinery Manufacturers’ Association.

Speaking to *The Hindu* after inaugurating United Agri Tech 2016 here on Friday, he said the level of mechanisation is 40 per cent in crops such as paddy and sugarcane. However, it is just about 20 per cent among the small-scale farmers.

Labour-intensive

Farmers are looking for mechanisation option for more crops because of labour shortage, especially for weeding as it is labour-intensive. But, it is an intermediary action and hence, there should be selection of crops and mechanisation option should be available for all activities.

Group farming societies have been formed at block-levels in paddy cultivation areas and they have common hiring services of machinery. Banks also extend loans for this. Mechanisation in farming is getting better focus now. There are 800 manufacturers in Tamil Nadu and the segment is growing at 20 per cent annually. Manufacturers are located more in areas where there are a large number of industries (Chennai, Coimbatore, Erode, etc). Currently, subsidy is available for select machinery. Farmers should get soft loan, he said.

United Trade Fairs has organised the fifth edition of United Agri Tech 2016 at Suguna Kalyana Mandapam, Coimbatore.

The three-day exhibition will be open from 10 a.m. and exhibits machinery and technology related to agriculture. It is mainly for the small-scale farmers in the region.

Awards are also given to the best terrace gardens in the city. With about 80 stalls, it has farming equipment, fertilisers, millets, and books on farming.

Farms grow massive incomes for select few



In response to a RTI application, Income Tax Department reveals that 6.57 lakh individuals earned 20 times the GDP in 2011.

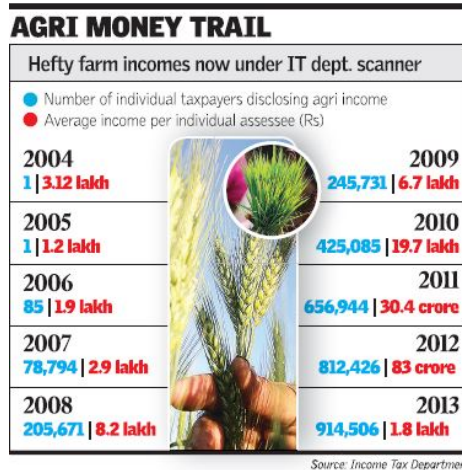
Believe it or not, income figures shared by the Income-Tax Department in response to an RTI application by a retired Indian Revenue Service official has revealed that agricultural income recorded an exponential increase from 2004 to 2013, touching a total of almost Rs.2,000 lakh crore for individual assesseees in 2011.

The agricultural income earned by the 6.57 lakh assesseees who filed returns in 2011, at nearly Rs. 2,000 lakh crore, is over 20 times the country's gross domestic product of over Rs. 84 lakh crore at the time, according to the Income Tax Department data shared under the RTI Act. Notably, agricultural earnings are exempt from Income Tax.

Retired IRS official Vijay Sharma — who filed RTI application to the Income-Tax Department — has now moved the Patna High Court seeking further investigations into the matter, raising suspicion that income from undisclosed sources are being shown as agricultural income to evade tax.

“The other possibility may be that illegal money or black money income is being laundered in a large scale and brought into the white economy. It requires deep investigation,” Mr. Sharma told *The Hindu*. He said the next date of hearing on his PIL plea was in April.

“I had got these details from the Income-Tax Department through an RTI reply last April. Since then I have been writing to the Central Board of Direct Taxes seeking a probe into the matter. Till now, no agency has contradicted the information. In fact, in the Rajya Sabha, the Finance Minister on Tuesday also did not contradict the figures,” said the 1976 batch IRS official.



Finance Minister Arun Jaitley said on Tuesday many prominent people were being investigated by the Income-Tax Department for masquerading taxable income as agricultural. “Please don’t say it is political victimisation if names come out after that [probe],” he said in a reply to the questions raised by the Opposition members.

The Income Tax Department has launched an investigation on those reporting farm incomes of more than Rs.1 crore a year. Official data pegs this number at 307 in assessment year 2015-16, up from 180 in assessment year 2007-08. The Department is probing 2,746 such cases — Bengaluru recording the highest of 321 followed by Delhi with 275 and Kolkata with 239 cases — from across the country.

“Aadhaar will help in this,” Rajiv Kumar, senior fellow at the Centre for Policy Research, told *The Hindu*. “Now you also really need to do digitisation of land records, and link them to individual identities. This agriculture income figure is completely spurious. It is due to people evading tax.”

“People earning more than Rs. 1 crore from agriculture should pay income tax. They will be an infinitesimal proportion of the total number of farmers,” Mr. Kumar added.

Shocked over the figures, the IRS officer again filed an RTI application seeking access to details of top 100 assesses in the past five years. However, the Income-Tax Department said the disclosure of personal information was prohibited under Section 8 1(J) of the RTI Act, unless there is an overriding public interest.

Heritage in Vellayani



Heritage Walk Trivandrum, in association with College of Agriculture, Vellayani, organises a heritage walk to explore the history and built heritage of the campus. The walk is on March 20. Follow the bus that departs at 7 a.m. from University Gate, Palayam, via Chakka and Thiruvallam to Vellayani.

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Rs. 25,000 cr. for agriculture sector



Finance Minister of Maharashtra Sudhir Mungantiwar (right) and his deputy Deepak Kesarkar garlanding an idol of Chhatrapati Shivaji before presenting the budget in Mumbai on Friday.— Photo: PTI

Maharashtra Finance Minister Sudhir Mungantiwar on Friday presented the State budget with a Rs. 25,000-crore allocation for the agriculture sector amidst growing concerns over a spate of farmer suicides and distress in the rural economy.

The second budget of the Bhartiya Janata Party (BJP) government was presented in the Assembly with an estimated revenue deficit of Rs. 3,757 crore, but revised to Rs. 9,209 crore mainly on account of relief packages for drought-affected farmers in over 15,000 villages.

The State agriculture sector has reported a 2.7 per cent decline in growth rate as opposed to the targeted rate of 6 per cent as a result of back-to-back patchy monsoon.

“The State has been facing a severe drought for three successive years due to the vagaries of the monsoon. This budget is dedicated to our farmers, who the government is committed to extending maximum support to, during this time of crisis,” said Mr. Mungantiwar. His 90-minute speech was peppered with poetry dedicated to farmers, tribal people and women, with 27 minutes dedicated to outlining the State’s agriculture strategy.

The Opposition blasted the budget as nothing but a smart ‘jugglery’ of numbers, which appears to be giving more to farmers but takes away a lot from the middle class. It alleged that the special allocation for the agriculture sector glosses over the government’s mismanagement of the farm crisis.

“The allocation hides the government’s financial indiscipline and has nothing much to bring home for the farming community. The Rs. 25,000-crore number is just statistical jugglery,” said senior Congress leader Ratnakar Mahajan. The budget, with an estimated revenue mobilisation of Rs. 2,20,810 crore as against revenue expenditure of Rs. 2,24,454 crore, turned out to be a reflection of the national budget, which too had focussed on irrigation and agriculture.

For the irrigation sector, Mr. Mungantiwar proposed an allocation of Rs. 7,850 crore against Rs. 7,272 crore in the previous year.

To make up for the jump in revenue deficit, the government proposed additional tax proposals worth Rs. 363 crore, which would directly and indirectly affect the middle class.

