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# DECCAN Chronicle

## **Note ban hit farmers hard: Uttam Kumar Reddy**

Uttam Kumar Reddy said that the note ban has drastically reduced the sowing area in the current Rabi season.



TRS government, with its wrong policies, has pushed the state into huge debts and financial crisis, says Reddy. (Representational image)

**Hyderabad:** TPCC president N. Uttam Kumar Reddy on Saturday lashed out at the Central government, saying that its demonetisation move has negatively impacted the agricultural sector and affecting the sowing process across the country, especially in TS.

Addressing a dharna organised by former minister Ramreddy Damodar Reddy at Suryapet district headquarters, Mr Uttam Kumar Reddy said that the note ban has drastically reduced the sowing area in the current Rabi season.

According to a rough estimate, as against the normal sowing area of 12.07 lakh hectares in TS, the sowing area, as on January 4, got reduced to 5.57 lakh ha or just 46 per cent, he said.

“This would have an adverse impact agricultural production leading to shortage of food grains and other commodities in the next few months,” the TPCC chief said, adding that demonetisation has dealt a severe blow to the rural economy. Similarly, small traders, petty businessmen and even housewives were badly hit due to demonetisation, Mr Uttam Kumar Reddy said.

The TPCC chief said that it was the Congress that gave a revenue surplus ‘Telangana’ but the TRS government, with its wrong policies, has pushed the state into huge debts and financial crisis.

Leader of the Opposition in the Assembly K. Jana Reddy said that the people of Telangana have now realised that Mr Rao only talks and does not implement

any scheme. He said that the Congress was set to come to power in TS in the 2019 elections with more than 85 Assembly seats.

# Business Standard

Govt to have sufficient sugar; no plans to cut import duty



The [government](#) does not have any immediate plans to cut [import duty](#) on [sugar](#) as the country would have sufficient supply of the sweetener considering fall in consumption this year and a likely bumper crop next year.

The [government](#) is also keeping a close watch on [sugar](#) futures trading to keep a check on speculative activity and ensure no spike in retail price, which at present is Rs 40/kg.

The [import duty](#) on [sugar](#) at present is 40 per cent and no overseas purchase is taking place.

"I don't think we would have to import [sugar](#) as we are going to have adequate stocks in the domestic market. So, there is no question of reducing the [import duty](#) at this point in time," a senior [Food Ministry](#) official told PTI.

There has been a fall in [sugar](#) consumption in the last two months by 4-5 lakh tonnes. So, this year's total consumption would actually come down to last year's level of 25 million tonnes from the earlier projection of 25.5 million tonnes for 2016-17 marketing year (October-September), the official said.

Whereas the [sugar](#) supply would be 30.2 million tonnes for this year, including 7.7 million tonnes of carryover stock and 22.5 million tonnes of domestic output for this year.

Already, mills have manufactured 8 million tonnes of [sugar](#) in the last three months of this marketing year.

In view of the likely drop in consumption level, the country is going to have a surplus stock of 4-5 lakh tonnes at the end of this year, which is sufficient to meet the demand in the beginning of the next marketing year from October 2018.

That apart, the official said, "Most of them are estimating bumper [sugar](#) output of 26-27 million tonnes for next year as the good monsoon has boosted sugarcane production."

Even [sugar](#) mills are expected to start crushing operations earlier in 2017-18 and hence there might be enough supply of [sugar](#) in the market, he said. On [sugar](#) futures trade, the official said, "About 5,000 tonnes a day is traded on the futures platform, which is a very small quantity. But we are monitoring [sugar](#) prices to check speculation."

The official said that no traders would like to buy from the futures market and hoard it for long as there is a stock limit in place on wholesale and retailers till April 2017.

India, the world's second-biggest producer, had produced 25.1 million tonnes of [sugar](#) last 2015-16 marketing year.

## THE TIMES OF INDIA

Farmers may get a say in agriculture produce market committees to curb price fixing



MUMBAI: Following large-scale irregularities and graft in agriculture produce market committees (APMC), the BJP-led government in the state has proposed to give farmers voting rights to elect the committee members.

