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### **It increases sugar recovery percentage**

Experts at the University of Agricultural Sciences-Bengaluru, who have conducted experiments on use of drip irrigation system in sugarcane cultivation in the Cauvery basin and standardised protocols, point out that it not only conserves water, but also increases quality and quantity of yield.

University's Research Director T. Sheshadri said the system increases sugar recovery percentage of the crop, which is a main parameter in deciding the procurement cost.

This is in addition to the increase in crop yield and reduction in water consumption by 40 to 45 per cent. Despite benefits, drip irrigation in the Cauvery command area has been poor compared with the Krishna basin.

At present, only about 1,000 hectares of sugarcane fields have been covered under drip irrigation in the Cauvery basin. Of this, the university's demonstration plots account for 250 to 300 hectares, he said.

“In the conventional system, farmers stop giving nutrients to sugarcane crop after 14 weeks. But the drip irrigation system coupled with fertigation (supplying liquid nutrients through drip irrigation) method will help in giving nutrients even after 14 weeks, leading to better quality of crop and increase in sugar recovery percentage,” Mr. Sheshadri said.

At present farmers are getting an average yield of 45 to 50 tonnes of sugarcane from an acre in the Cauvery basin. It was possible to increase this to an average level of 65 to 70 tonnes through drip irrigation and fertigation, he said.

*Drip irrigation in the Cauvery command area has been poor compared with the Krishna basin*

### **Seminar on low-cost technologies for sustainable farming**

The Institution of Agricultural Technologists, Bengaluru, is organising a State-level seminar on ‘Low-cost production technologies for sustainable agriculture’ on Saturday on the institute premises, Queen’s Road here. Minister of State for Agriculture Krishna Byre Gowda will inaugurate the programme.

Over 300 people, including officers of the Department of Agriculture and allied sectors, and farmers are expected to take part in the programme, according to a press release.

### **Drought sees fresh push for drip irrigation for sugarcane**



Benefits galore:Field trials and research in many places across the State have demonstrated the efficacy of drip irrigation over the conventional method of flooding the sugarcane field.— File Photo

This drought year will see Karnataka State Sugarcane Growers' Association starting a drive to promote drip irrigation among its members for water conservation and to increase crop yield.

Sugarcane is among the water-intensive crops, and in view of the prevailing water stress in Karnataka which may recur in future, the association plans to highlight the benefits of drip irrigation.

This move is significant as sugarcane is being blamed for the intensity of drought ravaging parts of Maharashtra, with suggestions to ban its cultivation.

Association president Kurubur Shanthakumar told *The Hindu* that in this system, the quantum of water saved was enormous, which also reduces the cost of cultivation.

### **Among top three producers**

The State is among the top three sugarcane producers in the country next only to Uttar Pradesh and Maharashtra, and sugarcane is cultivated on nearly 5.2 lakh hectares of land.

“This year, the yield has considerably declined owing to water stress and is expected to be around 380 lakh tonnes against nearly 480 lakh tonnes last year,” said Mr. Shanthakumar.

### **Uniform results**

N. Nagaraj of the University of Agricultural Sciences-Bengaluru, and an expert on water management, said field trials and research had demonstrated the efficacy of drip irrigation over the conventional method of flooding the fields.

“The quantum of water saved is nearly 40 per cent compared with the conventional method, and the crop yield also has increased by 50 per cent,” he said. Field trials were on in many places across the State in the last three years, and the results were uniform, Dr. Nagaraj added.

Given the proven benefits in water saving and improvement in yield, the concept of drip was gaining popularity, he said. Since drip irrigation requires at least 90 cm of spacing between two rows during planting, farmers could go for inter-cropping with short-duration crop.

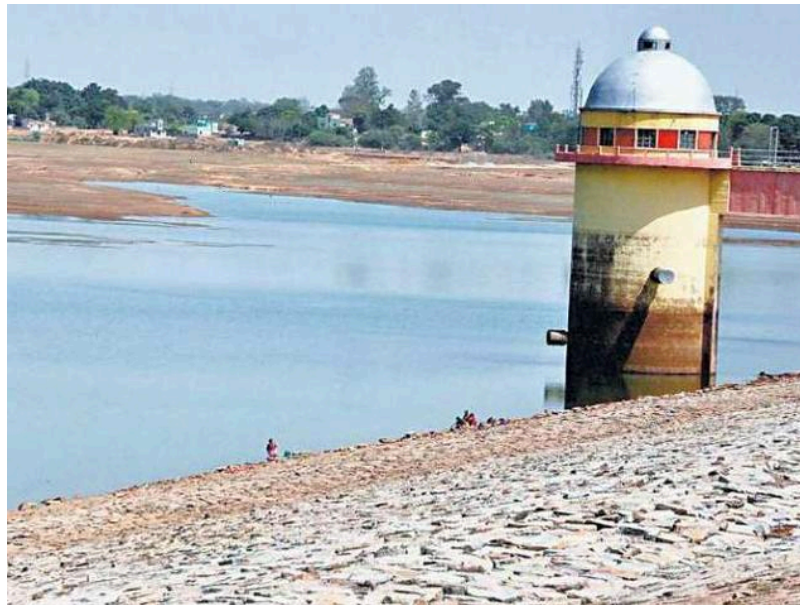
“This will add to their income while enhancing soil fertility,” Dr. Nagaraj added.

There are more than 5 lakh sugarcane cultivators in the State and about 30 per cent of them are following the drip irrigation method. “Our mission will be to popularise drip irrigation to conserve water,” said Mr. Shanthakumar.

*In drip irrigation system, the quantum of water saved is enormous, which also reduces the cost of cultivation.*

*Kurubur Shanthakumar, president, Karnataka State Sugarcane Growers’ Association*

### **Water level in dams dips to a new low**



The storage in major reservoirs across the country has fallen to 19% of their total capacity.

*Water storage in major Indian reservoirs has dipped to 19% of their total capacity, according to a weekly update by the Central Water Commission.*

Water storage in major Indian reservoirs has dipped to 19% of their total capacity, according to a weekly update by the Central Water Commission on Thursday.

On the back of consecutive droughts in 2014 and 2015, several parts of India have faced searing droughts. This has contributed to water in these 91 dams steadily falling to touch decadal lows since April but a top official said water levels had not ever dipped below 20%.

### **‘Situation not critical’**

“I don’t immediately remember whether it has ever dipped below 20%,” G.S. Jha , CWC Chairman, told *The Hindu* “but not in the last 4-5 years at least.”

Mr. Jha, however, emphasised that the situation “wasn’t critical” because there was enough drinking water and several dams were drained out of extra water during May in anticipation of a good monsoon.

“The monsoons are expected in Kerala by the end of this month so I think the latest figures shouldn’t cause alarm.”

Droughts in Maharashtra had forced the government to send water in trains to Latur to provide for drinking water.

He said there was also reduced water demand for agricultural purposes during the summer months and in anticipation of the monsoon, beginning June.

The CWC sends out a weekly update of the water levels in 91 of India’s major dams.

Though these are less than 2% of India’s approximately 4,500 dams, they store nearly two-thirds of India’s reservoir water. Out of these reservoirs, 37

reservoirs have hydropower benefit with installed capacity of more than 60 MW.

### **Significant declines**

According to the Thursday update, the current year's storage is nearly 64 per cent of last year's storage and 77 per cent of the average of last 10 years.

The most significant declines have registered in the Indus, Tapi and Mahi basins which are 35%, 39% and 42% less than their decadal normals.

A good monsoon is critical to replenishing these reservoirs. Last month, the India Meteorological Department has forecast the monsoon rains during June-September to be 106% of the normal. Later this month it is expected to announce a date for the monsoon onset over Kerala.

### **Applications invited**

University of Agriculture Sciences, Dharwad, has invited applications for the Best Agriculturist Award for 2016 from Uttara Kannada district.

Last date to submit application is June 30. Those interested may download the application form from [www.kvkuttarkannada.org](http://www.kvkuttarkannada.org).

For details, contact program coordinator, Krishi Vigyan Kendra, Sirsi at 08384 228411, according to a report on Thursday.

### **Online campaign to save trees**

Nearly 1,100 people signed an online petition in the last two days, appealing to Coimbatore District Collector to stop felling of trees that are on either side of the road in Pollachi.

A copy of the petition, which was shared on Facebook and will be live for about a month, was also submitted to the Collector on Wednesday by members of several non-Governmental organisations.

The State Highways Department (National Highways wing) is widening the road at Udumalpet, Pollachi, and Coimbatore.

An official of the department said that trees have been cut in Pollachi town and there are plans to bring down the trees between Eachanari and Sundarapuram in Coimbatore.

The project does not involve land acquisition and trees have to be removed to widen the road.

The department is also looking at alternatives so that the trees need not be cut.