These include increasing entry tax on marble and granite, tea and coconut oil, and increasing VAT on all goods and services to 5.5 per cent (excluding declared goods) from 5 per cent.

Odisha budget gives priority to agriculture



Finance Minister Pradip Kumar Amat presenting the Odisha budget at the State Assembly in Bhubaneswar on Friday.– PHOTO: Lingaraj Panda

Odisha Finance Minister Pradip Kumar Amat presented the State’s annual budget of Rs. 94,052.65 crore for 2016-17 in the State Assembly on Friday

evening, giving priority to agriculture and allied sectors in the wake of suicide by more than 200 farmers.

Although Mr. Amat did not speak about the farmer suicides in different regions of Odisha in his speech in the House while presenting the budget, it was clearly evident in his address that the emphasis was on agriculture and allied sectors such as irrigation, co-operation, and fisheries and animal resources development.

Since the ruling Biju Janata Dal is having an eye on the gram panchayat elections scheduled to be held next year, the Finance Minister said that the newly formed Agriculture Cabinet had deliberated on the funding requirement for agriculture and allied sectors, thereby giving emphasis to growth of agriculture.

Accordingly, it was proposed to provide Rs. 13,181.89 crore for the Departments of Agriculture, Irrigation, Co-operation, and Fisheries and Animal Resources Development in the budget for 2016-17 fiscal, Mr. Amat added.

“A new scheme Support to Farmer Producers’ Organisation with the objective of mobilisation of farmers into members owned producer organisations or FPOs, to enhance production, productivity and profitability of farmers, especially small farmers in the State will be launched, he said

“The road ahead is clear and well defined. The most decisive response to the challenges of rural poverty and regional disparity revolves around agriculture,” said Mr. Amat, while concluding his address on the agriculture budget which he presented separately.

In his speech while presenting general budget, the second part of the two-part budget, Mr. Amat said that the State government has been preparing the gender budget statement for the last three years only for 100 per cent women-centric schemes.

However, this year the government would bring out both Part-A (schemes in which 100 per cent provision is for women) and Part-B (where the allocations for women constitute at least 30 per cent) of the gender statement, he added.

The budget also laid emphasis on welfare of ST, SC, Minorities, education, health sector, social security and empowerment of women, children and persons with disability.

Mr. Amat also laid emphasis on empowerment of Panchayati Raj Institutions and rural development as all major parties had started making preparations for the next-year's panchayat polls.

The provision for the Panchayati Raj Department has been enhanced from Rs. 7, 057.10 crore in 2015-16 to Rs. 8,458.95 crore in 2016-17 which is 19.86 per cent higher, he said.

Cocoon banks, silk testing centres to the aid of sericulture sector



The State has proposed establishment of cocoon banks, silk testing centres, and revival of the price stabilisation fund for the benefit of the sericulture industry, which had been affected by the reduction in import duty on raw silk from 15 per cent to 10 per cent.

Chief Minister Siddaramaiah said Rs. 2 crore had been set aside for the establishment of cocoon banks as suggested by the committee headed by agricultural economist H. Basavaraj.

Retired deputy director of Sericulture Department N.Y. Chigari said the sudden collapse in cocoon prices was a major concern of the sericulture farmers in the State. "Often, the price of even good quality cocoons would crash when the supply is surplus. The cocoon banks will help store stifled cocoons for as long as six months," he said.

The panel had suggested silk testing centres to certify the quality of raw silk in different silk exchanges in sericulture-intensive areas. A grant of Rs. 1 crore had been announced for the centres.

The price stabilisation fund will be revived to help Karnataka Silk Marketing Board to purchase silk from reelers so that there is consistent demand for raw silk, which in turn spurs demand for cocoons.

Crops destroyed in western U.P. by rain and hailstones

It was a “heartbreaking” spectacle for 63-year-old Ram Prasad when he visited his farm this past Monday. A resident of Jattari in Aligarh, Prasad found that his mustard crop, spread over six bighas, was completely destroyed due to heavy rain and hailstones over the weekend. According to his son Rajveer, Prasad died on Monday evening after complaining of chest pain.

“He suffered a huge blow after seeing that the mustard crop had been almost completely destroyed,” Rajveer told The Hindu. Prasad was not the only casualty of the untimely rain and hailstones. Two more farmers reportedly died in Agra due to the distress caused by destruction of crops. About 30-40 per cent of the crops have been destroyed by the sudden change in weather

Officials told The Hindu that farmers were badly affected by the large-scale damage to crops. In Aligarh district, wheat, potato and other rabi crops were badly affected. There is no district in western Uttar Pradesh which has not seen crop damage.

Though the agriculture department has begun surveying the losses incurred, unofficial estimates put the figure at 25-30 per cent.

“From the information we collected from the ground, production of wheat in Meerut division may go down by 15 per cent. Similarly, the percentage of crop damage in Saharanpur, Moradabad, Bareilly, Agra and Aligarh division is about 20-25 per cent. The crop damage may go up further if it rains in the next few days,” said Ghulam Mohammad Jaula, president of the Bharatiya Kisan Mazdoor Manch.

Mr. Jaula said the problem was multi-fold for farmers. “First of all, a large number of farmers have not enrolled for the crop insurance scheme. The other problem is that a farmer will get insurance benefit only if the crop damage is at least 33 per cent, which complicates the situation especially for small farmers who are solely dependent on agriculture for survival,” added Mr. Jaula.

Tobacco growers upbeat



Tobacco growers are all smiles as they get a better price for their produce during e-auctions in Ongole. — photo: Kommuri Srinivas

E-auction progresses on a promising note on SLS and SBS platforms

E-auctioning of tobacco, the principal commercial crop in the drought-prone Prakasam district progressed on a promising note on Southern Light Soil(SLS) and Southern Black Soil (SBS) platforms on Friday.

The bright grade tobacco fetched a high price of Rs. 151 per kg in Tangutur auction platform as 14 traders competed with each other to lap up the farmers produce, SBS Regional Manager G. Bhaskar Reddy said overseeing the auctions from Ongole.

“The market sentiment is positive unlike last year,” he said referring to the farmers realising an average price of Rs.141.13 per kg on the 0.57 million kg of tobacco marketed on the SBS platforms so far. The average price realised on the SLS auction platforms was a tad lower at Rs.139.40 per kg on the 2.05 million kg marketed so far this season, SLS Regional Manager G.Ratnasagar said.

Meanwhile, TDP farmers wing district president K.Venkaiah urged the Tobacco Board to ensure at least Rs. 160 per kg for bright grade tobacco. “

Farmers have stuck to the crop size fixed by the Tobacco Board. Now it is the turn of the crop regulator to ensure an average price of at least Rs. 140 per kg so that the ryots can make good the heavy loss incurred last year,” he added.

Now that the auctions are over in Karnataka, where the farmers had got an average price of Rs.135.24 per kg on the 71.95 million kg marketed, both the manufacturers and exporters are sure to make a beeline to the auction platforms in Prakasam district in the coming weeks, observed former Tobacco Board member M.Bangarababu and asked the ryots to wait for the market price to go up to Rs. 160 per kg.

Farmers will be in the safe side if they offload at least 25 per cent of their produce at the prevailing best market condition as there may be a market correction as the trading gathers momentum, according to Indian Tobacco Association sources.