The committees take decisions on prices and issues faced by the farmers who sell their produce to licensed traders at the marketing yards. However, the electorate comprises only traders and members of gram panchayats, local development societies and cooperative societies, which are run by local politicians. As a result, these market committees are run by local politicians, traders and 'agriculturists', with no farmers' representatives on board.

The traders and politicians who run the committees control the market and decide the prices of produce to their own benefit. There are 305 APMCs in the state with an annual turnover of over Rs 30,000 crore.

"These committees were formed for the benefit of farmers so that their produce can be marketed well and better prices can be fetched. However, over the years the main goal has been forgotten and they are working for personal profits," a senior official said. Experts say this move may help in keeping prices under check. He also said that by giving farmers voting rights, the BJP wants to wrest control of these markets from the NCP-Congress which control most of these committees. Each APMC has 300-400 voters and can have a maximum of 21 members, who are elected every five years.

"Farmers will be able to be a part of the administration of the committees and have a greater say in running the APMCs, which were formulated for their benefit," another official said.

The government is yet to finalise how many farmers will get voting rights at each APMC. They are considering giving voting rights to farmers who sell the most amount of produce at the APMC.

Minister of cooperation, marketing and textile Subhash Deshmukh said the government is working on the proposal and a bill to amend the APMC Act will be tabled in the budget session of legislature in March. Farmers and activists have welcomed the decision as it gives farmers more choice to decide on who they want to have on the committee. The state government had last year delisted fruits and vegetables from sale in the APMC markets and allowed farmers to sell them in open market.

## Agriculture minister ensures compensation for ryots



THANJAVUR: Endorsing the claims of farmers that their crops had withered due to drought, state agriculture minister M Durankannu, gave his assurance here on Saturday that the kin of the deceased farmers would get compensation and those that suffered losses would get crop insurance money.

Heading the high-level committee comprising transport commissioner Satyabrata Sahoo, Thanjavur district collector A Annadurai and elected representatives, Duraikannu enquired about the plight of farmers in Pudhupattinam.

"The late chief minister had introduced the samba and kuruvai packages for farmers. The state has witnessed such unprecedented drought after her death. Action has been taken on a war footing to help distressed farmers. After discussing the issue with the chief minister on January 10, some measures would definitely be taken to compensate farmers for their losses," Duraikannu told reporters.

The high-level teams comprising ministers and bureaucrats visited Thanjavur, Perambaur, Ariyalur and Karur districts to assess the crop damage on Saturday.

Thanjavur, once considered to be the rice-bowl of Tamil Nadu, remained one of the districts witnessing the deaths of farmers either due to stress following the failure of crop or suicide. Going by the claims of the farmers' associations, around 130 farmers have dead in the state in the past one month, unable to bear crop loss.

A team led by tourism minister Vellamandi N Natarajan, principal secretary, municipal administration and water supply department Phaninder Reddy, district collector K Nandhakumar and elected representatives visited the

drought hit areas in Ariyalur and Perambalur districts which also witnessed the deaths of a few farmers.

In Perambalur, the team assessed the withered crops of corn, cotton, small onion in Pommanappadi, Kaarai and Chathiramanai respectively. Natarajan said that crops across 70,649 acres had been affected in Perambalur. A detailed report in this connection will be submitted to the government. However, he said it would not be possible to declare the entire state as drought-hit. "The ground reality would be assessed and proper compensation would be provided," he said.

Another team headed by backward and minorities welfare minister S Valarmathi, principal secretary and managing director Tamil Nadu slum clearance board Shambu Kallolikal and Ariyalur district collector A Saravanelraj, visited damaged paddy crops in Idankanni, Madhanathur, Udaiyavatheeyanur and corn field in Ottakovil villages.

In Karur, a team comprising transport minister MR Vijayabaskar, drought monitoring officer Kakarla Usha, district collector G Govindaraj and MLAs visited Nallipalayam, Thalinsi, Kaaniyalampatti, Velliyanai areas. Minister Vijayabaskar said that Tamil Nadu had received only 30% of monsoon rainfall leaving farmers in the lurch.