Pravin Shanmughanandam, editor of *Pollachi Papyrus*, says the trees on Coimbatore-Pollachi road are several years old and Pollachi is known for its agricultural lands and greenery.

The support to the campaign in the last two days has shown how many people do not want the trees to be cut.

According to the online petition, it is said that nearly 1,700 trees on either side of the road on Coimbatore-Pollachi stretch is to be cut for the road widening project. Huge, tall trees that are 60 years to 100 years old have been brought down in a few hours.

The project has been approved without considering the tremendous loss of the green corridor and the impact it will have on the environment.

Mr. Shanmughanandam said trees were brought down when the Mettupalayam road (Coimbatore to Narasimhanaikenpalayam) was widened and the stretch, which once had a green canopy, looks barren now.

“We did not want that to happen in Pollachi. While the road has to be widened, we should look at alternative solutions,” he said.

He said the District Collector asked the representatives to come up with viable solutions that will not hinder the road development work and will save the trees too.

“Experts and the public can send their suggestions to us on our Facebook page (<http://m.facebook.com/thepollachipapyrus>). We plan to have a panel discussion too to get feasible ideas,” he said.

### **At Malkanoor, farmers reap the benefits of dairy farming**

Even as acute drought conditions in the State are forcing migration of farm labour in search of employment, this village in Bheemadevarapalli mandal has set an example by overcoming drought by taking to dairy sector as an alternate source of income.

An upland village sans irrigation sources, Mulkanoor has become a role model in the cooperative movement since 1956 with the launch of the Mulkanoor Cooperative Rural Bank and Marketing Society and has farmers who have overcome drought, thanks to the dairy units.

A majority of the population here, comprising about 10,000 people, took to dairy in the past two years to mitigate drought and are reaping the benefits.

They supply over 1,500 litres of milk a day to the cooperative dairy and Karimnagar dairy. Besides, some hundreds of litres of milk per day are consumed locally, for a healthy life.

“I was unable to raise any crop on my three acres of land as the well got dried up due to drought since the last two years.

I bought two milch animals by taking loan from the cooperative bank and am earning Rs. 200 per day by selling milk after covering input costs of



fodder and cattle feed. My animals have stopped my migration from village and I am leading a comfortable life, says Chitkuri Yadagiri, happily.

“The dairy units are a ray of hope for farmers throughout the year. It protects the farmer during the drought and otherwise also by providing nutritious milk and manure,” says Bollampalli Swaroopa, who is rearing a milch animal, that fetches her daily income of Rs. 100 to Rs. 150.

Recollecting the olden days where the dairy units were part of agriculture, she called upon farmers to take up dairy units for regular source of income even if there is no drought.

Village sarpanch Vanga Ravi proudly said there was no migration of labour ever since the dairy units have come up.

He said farmers had taken to fodder cultivation with available water sources and reaping the benefits. Mulkanoor Cooperative Rural Bank chairman and former legislator A. Praveen Reddy said:

We encourage farmers to take up dairy units by providing financial assistance as additional income generating source. Incidentally, they are a hit with farmers repaying the loans too.”

*There has been no migration of labour ever since the dairy units have come up*

*Vanga Ravi,*

*Village sarpanch.*

### **Weather forecast brings cheer**

*Average rainfall in the range of 106 per cent is expected in the State this monsoon*

Maharashtra is on the verge of emerging from an extended drought and devastated agricultural economy, if the weatherman is to be believed.

The latest data from the weather bureau forecast average rainfall in the State this monsoon in the range of 106 per cent, twice more than the 59 per cent deficient monsoon recorded across the State last year, resulting in the jump of nearly 80 lakh metric tonnes in agriculture production over the previous year.

As per the data provided by the Indian Meteorological Department (IMD), the State Agriculture Department is also predicting to increase the total sowing area to 152.44 lakh hectares in 2016-2017 from 149.42 lakh hectares in 2015-2016.

The agriculture production, excluding cotton and sugarcane, was 100.19 lakh metric tonnes with a 59 per cent deficient rainfall in 2015-2016, but could jump to about 180 lakh metric tonnes in 2016-2017 with 'more than average rainfall', as per the latest forecast of the IMD.

Maharashtra is pinning its hope on a better monsoon to recover from three consecutive seasons of deficit rains which devastated the agricultural economy.

The weather data provided by the IMD forecast there is a 66 per cent chance of the rainfall being between an average of 96 mm and 110 mm with every chance of production being over 180 lakh metric tonnes.

The IMD data for the past five years has shown a clear correlation between the average rainfall and the agriculture production, with the drop in produce clearly visible in over the past three years of deficient monsoon.

In 2014-2015, the production dropped to 132.26 lakh metric tonnes from 193 lakh metric tonnes in the previous year with the rainfall recorded at 70 per cent over 125 per cent in the previous year.

The subsequent year, production dropped further to 100 lakh metric tonnes at a rainfall of 59 per cent in deficient.

Senior officials said a good monsoon will address the problem of water deficiency over the last three years.

“The State is hopeful of recovering from this drought-like situation with a more than average rainfall coming monsoon.

The impact of the water augmentation programmes completed under the Jal Yukta Shivar will also be visible after the rains,” chief secretary Swadheen Kshatriya told *The Hindu* .

### **‘Release compensation for crop loss’**

Karadi Sanganna, MP, has urged Lok Sabha speaker Sumitra Mahajan to direct the Karnataka government to release the balance amount towards payment of compensation to farmers for the crop loss they suffered in 2015-16.

Speaking in the Lok Sabha, Mr. Sanganna said that the Union government had released Rs. 1,540 crore to Karnataka, of which the share of Koppal was Rs. 63.75 crore. He said that the State government had disbursed only Rs. 46.18 crore to the affected farmers in Koppal district as input subsidy.

According to him, Koppal, comprising four taluks, is the main hub of agrarian activities.

### **Mangoes, lemons damaged in Nalgonda by rain**

As rains, coupled with gales, lashed several parts of the district on Wednesday evening, mango farmer suffered huge losses due to the fruit falling off the trees. Lemons too reportedly suffered the same fate in parts of the district.

However, horticulture officer P. Ananta Reddy said only those plants that were uprooted would be considered for compensation.

Mango was cultivated in about 12,000 hectares, particularly under Bhongir division area. Lemon was cultivated in about 20,000 hectares in Nalgonda.

Fifty eight out of 59 mandals – except P.A.. Pally mandal – in the district recorded rain during the intervening hours of Wednesday and Thursday.

The district recorded an average rainfall of 2.6 cm. Chilukur mandal recorded highest rainfall of 4.96 cm, followed by Suryapet with 4.5 cm, and Shaligouraram with 3.6 cm of rain.

Paddy brought to procurement centres across the district were reportedly damaged.

However, the rains have provided much-needed relief to the farmers as the day temperature came down drastically.

### **Areca nut trees in Sirsi taluk withering**

Farmers are hit by the severe drought conditions in Uttara Kannada district.

Tanks have dried up and areca nut trees are withering in the eastern part of Sirsi taluk.

There was no rain in the district since last October.

Usually, the summer rain in April helps farmers take up sowing. Farmers in Banavasi, Dasankoppa, Badanagod, Andagi and other villages in Sirsi taluk could not take up sowing.

Though more than 300 borewells were drilled in these areas, only 30 are yielding water. The farmers are also worried about mounting loans.

Progressive farmer Anand Goudru of Santolli said that the government should come to the help of farmers by dredging tanks.

Balchandra Goudru, an 85-year-old farmer, said that the last time the district had a drought was 40 years ago. “If the monsoon fails, the situation will be worse this time,” he added.

## Rooting to be a farmer

*This weekend, attend workshops on howto grow fruits and vegetables organically*



The workshops are aimedat both adults and children.

If you've ever wanted to know all about urban farming the organic way, then you can make a start this weekend. Mumbai Farmer, a blog devoted to propagating the cause of urban farming, will be conducting workshops aimed at both kids and adults.

Mandy Kumar, founder of Mandy's Farms (a line of earth products) and Mumbai Farmer, has a wholesome approach to what is consumable in the market.

A practitioner of urban gardening, she has, for the past four years, grown most of the fruits and vegetables her family consumes in her terrace garden.

A mother of growing children, Kumar says, “Healthy food is that which sustains us and the planet. We cannot grow while destroying the planet and polluting it with chemicals and toxins.”

Kumar’s evangelising approach has now led to the launch of farming workshops for both children and adults. Launched late last month, these organic farming workshops have been planned till the end of the summer.

The workshops will focus on teaching (children between the ages 7-15 and adults) how to pot and grow plants in an urban setup, bearing in mind the rain and sunlight that a city like Mumbai gets.

Each workshop will be around four hours long and aimed at deconstructing the process of growing. It will also include a practical class where techniques for cutting shoots, roots, altering pH levels, and recycling waste will be taught.

