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THE HINDU

Fertiliser subsidy bill set to reduce by Rs 10,000 crore next fiscal: Crisil

The next financial year will see the government’s subsidy bill reduce by around Rs 10,000 crore thanks to the cut in the nutrient-based subsidy rates and the low price of gas, according to Crisil.

“The reduction in nutrient-based subsidy (NBS) rates announced last week could trim the government’s subsidy bill for phosphatic fertilisers by Rs 5,000 crore next fiscal,” a report by Crisil said. “The cut, which follows declining international prices of di-ammonium phosphate and ammonia, would influence the contracted price for phosphoric acid, the key raw material, for fiscal 2017.”

“Overall subsidy bill reduction would be around Rs 10,000 crore next fiscal-Rs 5,000 crore through the cut in NBS rates, and a similar amount in urea subsidy because of lower gas costs,” Sudip Sural, Senior Director, CRISIL Ratings said.

The current price of gas in India is $3.82 per million British thermal unit, which is set to be changed in April. The consensus view is that the April review will see gas prices falling further.

The reduction in the subsidy bill could help the government reduce its fertiliser subsidy arrears of around Rs 35,000 crore that have been carried forward since 2012, Mr Sural added.

“But achieving a balanced nutrient ratio, which was one of the objectives of NBS, remains a far cry, given the continuing price disparity between urea and phosphatic fertilisers,” he said.

The Cabinet Committee on Economic Affairs on March 23 announced that the subsidy rates for nitrogen and phosphatic nutrients would be cut by Rs 5 per kg and Rs 5.4 per kg, respectively, amounting to a 25-30 per cent reduction. The subsidy rate for potassic nutrients was kept largely unchanged.

The fertiliser subsidy has been estimated at Rs 70,000 crore for 2016-17, lower than the Rs 72,437.58 crore estimated for the ongoing financial year.

Crisil finds that the poor monsoon over the last two years has created a vicious cycle in the fertiliser sector.

“Two consecutive years of deficient monsoon has burdened the fertiliser industry with excess inventory, estimated around 5 million tonne, which is equivalent to 90-100 days of consumption. That means manufacturers will have limited ability to increase prices to compensate for the reduction in subsidy, which, in turn, increases their dependence on monsoons,” the report said.

Whitefly advisory issued for cotton farmers

As farmers gear-up for cotton sowing ahead of the new cropping season, the Centre has issued a word of caution to the State governments to be vigilant against the whitefly pest that had inflicted tremendous losses in Punjab and Haryana last year.

Union Agriculture and Farmers Welfare Ministry on Monday issued directives to all the States concerned, asking them to take preventive steps to safeguard the cotton crop from the adverse affect of the whitefly.

'Precautionary move'

“Keeping in view the likely menace to the cotton crop in Punjab, Haryana and Rajasthan from whitefly, these precautionary directives have been issued,” said a statement issued by the Ministry.

The Central Cotton Research Regional Centre, Sirsa (Haryana) conducted a meeting recently, in which officials of the Agriculture Ministry, scientists of Indian Council of Agricultural Research and senior officials from agriculture departments of Punjab, Haryana and Rajasthan participated. The meeting reviewed the preventive measures to be taken for saving the cotton crop from the menace of whitefly.

Centre asks States to be vigilant against the pest that inflicted huge losses in Punjab and Haryana last year

Call for expanding forest cover after rise in tiger density

The death of a tiger due to territorial fight in Bandipur, which came to light on Monday, has brought to the fore the increase in tiger density in the reserve area besides the imperatives of expanding the protected area for absorbing the spill over population.

Bandipur has one of the highest tiger densities in India and the 874 sq. km. park has 9.1 tigers per 100 sq. km. and harbours about 100 to 110 tigers.

The adjoining Nagarahole has 8.6 tigers per 100 sq. km. with at least 93 to 95 individual tigers and wildlife biologists suspect that the parks may have reached their ecological carrying capacities.

The Hediyala range within Bandipur reserve is spread over 90 to 100 sq. km. but 24 tigers have been sighted making the landscape one of the richest in terms of tiger densities in India.

Nagarahole Park Director H.C. Kantharaju said that about four to five territorial deaths are reported from Bandipur and Nagarahole parks every year.

Such conflicts are common in the natural world but underlines increase in tiger density supported by good prey base, he added.