Farmers to quiz candidates

Farmers in Kangayam Assembly constituency coming under the command area of Lower Bhavani Project (LBP) canal irrigation system, want candidates to explain how they would solve irrigation problems in the region.

“For the last many decades, we have been facing issues in the water distribution pattern followed in the command areas”, pointed out C. Nallasamy, secretary of Federation of Agriculturists Association of Tamil Nadu.

Order

He said that according to a government order, the water should be released to the old ayacut area of Bhavanisagar dam spread over 50,000 acres in Erode district for the second crop during water scarcity only after meeting the irrigation requirements of 2,07,000 acres under 'legitimate ayacuty' spread over Erode, Tirupur and Karur districts under which Kangayam too comes.

“But these norms are often get violated and farmers in areas like Kangayam fall into predicament,” he said.

According to the farmers, the water sent to the old ayacut during water scarcity periods are been used for industrial purposes on many occasions.

Experts unsure if El Nino will fade away



‘Nino neutral conditions may prevail during July-August’

A good number of meteorologists expect the monsoon in 2016 to be normal, though they are unclear whether the El Nino — a weather anomaly blamed for back-to-back droughts over India since 2014 — will completely fade away during the crucial rain months from June to September.

El Nino refers to an anomalous heating up of the waters in the central-eastern regions of the equatorial Pacific and implies a consistent, average rise in temperature of 0.5 degree Celsius above normal. Historically that translates to the monsoon drying up over India six in 10 years.

Conversely, the La Nina, or an anti-El Nino, when waters in the same regions dip at least 0.5 degree Celsius and generally considered favourable for the monsoon, is only expected to set in after September, says an update by the U.S.-based National Oceanic and Atmospheric Administration. “A transition to ENSO-neutral is likely during late Northern Hemisphere spring or early summer 2016, with close to a 50 per cent chance for La Niña

The India Meteorological Department is expected to announce its first monsoon forecast later next month.

Meteorologists, to whom *The Hindu* spoke to, said that “Nino neutral” conditions were likely to prevail during the crucial months of July and August that accounts for nearly 70 per cent of the monsoon rainfall. “Nino neutral (when sea surface temperatures are close to normal) can be a mixed

bag for Indian monsoon,” said Sivananda Pai, chief meteorologist, IMD, “but generally an El Nino year is followed by normal monsoon.”


To be sure, 2015 was only the fourth time in a 100-year span that El Nino-like conditions raged on for two consecutive years.

Mr. Pai said key weather parameters needed to prepare the forecast would only be available by March-end and it was yet “too early” to decide how the monsoon would pan out. In April, the IMD traditionally forecasts if the monsoon is likely to be normal and it generally updates this figure around June.

Other meteorologists however say that while no agency expects an El Nino there are doubts on how fast the waters are expected to cool. “I would expect it to dip below 0 around August, though there are still disagreements internationally,” said G.P. Sharma, Vice President-Meteorology, Skymet Weather Services. Irrespective of how the El Nino pans out, normal monsoon doesn’t mean that all parts of the country would receive good rain.

DEPLETED RAINFALL PREDICTED

Scientists are unclear if El Nino will completely fade away during the crucial monsoon months



The El Nino translates to rainfall drying up over India six in 10 years

- A normal monsoon means 89 cm of rains, which in turn is 80% of India's annual rainfall
- Meteorologists have said that "Nino neutral" conditions are likely to prevail during the crucial months of July and August that account for nearly 70% of the monsoon rainfall
- 2015 was the fourth time in a 100-year time span that El Nino-like conditions raged on for two successive years

Agriculture top priority for Odisha

The increased allocation for farmers and the agriculture sector comes just about eight months before Odisha holds its panchayat polls scheduled in January next year.

Stressing that agriculture continues to be the focus, Odisha government on Friday presented its annual Budget allocating 20 per cent more funds to the sector compared to the previous year. In the last one year, the state has witnessed at least 174 farmer suicides over crop failure. Presenting a Budget of Rs 94,052.65 crore in the State Assembly on Friday, Finance Minister Pradip Amat said agriculture continues to be the focus area of the Naveen Patnaik government and that the government has allocated Rs 13,181.89 crore for the sector. The outlay for the agriculture sector is about 14.02 per cent of the total Budget.

The increased allocation for farmers and the agriculture sector comes just about eight months before Odisha holds its panchayat polls scheduled in January next year. Besides, the government will launch “Biju Kanya Ratna” in the districts of Dhenkanal, Angul and Ganjam for empowerment of women. A first of its kind move will also see the government allocating Rs 4 crore for the welfare of transgenders in the state. The government will also set up five medical colleges.

PAU Kisan Mela: Low footfall, protest by student union mar farmer event

There was also no formal inauguration of the mela as the PAU students union staged a dharna in front of ribbon cutting gate and took out a rally on all the roads in the university where stalls had been exhibited.

WHILE THE weather held out, poor attendance and a protest by the PAU students union marred the opening day of the two-day Kisan Mela, which began at the PAU grounds on Friday morning. With hardly any footfall, the inaugural day was wound up at 4 pm instead of the routine 6 pm of the previous years.

A massive dharna by farmer unions at Mohali, over their pending demands and the general agriculture recession appears to be responsible for the low response. The weather forecast of rainfall on March 18 and 19 is yet another reason for the low footfall, but weather remained clear throughout Friday. Light showers are expected for Saturday.

There was also no formal inauguration of the mela as the PAU students union staged a dharna in front of ribbon cutting gate and took out a rally on all the roads in the university where stalls had been exhibited. PAU V-C Dr B S Dhillon also took a hurried round of the mela along with guest of honour Christopher Gibbins, Counsel General of Canada in Chandigarh, while sitting in his official vehicle instead of meeting the farmers in person and visiting various stalls.

Gibbins came out of the car along with V-C at one or two places as the ribbon cutting ceremony could not take place, V-C entered the open air theatre along with guest of honour from the other gate to address the farmers and interestingly, the pandal was not even half filled when the speeches were on.

By the time the mela began at 10 am, member of the Punjab Agriculture University Students Union (PAUSA) were already seated at the gate in protest. They sat there till noon and shouted slogans against the government. The students are upset at the government's recent decision making a masters degree mandatory for jobs in the agriculture department.

Director extension education Dr RS Sidhu who is also coordinator of Kisan Mela, however, said, "Everything went smoothly and we did not face any hassles".

Speaking at the event, V-C B S Dhillon asked farmers to start maintaining account books so as to focus on expenditure and profit apart from only yield. "Only a few farmers are doing this as of now, so our job is to advise farmers so that they can reduce their debt and focus on profits," Dr Sidhu said.

Gibbins, meanwhile, lauded Punjab's farmers and said, "Canada has a deep association with Punjab. Of 12 lakh Indo-Canadians, 7 lakh are from Punjab. Punjabis are making immense contribution to the agriculture sector in Canada". He added that they would like to expand research programmes by

venturing jointly with Punjab in dairy and fishery sectors, food processing, farm mechanisation and climate change.

Maharashtra budgets: Rs 25,000-cr thrust on agriculture

In a replication of the Union Budget for 2016-17, the distressed farmer was the focal point of Maharashtra Finance Minister Sudhir Mungantiwar's Budget speech in the state legislature on Friday.