The high level team is expected to visit Tiruvarur district on Sunday.

#### Haryana government to launch programme for farmers

CHANDIGARH: Haryana government has decided to launch a Rs 510 crore project to boost infrastructure-related facilities for farmers with a focus on 'Baagwani Villages', Agriculture and Farmers' Welfare Minister O P Dhankar said today.

The 'Crop Cluster Development Programme on Farm and Marketing Support to Horticulture Farmers' in 2016-17 would be executed in three years during which infrastructure-related facilities would be created with a focus on Baagwani Villages.

Dhankar said the project would be undertaken as part of the Swarna Jayanticelebrations in the state.





The project aims at collectivizing farmers, especially small producers, at various levels, fostering technology penetration, improving productivity, enabling improved access to inputs and services, and increasing farmer incomes, thereby strengthening their sustainable agriculture-based livelihood.

It also aims at ensuring suitable market availability, both domestic and international.

Issues such as aggregation of produce, market linkages, grading, packing and standards, sanitary and phyto-sanitary measures, pesticide residues, microbiological contamination and market access would be addressed through the project.

It would help in finding a way out of such problems as direct approach to targeted beneficiaries, improvement in quality, grades and standards, improvement in post-harvest management and increase in bargaining power of farmers, he said.'



### **Crop damage assessment under way**

Assessment of crop loss owing to lack of rainfall in Thoothukudi district is under way.

Officials of the Department of Agriculture and other departments had been assessing the extent of damage caused to the crops, Collector M. Ravikumar said here on Monday.

He said the officials would ensure cent per cent assessment of agricultural fields. About 10 per cent of the assessment had been completed. The assessment of the damage caused to 13 major crops had been made on a random basis at 53 villages across the district, and about 95 per cent of the crops suffered damage, he said. A report was forwarded to the government following the visit of the special team of monitoring officers, he added.

## **The slowing economy**

That [India's economic momentum has slowed down](#) is now beyond doubt. Advance GDP estimates and gross value added (GVA) for the current fiscal year from the Central Statistics Office clearly reveal the extent of the slowdown. While GDP growth is now pegged at 7.1 per cent, compared with a 7.6 per cent pace in 2015-16, GVA is forecast to expand at 7 per cent this year, easing from the 7.2 per cent posted 12 months earlier. And as the Chief Statistician emphasised, these projections were based solely on data from the first seven months through October and do not factor in the impact from the withdrawal of high-value banknotes and the consequent cash crunch. A closer look at the sectoral GVA projections throws into relief the areas of concern: Mining and quarrying is estimated to shrink 1.8 per cent this year after expanding 7.4 per cent a year earlier, while electricity, gas, water supply and other utility services — collectively an indicator of broader economic activity — is slowing to 6.5 per cent from 6.6 per cent. More worryingly, the seven-month numbers establish that two key engines of the economy, manufacturing and services, are losing momentum faster than was anticipated, and this could spell trouble for the coming quarters. This is especially so when seen in the backdrop of demonetisation and what the Reserve Bank of India referred to as the “short-run disruptions in economic activity in cash-intensive sectors such as retail trade, hotels & restaurants and transportation, and in the unorganised sector” and “aggregate demand compression associated with adverse wealth effects”.

There is a silver lining in the CSO data, though. Finance Minister Arun Jaitley in April projected that growth could accelerate this year to 8 per cent to 8.5 per cent subject to a ‘normal’ monsoon. The improvement in rainfall has manifested both in the CSO’s projection for the ‘agriculture, forestry and fishing’ sector, which is estimated to expand 4.1 per cent this fiscal compared with the previous period’s 1.2 per cent, and in rabi sowing data from the Ministry of Agriculture. Preliminary reports from the States show the total area sown under the rabi crop as on January 6 stood at 602.75 lakh ha, up 6.5 per cent from last year. If farmers countrywide can tide over the acute cash shortage resulting from demonetisation and ensure that the sowing translates to strong growth in output, we could see rural consumption provide some cushioning from the slowdown. Nonetheless, in the Union budget due next month, the Centre will have to work in a substantial fiscal fillip to help rekindle economic momentum.