Sanjay Gubbi, a conservation biologist, told *The Hindu* that if tigers reach the ecological-carrying capacity in an area then one must think of providing additional protected space adjoining these high density reserves.

However, the north side of Bandipur has dry agricultural land and nothing can be done to augment the reserve unless the government was prepared to buy revenue land to add to the buffer zone.

But there are good forest patches to the north and north-west of the Nagarahole teserve that can be brought under the ambit of protected area network to help absorb surplus population. But animals reaching ecological-carrying capacities, is one of the true indicators of conservation successes, said Mr. Gubbi.

2006: 290

2010: 300

2014: 406

Source: NTCA

Mudumalai-Bandipur-Nagarhole-Wayanad complex holds the world's single largest tiger population currently estimated over 570 tigers

2006: 290

2010: 300

2014: 406

Turmeric, ginger farmers demand better prices

Tribal organic cultivators of turmeric and ginger in Kandhamal district of Odisha held a demonstration at Daringbadi on Monday demanding that the government assures proper procurement price for their produce to end distress sale and exploitation at hands of traders.

Peasants from all parts of Kandhamal district took part in a rally at Daringbadi. A public meeting was also held to highlight problems of these poor farmers. This rally was attended by national committee member of peasants' organisation All-India Kisan Mazdoor Sabha (AIKMS), Bhala Chandra Sarangi, convenor of Banavasi Surakshya Parishad, Narendra Mohanty and peasant leaders of the district.

They demanded the government to come up with a procurement mechanism through which the farmers could be ensured to sell their turmeric produce at Rs.200 per kg and ginger at Rs.100 per kg. At present these traditional organic cultivators are compelled to sell their turmeric at Rs.40 to 70 and ginger at Rs.10 to 20 rupees per kilo. It is an irony that a few years back these peasants were selling their turmeric at Rs.150 per kilo, said Mr Sarangi alleging that the present fall in procurement price has occurred due to a nefarious link between officials and traders.

Till now these traditional organic turmeric and ginger cultivators are not getting agricultural loans at lower interest. They wanted low interest loans from nationalised banks and cooperative institutions. Mr Mohanty alleged that earlier cooperatives like Auxiliary Marketing Cooperative Society of Tikabali, Tribal Development Cooperative Corporation, KASAM used to procure organic turmeric and ginger from tribal farmers. But the process has almost stopped now. Establishment of cold storages and renovation of existing godowns for storage of organic turmeric and ginger produce to end distress sell was also demanded. Demonstrators handed over a memorandum addressed to Odisha CM and Kandhamal collector at the office of Daringbadi Block Development officer regarding their problems and demands.

For generations traditional organic cultivation of turmeric and ginger continues in Kandhamal district. Till now these cultivators have refrained from using chemical fertilisers and pesticides. Their organic produce has much demand outside Kandhamal district, including foreign countries. But the tribal peasants who grow them do not get proper price for their yield.

Coffee plantation being tried at Pachamalai

A forest official in Pachamalai at a patch of land where a coffee plantation is being raised.
As part of livelihood support initiative for tribal men and women of Pachamalai, a series of innovative income-generating activities have been taken up under the Integrated Tribal Development Programme being implemented by the National Bank for Agricultural and Rural Development through Hand-in-Hand, a non-governmental organisation.

Coffee plantation has been taken up on an area of 100 acres of land and the plants have been registering an appreciable growth in the last six months.

“Being a shade-loving plantation crop, coffee plants should be raised on areas with adequate shade,” said Kannan, coordinator of the Hand-in-Hand.

He said that the coffee plants of ‘Selection’ variety had been brought from Kolli Hills and had been given to tribal farmers after an initial exposure visit to the plantations there.

Based on the success of growth of coffee plants in Pachamalai, the Coffee Board had come forward to extend its support.

“In fact, the Board had gathered the details of tribal farmers cultivating coffee in the villages on the hills,” he added. Maximum advantage of shady areas at Pachamalai had been taken.

Fish ponds

For the first time, two fish ponds had been set up to benefit the tribal farmers. A total of 600 fingerlings of katla, rohu, and mirgal varieties had been brought from Thanjavur and is reared at a couple of ponds set up at Puthur village near Top Sengattupatti.

The fishes which were let out in the pond two months ago, now weighed 200 grams. “The weight will increase up to one kg in four months or so, indicating an attractive revenue for the tribal farmers,” he said.