Chief Minister Devendra Fadnavis with Finance Minister Sudhir Mungantiwar in Mumbai. Ganesh Shirsekar

With Maharashtra in the grip of its worst ever agrarian crisis, the Devendra Fadnavis government adopted in its second state budget the Narendra Modi government's focus on reviving the distressed farm sector.

Simultaneously, in a clear departure from Union Finance Minister Arun Jaitley's fiscal consolidation mantra, the state recast its fiscal consolidation targets, pushing back by another two to three years plans to post a revenue surplus.

In a replication of the Union Budget for 2016-17, the distressed farmer was the focal point of Maharashtra Finance Minister Sudhir Mungantiwar's Budget speech in the state legislature on Friday. Presenting his Budget estimates for 2016-17, Mungantiwar dedicated the coming year's budget to the 'baliraja' or the farmer, expending nearly 40 minutes of his two-hour speech to the farm sector.

He said, "The spirit of overall development of the farmers and rural development constitutes the core of this budget." The minister added that 2016-17 would be observed as the 'Shetkari Swabhiman Varsh'. Defying

calls from economists to increase tax revenue, Mungantiwar's Budget estimates anticipated a decline in the share of tax revenue in total receipts from 8.06 per cent in 2015-16 to 7.97 per cent in 2016-17. The tax proposals spelt out by Mungantiwar Friday are expected to mop up just Rs 363 crore. On expected lines, the lion's share of the outlays were for various schemes in the agriculture sector, totalling Rs 25,000 crore.

Officials said this implied a 20 per cent increase in public investment on development and non-development works in this sector. The government's focus for revival of the rural economy appeared to be on water security, farm allied businesses such as dairy and fisheries and rural employment. Given Maharashtra's abysmal record in irrigation that shouldered much of the blame for successive crop failures, the key among Mungantiwar's farm sector allocations was towards completing pending irrigation projects.

The Rs 7,272-crore allocation in 2015-16 was completely disbursed, he announced, and said a total budgetary provision of Rs 7,850 crore had been made for 2016-17. "As a result, 28 projects will be completed and additional water storage of 770 million cubic metres will be created," he said. As much as 1.68 lakh hectare will thus be brought under irrigation. In addition, irrigation potential of another 1 lakh hectare will be utilised through the completion of Waghur, Bavanthadi, Lower Dudhna, Lower Wardha, Lower Panjhara Tillari and Nandur Madhveshwar Phase II dam projects.



Maha budget focuses on farm sector; VAT hiked

Taking a leaf from the Union budget, Sudhir Mungantiwar, the state's finance minister, made the ailing farm sector the focus in his budget for 2016-17, announcing Rs26,819 crore for agriculturists.

But critics have panned the budget for lacking overall vision and the direction to pull the state's rural economy out of crisis. For you, the agrarian spending, combined with burden of populist decisions by the government, would mean more money off your savings.

The budget has made way for a marginally high Value Added Tax of 0.5% on more than 80-odd items, ranging from hairpins to coir mattress, coffee

beans, Ayurvedic medicines, pressure cookers, buckets, pizza bread and hawai chappals, all of which will now have a VAT of 5.5%, instead of the earlier 5%.



Finance minister Sudhir Mungantiwar (right) with minister of state Deepak Kesarkar outside Vidhan Bhavan. (Kunal Patil/HT)

Buying a two-wheeler will also cost you more, with motor vehicle tax on bikes hiked in the range of 8% to 10% from the existing flat 7%, based on engine capacity.

A bike that is 300cc or above, for instance, will be taxed at 10%, those from 100cc to 299cc will be taxed at 9% and scooters with engine capacity of 99cc will be taxed at 8%.

The out-of-turn tax introduced by the state government in October, again ostensibly for drought mitigation, will continue for another year. So a surcharge of Rs2 a litre on petrol and diesel, increase in VAT by 5% on aerated drinks, liquor and cigarettes, and by 0.2% on gold, diamonds and jewellery will continue for another year, despite an earlier promise to rationalise the taxes.

The out-of-turn taxes are expected to rake in nearly Rs4,000 crore in revenue for the government in the coming year. Net earnings from tax proposals presented on Friday works out to Rs363 crore. This is because revenues from VAT hike (estimated at Rs700 crore) will be used to offset tax sops given to say, the sugar industry, as sugarcane purchase tax has been waived off.

The question now is whether the tax proposals will alleviate the farmers' miseries. For the first time, the state has tried to take a holistic look at the agrarian crisis, and has made budgetary allocations aimed at building the

capacity of farmers — the Rs2,000-crore fund to build farm ponds and wells, Rs1,000 crore for the flagship water conservation scheme Jalyukt Shivar and Rs1,855 crore for a crop insurance scheme.

But, despite the finance minister's spotlight on agriculture, critics say the budget document lacked sufficient vision and direction to pull the state's rural economy out of crisis.

While drought mitigation has been stated as a reason for expenditure going up, the BJP's populist decisions to fulfil promises they made ahead of the 2014 Assembly elections, such as scrapping Local Body Tax, will also cost the exchequer Rs5,500 crore next year. Cancelling the road toll tax is expected to cost another Rs800 crore.

Even as the compiled Rs26,000-crore plus figure sounds impressive, opponents have questioned such a summing up of outlay from across departments.

“They tried to present a farmer's budget of Rs25,000 crore, with the finance minister himself listing 23 dedicated items. But, other than packaging, I don't see too many new schemes. For instance, allocation across departments like power (subsidy of Rs3,500 crore), the employment guarantee scheme (Rs 5,000 crore), irrigation budget (Rs7,000 crore) have been included in this share,” said Jayant Patil, former finance minister and senior NCP leader.

The power bill subsidy is given routinely to farmers and irrigation department funding has actually reduced, he added.

“Ideally, the budget document should have laid down a roadmap for the state's plans over the next two- three years. Instead, we have an attempt to please all sections through budgetary tokenism like women-only buses, money to build houses for freedom fighters, among others. All good ideas, but they can't make up for lack of a vision,” said a senior bureaucrat, requesting anonymity.

The budget has an annual plan size of Rs56,997 crore (development budget), while the total revenue expenditure is estimated at Rs2,24,454 crore and revenue earning at Rs2,20,810 crores. The revenue deficit for coming year is slated at Rs3,644 crore.

Jeera prices firm up amid new arrivals at Unjha market



Experts dub the bullishness a short-term trend as many countries devalue their currencies

Firm domestic demand coupled with increased international buying has pushed up jeera prices both in the spot and futures market even as fresh crop arrivals hit market of Unjha, a main trading hub for the spice.

Prices are nearly up 10-15 per cent during March, while trade sources expect them to firm up from the current levels on increased demand and fears of crop damage on account of the recent unseasonal rains in the key growing regions of western India. At the expiry of March contract on Friday, jeera prices hit a high of ₹15,255 a quintal from the intra-day lows of ₹14,990 before settling at ₹15,200 on the National Commodity & Derivatives Exchange Ltd (NCDEX).

Prices edge up

“Fresh demand is seen since the past couple of days. In March, we saw sharp fluctuations in prices from ₹130 a kg to ₹150 now. Firm demand from domestic buyers and exports has pushed up prices in the futures,” said Arvind Patel, an Unjha-based commodity analyst. In the Unjha spot market, prices of the spice were at ₹14,987-15,000 a quintal. However, experts believe that there was marginal damage to the crop in parts of Rajasthan and that it was not likely to jack up the prices in the immediate future.

