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Crisis time in Kerala; rice bowl Palakkad worst affected



Thiruvananthapuram, January 10:

Kerala is anticipating a significant drop in agricultural output as a result of the successive failures of the South-West and North-East monsoons in 2016.

While the June-September season left a gaping rain deficit of 34 per cent, the October-December season that followed has proved even more disastrous, with a shortfall of 61 per cent.

Significant variation

Such a significant departure from the norm is causing an unprecedented crisis to communities habituated to living in water-surplus areas such as Kerala, notes the State Emergency Operations Centre (SEOC).

The State government is gearing up for the worst, and had declared the entire State drought-affected as early as October 31, soon after the North-East monsoon showed signs of straying.

According to a preliminary estimate of the Agriculture Department, at least 17,128.76 hectares of farm land were affected by drought conditions from October 31 to December 20, 2016.

An estimated 49,276 farmers suffered crop damage to the tune of ₹90.25 crore during this period. The worst damage is reported from the rice bowl of Palakkad district (7,027 hectares of farmland hit) followed by Thiruvananthapuram (4,714 hectares).

Low reservoir levels

Most irrigation dams in the State are already down to 50 per cent of their storage capacity. Saline intrusion is a major threat to the low-lying paddy lands.

It is not unusual for Kerala to experience seasonal drought-like conditions during the summer months. Even in the years of normal rainfall, water scarcity problems are severe in the midland and highland regions.

In the period from 1881 to 2000, the State experienced 66 drought years, according to a drought assessment report prepared by the SEOC.

In the recent past, until 2012, the State had not experienced severe meteorological, agricultural and hydrological droughts.

A 29 per cent deficit from June to December in 2012 had led to an agricultural and hydrological drought that peaked during the August 2012 -May 2013 period.

For the first time, in December 2012, the India Met Department mapped the State as a 'mild to moderately arid' geography. Prior to this, an official declaration of drought had been made in March 2010 and December 2003.

In 2010, 17 taluks were declared drought-affected while in 2003, seven districts and as many taluks apart from 119 villages were declared drought-hit.

Increase in frequency

Other known meteorological drought years are 1983, 1986, 1987, 1992, 1997, 1998, 2002 and 2004. The aridity index of different parts has increased, which is an indication of an increase in the frequency of drought years, the SEOC says.

Although the deviation in the annual rainfall received in any year from the long-term average is very small, there is considerable variation in the rainfall availability during different seasons.

A trend analysis on rainfall data over the last 100 years reveals that there is a significant decrease in most regions, especially in January, July and November.

Drought aggravates farm distress in South



Bengaluru, January 10:

Farmers in Karnataka, like their counterparts in other states who have been impacted by the drop in prices and cash shortage triggered by demonetisation, have another problem to contend with — crop loss on account of the failure of rains.

It has been a kind of a triple whammy for farmers in the region. Besides being forced to reap a lower kharif output on account of a deficient South-West monsoon, farmers have had to deal with the price drop on account of a bumper harvest in other parts of the country.

Meanwhile, the failure of the North-East monsoon has aggravated their woes. Rainfall from the South-West Monsoon and North-East Monsoon was down by at least 21 per cent and 70 per cent, respectively, over the normal in South Interior Karnataka.

Third straight drought

This ongoing drought is the third successive one being witnessed by Karnataka and is one of the most severe. As one traverses towards Kerala from Mysuru, large tracts of prepared lands that have been left empty for want of rain.

“There is no hope for a second crop this year,” said Kurbur Shantkumar, Chairman of the Karnataka Cane Growers Association. The government should immediately take up steps to ensure supplies of fodder for cattle and arrange drinking water in rural areas.

“The situation is so severe that even the standing crops of banana, maize and sugarcane is drying up in several areas,” he added. Drought has aggravated the problems of farmers in the region and prices of fodder have shot up rapidly in the past few months, which farmers said could even affect milk output. The leaves of sugarcane, which are generally discarded while harvesting, have all of a sudden found favour among cattle rearers as an acute fodder shortage prevails in the region.