**Call 8691023536 for details on the workshops to be held at Bandra and Andheri East on Saturday, May 7, and Sunday, May 8**

### **Demand for mangoes has merchants in a fix**

*But farmers have a field day commanding nearly Rs. 26,000 per tonne, up from the prices last year*

Mangoes cultivated in Mysuru are in great demand for making beverages and fruit merchants are struggling to cope up with the growing demand.

The bulk of these mangoes are cultivated in and around Mysuru and enjoy a reputation of being juicy and having a rich pulp and hence, the demand from beverage manufacturers and food processing units.

Babu, a major wholesale dealer who procures the fruit directly from farmers and sells it to industries, told *The Hindu* that the demand will last for 45 days

to two months and nearly 50 truckloads of mangoes are exported from Mysuru daily.



Fruits of their labour:Mangoes from Mysuru are in great demand for the manufacture of beverages.— PHOTO: M.A. SRIRAM

The first truckload left the city on Wednesday marking the beginning of the export season this year.

However, there are concerns that mango production may decline this year due to failure of pre-monsoon showers and prolonged dry spell and it may be difficult to ensure steady supply to the food processing units.

But the decline in supply coupled with increase in demand has only benefitted the farmers who command nearly Rs. 26,000 per tonne in the current season as against last year's price which hovered anywhere between Rs.16,000 to Rs. 20,000, according to the fruit merchants' association.

“Since farmers sell the produce directly to the merchants with no involvement of the middlemen they get a good rate,” according to Mr. Babu.

Though there are different varieties of mangoes like Raspuri, Totapuri etc, it is the Alphonso variety, also called Badam in local parlance, that is in demand from the beverage industry.

The bulk of the fruit are transported to Jalgaon in Maharashtra besides Krishnagiri in Tamil Nadu and Chittor in Andhra Pradesh. Mango cultivation takes place mainly in Doora, Jayapura, Hullahalli, Bilikere, Gopalpura, Beerihundi, Chamarajanagar, Kollegal, Channapatana, Ramanagaram and surrounding areas.

Basavaraju, Deputy Director of Horticulture in Mysuru, said nearly 4,142 hectares of land has been brought under mango cultivation this year and popular varieties that are cultivated in the region also include Malgoa and Mallika.

But a majority of the cultivators in the region prefer Badam or Alphonso variety in view of the sweet taste, rich pulp and thus commands a high rate in the market.

*Mangoes grown around Mysuru have a reputation of being juicy and having a rich pulp*

*Mangoes grown around Mysuru have a reputation of being juicy and having a rich pulp*

*Farmers are charging nearly*

*Rs. 26,000 per tonne in the current season*

*This is a rise from last year when prices were between*

*Rs. 16,000 and Rs. 20,000*

*Nearly 4,142 hectares of land has been brought under mango cultivation this year*

*Nearly 50 truckloads of mangoes are exported from Mysuru daily*



## Cattle too bear the brunt of drought in State



A study in contrasts: Cattle at Mulkanoor village in Karimnagar district on Thursday. Photo: Thakur Ajay Pal Singh



Dairy farming should be treated on a par with agriculture and given incentives



Free power to dairy sector like agriculture, and exemption of property tax for dairy farmers



Soft loans at **4%** for dairy sector

Bifurcation of Vijaya Dairy needs to be given top priority

*Farmers are finding it increasingly difficult to feed their animals considering the spiralling cost of fodder*

It is easily the worst of droughts that most parts of Telangana have seen in four decades and acute deficit of rainfall for the third consecutive year only compounds their problem.

With a significant decline in production of foodgrain and fodder, the life of dairy farmers and cattle has become miserable.

A sudden spurt in sale of cattle since this February in the 11 animal fairs at Kalwakurthy, Kourampet, Telkapally, Bijinepally, Kosgi, Devarakadra and Pebbair of Mahabubnagar, Malland and Ibrahimpatnam of Ranga Reddy, and Kondamadugu and Choutuppall of Nalgonda district, holds a mirror to the severity of conditions.

Including these districts, dairy farmers in Medak are said to have sold away between 25 to 60 per cent of their cattle.

A majority portion of the 29{+t} {+h} State of the Indian Republic falls in the Deccan plateau where annual rainfall is between 40 and 104 cm between Mahabubnagar and Adilabad.

In the 21 years since 1995, Telangana has seen drought in at least 15 of them. Farmers are finding it increasingly difficult to feed their animals considering the spiralling cost of feed and fodder, including the non-availability of the fodder.

“We have visited most of the drought-affected parts of the State and are appalled at the pathetic state of affairs,” says Kandala Bal Reddy, a former Forest Department officer and a progressive dairy farmer himself, post-retirement, and now general secretary of the Progressive Dairy Farmers Association, Telangana.

### **Poser to Vijaya Dairy**

Mr. Bal Reddy and association president Dr. M. Jitendar Reddy alleged that crores of rupees meant for dairy farmers was rotting in the accounts of Vijaya Dairy.

They also cry hoarse about the performance of the State-owned Vijaya Dairy that owes four months’ arrears to dairy farmers, pertaining to government’s incentive of Rs. 4 per litre of milk procured.

### **Official reaction**

When contacted, Managing Director of the Andhra Pradesh State Dairy Development Corporation that procures milk, handles the processing and sells milk products on the Vijaya Dairy brand, Nirmala, said the arrears had piled up because they had taken a conscious decision to release the incentive directly through the bank accounts of small and medium farmers.

“This decision of ours has caused a problem with some farmers either having bank accounts that were now ‘inoperative’ or with the farmers themselves not giving us the particulars for fear that bankers would ‘adjust’ the incentive on crop loans they had taken earlier but not repaid.

Also, Dairy Cooperative Societies have advanced money to their members and want it back.

We will sort out the issue very soon,” Ms. Nirmala assured. What is urgently needed is to urgently improve the performance of Vijaya Dairy by bringing about a change among officials.

Also, elections to the Dairy Development Cooperative Federation have not taken place for the past decade-and-a-half, say Mr. Bal Reddy and Dr. Jitendar Reddy.

Officers of the rank of Principal Secretary being nominated as Federation Chairman, year after year, when in fact it should have dairy farmers in that position, they rue.

“When Vijaya is struggling to procure 3 lakh litres of milk a day from farmers in Telangana, Amul of Gujarat is managing to buy a whopping 150 lakh litres, while Nandini of Karnataka manages about 70 lakh,” said Mr. Bal Reddy.

No elections to Dairy Development Cooperative Federation for the past decade-and-a-half

## **Sugar prices may go up in retail market**

*Drought, fall in production for two years behind the surge in price*

With sugar production in Maharashtra already hitting a low due to continuous drought , its retail price is likely to go up by Rs 5 to Rs 10.

Claiming that it is battling a financial crisis, representative of sugar factories have also demanded that the state government restructure loans worth Rs 2,792.71 crore sanctioned two years ago to grant Fair and Remunerative Price (FRP) to sugarcane farmers.

“Following restrictions on sugar storage by the central government, per quintal cost of sugar has gone down by Rs 200. The ratio of expenditure on production and income has gone berserk due to this.

At the same time sugarcane crushing has suffered due to unavailability of water leading to cut in sugar production.

To compensate the losses suffered by the factories, we have asked the government to restructure the loan sanctioned to ensure FRP to farmers,” said Sanjeev Babar, Managing Director, Maharashtra State co-op Sugar Factories Federation Limited.

On Wednesday a delegation of the federation met Chief Minister Devendra Fadnavis who has agreed to forward their plea to the Centre.

The sugar production in the state has been on the decline for the last two years and is expected to be very low next year.

In 2014-15, the sugar production was 105 lakh tonne, which came down to 83 lakh tonne. Due to worsening drought the production next year is expected to be only 45-50 lakh tonne.

According to Mr Babar, the area under sugarcane cultivation too has reduced by over 3 lakh hectare and is expected to shrink further.

“Last year the total area under cultivation was 9.27 lakh hectare, which has come down to only 6.30 lakh hectare this year,” he said.

The current retail price of sugar stands at around Rs 35-40 per kilogram. “There will be slight increase, but it won’t go beyond Rs 50,” Mr Babar added.

Commenting on the drought situation and allegations against the sugar industry of indiscriminate use of water for the sugarcane crop, the federation has clarified that it supports the installation of drip irrigation facilities in the fields.

According to the members, the state gets Rs 840 crore in the Sugar Development Fund (SDF) through excise duty on sugar.

“We expect the government to provide 50 per cent subsidy on installation of the facility and rest money can be raised in the form of loan by farmer,” said Shivajirao Nagwade, President of the federation.

Meanwhile, all sugar factories will be contributing Rs 10 lakh to the state government’s drought relief fund. Additionally, Rs 15 lakh will be spent on ensuring water conservation works in the areas adjacent to the factories.