Desi bird rearing has been another innovative vocation in which six women had been imparted special training.

“With the desi birds being reared in the open at the backyard, as against the use of cages, the birds will fetch attractive returns,” Mr. Kannan said.

The women have been rearing ‘Asil 1’ and ‘Asil 2’ variety of birds which will fetch a monthly revenue ranging between Rs.1,000 and Rs.1,500.

All these vocations have been introduced to diversify the economic activities of tribal farmers who have been largely depending on the cultivation of tapioca and castor.

Nagapattinam gets second solar dryer

Based on the success of the solar dryer set up at Vedaranyam, the Agriculture Engineering Department has set up second solar dryer at a village near Nagapattinam.

The dryer, set up at Semangalam village at an estimate of Rs. 3.86 lakh, aims at promoting value-addition in copra cultivation. The dryer has been set up with a subsidy of Rs. 1.84 lakh sanctioned by the state government.

"This is the second dryer to be set up in the district for the benefit of copra cultivators," says an official source. In the first case, Tirumaraikadu Iyarkai Vivasayigal Sangam Kootamaippu comprising 21 farmers clubs' involved in producing copra in a cluster of villages near Vedaranyam, has been set up. Under the conventional method, it took about ten days for drying the coconuts. But, the solar dryer not only expedited it in two days but also ensured hygienic handling of the produce.

The dryer, with a plinth area of 400 square feet, can handle 1,500 coconuts a day which are broken before being arranged in trays at the dryer. "The dryer maintains a temperature anywhere between 60 and 70 degree Celsius and it is monitored using a sensor," the source told *The Hindu* on Sunday.

The source said that under the conventional method, the copra was damaged because of sudden downpour. But the dryer has relieved them of the additional efforts of protecting the crop from rain. According to Agriculture Engineering Department sources, it has been planned to motivate farmers to utilise the dryer for value-addition in other crops particularly for ripening banana. Being a coastal area, Vedaranyam and surrounding villages were more prone to sharp showers and strong winds.

APMC to restart e-trading of jaggery

Mandya district has around 530 registered jaggery-producing units that make 160 tonnes of the commodity every day.

To help suppliers get a better price and eliminate the menace of middlemen, the Agricultural Produce Market Committee (APMC) plans to reintroduce 'online-trading' (e-tendering system) in the district from May 1.

The district has around 530 registered jaggery-producing units (aalemane) that make at least 160 tonnes of jaggery every day. At least 75 per cent of the produce goes to Gujarat, Rajasthan, Madhya Pradesh, Maharashtra, among others.

With the aim of benefiting jaggery suppliers, the APMC had introduced the e-tendering system in 2014, but was stopped after a few days owing to protests from traders.

Deputy Commissioner M.N. Ajay Nagabhushan conducted a meeting with traders and suppliers here on Monday and decided to relaunch the e-tendering system.

Preparations are on in full swing at the APMC for implementing the system, APMC secretary D.R. Pushpa said. She told *The Hindu* that the APMC was equipped with computers, trained manpower and other infrastructure to introduce the system.

There are 136 jaggery traders at the APMC. They purchase jaggery, both bucket-shaped and box-shaped, at around Rs. 25 to Rs. 32 per kg, for supply to other States.

Why we must have water budgets

The protest by farmers in Chikballapur recently, over the scarcity of drinking water, received extensive news coverage as it halted Bengaluru in its tracks after key highways were blocked. Interestingly, very little of that coverage was devoted to the groundwater crisis that underpins the problem in such regions.

Groundwater plays an important role in our lives and India's economy, but it is disappearing fast. There is mounting evidence that we are extracting more than can be naturally replenished. In the hard-rock aquifers of peninsular India, drilling 800 ft or deeper is becoming the norm. Groundwater-dependent towns and villages spend an increasing fraction of their budgets chasing the water table. Stories abound of farmers spending their life savings or taking loans to drill a borewell, but failing to find water. If we "run out" of groundwater, millions of people will be left without any means to sustain themselves.

Scientific evidence also points to over-exploitation. The Central Ground Water Board classifies all blocks in India based on the fraction of recharge that is extracted and trends in long-term groundwater levels. Since 2004, almost a third of blocks have been classified “over-exploited” or “semi-critical”. If we understand the problem and if the consequences are so severe, why are we unable to address it? The answer lies partly in politics, partly in the invisible nature of groundwater, and partly in our reliance on simple techno-economic fixes.