Short-term bullishness

Bhaskar Shah, Managing Director of Jabs International, a spice exporter, expressed bearish sentiment about jeera considering the production prospects.

“Prices may remain up for a short time, but in a few weeks prices are likely to fall. The reason is exports may not be as encouraging as it seems currently. There are several countries resorting to currency devaluation. Egypt did it recently by devaluating their currency by 13 per cent. Also, at some destinations, there are forex issues and payments are getting delayed. In such scenario, all hopes are on China, which has so far remained a small buyer with about 10 per cent of India’s total cumin exports,” said Shah, who is also the Vice-Chairman of Spices Board of India.

Export scenario

Jeera exports are expected to be around 1 lakh tonnes, which is in line with the average of last two years’ exports. Production is likely to be around 350,000 tonnes this year. Jeera arrival starts in March and continues through May. “During these three months about 22-26 lakh bags (of 55 kg each) are likely to arrive. So far, about 6-7 lakh bags have arrived in Unjha market. Export demand will pick up in April, which will further boost prices,” said Patel.

On the NCDEX, jeera April contract traded at ₹14,910 – up 1.88 per cent or ₹275 on Friday. Far month, jeera June contract was up 1.36 per cent or ₹205 at ₹15,270 a quintal, thereby indicating a further upside.

‘Rain, hailstorms may lead to 13-mt drop in wheat output’

Unseasonal rains accompanied by hailstorms may result in a shortfall of 13 million tonnes (mt) of wheat this year, industry body Assocham said on Friday.

The initial estimates of wheat production were put at 93.8 mt in the current crop year, but a shortfall may force the government to consider import of the staple grain, The Association of Chambers of Commerce and Industry (Assocham) said in a paper.

“The shortfall in production may lead to a spike in food inflation, which may then contribute to the spiral of price rise, which has been tamed after a prolonged gap,” said D. S. Rawat, Secretary-General.



According to current estimates, this year’s wheat production may drop to 79-80 mt compared to government estimates at around 93.8 mt, which is unlikely to be achieved due to uncertain weather condition which adversely impact the maturing crop. "The emerging wheat situation in the country is alarming in view of the expected lower crop, depleting stocks and the erratic weather threatening crop further towards maturity."

The consecutive western disturbances in March 2016 accompanied by hailstorms and rains are further posing a serious threat to standing crop and also the quality of wheat and its texture. If the wheat quality is impacted, the government might end up with procurement of lower quality wheat in bigger volumes impacting the availability of quality cereal in the open market, he said.

On the stocks front, only around 13.37 mt of wheat stocks are likely to be left with the government as on April 1, 2016, and a drop of 10–20 per cent in wheat procurement in the current year will result in 35-36 mt of wheat stocks as of July 1, 2016.

Given an average monthly requirement of 3 to 3.5 mt towards the Public Distribution System (PDS) and open market wheat sales, wheat stocks could plummet well below 10 mt as of April 1, 2017, forcing the government to consider imports to augment domestic shortage/ buffer requirements.

Assocham suggested that the government reduce the wheat import duty to 5 to 10 per cent so that parallel imports by the private trade would ease pressure on government stocks and prices due to better open market

availability. While the government can import duty-free through its state trading arms, private traders too should be encouraged to import wheat with lower import duty as suggested above to check open market prices.

Sugar gains on demand hopes



Sugar prices on the Vashi market increased for S-grade by ₹2-10 a quintal while it ruled unchanged for M-grade. *Naka* and mill tender rates were steady. Arrivals to the Vashi market eased to 61-62 truck loads while local dispatches were at 58-60 loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹3,302-3,372 (3,300-3,362) and M-grade ₹3,362-3,472 (3,362-3,472). *Naka* delivery rates: S-grade ₹3,300-3,340 (3,300-3,340) and M-grade ₹3,330-3,390 (3,330-3,390).

Areca co-op federation chief

K Padmanabha, former president of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd, has been elected president of the Karnataka State Areca Cooperatives' Federation.

A press release said here on Friday that Padmanabha was elected president in the first meeting of the federation at its registered office in Shimoga on March 17.

Padmanabha had served as the president of Campco for six years. HS Shivakumar, president of the Tumkur-based Tumcos Ltd (the cooperative deals in horticulture products), has been elected vice-president.

Cotton rules flat on subdued demand

Cotton prices remained unchanged on slack demand. *Kapas* or raw cotton marginally decreased on decline in ginning demand. Traders said that since last couple of days demand from domestic mills decreased which held the cotton price at its previous level. On the other hand, arrival too decreased. Gujarat Sankar-6 was at ₹32,200-500 per candy of 356 kg. About 30,000-32,000 bales (of 170 kg each) arrived in Gujarat and 90,000 bales arrived in India. *Kapas* was down by ₹5 to ₹880-940 per 20 kg and gin delivery *kapas* at ₹940-955. Cottonseed was traded flat at ₹450-500.

Prices move up at Kochi tea auction

The support extended by leading blenders at Kochi auctions lifted the prices of some tea varieties, especially good liquoring tea this week.

This particular variety in the dust category was dearer by ₹5 to ₹7 (particularly, the powdery types), as the sale progressed. Prices of medium and plainer varieties also witnessed an upward movement by ₹2 to ₹5. The quantity on offer in CTC dust was 9,68,500 kg and there was a strong demand in sale no 12 with 96 per cent of the offer getting sold.

Exporters were active in the auction, while upcountry buyers lent fair support, the auctioneers Forbes, Ewart & Figgis said.

However, the market for orthodox varieties was lower with primary grades remaining steady. The quantity on offer was 10,000 kg, which was low compared to last week.

In Cochin CTC dust quotation, good grades quoted at ₹103-145, mediums fetched ₹93-122 and plain varieties stood at ₹87-98.

The upward price movement was absent in leaf sales, as the market for Nilgiri Broken, wholeleaf barely remained steady and tended to ease. The quantity on offer in orthodox grades was 136,000 kg.

However, an irregular and lower market in CTC leaf witnessed lot of withdrawals. The quantity on offer was 77,000 kg.

In dust category, Injipara RD quoted the best prices of ₹150 followed by Waterfall SFD at ₹148. In Leaf, Chamraj FOP-Sup (Green Tea) fetched the best prices of ₹341 followed by Chamraj FOP at ₹300.

Weak offtake pounds pulses

Slack demand dragged pulses and pulse seeds prices with masur (bold) in Indore mandis at ₹5,300 a quintal, while masur (Madhya Pradesh) ruled at ₹4,900. Masur dal (medium) was being quoted at ₹6,000-6,100, while masur dal (bold) was at ₹6,200-6,300. Moong (bold) went for ₹6,500-6,800, while moong (medium) ruled at ₹6,000. Moong dal (medium) was at ₹7,300-7,600, moong dal (bold) at ₹8,000-8,200, while moong mongar ruled at ₹7,800-8,200. Urad and its dal ruled stable on subdued demand with urad (bold) remaining stable at ₹10,200-300, while urad (medium) ruled at ₹9,300-9,500 a quintal.