## **Ministers visit drought-affected areas**

A team led by Minister for Municipal Administration S.P. Velumani and District Monitoring Officer and Principal Secretary Harmander Singh visited drought-affected parts of Coimbatore and said that the district had, due to poor rainfall, witnessed drought after 140 years.



A release from the district administration quoting the Minister said that as against the district's average rainfall of 671 mm, the rainfall last year had been only 223 mm - a deficit of 67.5 per cent. The impact of the poor rainfall had been that 8,230 of 9,869 ha of maize, 1,665 of 2,916 ha of jowar, and 2,200 of 4,662 ha under pulses, had been affected.

Of the 295 villages in the district, 276 were affected. Officials would assess damages due to drought and steps would be taken to provide 100 per cent compensation.

A.P. Nagarajan, MP, MLAs, and officials accompanied the team. The team visited villages in Madukkarai, Thondamuthur, Periyanaickenpalayam, Annur, S.S. Kulam, Sultanpet, Pollachi North and South and Anamalai panchayat unions.

In **Tirupur**, Minister for Housing and Urban Development Udumalai K. Radhakrishnan on Sunday inspected the heavily 'stressed areas' across the district where acute water shortage was experienced by farmers.

Official sources said the objective of the visit was to make a ground-level assessment of the difficulties faced by the farmers due to weak monsoon and submit a report accordingly to the State government to mitigate the hardships.

A recent report sent by the Department of Agriculture to its head office had indicated that nearly 15 per cent of the total cropped area in the district since the commencement of rabi season, was 'heavily stressed' with almost entire crops withered.

In **Udhagamandalam**, Minister for Social Welfare and Nutritious Noon Meal Programme V Saroja said that there had been a more than 50 per cent shortfall in rain in the Nilgiris this year after visiting parts of the district on Sunday.

Speaking to reporters at Nanjanad, Ms. Saroja said that on an average, Nilgiris district witnessed 1,920 mm rainfall, while this year, a total of 970 mm rainfall was recorded throughout the district.

The Minister visited drought-affected areas around Udhagamandalam, including Forest Gate and Kavaratti, where she met potato, carrot and cabbage growers and listened to their problems.

"Around 1,000 acres of potato farms, 500 acres of carrot and 200 acres of cabbage seem to have been affected by the lack of rain in and around Udhagamandalam. The district administration will take a count of the total number of farmers affected," Ms. Saroja said.

She said that a report would be prepared and sent to the government, recommending for compensation to be provided to farmers who have incurred losses due to the deficit in rainfall this year.

### **Drought assessment completed in Vellore**



### ***Collector says there has been a 40-50 per cent reduction in sown area***

Assessment of the drought situation has been completed in Vellore district, and the district administration was in the process of preparing a report for the State government.

Teams were formed for each of the 20 blocks in the district to carry out an assessment of crop failure. The district administration will submit a report to the State government on January 9.

On Saturday, Collector S.A. Raman inspected the assessment work carried out by the team at Palur village in Madhanur. He said the work was completed on Sunday, and they were finalising the report that would be submitted to the government.

“As of now, we are seeing a 40 to 50 per cent reduction in actual sown area. Farmers assessed water availability and have reduced the sown area accordingly,” he said.

He said the western parts of the district were affected. “In Tirupattur, there is nearly loss of 35 per cent crop yield,” he added. Officials said the rainfall following ‘Vardah’ cyclone helped in sustaining standing crops for now. However, the full impact of poor rainfall would be felt in March.

### **Paddy sowing down by 39% in Tamil Nadu due to poor northeast monsoon**



***Acreage of pulses, coarse cereals and oilseeds too declines.***

Area under paddy cultivation in Tamil Nadu fell by over 39 per cent to 7.18 lakh hectare so far in the 2016-17 rabi season due to the poor northeast monsoon.