Flawed regulatory structure

Electricity is supplied to farmers free of cost. This policy made sense when groundwater was abundant in the 1980s. Indeed, it helped millions of farmers escape poverty. But today, where groundwater levels have fallen hundreds of feet below the ground, the subsidy is actually only utilised by the richest farmers who can afford to drill deep. And even so, not all are lucky enough to strike water. Access to groundwater in hard-rock regions has almost become a lottery. Yet in the absence of alternative water sources, charging farmers for electricity is seen as political suicide.

Groundwater is inherently difficult to monitor and control, in part because of its invisibility, which also perpetuates the illusion that each well is independent. The myth is enshrined in Indian groundwater law that allows landowners to extract as much as they want. In reality, not only is groundwater within an aquifer interconnected, but aquifers and rivers are also interconnected. So depleting groundwater means drying rivers. Despite this, groundwater and rivers are regulated by different agencies that do not properly account for the linkages between them, often double counting the quantum of the resource.

Much of the current action on the ground is through techno-economic fixes. These have clear benefits in terms of reducing pumping costs and using local aquifers instead of building big, expensive dams. But what they do not do is create “new” water.

Boosting recharge through rainwater harvesting structures such as small check dams is a popular measure. However, any water that recharges is water that does not flow downstream. Often users located near check dams simply extract more water, while users further downstream wonder why their rivers and tanks are drying up. Another technological solution is to improve efficiency through subsidised drip irrigation or energy-saving pumps. Again, these have often resulted in farmers increasing their irrigation area with no decrease in water extracted. And farmers are not alone; conscientious urban dwellers take pride in reusing wastewater for gardens and parks. But this could result in more wasteful water use, with the additional "wastewater" used in lawns or golf courses where none previously existed.

Science and fairness

Techno-economic fixes do not address the underlying "zero-sum game" nature of water resource use. Ultimately, the water management problem is that of allocating the water available each year among users — both people and the ecosystem. Without understanding how much water is available, how much is being used and by whom, solving India's water crisis is going to be a non-starter.

The way forward is comprehensive water budgeting, simultaneously in each watershed and the river basin as a whole. Water budgets at the watershed level will inform communities about how much water they have, so it can be equitably shared within communities. Water budgets for the river basin will inform communities how much must be left for downstream users, ensuring that water resources are allocated between communities fairly and transparently.

Given the zero-sum nature of the game and the impossibility of creating "new" water, it is likely that we cannot restore the water balance in severely depleted regions without painful cuts in water use. However, there are some glimmers of hope. Water users everywhere are worried about the disappearing resource and willing to engage. The trick lies in combining technology (low-water-use crops, xeriscaping) and economic incentives that reduce actual water use ("cash-for-blue" schemes) without reducing productivity or quality of life. This needs a strong water governance system based on awareness building, science and a commitment to fairness and sustainability.

- *Veena Srinivasan and Sharachchandra Lele are Fellows at the Centre for Environment and Development, Ashoka Trust for Research in Ecology and the Environment, Bengaluru.*

JOURNALISM of COURAGE
The Indian EXPRESS

Narendra Modi reels out credit growth, FDI inflows to slam doubters

Narendra Modi addressing the "Bloomberg India Economic Forum 2016", in New Delhi on March 28, 2016. (Source: PIB)

Despite negative global cues, the India story is well on track as a result of prudence, sound policy and effective management on the part of the government, Prime Minister Narendra Modi said on Monday. Programmes undertaken by the NDA government, he asserted, are aimed at creating more employment as well as to carry out administrative and policy reforms for sustained growth.

“For India to be at the top of global growth tables is an unusual situation. Obviously, there are some who find that difficult to digest and come up with imaginative and fanciful ideas to belittle that achievement. The fact is that India’s economic success is the hard-won result of prudence, sound policy and effective management,” he said at the Bloomberg India Economic Forum.

“Between 2008 and 2009 crude oil prices fell steeply from a peak of $147 per barrel to less than $50. This was a steeper fall than between 2014 and 2015. Yet in 2009-10, India’s fiscal deficit, its current account deficit and its inflation rate, all got substantially worse. And this slide was from a higher base figure for all three. But in 2015-16, all three have improved, from a lower base,” Modi said.