Turmeric pales on higher arrivals



Spot turmeric prices decreased by ₹300 a quintal at Erode markets due to an increase in arrivals. “On Friday, 15,000 bags arrived for sale and buyers purchased all the 7,000 bags of new turmeric and 800 bags of hybrid turmeric at a lower price,” said RKV Ravishankar, President, Erode Turmeric Merchants Association. Of the arrival of 15,000 bags, 70 per cent stocks were sold. The price of the finger variety was down ₹300 a quintal and the root variety by ₹150. Similarly, the hybrid also decreased by ₹200. At the Erode Turmeric Merchants Association, the finger variety went for ₹8,478-10,309 a quintal and the root variety ₹8,014-9,589. Of the 4,772 bags on sale, 2,810 were sold.

Edible oils in bull grip



Edible oils continued their firm trend supported by extended gains in Malaysian palm oil and strong rupee. Activities were limited as stockists have bought enough this week. Vikram global commodities traded Malaysian super palmolein at ₹574/10 kg. In Saurashtra-Rajkot, groundnut oil *telia* tin was steady at ₹1,480 and loose (10 kg) at ₹950.

Business Standard

Karnataka raises fuel prices, levies tax on commercial vehicles

Chief Minister Siddaramaiah committed Rs 5,000 cr to improve the city's infrastructure



Karnataka CM Siddaramaiah

Chief Minister Siddaramaiah, who also has the finance portfolio, on Friday raised fuel prices and taxes on commercial vehicles in his Budget for the state government's coming year, with a focus on decongesting this city.

He committed Rs 5,000 crore to improve the city's infrastructure. And, eliminated all levies on electric vehicles and LED-bulbs, to encourage adoption of ecologically-friendly solutions.

Presenting his fourth Budget of the current Congress government (in all, as state finance minister, this was his 11th Budget) on Friday, the CM emphasised on improving the infrastructure in the central business district here, as well as the information technology and industrial clusters at Whitefield and Peenya.

The Rs 5,000-crore grant for this is in addition to a Rs 4,223-crore provision for the Bruhat Bengaluru Mahanagara Palike, the city's civic body. The state will also set up an elevated road network of over 100 km with an investment of Rs 18,000 crore through a public-private partnership model.

He said the aim was to add sheen to 'Brand Bengaluru', by achieving "effective convergence of the grants given to the city through different institutions". Bengaluru, India's technology capital has more vehicles per sq km than any other city in the country. The city with a population of 11 million has six million vehicles.

"The special grant will hopefully work in decongesting these bottlenecks and evolve a comprehensive road network and an efficient transportation system. Besides, the improvement of civic environment through allocating funds for Solid Waste Management and Storm Water Drain are welcome initiatives as they have pertinent bearings on the city's well-being," Satish B. N., Executive Director - South, Knight Frank (India) Pvt. Ltd.

Siddaramaiah increased taxes on taxis and commercial vehicles, fuel prices, carbonated drinks such as Pepsi and Coca Cola, entertainment tax on cable and DTH providers, liquor and beer and stamp duty on properties.

While there was an impetus on Bengaluru, Siddaramaiah, who has presented in all 11 budgets for the state as a finance minister gave a huge impetus to agriculture in the budget with support of Rs 4344 crore. He announced setting up of special agricultural zones that would adopt modern technology to improve productivity on the lines of special economic zones.

Agriculture's contribution to the state's economy has reduced to 8% from

14%, while manufacturing increased to 15% from 12%. Services contribute 64% to the state's economy as against 59% earlier. The contribution of the technology sector has doubled to 18% from 9%, driven largely by the focus of tech intensive startups in its capital Bengaluru.

Agr The gross state domestic product (GSDP) in the year 2015-16 grew at 6.2% as against 7.8% in the previous year, due to the decline in the growth rate of agriculture sector. The agriculture sector is estimated to decline by 4.7% during this year, mainly due to drought in 137 taluks during kharif and 62 taluks during the rabi crop seasons, he said.

Siddaramaiah said the decline in farm growth mainly attributable to fall in foodgrains production from 126 lakh tones during 2014-15 to 110 lakh tones in 2015-16 due to drought.

The industry lauded the budget. "The budget lays emphasis on the agriculture sector, but it also provides support for Industry. Infrastructure has been a focus area of the budget. Overall a very good and progressive budget," said CII Karnataka Chairman Ravi Raghavan, Managing Director Bharat Fritz Werner Ltd in a statement.

12,000 farmers may take part in kisan mela

Punjab agrees to adopt PM's crop insurance scheme after recent hailstorm

At least two farmers from each of the 6,000-odd blocks in the country will participate in the three-day mega kisan mela to be inaugurated by Prime Minister Narendra Modi Saturday.

The fair, with which the Modi government is trying to reach out to the farmers battered by two consecutive droughts and a record drop in product prices, will also see participation from a host of private input providers, agriculture scientists, researchers, marketing and finance executives, etc.

The nine technical sessions to be held during the mela would be telecast live. The technical sessions will include interaction on new crop insurance scheme, horticulture and fisheries, agriculture marketing, livestock, and processing and value addition. At the event, Modi will also give away 'Krishi Karman Awards' to states and progressive farmers who have made outstanding contribution in the field of agriculture. He will also visit the theme pavilion and address farmers.

Krishi Karman Awards would be given away to eight states - Madhya Pradesh, Odisha, Meghalaya, Haryana, Rajasthan, Chhattisgarh, Tamil Nadu and West Bengal - for 2014-15. The commendation awards would be given to three states - Himachal Pradesh, Arunachal Pradesh and Goa.

In a related development, after the recent rain and hailstorm, Punjab has shown interest in adopting the Prime Minister's new crop insurance scheme. Initially, Punjab government was not keen to adopt Fasal Bima Yojana and Weather-based Crop Insurance Scheme (WBCIS) as the state's production variability was low due to assured irrigation.

“After seeing the damage due to recent unseasonal rains and hailstorm, Punjab has expressed its desire to implement PMFBY and WBCIS for crops having high production variability, particularly cotton and major crops, in the areas bordering Rajasthan,” PTI quoted a senior agriculture ministry official as saying.

The state government will meet on March 23 at Punjab Agriculture University, Ludhiana to explore the possibilities of implementing PMFBY and WBCIS. Even senior officials from the Union agriculture ministry would be present in the meeting, the official added. Unseasonal rains and hailstorm in the past few days in some parts of Punjab have affected wheat and other rabi crops. It is estimated that five-seven per cent of wheat crop has been affected and the government is still assessing the extent of loss.

Odisha agri Budget doles out sops for farmers

The state govt proposed a start-up fund for promotion of entrepreneurship in agri-business, agro-based industries and enterprises

Continuing its thrust on farm sector, the Odisha government in its fourth agriculture Budget, proposed a start-up fund for promotion of entrepreneurship in agri-business, agro-based industries and enterprises.

"The state government would launch an agri start-up programme to complement the efforts put in for promotion of agri-entrepreneurship in the state under the capital investment and farm modernisation programmes. Unemployed graduates in agriculture and allied sectors will be motivated to

start agro-based enterprises", finance minister Pradip Amat said in his Budget speech.