### **Punjab wheat procurement: Despite bumper crop, major dip likely in nine districts**

Sale of crop in Haryana among reasons for missing 120 Lakh MT initial target by 10-12 lakh MT.



A farmer waits for his wheat to be lifted at Khanna in Ludhiana, Asia's largest grain market.

DESPITE EXCELLENT crop and increased yield in nine districts of the total 23, the Punjab government's wheat procurement target may witness a fall of around 10-12 lakh metric tonnes from its initial target of 120 lakh metric tonnes (lmt), that is 12 million tonnes, this year.

According to Punjab Mandi Board (PMB), 103.62 lmt wheat had already arrived in state mandis till May 4 (Wednesday) while the procurement is still going on in Punjab which may last for another 10 days.

But the flow of wheat into grain markets has drastically come down in the past week from around five lakh mt to 60 to 70,000 tonnes a day.

PMB records say that already 97.44 per cent of wheat had arrived in Punjab's mandis which means around 3 lakh tonnes more wheat can come to Punjab's markets now. Last year, Punjab had procured 106.34 lmt wheat.

So why is the state falling way behind its target this year?

Apart from the delay in release of Cash Credit Limit (CCL) to Punjab, several other reasons are being cited by experts from the agriculture department, Punjab Mandi Board, farmers and Arhtiyas (commission agents).

Punjab agriculture department director Dr J S Bains said farmers of around 200 villages in the border area districts, which are located close to the Haryana state's grain markets, have sold their crop in Haryana because they get instant payment.

He said yield of the crop has increased in over a half dozen of districts in Punjab this season but due to selling in Haryana, the state will miss the

target. Farmers of several villages of Mukatsar, Bathinda, Mansa, Fazilka districts said they go to Haryana markets to sell their crop.

Maluk Singh Heera, who has seven acres in Heerka village of Mansa district, goes to Sirsa mandi in Haryana, which is nearly 20 km away from his village, to sell his farm produce.

A mandi in Sardulgarh in Punjab, however, is only half this distance. Heerka, who is president of BKU (Sidhupura) Mansa district, said, "Farmers from over 30 villages of Mansa go to Sirsa, Faizabad, Ratia mandis of Haryana.

He added, "The trend of going to Haryana mandis started when we started getting more prices for Basmati produce compared to Punjab markets and also, the marketing of Haryana mandis is better.

Bagicha Singh, another farmer of the same village with over 10 acres land, said, "Because we are in contact with Haryana ahrtiyas for Basmati sale, we prefer to sell wheat too in the same markets and also we do not need to wait much in Haryana markets as compared to Punjab markets.

We got higher rates for our Basmati varieties 1121, 1401 etc last season. Heerka said, "Despite the distance, we get better facilities in Haryana."

Over 80 villages of Mansa and Sangrur sell their produce in Haryana mandis.

Moonak area of Sangrur is near Haryana and farmers go to Dhuana mandis of Haryana from this place. Bhakar Singh from Kanakwal village of Bathinda said, "Dabwali mandi in Haryana is about 15-18 km compared to 6-16 km Rama mandi in Punjab.

But we get payment within a day and cash credit limit in Haryana had come before the arrival of produce."

Farmers from several villages of Bathinda, Fazilka and Muktsar also visit Haryana. Abohar Congress MLA Sunil Jakhar said, “CCL is always an issue in Punjab, no matter which government is in Delhi.

When Haryana can get CCL on April 1, why can't Punjab? This scheme in fact is tailor made for Punjab and Haryana. “

Because of high prices of basmati, Punjab farmer started moving to Haryana mandis. Many Punjab ahrtiyas have open shops in Haryana mandis.

To grab business, Punjab ahrtiyas are also no less as a few of the Rajpura and Patiala based ahrtiyas have opened shops in Haryana mandis.

Confirming the same Ravinder Singh Cheema, President of Punjab Ahrtiya association said, “poor prices of basmati in Punjab market have caused loss to the state as well as Punjab ahrtiyas.

A few have even opened shops in Haryana mandis.

They operate in Punjab too.” Cheema said Haryana's gain is Punjab's loss but added that this was just one side of the story.

“The other side it that this quantity is just 40,000-50,000 tonnes only and village located in border districts have been doing this for years...

This cannot be a major reason for missing the target.” “The bigger reasons are that this year, big farmers and arhtiyas of the state have ‘stored’ their crop this year at their own end instead bringing in the market owing to declared “drought” in around eight states including big one in the country and they may sell it at higher rate later.”

“Although farmers are getting good MSP for wheat (Rs 1,525 per quintal) but many a time they are able to get Rs 1,700-1,800 per quintal from various markets in the south and other parts of the country,” said a senior officer with the Punjab Mandi Board.



Also, this year 3-3.5 lakh tonnes crop has been kept for seed purpose by seed growers of Punjab, who have started selling them outside the state.

In the past, this amount had never gone beyond 1.5-2 lakh tonnes, said an agriculture officer.

He added that due to unseasonal rain last year, the farmers faced major difficulties in getting seeds. Punjab Arhtiya Association president Vijay Kalra said Haryana mandies had been getting wheat from Punjab every year for the past few years, but the quantity was “not that big.”

Notably, this year Fatehgarh Sahib, Hoshiarpur, Jalandhar, Kapurthala, Gurdaspur Pathankot, Ropar, SAS Nagar, and SBA Nagar districts had recorded more than 100 per cent enhancement, including Pathankot, with 188 per cent increase in yield.

### **Lok Sabha clears Finance bill: India will grow faster if monsoon forecasts hold true, says Arun Jaitley**

The passage of the Finance Bill will allow formation of the six-member monetary policy committee, which will include the RBI Governor and three government nominees.



Arun Jaitley also introduced amendments to the Finance Bill, 2016, for capital gains.

After two consecutive years of drought, finance minister Arun Jaitley said, India can grow faster if forecasts of a better monsoon hold true as that will improve agriculture and raise rural income.

While replying to a debate on the Finance Bill in Parliament, Jaitley said: “Economy, which had been expanding on strength of public investment, highest foreign direct investment (FDI) and urban demand, can grow faster if rural demand is added.”

Even though global economic outlook remains bleak, India remains the fastest growing major economy and has the potential to grow at “an even faster pace”, he added.

Indian economy grew by 7.6 per cent in 2015-16 and is projected to grow by 7.5 per cent in the current year. Latest forecasts predict above-average rainfall in India after two years of drought.

After the reply, the House passed the Finance Bill that marks the culmination of the three-stage budgetary process in the Lok Sabha. The Bill will now go to Rajya Sabha.

Jaitley also ruled out rollback of 1 per cent excise on non-silver jewellery saying the levy was not applicable on small traders and artisans and only jewellers with more than Rs 12 crore turnover last year and Rs 6 crore for this year will attract the duty.

“I have not been able to understand the politics of hatred for ‘suit’ but love for gold,” he said, adding that if the Congress has objections to the levy, it can begin by removing the 5 per cent VAT on bullion in Kerala where it is the ruling party.

Jaitley also introduced amendments to the Finance Bill, 2016, for capital gains clarifying that the long-term capital gain period in case of unlisted securities has been reduced to 24 months from 36 months.

Separately, the Central Board of Direct Taxes, in a recent order to field formations, said that income arising from transfer of unlisted shares, irrespective of period of holding, would be taxable under the head capital gain.

This has been done to reduce disputes and litigation as the assessing officer could earlier treat these gains as business income. On black money, he said efforts of government have brought Rs 71,000 crore of undisclosed assets to the books.

He, however, ruled out bringing agriculture income under the tax net, saying large farm-based income was rare and people using agriculture as front to hide income from other sources would be dealt with tax authorities.

Jaitley said tax notices have been sent to all the names of those holding offshore accounts that have been disclosed in the Panama papers and action will be taken against those illegally parking money abroad.

Highlighting the problem of non-performing assets (NPAs) of banks, Jaitley said, “NPA issue with banks is an issue of concern. Some loans may have been given wrongly.

I am not going into who is responsible for it. But weakened business cycle due to global economy has also impacted bank balance sheets.”

He added, “Hiding NPA will not resolve the problem. It should be reflected in balance sheet and addressed via capitalisation.”

Jaitley said the government has drafted the amendments to the RBI Act, which will pave the way for creation of monetary policy committee, as was announced in the Budget.

The passage of the Finance Bill will allow formation of the six-member monetary policy committee, which will include the RBI Governor and three government nominees.

### **Farm distress: Monsoon isn't the only spoiler**

Why the revival of exports matters as much as rains for Indian farmers.



From this also follows the hope that a good monsoon this time — as predicted by the Met Department and most global weather agencies — would help turn things around

It is generally held that the woes of Indian farmers today have had largely to do with extreme weather events.