“Many other emerging economies also depend on imported oil. If oil prices were the driver of success, those countries would all be showing similar results. But they are not. We have not been lucky with monsoons or weather. 2015 and 2014 have both been drought years. Yet food grain production has remained much higher, and inflation much lower, than in the last comparable drought year, which was 2009-10,” PM added.
Defending the Budget that has widely been described as pro-farmer, Modi quoted from a letter from M S Swaminathan to bolster that point as he spoke about policy direction and administrative reforms in detail.
Reeling out statistics, he said there has been a smart pickup in credit growth after September. While credit off-take in the year to February increased by 11.5 per cent, overall fund flow to the corporate sector via equity and borrowings rose over 30 per cent in the first three quarters of FY16. The trend of firms facing credit rating downgrade in 2013 and 2014 has been reversed and in the first half of FY16, for every firm getting a downgrade,

there were more than two got upgrades, the best level in recent years, he said.
"Net foreign direct investment in the third quarter of FY16 was an all-time record," he said highlighting increased overseas funds in fertiliser, sugar and agricultural machinery, sectors closely connected with rural economy. He added that FDI in construction saw 316 per cent growth, while the same in software and hardware almost quadrupled. Modi said his government's focus was on agriculture and doubling farm income by 2022.
"We have initiated many steps. Many more lie ahead. Some have begun bearing fruit. What we have achieved so far, gives me the confidence that with the support of people, we can transform India. I know it will be difficult. But I am sure it is doable," he said.

Asserting that experts are unanimous that India is one of the world economy's brightest spots, he said the country has low inflation, a low balance of payments and current account deficit and a high rate of growth.
"This is the result of good policy, not good fortune," he said.
"We have not been lucky with global trade or growth. Both are low, and have not helped us in terms of export stimulus," he said, adding India has also had two successive years of drought which was compounded by unseasonal hailstorms. Yet food grain production has remained much higher and inflation much lower, than in the last comparable drought year, which was 2009-10, he said.

Punjab approaches Centre for releasing funds to procure wheat

Senior officials of Punjab's food and civil supplies department have approached the Centre for releasing the cash credit limit (CCL) to procure wheat, which gets underway on April 1.

A team of state officials on Monday gave a presentation before the Union finance ministry officials on the state's demand for CCL and the good practices it adopted in spending it, but there has been no immediate commitment from the Centre, sources said. Officials also took up the state's past claims.

It is the fourth season in a row when the state government has to make up a strong case before the Centre for release of funds for procurement it carries out on behalf of the Centre. The state expects 110 lakh tonnes of wheat to arrive at procurement centres of the state from a total expected production of 170 lakh tonnes.

To be on the safe side, the state's procurement agencies are making arrangements for procurement of 120 lakh tonnes, hence seeking CCL of Rs 20,000 crore to give a minimum support price of Rs 1,525 per quintal to farmers, plus the taxes levied by the state government.

Top officials of the state food and civil supplies department, including secretary Raj Kamal Chaudhary, are in Delhi meeting officials of the agriculture and finance ministries putting up a case for release of the CCL.

Chaudhary gave a presentation before the officials of the Union finance ministry, but there was reportedly no breakthrough. The Centre's decision may take a few days to come. Sources say Punjab food and civil supplies minister Adesh Partap Singh Kairon will also meet Union finance ministry officials on Tuesday.

The Punjab government is claiming receivables of Rs 26,000 crore from the Centre of the previous procurement seasons. Sources said the Centre had asked Punjab to explain the usage of Rs 50,000 crore it received during different seasons in the form of CCL.

A three-member committee formed by the Centre to settle claims with Punjab, in its recent report, has recommended that claims be settled from the current season and not from retrospective effect. But sources said the state government is pressing the Centre to settle the pending claims from back date.

“The Centre has agreed on a number of issues raised by Punjab, such as compound interest levied by banks on the CCL in usage by the state whereas the Centre is reimbursing simple interest for the said period and amount, and we want the settlement to be done from retrospective effect,” an officer said, on condition of anonymity.

When CCL was withheld

It was in the 2014 kharif season when the Centre withheld the release of CCL asking Punjab to first settle the accounts for Rs 42,000 crore of the previous CCLs with the Food Corporation of India.

Before that, the Centre has been finding faults with Punjab’s use of CCL over the past three to four years, and in rabi season of 2014, the Centre had told Punjab to settle the outstanding accounts. The Centre wanted Punjab to maintain “fiscal discipline”, whereas the state said it had to spend from its own pocket to procure paddy on behalf of the Centre. After kharif 2014, Punjab had to try hard for the release of CCL before the onset of every rabi and kharif season.