Sowing of paddy and other rabi crops begins during October and November and harvest starts from April.

As per the latest data released by the Union Agriculture Ministry, paddy was sown in 7.18 lakh hectare till the last week of the current rabi season, down by 39 per cent from 11.82 lakh hectare in the year ago period.

“Rice coverage has been lower in Tamil Nadu and other southern States because of deficient rains from northeast monsoon,” Indian Council of Agricultural Research (ICAR) deputy director-general J.S. Sandhu told PTI.

Rainfall was lower by 39 per cent than normal and this has affected sowing activity largely in Tamil Nadu, he added.

Sowing of paddy in adjoining States, especially Karnataka and Andhra Pradesh, too has been affected but not to the extent of Tamil Nadu, Mr. Sandhu said.

Apart from rice, pulses acreage has also declined to 3.48 lakh hectare till last week of the ongoing rabi season, as against 3.94 lakh hectare in the year ago period.

Even coarse cereals coverage was lower at 3.55 lakh hectare from 4.23 lakh hectare, while oilseeds acreage was down at 38,000 hectare from 89,000 hectare in the said period.

Total rabi crops were covered an area of 15.08 lakh hectare till last week of this rabi season, which is down by 30 per cent from 21.42 lakh hectare in the year ago period.

### **‘40 per cent drop in paddy production likely’**

The *samba* harvest season during Pongal will see a 35 to 40 per cent drop in paddy production, according to the Tamil Nadu Agricultural University.

“The paddy production last *samba* season was around 86 lakh tonnes and this year, it will be around 55 lakh tonnes. This is because the area under paddy has also come down,” said TNAU vice chancellor K. Ramasamy.

On a year with normal rainfall, paddy cultivation is taken up on 9 lakh hectares in Tamil Nadu. But this year, the area has shrunk by 3 to 3.5 lakh ha, as drought has hit the crops hard.

The worst-affected areas are Thanjavur, Tiruvarur and Nagapattinam districts. According to rainfall data with the TNAU, there has been a 62 per cent deficit in the northeast monsoon. As many as 21 districts have recorded a rainfall deficit between 60 and 80 per cent, while 10 districts have recorded a deficit between 20 and 60 per cent.

Mr. Ramasamy said that farmers had taken up paddy cultivation only in those areas where they were assured of water.

### **Use correct amount of chemical fertilizer, says IFFCO chairman**

Farmers have been asked to use optimum amount of chemical fertilizers, said Indian Farmers’ Fertilizers Cooperative Limited (IFFCO) chairman U.S. Awasthi.

The use of bio-fertilizers was also catching up, he said. He spoke to farmers at a seminar on “Cooperation and farmers” conducted as part of IFFCO golden jubilee celebrations at Poranki on the outskirts of the city on Saturday. He said the agriculture sector saw several technological and scientific advances over 50 years. Farmers too were able to keep abreast of the changes.

He said the bondage between IFFCO, which started off with a corpus fund of Rs. 1 lakh and 57 members, and farmers was very strong. The company was today a giant with presence in every State of the country. Of the 2,264 cooperative societies in the State, nearly 1,000 were partners with IFFCO.

Apart from providing quality fertilizers to farmers at remunerative prices, IFFCO was building schools, offices, orphanages and was also providing hand pumps in villages as part of its Corporate Social Responsibility programmes.

APCOB chairman and former Minister Pinnamaneni Venkateswara Rao said that demonetisation had impacted cooperative bank members adversely. A.P. Markfed chairman Kanchi Rama Rao, who is an ex-officio director of IFFCO,

said that farmers would prosper only if the cooperative societies thrived. Mr Rama Rao said Mr. Awasthi, who had been working in the cooperative sector for the past 50 years, should be recognised by the government with an award. A resolution was passed to that effect by the meeting. A.P. Cooperative Societies Registrar J Murali recalled how IFFCO stood by the farmers when there was a shortage of fertilizers in 2004-2010.