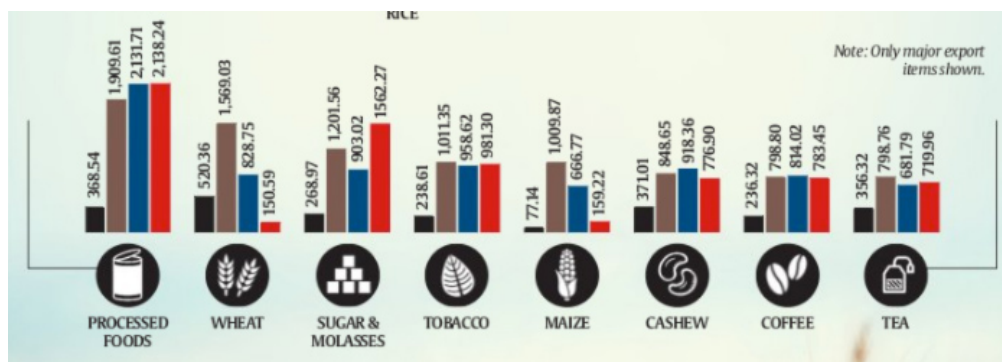
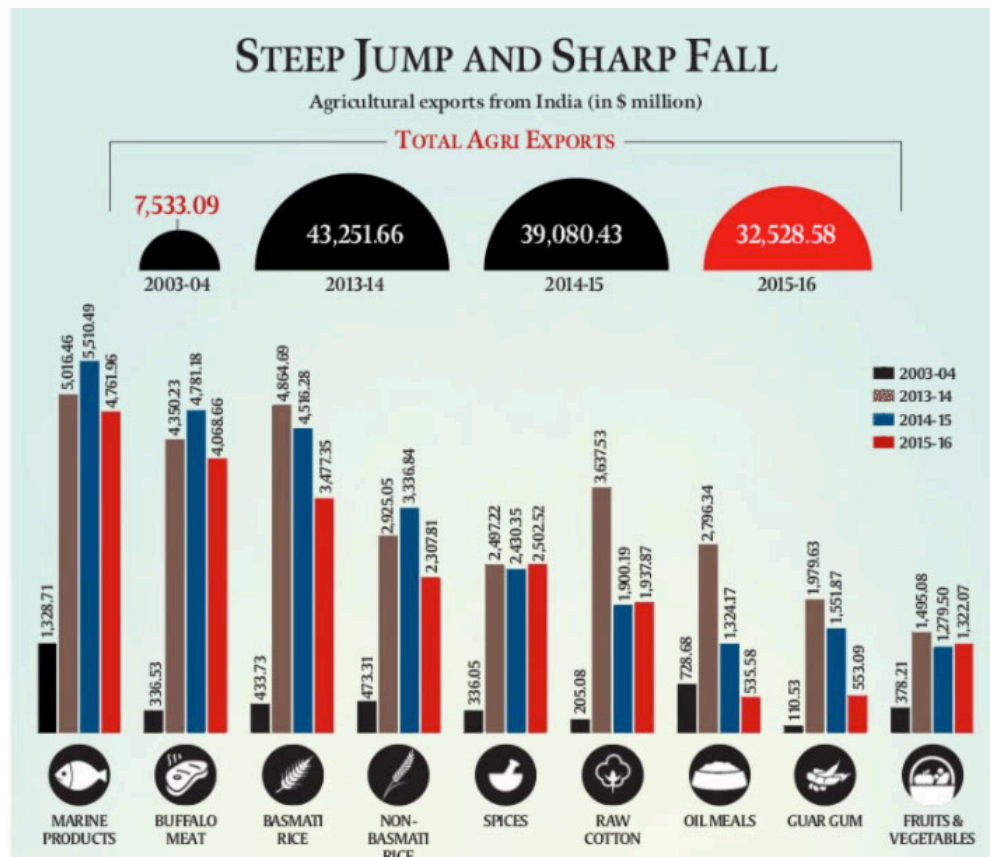
The southwest monsoon failed in both 2014 and 2015. Besides, we had extensive crop damage from unseasonal rain and hailstorms over large parts of north, west and central India in March 2015.

From this also follows the hope that a good monsoon this time — as predicted by the Met Department and most global weather agencies — would help turn things around.

A bumper harvest, which has been eluding farmers for the last two years, should bring smiles back to the beleaguered rural economy.

What this optimistic view overlooks, though, is an equally important factor behind farmer woes in the last two years.

That has to do with the crash in global commodity prices, whose immediate impact has been on the country's agricultural exports.



During the global commodity boom, which coincided with the previous Congress-led UPA regime's tenure, India's farm exports surged almost six-fold from about \$ 7.5 billion to \$ 43.25 billion between 2003-04 and 2014-15.

Higher exports benefited farmers by pushing up domestic crop prices. This happened both due to increased external demand as well as the government per force having to align its minimum support prices (MSP) to global levels.

But the last couple of years, roughly from the time of the Narendra Modi-led NDA government's taking over, have seen the reverse happening.

The end of a decade-long commodity boom has hit Indian farm exports hard.

They fell to around \$ 39 billion in 2014-15, and further to \$ 32.5 billion during the fiscal just ended.

That translates into a decline of \$ 10.7 billion, or roughly Rs 49,000 crore, if one compares 2015-16 to 2013-14.

To understand what this means to the farmer, take the case of wheat. In 2012-13 and 2013-14, India exported the grain at an average price of \$ 310 and \$ 275 per tonne respectively.

If wheat were to be exported now, it can only be done at \$ 175-180 per tonne or Rs 1,164-1,197 per quintal. This price — that, too, at the point of shipment/port of loading, which is higher than at the farmgate — is way below the current MSP of Rs 1,525 per quintal.

Even imported wheat landing at Indian ports today would cost \$ 200-205 or Rs 1,330-1,363 per quintal, which is again lower than the MSP.

Low global price of wheat, in other words, constrains the government from raising the MSP.

The Modi government may not be able to grant much of an increase even next year when Assembly elections are due in Punjab.

This is a far cry from the situation during the UPA period, when MSP hikes of Rs 75-100/quintal were a routine annual affair.

But it is not wheat alone. Two years ago, basmati growers were selling Pusa-1121 paddy at Rs 4,000-4,500 per quintal.

That was when parboiled rice from this premium basmati variety was fetching \$ 1,600 per tonne in West Asian markets.

Today, these rates are ruling at Rs 2,000-2,200 per quintal and \$ 800 per tonne respectively, even as India's basmati export earnings have dropped from \$ 4.86 billion in 2013-14 to \$ 3.48 billion in 2015-16.

Even more spectacular is the story of guar, the seeds from whose harvested pods yield a gum that is used as a vital ingredient in the extraction of oil and gas from rocks.

During the height of the US shale boom, spot prices of guarseed hit a record of Rs 30,432 per quintal in Jodhpur on March 21, 2012. In 2012-13, India's guar-gum exports peaked at \$ 3.92 billion.

But in the last fiscal, they collapsed to \$ 553 million along with world oil prices. With guarseed prices too following suit — they are now trading in Jodhpur at under Rs 3,270 per quintal — so have the fortunes of farmers in western and northern Rajasthan.

As the accompanying table shows, practically every farm commodity registered huge jumps in exports between 2003-04 and 2013-14.

More significant, the benefits were reaped by farmers even in distant hinterlands, a good example being maize.

A decade back, India hardly exported much maize.

However, in 2012-13, the country shipped out nearly five million tonnes of the feed grain worth \$ 1.3 billion.

Over a fifth of it was accounted for by Bihar: the state's Kosi-Seemanchal belt emerged from nowhere to be a major supplier to south-east Asian markets such as Indonesia, Malaysia and Vietnam.

A good monsoon will, no doubt, enable farmers to produce more — which they haven't been in a position to do in the past two years because of successive droughts.

But farm incomes depend not just on production, but also on prices. And the outlook there isn't as encouraging, thanks to factors that are more global than local.



### **Whitefly fear makes Malwa farmers look beyond cotton**

In the wake of losses due to whitefly attack last season, the Punjab agriculture department is facing the possibility of covering less acreage under cotton crop this year.

This may result in the department falling short of its target to cover five-lakh hectares under the cotton crop in Malwa region this kharif season.

The agriculture department has put everything on stake to revive cotton economy but the lack of enthusiasm among farmers can be seen as sowing has already begun.

Staff of agriculture department has been finding it difficult to convince farmers to give another shot to cotton.



The government has set a target to cover five-lakh hectares under the crop this year against 4.5-lakh hectares last year.



The government has set a target to cover five-lakh hectares under the crop this year against 4.5-lakh hectares last year. (HT File Photo)

Whitefly attack had severely damaged almost two-thirds of the crop last year. The ‘spurious’ supply of seeds and pesticides added to the woes of cotton-growers.