Centre tells Punjab, Haryana to take steps to curb whitefly attack

The Centre has issued directives to cotton-producing states like Punjab and Haryana to ensure timely sowing of the crop and use of only recommended seeds for preventing whitefly attack, which caused significant damage to the crop last year.

States have been directed to keep a close watch on the movement of whitefly and ensure timely sprinkling of pesticides to check its menace.
“Union agriculture and farmers’ welfare ministry has issued extensive directives to the states producing cotton to check the adverse effect of whitefly on cotton,” an official statement saidon Monday.

The directives have been issued in view of the “likely menace to cotton in Punjab, Haryana and Rajasthan from whitefly,” it said.
The agriculture ministry has taken various preventive measures, which include elaborate assessment and analysis about the loss inflicted last year.
The Central Cotton Research Regional Centre, Sirsa, recently held a meeting with officials of the agriculture ministry, scientists of Indian Council of Agricultural Research (ICAR) and senior officials of departments of agriculture from Punjab, Haryana and Rajasthan to look into the matter.
“After the review, the Centre has forwarded extensive directives to Punjab, Haryana and Rajasthan. The directives say the sowing process may be carried out within the precincts of scheduled timeframe, only recommended seeds may be used, close watch be kept on the movement of pests and timely sprinkling be done to check its spread,” the statement said.
ICAR has also provided a list of the pest-resistant seeds for the farmers. This year, emphasis is being given on the timely sowing of cotton.
The sowing process of cotton would set in Punjab, Haryana and Rajasthan from the beginning of April.

India’s cotton output is estimated to be 353 lakh bales for the 2015-16 season, which began on October 1, as against 383 lakh bales in the previous year, according to Cotton Association of India (CAI).
Crop damage in the northern region due to the whitefly attack this year remains a cause of concern, CAI had said.
Meanwhile, earlier this month, the Haryana government had announced a compensation of Rs 967 crore for farmers whose cotton crop was damaged due to the whitefly and leaf curl virus attack during last kharif season.

THE HINDU BusinessLine

Centre issues directives to states to save cotton from white fly

To protect this year's cotton crop against damage from white flies which caused huge losses to farmers last year, the Centre has issued directives to cotton producing states such as Punjab, Haryana and Rajasthan to take precautionary measures.

Instructions on the timeframe within which the sowing process should be carried out, the seeds and pesticides to be used and the vigil to be kept on the movement of pests, have been given by the Ministry of Agriculture and Farmers Welfare to the states, according to an official release.

“To save all states from this likely menace of white fly, the Agriculture Ministry has taken various preventive measures. Elaborate assessment and analysis has been carried out related to the loss inflicted during the last year,” the release said.

The Central Cotton Research Regional Centre, Sirsa (Haryana) has conducted a meeting with Ministry officials, scientists from the Indian Council of Agricultural Research and senior officials from Punjab, Haryana and Rajasthan participated. The participants

The Council of Agricultural Research also has provided a list of the seeds which resist the pests.

Weak economy spurs demand for low-priced coffees

Sluggish economic conditions in part of Europe and West Asia is triggering demand for the low-priced coffees such as the robusta cherry and instant varieties as consumers in these regions are seen shifting to the cheaper beverage, exporter said.

The trend is reflected in the increased shipments of these varieties from India over the past three months.

Higher shipments

"We are noticing a trend that buyers in Europe and the Gulf Countries are seen buying more of cheaper coffees than in the past," said Ramesh Rajah, President of the Coffee Exporters Association.

The shift in preference in the Gulf nations could be influenced by the drop in oil prices.

Permits rise

Total coffee permits issued by the Coffee Board for the January 1-March 24 period were up around 18 per cent at 90,274 tonnes (76,567 tonnes in corresponding last year), primarily driven by a surge in shipments of robusta cherry and the instant variety.

Permits issued for robusta cherry were up 32 per cent at 40,618 tonnes (30,756 tonnes), while for instant coffee shipments including that of re-exports, the permits issued were up 13 per cent at 25,299 tonnes (22,416 tonnes) for the period.

For the robusta parchment or the washed robusta, which command a premium in the world market, the permits issued dropped around 23 per cent to 5,822 tonnes (7,595 tonnes).