## hindustantimes

### Shrinking water bodies lower Ranchi's ground water level



*Ponds and water bodies in Ranchi are fast vanishing due unregulated constructions and overuse of groundwater. A dried up pond in the city's Argora neighbourhood. (Diwakar Prasad/ HT Photo.)*

A large pond on Ranchi's east jail road and a landmark of the neighbourhood until a few years back, has vanished due to mushrooming constructions in the area.

It is not the only city water body that has dried up as more than 60 ponds and smaller water bodies have vanished in the last four decades due to unplanned and haphazard constructions, said officials and environmentalists.

Ranchi city that used to have more than 100 ponds and smaller water bodies in the 1970s and only 42 ponds remain, said Ranchi Municipal Corporation officials.

Shrinking natural water bodies have lowered groundwater level and as a result people suffer during summer, said Nitish Priyadarshi, a city-based environmentalist.

In 1946, JB Auden, a British geologist who visited Ranchi to explore for underground aquifers, found that ground water level in Ranchi was not reliable due to the presence of Archaean rocks—the oldest rock formations

“Auden pointed out that the use of tube wells and wells would dry up in summer and suggested to explore the use of surface water,” he said.

An to meet the increasing demand for surface water, three dams—the Dhurwa Dam in 1962, Kanke Dam in 1954 and Getalsud Dam in 1971— were built in and around the city to cater to a population of 4-5 lakh and in 2016 a revised master plan for the city was drawn up, Priyadarshi said

A recent Ground Water Directorate survey states that Ranchi's water table has declined by 8.94m between 2009 and 2014 due to overexploitation of ground water.

No new surface water sources have been identified since 2011 to meet the increasing demand of city residents.

The demand will increase manifold in future and if ponds are not revived and more surface water sources are identified, Priyadarshi said.

“Unplanned and haphazard growth have destroyed major water bodies of the city. Ponds, other smaller water bodies are natural recharge pits and they help the rain water in permeating the ground,” he said.

The RMC has identified 42 water bodies across the city, said Ranchi deputy mayor Sanjeev Vijayvargiya.

“Detailed project reports are being prepared to revive the water bodies,” he said.

Following acute water crisis last summer, the RMC in May, made installing of rainwater harvesting system mandatory for all city buildings. Until now only 150 people have installed the system.

Later, the rule was revised and installing rainwater harvesting system was mandatory for buildings that have a height of 300 m or more.

“Residents have been asked o install rainwater harvesting system by March 31, 2017,” said Naresh Sinha, RMC public relation officer.

“House owners will have to pay 1.5 times more holding tax from April 1, 2017 if they fail to install rainwater harvesting systems by March 31, 2017.”

### **Gurgaon NGO will move green tribunal to remove concrete around trees**

**A year after the National Green Tribunal ordered the administration to remove concrete around trees along Sector 31 road, no action has been taken. According to the petitioner, concrete is piled up around 15,000 trees in (Parveen Kumar/HT Photo)**



Even a year after the National Green Tribunal (NGT) ordered removal of concrete around trees across Gurgaon, nothing much has moved on the ground, alleged a city-based NGO.



The environment activists claimed that the district administration had also failed to remove high tension cables encircling trees.

The NGO will move an affidavit at the tribunal on Tuesday detailing how the administration flouted the NGT directive.

Responding to a petition filed in July 2015, the green tribunal, in February 2016, directed the district administration to have concrete and high tension cables around trees removed at the earliest. However, there has not been a hint of compliance so far.

“It is shocking to note that in a city, which has been losing its green cover bit by bit every year, the district authorities have failed to protect the existing trees as well,” Vivek Kamboj, the petitioner and member of Hariyali Welfare Society, a city-based NGO, said.

In February last year, an NGT bench, headed by Justice Swatanter Kumar had ordered the district agencies to clear concrete piled up around trees on a radius of up to 1.25 metres and submit a compliance report.

Kamboj said at all major locations across the city, the trees are literally found buried under a pile of concrete. He said scores of trees across Civil Lines, near the forest department and residences of the police commissioner and his deputy are trapped in a heap of concrete. Yet, the authorities are unmoved.