Deputy director (cotton) Sukhdev Singh Sidhu said though it was obvious for farmers to be hesitant after last year’s losses, the department had gone all out to rebuild trust of farmers.

“How successfully we managed to convince farmers can be assessed only once the sowing is over,” Sidhu said.

Meanwhile, demanding anonymity, a chief agriculture officer of the cotton belt said going by the sale of cotton seeds and slow sowing this season so far, it appeared hard to meet the targets for respective districts.

Bathinda chief agriculture officer Nachhatar Singh Aulakh said though 40% of cotton-sowing had been completed, the process is much slower than that of last year.

“We are given a target of 1.65 lakh hectares against 1.45 lakh hectares last year. The field staff is visiting every village in the cotton belt, but farmers seem more interested in pulses, maize and paddy,” Aulakh said.

Govt perks fail to impress farmers

To popularise cotton-farming, the government had reduced the prices of BT cotton seeds from Rs 1,000 per packet (450g) to Rs 800.

The government had even come up with a seven-month plan to address the concerns of cotton farmers to revive their economic condition.

The plan is being looked after by additional chief secretary (development) Suresh Kumar and was enforced in March-end.

It envisages removal of whitefly-infested weeds across the cotton belt, holding technical training and awareness camps at the time of purchase of seeds and sowing, and interactive sessions with farmers so as to get details regarding the health of the crop.

To boost the farmers, the government will grow 400 demonstration plants of cotton for every 25 acres across the belt.

Shingara Singh Mann, district president of Bhartiya Kisan Union (Ugrahan), said that after last year’s losses, paddy is a viable and safe option for farmers.

“Besides getting tubewell connections, the farmers are ready to spend money on diesel for sowing paddy instead of taking the risk of sowing cotton,” Mann said.

## **Bovine beauties! Cows to go on catwalk in Haryana's Rohtak village**



Haryana is all set to host a cow show at International Institute of Veterinary Education and Research in Bahu Akbarpur village of Rohtak district on May 6 and 7. (HT Photo )

Radha, Radhika, Shama, Rani and many more are set to walk the ramp for beauty pageant in Haryana.

But before you book your tickets, know that these pretty names don't depict beautiful ladies, but beautiful cows.

The state is all set to host a cow show at International Institute of Veterinary Education and Research in Bahu Akbarpur village of Rohtak district on May 6 and 7.

As many as 250 cows were registered till Thursday, while the event organisers said they were expecting a strength of more than 500 to participate in the show, which will also have a competition of milk-yielding.

Registrations are going in full swing and the ramp where cows will walk is set.

But, only desi breeds of cows are allowed, which include Haryana, Sahiwal, Tharparkar, Rathi, Belahi and Gir.

The reason Haryana government cited was it wants to promote desi breeds and flare up their prices in the market compared to foreign ones.

Cattle owners from different parts of the state have started thronging the venue with their colourful cows, decorated to look beautiful to make them win various cash rewards.



Cattle owners have started thronging the venue. (HT Photo)

“I have come from Karnal with 12 cows.

My strong contender for beauty contest Radha, a Sahiwal cow, has earlier won several contests in Punjab and Haryana,” a cattle owner Rajbir Singh said.

Another contender from Mahendragarh, Mustaq Khan’s cow Amba yielded 19.5 litres milk in a recent contest in Muktsar.

“I’m hopeful she will make me proud again,” he said.

Arrangements have been made for cows and their owners at the venue, which include food and shelter.

A panel of scientists expert in the breeds of the cows will judge them on the basis of their ideal features.

“Scientists from veterinary institutes and universities have been called as judges,” Nodal Officer of the event Prem Singh said.

Then, a winner will be announced in each category whose owner will reportedly be awarded Rs 2.5 lakhs.

The mind behind the show, Haryana animal husbandry and dairying minister Om Prakash Dhankar told HT the idea behind starting this event.

“All women are beautiful, but still the world organises beauty pageants for them. Whoever wins, suddenly becomes famous.

Similarly, we want to organise beauty pageant for desi cows so they also get the lost limelight which they deserve and flare up their market value.

This would promote the adoption of desi cows who are now being forgotten by Haryana farmers,” Dhankar said.

“Besides, why should milk brands come and take away the earnings which our local farmers can get?” he asked.

Earlier scheduled for February 27 and 28, the event got postponed because the law and order situation in the state was not conducive after the state witnessed an unprecedented violence and arson.

## **No prohibition on cattle trading: Home Ministry**

Opposition says attack on cattle traders on the rise

The Rajya Sabha witnessed a spirited debate on the attacks against cattle traders in various parts of the country.

Expressing concern over the situation, the Home Ministry told the elders that strict guidelines have been issued to States to avoid any untoward incidents and said cattle trading is not banned in the country.

“Cattle trading is not prohibited in the country. It has been going on for centuries,” Minister of State in the Home Ministry Kiran Rijiju said.

The Opposition leader Ghulam Nabi Azad wondered why no action is taken against BJP leaders who have been making communal statements against cattle traders.

“In some places private forces parallel to the police are blocking the cattle traders and attacking them,” Azad added.

The discussion was on a calling attention moved by CPI (M) leader Tapan Sen.

Sen said in his speech that attacks against cattle traders saw a rise in the last two years and held the silence of BJP leaders as responsible for it.

Rijiju said in his reply that the Opposition is trying to divert the issue for political purposes.

## Rubber growers pin hopes on rains as supply crunch pushes up prices



Rubber farmers are pinning hopes on the monsoon to start full-fledged production, even as recent price improvement in the crop has brought cheers to the sector.

The prevailing dry weather conditions have drastically impacted natural rubber production, which stood at 5.63 lakh tonnes in FY16.

A tight supply crunch in the domestic market, coupled with rise in international prices, has led to a price surge, which is now hovering at ₹138 per kg today from ₹90 in the last few months.

### **Tight supply**

However, majority of the growers could not capitalise on the price improvement, as arrivals in the domestic market during February-March were low due to non-availability.

This was particularly because of the Kerala government's ensured price procurement scheme of ₹150 per kg for RSS-4 grades.

This prompted growers to sell the commodity in the open market, George Thomas, a grower based in Kanjirappilly in Kottayam district, told *Business Line*.

This, he added, has led to a tight supply as rubber farmers normally do not practice the tendency to hold stock for long gestation periods.

Thus, low availability due to drought conditions, coupled with reduced imports in April, has forced consuming industries to purchase rubber from the domestic market.

With the recent price rise, he said majority of growers are now showing inclination towards rubber though un-remunerative prices have compelled them to stop harvesting and even abandoning tapping.

However, the absence of sufficient summer rains in April had delayed tapping for the new season and farmers now await the blessings of rain gods.

The supply tightness is expected to continue until the market receives fresh arrivals, which depends on the monsoon, he added.

With the steep increase in prices, production could increase once the weather turns conducive.

The upcoming rainy season will have considerable influence on natural rubber in the local as well as international markets, said Anu V Pai, Analyst at Geofin Comtrade.

The market, she added, is showing signs of revival with prices having recovered more than 50 per cent from the multi-year lows it had hit in February.

“The rebound in crude oil, joint action by the top natural rubber producing countries such as Thailand, Indonesia and Malaysia in the form of Agreed Export Tonnage Scheme, and monetary easing by China are all lending support to prices,” she said.



## **Availability a major issue**

N Dharmaraj, President of UPASI, said that availability is a problem today, especially for consuming industries at a time when domestic prices are figuring lower than the landed imported price.

Besides, the reduction in tappable area to 50 per cent and decline in latex output on prevailing weather have also contributed the drop in production.

Expressing hope that farmers would shift to tapping with the start of the monsoon, N Radhakrishnan, Advisor, Cochin Rubber Merchants Association, said this would push up production and fetch better returns to farmers.

According to Rajiv Budhreja, Director General, Automotive Tyre Manufacturers Association (ATMA), availability has emerged as a major issue amidst rising prices, in the last two months.

Tyre companies have no option but to import Natural Rubber to meet the current and expected demand. “We have already conveyed our concern to the authorities in this regard,” he said.

## **Maharashtra sugarcane output to fall 40% as dry conditions prevail**

Drought for two years in a row key cause; CM Fadnavis assures all help to farmers

The Maharashtra State Cooperative Sugar Factories Federation (MSCSFF) expects sugar cane production in the State to fall 40 per cent to 500-550 lakh tonnes in the sugar season 2016-17 (October-September), against 930 lakh tonnes in the same period last year.

According to initial reports, Shivajirao Nagawade, Chairman of MSCSFF, said the area under sugarcane cultivation would fall to 6.30 lakh hectares this year as against 9.27 lakh hectares in the same period last year.