Changing preferences

However, the premium variety arabica parchment saw an increase in demand at 15,099 tonnes (11,837 tonnes).

Coffee Board officials also attributed the increase in demand for robusta cherry and instant coffee to some extent to the shift in consumer preferences to cheaper varieties in markets such as Europe.

An early harvest of robustas has also contributed to the increase in shipments as more coffee was available for exporters with growers, especially the smaller ones, preferring to sell their produce as prices continued to remain volatile.

An official with a global trading house attributed the jump in the January-March quarter shipments to an early robusta crop this year and also to the front-loading of sales by the producers, wherein growers sold off their produce as soon as it was ready to sell a few weeks ago.

But now, the market arrivals have slowed down as growers – especially the larger ones – are beginning to hold back their produce, the official said.

The harvest of robusta is complete and the growers, especially the Arabica producers are looking forward the blossom showers in the week ahead.

Export realisations
Though the March quarter shipments have been good, the earnings are likely to be under pressure due to lower prices.

The per tonne realisation has dropped considerably to ₹1,55,077 in March quarter as compared to ₹1,77,660 in the corresponding period last year.

Exporters are a bit sceptical of sustaining the growth trend in shipments in the year ahead.

“The near term order books are good, but there is slackness in the medium to long-term,” Rajah said.

The Coffee Board has pegged the 2015-16 crop at 3.5 lakh tonnes – a seven per cent increase over the previous season’s 3.27 lakh tonnes.

Dry spell lends flavour to cardamom

Protracted dry spell without any summer showers so far in the cardamom growing tracts has changed the market sentiments to bullish.

As a result, the market showed marginal gains since last Thursday's auction.

Prevailing drought conditions with high temperature have led the plants in non-irrigated areas to wither while in the estates – where irrigation facilities exist – if the dry spell continued further for a fortnight their water resources would dry up and that in turn would affect the plants, some of the growers in Kumily and Vandanmedu said.

The current season harvesting has almost come to an end in all the major estates, they said. Hence, the next crop is unlikely to be available before July and this phenomenon appears to have activated the market from Thursday last, PC Punnoose, General Manager, CPMC, told *BusinessLine.*

Last week, only seven auctions were held in place of 12 auctions and total arrivals stood at around 440 tonnes against 695 tonnes the previous week. The individual auction average was vacillating between ₹480 and ₹545 a kg last week.

At the Cardamom Planters' Association's auction on Monday in Bodinayakannur, the arrival dropped to 38.6 tonnes from 50.8 tonnes the previous Monday and almost the entire quantity was sold out. The average price increased to ₹535.61 a kg from ₹481.77 last Monday.

Prices of graded varieties (₹/kg): 8mm bold good colour 950; 7-8 mm 680; 6-7 mm 550; below 6 mm: 500.

Bullish cues support soya

Both soyabean and soya oil have been witnessing an uptrend in Indore mandis on strong global cues and declining arrival. Both soya oil and bean continued to trade higher in private trading with soya refined at ₹624-26 (₹620-22 last week). Similarly, soya solvent ruled at ₹595-600 (₹590-95). Soyabean prices were at ₹3,900-50 a quintal. Plant deliveries have risen to ₹3,800-3,900 . Soyameal on the spot ruled firm at ₹34,500-800 a quintal on scattered demand in the domestic market.

Prices plummet at Coonoor tea sale

Producers of quality tea in The Nilgiris are worried that prices are falling disproportionate to the standard of their produce. Although the average price at the auctions of Coonoor Tea Trade Association rose to over ₹100/kg for the first time since 2013 and stood at that level for six weeks since end-January, it has been falling week after week since February 12; and from March 11, ruling below ₹100/kg. This week, average prices dropped to the lowest level of the past six weeks – ₹ 91.30. Homedale Estate's Broken Pekoe topped Leaf auction and the entire CTC market when TRP Tea and Commodities bought it for ₹202/kg. Homedale Estate's Red Dust topped

Dust auctions fetching ₹188. In the orthodox market, Kodanad topped at ₹241.

Farm Tazza scouting for Rs. 40 crore for expansion

Bengaluru-based GS Farm Tazza, a wholly-owned subsidiary of Gram Suchana Solutions, will focus on tie-ups with *kirana* stores and farmers to accelerate growth and strengthen its presence in South India.