“There was a problem in using the ₹2,000 note, but the bank has started issuing ₹500 notes in recent days. I am more worried about the crop loss due to lack of rains rather than the cash

shortage or availability,” said Mahadevamma, a small farmer of Nerale village in HD Kote Taluk of Mysuru district.

“We had to just contend with the single crop of ragi this year and the crop size is lower than last year due to lack of adequate rainfall,” she adds.

Relying on rain

Mahadevamma, like a majority of the farmers in the State, is dependent on the rainfall to grow her food.

“I have never seen this kind of decline in water storage ever since the dam was built in 1975,” says BM Madappa of Bidarahalli village, pointing to the plummeting water levels in the Kabini Dam, one of the major reservoirs in the Cauvery basin.

TN Prakash Kammaradi, Chairman of the Karnataka Agriculture Prices Commission (KAPC), estimates that kharif crops over an area of around 34 lakh hectares have been impacted on account of the rain deficit, affecting the targeted foodgrain output by at least 36 per cent.

Not enough insurance

Total kharif acreage stood at 72 lakh hectares this year. Further, only a third of the drought affected acreage of 34 lakh ha has been covered by crop insurance.

“Except for production of pulses, the output of all other agricultural crops in the state has been hit by the deficient rains,” Kammaradi said, adding that demonetisation has aggravated the hardships of the farmers in the State.

Karnataka is set to witness a steep fall in production of staples such as ragi and jowar, per KAPC estimates.

KAPC has pegged the crop losses, based on the area affected and cost of cultivation incurred by farmers, at around ₹17,369 crore. The Karnataka government had sought relief of over ₹4,000 crore from the Centre, which recently approved a sum of ₹1,782 crore. “The relief being provided by the Centre is very inadequate to deal with the situation,” he added.

Rabi crop hit

Further, rabi cropping has also taken a hit for want of adequate soil moisture levels. The acreage of rabi pulses and cereals such as jowar, rice and even oilseeds is down compared to last year. “About 77 per cent of the rabi area is affected by a severe moisture stress,” Kammaradi said, adding that it would have an influence on the output.

While many a farmer faced a problem with respect to the drop in prices in the immediate aftermath of demonetisation, Madappa faced a challenge in withdrawing money from his bank account.

“My tobacco crop had fetched ₹1.5 lakh, which was deposited into my bank account directly by the buyer. The restrictions imposed on withdrawals did upset my plans for the second crop as I desperately needed money to repair my borewell. As a result, I couldn't go for the second crop.”

Declining water tables and the erratic supply has further aggravated the woes of growers like Madappa in the region.

TN declared drought-hit; CM announces sops for farmers



Chennai, January 10:

The whole of Tamil Nadu will be declared drought-hit following the failure of the monsoon, said the State government, while announcing a drought relief package.

The North-East monsoon has been deficient across the State and every district is drought-affected, said an official press release. The government has waived land tax for farmers; rescheduled ₹3,028 crore in crop loans as medium-term loans; and it will seek the Centre's financial assistance for drought relief, the release said.

Farmers who have lost more than 33 per cent of crop yield will be eligible for relief. The compensation for paddy and other irrigated crops is ₹5,465 an acre; ₹3,000 for rain-fed (Manavari) crops; ₹7,287 crore for long-term; and ₹3,000 for mulberry.

In addition, to claim crop insurance, crop cutting experiments will be conducted to estimate the level of losses in each area. The State government has paid over ₹410 crore as its share of insurance premium.

Paddy farmers who have lost their entire crop will be eligible for a compensation of ₹21,500-26,000 an acre. The insurance relief will be in proportion to the loss in yield.

In the Delta districts, the compensation will be ₹25,000/acre for total loss of yield; farmers who have lost one-third of the yield will get ₹8,250; if the loss is 60 per cent, the compensation will be ₹15,000; if it is 80 per cent then the compensation will be ₹20,000.

Maize crops are eligible up to a maximum of ₹20,000 an acre; pulses ₹12,000; sugarcane, ₹45,000; and turmeric ₹50,000.