The federation expects acreage under sugarcane in all the growing regions of Maharashtra, including Kolhapur, Pune, Ahmednagar, Aurangabad, Amravati and Nagpur, to fall drastically.



Maharashtra is the largest producer of sugar and sugarcane in the country. “Even if the monsoon turns out to be good as widely predicted, the yield may suffer due to drought over the last two years.

Except for few sugar mills, almost all the have stopped crushing in Maharashtra,” he said.

Nagawade expects cane output in Karnataka and Andhra Pradesh to dip as well, while it may turn out to be little better in Uttar Pradesh.

### **Soft loans**

Maharashtra Chief Minister Devendra Fadnavis has assured all help to farmers to overcome the crisis.

The State government is considering a proposal to extend soft loans to sugar factories in the worst drought-hit regions of Marathwada, Solapur and Ahmednagar.

Nagawade has suggested that the government restructure loans of sugar mills, as it is being for large corporate houses and provide subsidy for drip irrigation for cane.

Asked whether the retail sugar prices would rise above the current level of ₹40 a kg, he said prices may at most touch ₹43-45 levels as the government will resort to imports and increase supplies if prices shoot up to unrealistic levels.

“Though sugar prices are rising at the retail level, farmers are not getting any benefit.

The cost of cutting sugar cane has gone up to ₹240 a tonne from ₹70 a tonne a few years back.

Use of harvesters is of no help as they charge about ₹300-320 a tonne,” he said.

The Maharashtra government has asked all the 300 private and co-operative sugar factories in the State to donate ₹10 lakh each to the Chief Minister’s drought relief fund for use in drought-hit Marathwada region.

The State government has issued seizure notices to 20 sugar factories for non-payment of Fair and Remunerative Price to cane farmers.

It has set May 31 as deadline for paying the dues.

As of January, cane arrears to be paid by mills to farmers have declined to ₹2,700 crore from ₹21,000 crore in April 2015 as the State government extended interest free loan of ₹6,600 crore to settle farmers’ dues.

# Business Standard

## **Rural income adversely affected due to natural calamities: Govt**

Under MGNREGA, provision for an additional 50 days of unskilled manual work has been made in drought or natural calamity affected areas



*Villagers on their way to collect drinking water in Karnataka on Wednesday*

Rural employment and income are adversely affected by natural calamities like droughts and floods, Rural Development Minister Birender Singh said on Thursday.

"Rural employment and rural income are sometimes adversely affected by natural calamities, especially droughts and floods," he said in Lok Sabha during Question Hour.

Under the Mahatma Gandhi National Rural Employment Guarantee Act, provision for an additional 50 days of unskilled manual work has been made

over and above 100 days per household in notified drought affected or natural calamity affected areas, he said.

"The department through its various programmes aims to bring about overall improvement in the quality of life of the people, including youths in rural areas, through employment generation, skilling and strengthening of livelihoods opportunities. The programmes have largely been successful in generating employment in the rural areas," Singh said.



## THE TIMES OF INDIA

### **No tax on agriculture income: Arun Jaitley**

The central government on Thursday outright rejected suggestions from some opposition members to bring agriculture income under the tax net, saying this is not being considered at all.

Replying to the debate on the Finance Bill, 2016-17 in the Lok Sabha, Union Finance Minister Arun Jaitley asserted that despite global recession, the Indian economy is doing well.

He maintained that it can do much better, provided there is a good monsoon and the government is able to address the vexed issue of non-performing assets (NPAs) of banks.

"Vishwa ke tulna mein hum sabse aage haen (in comparison to the rest of the world, we are far ahead)," Jaitley said.

"After two years of drought, if the forecast of better monsoon rains this year holds good, it will improve agriculture," he said.

The minister said a good monsoon will add to the rural economy and thus the economy - which had been expanding on strength of public investment, the highest foreign direct investment (FDI) and urban demand - can only grow faster.

He pointed out that despite the global recession and uncertainty prevailing on how long the crisis will remain, India still continues to maintain a high growth rate at 7.65% in 2015-16 compared to 7.2% in 2014-15.

On the suggestion about introducing tax on agricultural income, he said that, firstly, large farm-based income was rare and people using agriculture as a front to hide income from other sources need to be dealt with by the tax authorities.

But he said under the federal structure, the state governments have the power to impose such agricultural tax and counselled Biju Janata Dal floor leader B. Mahtab that it will be ill-advised for the Odisha government to do so.

During the debate on the Finance Bill on Wednesday, Mahtab had asked: "Does it make any sense providing support to the big farmers, not taxing the agriculture produce of the farmers is one thing but not taxing the companies who are earning thousands of crores of rupees?"

Even Trinamool Congress member Saugata Roy had said that rich farmers should be brought under the tax net to widen the tax base.

On the issue of one percent excise duty on non-silver jewellery, the finance minister ruled out its rollback, saying the levy was not applicable on small traders and artisans. Only those jewellers with more than Rs 12 crore turnover will attract the duty, he said.

Jaitley conceded that bad loans are an issue and the NPAs of banks remain a matter of concern for his government.

"I would not like to go on a blame game on this. But, we cannot solve the problem of NPAs by hiding it," Jaitley said, stressing that the government is taking steps to bring the banks out of the NPA mess.

He maintained that loans that have been lent without proper due diligence will be investigated, and said NPAs need to be reflected in the balance sheets and subsequently addressed through capitalisation.

He flayed the Congress party for supporting the United Front government's Voluntary Disclosure Scheme (VDS) in the 1990s, saying it was "an ill-advised scheme" and was "discriminatory against honest tax payers".

"I am surprised that Veerappa Moily (Congress) said this is a highly successful scheme," he said referring to the VDS launched in the mid-nineties when P Chidambaram served as the finance minister under Prime Ministers HD Deve Gowda and IK Gujral.

Jaitley also took a dig at the Congress, and said: "I have not been able to understand the politics of hatred for 'suit' but love for gold".

This was in reaction to Congress opposing the levy of excise duty on gold and other jewellery.

"If the Congress had objections to the levy, it can begin by removing the 5 percent VAT in Kerala where it rules," he said.

Responding to criticism that government's steps have often been against people-oriented schemes, Jaitley said:

"In all the three budgets this government presented, we tried to ensure that small tax payers have more money in their hands."

The Finance Bill now goes to the Rajya Sabha, which has to return it and only then the budgetary exercise for 2016-17 will be completed.

### **Farmers and farm women attend Punjab Agricultural University's Kisan Club Meet**

As many as 470 farmers and 95 farm women from different parts of Punjab participated in the monthly training camp of Punjab Agricultural University (PAU) Kisan Club on Thursday.

The Coordinator of the club, TS Riar said farmers were informed about direct seeding rice technique, solar heat treatment for wheat storage and turmeric processing, and value addition to fruits and vegetables. Besides, farmers were also provided remedial measures for joint pains.

The Coordinator of women's wing of the club, Rupinder Kaur told that farm women were equipped with household management activities.

MS Grewal, President of the club, interacted with the farmers and the farm women. Later, he proposed the vote of thanks.

### **No tax on agriculture, but tax evaders won't be spared: Jaitley**

Finance Minister Arun Jaitley on Thursday outright rejected suggestions to tax agricultural income but warned of strict action against those passing off income from other sources as agricultural income.

"One is honest agricultural income. You may have a large income, which is a separate case.

That is a rare case. But there are some cases where people are passing off income from other sources as agricultural income.



This is a case of evasion. That will be dealt with under the law," Jaitley said in the Lok Sabha while replying to a debate on the Finance Bill 2016.

He rejected the demand for including those with higher agricultural income under the tax net, a suggestion made by Biju Janata Dal (BJD) member B. Mahtab and Saugata Roy of Trinamool Congress during Wednesday's debate.

Jaitley said: "The category of people earning from agriculture in crores (of rupees) is very little.

In any case, please remember, under the constitution the Centre has no power. It is a state subject."

He however hastened to address Mahtab: "I would advise you not to advise your chief minister to levy it in Odisha.

Though you have a right, but do not bring it in Odisha."

Mahtab protested by saying there is a "case pending" on the issue in the Patna High Court.

"A number of people are indulging in this type of activity, showing more than Rs.200 crore profit," the Cuttack MP said.

In response, the finance minister said he is "aware" of this and said that tax evaders will not be spared.

He also ruled out withdrawal of the proposed one percent excise duty on non-silver jewellery, a demand made by Bharatiya Janata Party's ally Shiv Sena and also the Congress.

Jaitley took a dig at the Congress: "I have not been able to understand the politics of hatred for 'suit' but (its) 'love for gold'."

"If the Congress had objections to the levy, it can begin by removing the five percent Value Added Tax in Kerala where it rules," he said.

Despite global recession, the Indian economy is doing well, he said and maintained that it can do much better in the event of a good monsoon.