The company procures produce directly from farmers and supplies them to retail outlets. Kumar Ramachandran, Chief Executive Officer, said though the volume is huge in modern retail outlets, business through *kirana* stores generates higher revenue because they are more in number. In Chennai the company has tied up with 200 stores and plans to add another 300 by June. 2

Farm Taaza buys from farmers at market price and sells to retail outlets and *kirana* stores at the local market price. It has 215 farmers on board.

With a presence in Tamil Nadu, Karnataka and Telangana, the company is now looking to expand in Kerala and Andhra Pradesh through the modern retail channel.

It is looking at Series A funding to the tune of Rs. 40 crore for its expansion plans. Ramachandran said the funding will be used for establishing new distribution centres with cold storage, technology upgrade, infrastructure and marketing.

Currently the company has two collection centres, in Udhagamandalam and Bengaluru, from where the produce is transported to distribution centres in Chennai, Bengaluru, Mysuru, Mangaluru and Hyderabad.

Ramachandran said: “We are in talks with farmers from Tindivanam and Kancheepuram, where we will open collections centres, to tie up with us. Our target is to add 1,000 farmers by the end of December 2016.”

Farm Taaza will implement a flexible price purchase plan that will allow it to fix prices. Under such an agreement, the farmer will be given seeds, fertilisers and pesticides and the company gets to fix the price of the produce.

Said Ramachandran: “This will be beneficial to the farmer as he does not have to worry about price fluctuation and can get assured payment. In case of steep change in cost, we are working out an algorithm that will benefit both the parties.” Once the tie-up with farmers is complete, the company will foray into the HoReCa (hotels, restaurants and catering) segment. It expects to close this year with a turnover of Rs. 6 crore. It gets 65 per cent of its revenue from *kirana* stores and the balance from retail outlets.

Tech investment

As delivering at the right time is one of the major challenges for the company, it will invest in technology and optimise its supply chain. For instance, retailers can track their orders through an app.

Ramachandran said: “Most of the clients place orders only a day before, so we have to take a guess and inform farmers. This is not easy.” The company is in talks with agriculture universities to help with production planning. “We get inputs from scientists to scientifically plan the harvest to match with orders,” he said.

THE FINANCIAL EXPRESS

India’s economic success is due to reforms: Narendra Modi

Prime Minister Narendra Modi on Monday said the growth in the Indian economy was led by some of the reforms undertaken by his government since taking over in May 2014, and not by the fall in crude oil prices, a move that has resulted in the South Asian nation being recognised as the fastest growing country in 2015.

“India’s economic success is the result of prudence, sound policy and effective management,” Modi said at the Bloomberg India Economic Forum 2016 in New Delhi. In 2008-09 crude oil prices had fallen more sharply than they did in 2014-15. However, in 2008-09 the fiscal deficit, current account deficit, and inflation were all substantially worse,” he said, adding: “In 2015-16, all these have improved from a lower base.”

Citing that many emerging countries rely on imported crude, the PM said it was true that India benefited from low oil prices and that should have been the similar case with other emerging countries as well.

The PM’s comments come weeks after the Economic Survey predicting that the country’s gross domestic produce could grow by a broad range of 7-7.5% for the next fiscal that begins April 1, while at the same time indicating that the economy may take a hit if the world’s economy slows further. For the moment, the government has been trying to jump-start the economy

through public expenditure and increasing local consumption while the private sector investments are still yet to come.
Still, the government has ensured that it would stick to its fiscal deficit target of 3.5% of GDP for the next fiscal that begins April 1, while at the same time increasing capital expenditure, Modi said. The PM indicated that the local consumption will be spurred by the increase in rural incomes, led by some of the recent announcements in the Union Budget and his ambitious target of doubling farmers’ income by 2020.

Enlisting the increased allocation for agriculture, introducing agriculture insurance, allowing foreign investment in warehousing and cold chains to reduce farm wastage, as well as marketing of agricultural produce made and manufactured in India, Modi said all these measures have been introduced to lower the cost of production and increase net income for the farmers.
On the issue of reforms, Prime Minister Modi said the country had lacked in execution which could spur economic growth. He mentioned that the National Food Security Act, though passed as a law, had been on paper since many states had not implemented. Another example of execution is in the reduction of leakages in payments in the national rural employment guarantee act, Modi said.

In conclusion, the PM also reiterated that the government will give priority to monetary policy to contain inflation.