With an outlay of Rs 13181.89 crore, 21 per cent higher over previous financial year, the Budget focuses on crop diversification from paddy to other cereals like maize and millets, pulses, oilseeds and other high value crops.

It has been planned to provide irrigation to one million hectares (ha) of cultivable land for a period of five years (2014-19), including 257,000 ha in 2016-17. The agriculture Budget has earmarked Rs 100 crore for construction of godowns under the Warehousing Infrastructure Fund of Nabard.

For drought affected farmers, the Budget offers an interest subvention of Rs 227.38 crore over a period of three years for conversion of short-term loan to medium term loan in the aftermath of the drought. It has also been proposed to provide Rs 435.48 crore towards interest subvention to the farmers through the banks and primary agriculture cooperative societies. Farmers availing crop loan of up to Rs 50,000 will have to pay only one per cent interest on timely repayment.

The Budget provides Rs 800 crore as state share of the premium for the existing National Agriculture Insurance Scheme. Besides, Rs 300 crore has been earmarked under the recently launched Pradhan Mantri Fasal Bima Yojana.

Modi to inaugurate Krishi Unnati Mela tomorrow

The mela is being held at the Pusa campus in the national capital

Prime Minister Narendra Modi will tomorrow inaugurate three-day 'Krishi Unnati Mela' providing information on new farm schemes and technologies that will help farmers double their incomes within the next few years.

The mela, or fair, is being held at the Pusa campus in the national capital.

Modi will give away 'Krishi Karman Awards' to states and progressive farmers who have made outstanding contribution in the field of agriculture. He will also visit the theme pavilion and address farmers.

"To reach out to farmers at the block level across the country, the whole event would be telecast live at block panchayat level for the first time," Agriculture Minister Radha Mohan Singh told reporters.

The national fair, from March 19-21, will have separate workshops on key schemes like Pradhan Mantri Fasal Beema Yojana, e-agriculture marketing, integrated farming system, Pradhan Mantri Krishi Sichai Yojan, soil health and livestock issues.

There will be live demonstration of agriculture and horticultural crops, animal husbandry, innovative technologies and farm mechanisation in big plots. Both public and private companies will display their farm inputs and technologies in over 500 stalls.

Krishi Karman Awards would be given away to eight states -- Madhya Pradesh, Odisha, Meghalaya, Haryana, Rajasthan, Chhattisgarh, Tamil Nadu and West Bengal -- for 2014-15. The commendation awards would be given to three states -- Himachal Pradesh, Arunachal Pradesh and Goa.

Arrival of cotton falls by 11% in the ongoing season

Arrivals fall to 24.50 million cotton bales against 27.62 million bales in the same period last year



Lower production, higher return expectations by farmers have led to a fall in cotton arrivals by 11% in the ongoing season for 2015-16.

Between October 2015 and February 2016, arrival of cotton was 24.50 million bales against 27.62 million bales in the same period last year, latest data from Cotton Association of India reveals. A bale is equal to 170 kg.

The association has also revised cotton production estimate to 34.5 million bales against a previous estimate of 35.50 million bales.

“The arrival of cotton during the ongoing 2015-16 season is not matching up with the arrival figures of last year. This reduction in the arrivals is an indication of a lower crop,” said Dhiren Sheth, president of CAI.

The projected balance sheet drawn by the CAI estimates the total cotton supply for 2015-16 at 43.26 million bales, while the domestic consumption is estimated at 30.40 million bales — leaving an available surplus of 12.86 million bales.

The industry feels that since the farmers were expecting higher returns for their produce, they had restricted arrivals during the season. The ones with a holding capacity are still expecting the price to go up further.

Anand Popat, managing director of Jalaram Cotton and Proteins Limited from Gujarat said, “Since past few years, it has been seen that farmers are

not willing to sell their cotton at lower prices, which, in turn, affects arrivals, though we expect that supply will increase after the Holi festival."

During March, cotton prices declined by Rs 500-700 to Rs 32,700-33,200 per candy of 355 kg because of fall in demand. Daily arrival has also declined from 125,000 lakh bales around the first week of March to 90,000 bales at the moment across India.



THE TIMES OF INDIA

Govt allocates Rs25,000cr for state's farmers

As part of its Rs 25,000 crore outlay in the budget for Maharashtra's farmers, the state government has provided Rs 1,000 crore for its flagship water conservations scheme, Jalyukta Shivar, and another Rs 3,360 crore for relief packages in the event of drought and other natural calamities.

On how the cash-strapped state will raise funds, finance minister Sudhir Mungantiwar said, "The government will get Rs 363 crore revenue from the tax hike. The government is also considering a tax bond for irrigation projects."

The state has also allocated Rs 1,855 crore for farmers who opt for compensation from crop insurance schemes and another Rs 2,000 crore for boosting irrigation through farm ponds.

The state plans to continue its scheme of providing subsidised grains in line with the national Food Security Act in 14 districts in Vidarbha and Marathwada. It hopes to set up weather forecasting centres at a cost of Rs 107 crore.

For irrigation, the state has provided Rs 7,850 crore to complete 28 projects and irrigate 1.68 lakh hectares. For MNREGA projects, the joint outlay between the Centre and state is expected to be Rs 3,473 crore. It will also seek the private sector's help in farming and dairy projects through the PPP model.

After imposing the beef ban last year, the budget made provisions for the welfare of cattle. It provided an outlay of Rs 34 crore for Govardhan

Govansh Raksha Kendras in 34 districts for the care of non-lactating and unproductive cattle. An outlay of Rs 18.61 crore has also been provided for setting up two farms to rear indigenous cattle.

The government has also proposed a smart village programme where gram panchayats will compete with each other for the tag of 'smart gram panchayat'. They will then be awarded special development funds.

An unimpressed Opposition said the government was not taking the drought seriously. "The government needs to be shaken out of its slumber and declare a loan waiver," said Congress leader Radhakrishna Vikhe Patil.

Bisons trample sugarcane crop in Bhudargad villages

Herds of Indian gaur (bison) damaged sugarcane crops in Dindewadi, Manawale and neighbouring hamlets on Thursday night. The crop was sown only recently. The farm land is located next to the forest area and has been termed vulnerable.

Forest officials from Bhudargad tehsil confirmed that crops in the villages of Dindewadi, Manawale, Shengaon, Karadwadi, Kariwade, Deulwadi, Vesarde, Dele-Chiwale and Kelewadi were damaged by the gaurs. The herbivorous animals move around mostly during the night.

The animals came out of the forest on Thursday night and began eating the sugarcane. Dogs started barking after they heard the gaurs moving from one field to another which alerted the villagers. The farmers started making loud noises to scare the animals, but that only caused the herds to head into the neighbouring. As a result, the animals ended up trampling sugarcane plantation across various villages.

Sources close to the chief conservator of forest, Kolhapur division, said that the poor rainfall in the last two years has caused lakes and water bodies to dry up. It also affected grass which is the staple food of herbivorous animals in the forest. As a result, animals have been forced to venture out of the forest and approach farms where food and water are easily available. The neighbouring tehsil Ajara had also faced similar attacks from elephant in the first week of March. The attack had damaged the banana plantation in Suleran village of Ajara tehsil.