"In comparison to the rest of the world, we are far ahead," Jaitley said.

Despite challenges, he said India still continues to maintain a high growth rate at 7.65 percent in 2015-16 compared with 7.2 percent in 2014-15.

The minister said the government will act tough against those found holding illegal offshore accounts as revealed in the Panama Papers leak.

Regarding the demands from members from Andhra Pradesh, especially Telugu Desam Party (TDP), a constituent of the National Democratic Alliance (NDA), Jaitley assured that a state which has lost a lot of revenue after its division and formation of Telangana will be given all the money it is entitled to.

### **Farmers to boycott onion auction**

The onion farmers have decided to boycott onion auction at Yeola Agriculture Produce Market Committee (APMC) from May 6 to 9 to protest the decline in prices.

In a letter to the Yeola APMC, the Shetkari Sanghatana has demanded minimum guarantee rates of Rs 1,500 per quintal and grant for exporting onions to boost the exports.

The average wholesale prices have declined to Rs 600 per quintal and farmers are unable to recover even their production cost.

D Khairnar, secretary of the Yeola APMC said, "The farmers have given a letter about their boycott of onion auction to protest the decline in prices.

Onion traders have also supported the farmers' move. Friday is a holiday because of 'no moon' day (amavasya), while Sunday is also a holiday. Because of the boycott, there will be no onion auction on Saturday and Monday."

Santu Zambre, president of the north Maharashtra unit of Shetkari Sanghatana said, "The production cost of onions is around Rs 1,000 per quintal.

At Yeola APMC, the prices are in the range from Rs 200 to Rs 800 per quintal, but around 90% of the arrivals are sold in the range of Rs 200 to Rs 500 per quintal.

Very small quantity is sold at Rs 700-800 per quintal.

Farmers are unable to even manage their production cost and suffering huge losses. The government must find a solution to this."

Zambre added, "We have decided to boycott onion auction to catch the attention of the government.

We want the government to give minimum guarantee rates and also grants on onion export to boost exports."

The average wholesale price at Yeola on Thursday was Rs 600 per quintal, while the minimum and maximum prices were Rs 200 and Rs 811 per quintal, respectively.

Around 5,000 quintals of onions were auctioned at Yeola on Thursday.

Prices rise marginally at Lasalgaon: The average wholesale onion prices increased marginally at the country's largest wholesale onion market at Lasalgaon APMC on Thursday.

The prices increased to Rs 750 per quintal on Thursday compared to Rs 735 per quintal previously.

In the retail market of the city, onions were sold in the range of Rs 10 to 12 per kg.

The average wholesale prices have declined by 61.34% in the past five months from Rs 1,940 per quintal on December 1, last year to Rs 750 per quintal on Thursday due to rise in supply.

An official from Lasalgaon said, "The arrival of summer crop has begun in all onion-growing states.

This has led to decline in demand for Lasalgaon's onion. This is the reason for the fall in prices."

The minimum and maximum prices at Lasalgaon on Thursday were Rs 400 and Rs 945 per quintal, respectively, when around 10,000 quintals of onions were auctioned.

Sources said the average wholesale prices are expected to be in the range of Rs 700 to Rs 850 per quintal for the next couple of weeks.

The Nationalist Congress Party has decided to stage a 'rasta roko' across the district on Friday in protest against the decline in onion prices and the government's negligence in tackling the situation.

The party has demanded the government to introduce guarantee rates to onion farmers so that they would not suffer losses.

NCP district president Ravindra Pagar said, "Onion prices have declined a lot and farmers are suffering huge losses as they are not getting even the production cost.

The government has not taken any measures to help the farmers. The government should give guarantee rates to farmers at the earliest."

## THE ECONOMIC TIMES

### Centre buys 2,300 tons of onion so far to build buffer



The buffer stock of onion is being created using the Rs 900-crore Price Stabilisation Fund (PSF). The objective of this fund is to control price volatility.

NEW DELHI: The Centre has procured 2,300 tons of onions directly from farmers this year so far to build buffer stock to be utilised for market intervention in the event of price rise during a lean season.

The buffer stock of onion is being created using the Rs 900-crore Price Stabilisation Fund ( PSF).

The objective of this fund is to control price volatility, thereby protecting interest of farmers and consumers.

The fund is being used for creating buffer stock of pulses and potato also.

"We are aiming to buy 15,000 tons of onion this year. So far, nodal agencies Nafed and SFAC have procured 1,500 tonnes and 800 tonnes, respectively," Food Minister Ram Vilas Paswan told reporters.

The storage quality onion has been purchased directly from farmers in the price range of Rs 8.50-9 per kg.

The stock would be kept at Lasalgoan, he said.

With onion prices ruling lower at Rs 2-3 per kg in Maharashtra, these two agencies are buying onion in the state to ensure support price to onion growers, he said adding that onion will also be procured from other growing states like Rajasthan and Madhya Pradesh.

The arrival of rabi (winter) crop of onion has began and and cooperative firm NAFED will buy in total 10,000 tonnes, while the Small Farmers Agribusiness Consortium (SFAC) will procure 5,000 tonnes.

On storage of onion, Paswan said that onion procured from Maharashtra is being stored at Nasik and the nodal agencies have been asked to explore hiring of godowns in other states and even state governments have been told in this regard.

A team has been sent to Rajasthan and Madhya Pradesh to explore godowns for storage of onions, he added.

Last year, the government procured 8,000 tonnes of onion but only after retail prices went through the roof.

This time, the Consumer Affairs Ministry has been asked to prepare timely import plans for pulses and onions.

It has also been asked to intervene in the market on time so that consumers are not affected by price rise.

Onion production is estimated to be increase to 20.33 million tonnes in 2015-16 from 18.92 million tonnes in the previous year, as per the Agriculture Ministry data.

At present, retail price of onion is ruling at Rs 20 per kg in the national capital. Normally, prices flare up during August-September period.

**Centre gives 10,000 ton pulses to 4 states to sell at lower rate**



The Centre has built a buffer of 50,000 tonnes by way of domestic procurement.

It is in the processing of procuring one lakh tonnes of chana and masoor in the ongoing rabi season.

NEW DELHI: In a bid to control pulses prices which are inching close to Rs 200/kg, the Centre today said it has released 10,400 tonnes of tur and urad from its buffer stock for retail sale at subsidised rate of Rs 120/kg in Delhi, Andhra Pradesh, Telangana and Tamil Nadu.

The Centre has built a buffer of 50,000 tonnes by way of domestic procurement.

It is in the processing of procuring one lakh tonnes of chana and masoor in the ongoing rabi season.

"From our buffer stock, we have released 400 tonnes of tur and urad to Kendriya Bhandar and Safal outlets in Delhi.

We have given them unmilled pulses.

We have asked them sell at subsidised rate of not more than Rs 120/kg after milling," Food Minister Ram Vilas Paswan told reporters.

Kendriya Bhandar and Mother Dairy's retail chain Safal have informed that they will sell tur and urad at subsidised rates via their retail outlets in the national capital from tomorrow, he added.

Paswan further said that the Centre has released 2,000 tonnes of tur to the Andhra Pradesh government against the demand of 8,000 tonnes, while Telangana has also been given 2,000 tonnes of tur from the buffer stock against the demand of 15,000 tonnes.

In case of Tamil Nadu, the government has sanctioned 5,000 tonnes of urad against the demand of 10,000 tonnes and 1,000 tonnes of tur has been released against the requirement of 2,000 tonnes.



The Maharashtra government has placed an order for 30,000 tonnes of tur and urad, Paswan said, adding that the decision on this will be taken soon.

He also mentioned that the Rajasthan government has placed an order of 1,000 tonnes each of tur and urad over the phone and will send a formal proposal soon.

Even Haryana and Karnataka governments have communicated that they will send their demand of pulses soon, he added.

Stating that pulses supplies are being augmented through buffer stock and imports, the Minister said the centre has contracted to import 26,000 tonnes of tur and urad so far this fiscal, of which 10,000 tonnes has already landed.

Unlike last year, the government has started imports through state-run MMTC on time to augment domestic supplies and check prices, he said.

The Centre has also empowered the states to impose stock limits on the pulses to ensure easy availability, he added.

Pulses prices have again started spiralling because of fall in domestic production due to back-to-back drought.

Urad is available at Rs 195/kg, tur at Rs 170/kg, moong dal at Rs 121/kg , masoor dal at Rs 105/kg and gram at Rs 85/kg today in retail markets, as per the government data.

As per the Agriculture Ministry's second estimate, pulses production is estimated at 17.33 million tonnes in 2015-16 crop year (July-June), marginally higher than the previous years production of 17.15 million tonnes.

India is the world's largest producer of pulses, but its domestic demand outstrips production. The shortfall is met through imports.