According to the petitioner, as many as 15,000 trees in the Haryana Urban Development Authority (Hdua ) and the Municipal Corporation of Gurgaon (MCG) areas need to be de-concreted immediately.

“Now, new trees have been added to this ever-burgeoning list. We’ll move the NGT again as there has been no compliance as yet,” Kamboj said.

However, a senior forest official claimed his department isn't responsible for clearing concrete around trees.

The NGT took serious objection to high tension wires still found circling around trees and directed authorities concerned to have them removed at the earliest.

In March 2016, a bench headed by justice UD Salvi issued an order saying power utilities should coordinate with civic authorities in trimming branches of trees entangled with overhead wires.

“The cables around trees are weakening them at the root and are leading to their demise by preventing mutation,” Kamboj said.

An official of the Huda said the authority is looking into the matter. “We are working on a plan to have concrete and wires around trees removed,” VK Nirala, Huda official, said.

## THE HINDU BusinessLine

### **Energy-saving lights cheer tea garden workers**



Arun Tea Estate manager's decision to install CFL bulbs at labour quarters has led to huge savings in power bill

Energy conservation pays. But what if the narrow interest of a business entity to cut the energy bill results in major community savings? Arun Tea Estate of Gillanders Arbuthnot & Co in Sonipur district of Assam did just that.

For nearly a decade, the 2,800-strong population in the garden — comprising over 800 workers and their family members — are paying the same electricity charges, despite the at least 35 per cent rise in discom tariff and substantial rise in consumption.

That's not all. The interest earned from a huge community savings of ₹15 lakh is used in providing expensive energy efficient lights free of cost, resulting in major savings for the workers. The fund is managed by both the management and workers.

And the credit for this goes entirely to the garden manager Sanjay Kumar Bohra.

In 2007, Bohra decided to replace some 1,400 incandescent bulbs in over 300 labour quarters with energy saving CFLs (Compact Fluorescent Lamps) at an estimated cost of ₹2 lakh, on personal guarantee. The aim was to reduce the energy bill on common metre.

As per industry norms, tea estates were expected to ensure electricity connection (not pay for usage) to permanent workers in labour quarters. And the State distribution utility in Assam would have a common metre.

It is the responsibility of the estate management to recover average electricity dues from workers and pay the discom. The system had its inherent problems.

Apart from permanent workers, a large population of temporary workers — required in peak seasons — also live in Assam's tea gardens. It was impossible for the gardens to deny them electricity connection.

Managing energy use of such a large population was not easy. While overdrawing by one would inflate the energy bill, considering the low affordability of tea workers, garden managements cannot increase average charges frequently, as this would lead to under-recoveries.

Arun Tea has gone through it all. It was expected to collect ₹120 a household, for five connections each, every fortnight. This was 15 per cent of the then cash wages of ₹700-800 a fortnight. The garden's fortnightly recovery was ₹56,000-57,000 against an estimated energy bill of ₹70,000. The accumulated losses on electricity crossed ₹1 lakh.

Estate managers normally resort to rationing electricity supply to limit losses. Some gardens also use this as an excuse to earn quick bucks by supplying less electricity to workers than billed.

### **Making a difference**

Bohra decided to make a difference. He was convinced that the solution lies in replacing incandescent bulbs. But at the prevailing retail price of ₹150 or more, workers couldn't afford CFL. His company wouldn't pay for it either.

Bohra procured them on credit with the hope that he could pay back the vendor from the savings in electricity bill. And, it worked.

As workers were charged at the same rate, the garden started generating a surplus recovery of ₹25,000 a month. Bohra could repay the vendor. His company was happy to see the past losses wiped out.

Workers were the happiest. Their houses were now more brightly lit than ever and without any extra payment. Bohra offered them free of cost replacements and still managed huge savings. He had also removed the cap on energy use.

The model was replicated with success in at least two gardens in the district — Dhekiajuli of Parry Agro and Kacharigaon Tea Estate of Winsome Group.