The forest department has admitted in the previous year's annual report that there have been more attacks by Indian Gaurs than elephants causing serious losses to the farmers.

that have led to serious damages to the farmers. Till today, there have been 112 cases of Indian Gaur in last 13 years where 20 people have died and 92 people have been injured. The figures are from 2002-03 to 2015-16 till December 1, last year. The final figures will be out after March.

Surprisingly, the forest department has spent Rs 44,55,554 so far in terms of compensation, but they have not taken enough measures to keep the wild animals away from farms.

Import looms as bad weather could clip India's wheat crop by 14%



Showers and ice pellets pummelled wheat crop in March, cutting yields and delaying harvests.

W DELHI: Persistent rain and hail storms could cut India's wheat crop by at least 14 percent this year, potentially forcing the world's second-biggest producer to import the grain for the first time in a decade, an industry body said.

Bad weather will shave off at least 13 million tonnes from the farm ministry's latest forecast of 93.8 million tonnes for 2016, industry body ASSOCHAM said in a statement on Friday.

"The emerging wheat situation in the country is alarming in view of the

expected lower crop, depleting stocks and the erratic weather threatening the crop further," it said.

Showers and ice pellets pummelled the crop this month, cutting yields and delaying harvests in a stark reminder of a freak storm last year that flattened crops in the breadbasket states of Punjab, Haryana, Uttar Pradesh and Madhya Pradesh.

The untimely rains this year have repeatedly lashed the mature, ripened wheat crop, which comes after a warm winter that delayed planting.

Stocks at government granaries will drop to 13.4 million tonnes on April 1, 2016, when the new marketing year begins, down 22 percent from a year earlier, ASSOCHAM estimated.

Inventories will plummet below 10 million tonnes in 2017 bringing them precariously close to minimum level of 7.4 million tonnes required by the government, the industry body said.

That grim prognosis is a far cry from the unmanageable stocks India was sitting on until 2014 when the government-backed Food Corporation of India had to store wheat under tarpaulins in open fields, exposing it to rodents and rain.

ASSOCHAM called on Prime Minister Narendra Modi's government to import duty-free wheat and urged authorities to cut the wheat import tax to 5-10 percent from 25 percent now. Only last month, traders warned that India would soon be a net buyer of some key commodities for the first time in years.

Lower import taxes would encourage private traders to import and keep inflation under check, ASSOCHAM advocated.

Government sources said the finance ministry would soon decide whether to lower the import tax or to extend it beyond March 31, when the levy automatically expires.

Farm minister Radha Mohan Singh this week said he expected to assess the extent of crop damage in the next two to three weeks.

THE ECONOMIC TIMES

Rs 25,000 crore outlay for agriculture in Maharashtra budget



The Maharashtra Budget for 2016-17 has proposed Rs 25,000 crore for the farm sector in view of a severe drought in the state.

MUMBAI: The Maharashtra Budget for 2016-17 has proposed Rs 25,000 crore for the farm sector in view of a severe drought in the state.

It also tweaked certain taxes such as VAT and offered some exemptions for sugarcane and profession tax.

Presenting the second Budget of the Fadnavis government today, Maharashtra Finance Minister Sudhir Mungantiwar raised the Motor Vehicle Tax on two and three wheelers.

This tax will be based on engine capacity - up to 99cc, 8 per cent; 100cc to 299cc - 9 per cent, 300cc and above - 10 per cent. Institutional and imported vehicles will be subjected to double the rate of tax.

VAT on coconut hair oil sold in packs of up to 500 ml has been enhanced to 12.5 per cent.

Exemption from levy of Sugarcane Purchase Tax for the year 2015-16 will be given to the sugar factories which export sugar as per the government policy, Mungantiwar said.

He also announced an amnesty scheme for Profession Tax enrolment

holder.

Tax liability and penalty will be restricted to previous three years, he said.

Under the amnesty scheme for tax administered by Sales Tax Dept, the interest and penalty will be waived for dues up to March 31, 2005 subject to full tax payment, and also for disputed dues from April 1, 2005 to March 31, 2012 subject to full tax payment. 25 per cent interest payment under VAT Act and balance dues will also be waived, he said.

Exemption of VAT will be given on warping and sizing of yarn for promoting the textile industry, he said.

Turnover limit for composition to retailers under the MVAT Act has been increased from Rs 50 lakh to Rs 1 crore.

VAT on the mammography machines used for detection of breast cancer will also be exempted.

VAT on sterile water for injections will be reduced from 12.5 per cent to 5.5 per cent, Mungantiwar said.

For the bakery industry, the turnover of tax free goods would be excluded for computing the turnover for composition.

VAT on retrofit kit fitted to vehicles for physically handicapped would be exempted.

India's sugar production trails behind last year; expected to fall by 9%: ISMA

Sugar mills have so far contracted 1.4 million tonnes for exports and another 500,000 tonnes to 600,000 tonnes could be shipped by September end.

PUNE: India's sugar production till March 15 has been recorded lower than the corresponding period of previous year.

The sugar production is expected to be 9% lower than the actual production of 283 lac tons of sugar of last year.

The sugar production of current season was higher than last year's corresponding period till a few days ago.



Industry body Indian Sugar Mills Association (ISMA) confirmed that the sugar production in the current year has actually started trailing behind last year's production, indicating that the total production will be much less than the previous year. An ISMA release stated: "At the same time last year, 473 sugar mills were under operation. In the balance period of the last year's season after March 16, around 62 lakh tonnes of sugar was produced. As compared to that, 325 sugar mills are under operation in the current sugar season, which is lower by 148 numbers of sugar mills. Therefore, as is the expectation, the current year's sugar production will be around 9% lower than the actual production of 283 lakh tonne of sugar of last year."

"The trend indicates a shorter tail of crushing and sugar production this year, as compared to last sugar season, and therefore resulting in the lower estimated sugar production in the current season in comparison to the previous one," it added.

The sugar mills in the country have produced 221.30 lakh tonnes of sugar during the current season upto March 15, 2016. This is slightly lower than last season's sugar production upto the corresponding period of 221.57 lakh tonnes.

As on March 15, 2016, 325 sugar mills were still under operation, which were 473 mills last year at the same time. 189 sugar mills in the country have already closed their operations, out of which 31 are in U.P, 91 in Maharashtra, 36 in Karnataka, 10 mills in Bihar and remaining in other States like Gujarat, A.P & Telangana, Uttarakhand etc.

Maharashtra sugar mills have produced 76.77 lakh tonnes of sugar as against 84.07 lakh tonnes last year upto March 15, 2015. As compared to 168 sugar mills, which were still crushing sugarcane last season, 86 sugar mills continue to crush sugarcane in this season now.

The mills in Uttar Pradesh have produced 60.82 lakh tonnes of sugar upto 15th March, 2016 which was 56.25 lakh tonnes at the corresponding period last season. As against 100 sugar mills operating last year at this time, 85 sugar mills are crushing sugarcane now.

Karnataka sugar mills have produced 38.79 lakh tonnes of sugar and 28 sugar mills are still crushing sugarcane now. Last year, as on March 15, 2015, Karnataka had produced 38 lakh tonnes and 61 sugar mills were operating.

As per reports furnished by sugar mills, contracts have been finalised for 14 lakh tonnes for exports against MIEQ, of which about 11.5 lac tons have already been moved from mills to ports. It is expected that sugar mills can export another 5 to 6 lac tons in the remaining period of the current sugar season.