However, a month ago, the State government finally decided to provide metered connections to garden workers. A total of 51 gardens (out of 800), including Arun and Dhekiajuli, have been chosen for the first phase of implementation.

Responding to the government initiative, Dhekiajuli had done away with the community fund. But workers of Arun Tea didn't agree. "I wanted to redistribute the money. But workers want the free supply of energy saver bulbs to continue. We have to explore what else we can do with the money to make their lives better," Bohra told *Business Line*.

### **'Cotton prices may rule range-bound'**

Low prices of crude oil, lesser purchasing power of oil producing nations will affect the fibre's prospects

Low crude prices tend to push up man-made fibre usage, hurting cotton demand, says Rs. Jalan, Managing Director, GHCL, a listed company that is an integrated manufacturer of cotton textiles. He sees price stability and is positive that GST will level the playing field for all and benefit the cotton industry. Excerpts from an interview:

### **How is the cotton supply situation in India currently?**

The crop supply situation is good in India this year. It is expected that about 350 lakh bales will be available during this season. There is a temporary delay in the supply because of demonetisation. Usually, around this time of the year,

the daily arrival would have been more than two lakh bales per day. But it has only been 1.25-1.5 lakh bales per day, likely due to demonetisation. This will lead to a prolonged season, but this impact will eventually pass. Globally also, the supply situation is good — about 9 per cent increase in total cotton production is expected.



**What has changed on the supply side of the equation in the global market in recent years?**

We see a higher share of Bt cotton. This has been positive as it helps with better yield and better margins for farmers. India has now become the number one cotton growing country in the world, displacing China. The downside of Bt cotton is that it has lower staple length compared to other cotton varieties such as the MCU-5 grown in South India. As a result, the 32mm cotton fibre used to spin medium counts is shrinking. We see imports or a shift to new spinning methods to overcome the staple length issue.

**Given the current dynamics, where do you think prices will head?**

Historically, prices remain range-bound — fluctuating between 8 and 15 per cent in a normal cotton year. Prices vary based on crop size and demand outlook. We saw a high of about ₹60,000 per candy (of 356 kg) about four years ago. Globally, there was a surplus in 2014-15, when production was 26 million tonnes (mt), but consumption was 24 mt. In 2015-16, demand remained static but production dropped to 21 mt.

This has helped in price stability. In a year, price is low at the start of the cotton season, around October. Prices increase after the season, about early April. Considering the expected lower export to Pakistan, the crop size this year can

be taken as a normal one. This year, the lowest price so far is ₹38,000 per candy (spot) for S6 cotton. Currently, it is about ₹40,000. Prices are expected to be mostly steady and range-bound.

### **How is the cotton textile industry looking globally?**

The cotton textile industry is expanding in Bangladesh and Vietnam and shrinking in China. Chinese cotton production has decreased from about 7.5 (mt) about seven years ago to 4.55 mt currently as the area of cultivation has decreased.

Yarn and garment industry is also hit with higher labour and power costs, making it less competitive; the per capita consumption is up locally and hence, export is down.

Bangladesh and Vietnam have lower production costs and duty advantages in export; still, India is at an advantage due to local availability of the fibre.

In the past, China ramped up cotton imports and currently has sizeable inventory. Also, its policy changed from buying cotton at a high price from farmers to providing subsidy. Imports by local mills have reduced due to higher availability of cheaper cotton.

Going forward, higher disposable income in developing countries will help in demand growth. We see a trend towards cotton-rich blended garments, both in knitted and woven segments. The increase in demand for cotton fabric due to improvement in macro-economic conditions will be met by improvement in yield.

### **What changes will impact the Indian cotton textile industry?**

The continuous low price of crude will hurt the cotton industry. Moreover, the purchasing power of oil producing countries has also come down. In the last few months, rural demand is down. This, along with the shift to synthetic fibres, has dampened yarn prices. Implementation of GST may be positive for the industry.

Currently, different States have different tax structures and this price variance is hurting the cotton industry as a whole.

When GST is in place, it will create a level playing ground for everyone and will be positive, particularly for companies such as GHCL that have integrated processing that is distributed geographically.