MGNREGA sop

For landless labourers, the rural employment guarantee scheme will be extended to 150 days instead of the usual 100 days. Over ₹3,400 crore will be allocated for works such as desilting and refurbishment of canals and tanks to generate jobs for landless labourers.

The government has also allocated ₹78 crore for green fodder and animal feed for dairy cattle and livestock; ₹160 crore for drinking water augmentation in urban centres and towns; ₹350 crore for drinking water infrastructure in rural areas; ₹5 crore for water and feed supply for wild animals in forest areas; ₹25 crore for public works to upgrade ground water recharge infrastructure; and ₹ 3 lakh each to the families of 17 farmers who committed suicide over the last two months.

According to official estimates, the normal rainfall from October to December — the North-East Monsoon — is 440 mm. However, in the last season, it was down to 168 mm. The average drop in the N-E monsoon across the State is around 65 per cent.

Of the 12.86 lakh acres of paddy crop in the Delta districts, nearly 11 lakh acres have been insured.

According to the production programme for 2016-17, Tamil Nadu had pegged the paddy crop at 20 lakh hectares; sugarcane at 3.25 lakh ha; oilseeds at 6.20 lakh ha; and pulses at 11 lakh hectares.

Oversupply pounds chana



Indore, January 10:

Bumper domestic crop report, abundance of imported crop and steady rise in arrival of new crop across the country have further pounded chana. Chana (kanta) declined to ₹6,100- 6,200 a quintal, while chana (desi) ruled at ₹5,800. Chana dal (medium) was at ₹8,300-8,400, chana dal (bold) at ₹8,700-8,800, while chana dal (bold) ruled at ₹8,900-9,300 respectively. Dollar chana was down at ₹10,000 amid arrival of 200 bags. In container, dollar chana (44/46 count) traded at ₹13,500; 58/60 count at ₹12,500, while the 60/62 count went for ₹11,500 a quintal respectively.

Rubber gains on short covering



Kottayam, January 10:

Spot rubber prices made further gains mainly on covering purchases at lower levels. RSS 4 improved to ₹142 (₹141) a kg, as quoted by the traders. The grade closed firm at ₹141 (₹140) and ₹138 (₹137) respectively, according to the Rubber Board and dealers. January futures concluded at ₹140.95 (₹140.74), February at ₹147.60 (₹147.16), March at ₹151.51 (₹151), April at ₹159.25 (₹157.85) on the National Multi Commodity Exchange. RSS 3 (spot) flared up to ₹164.50 (₹161.72) at Bangkok. January futures increased to ¥283.7 (₹166.98) on the Tokyo Commodity Exchange. Spot rubber (₹/kg): RSS-4: 142 (141); RSS-5: 134 (132); Ungraded: 121 (119); ISNR 20: 130 (129) and Latex (60% drc): 85 (84).

Tea prices at 10-month high



Coonoor, January 10:

The auctions of Coonoor Tea Trade Association have begun on a happy note in calendar 2017 with as much as 94 per cent of 9.80 lakh kg offered being absorbed at an average price of ₹108.92 per kg – the highest in 10 months. Homedale Estate's Red Dust, auctioned by Global Tea Brokers, topped the Dust auction and the entire CTC market when Oswal Tea Traders bought it for ₹241 per kg. In the CTC Leaf market, Vigneshwar Speciality, auctioned by Paramount Tea Marketing, topped at ₹240,. In the orthodox market, Chamraj and Kodanad topped at ₹276 a kg each.

Tamil Nadu declares all districts drought-hit

Panneerselvam said the state will soon alert the Centre about the situation.



The Tamil Nadu government on Tuesday declared all districts of the state drought-hit following a deficit in the northeast monsoon last year. Chief Minister O Panneerselvam announced several schemes for farmers, including waiver in land tax. He confirmed 17 suicides of drought-affected farmers in the past two months and announced aid of Rs 3 lakh to each of the bereaved families.

Assessment reports have been sought from district collectors on the deaths reported in the media. “Most of the reports will be compiled by tonight and tomorrow, and further measures will be decided,” said a senior government official. On-the-spot assessments started on January 3 by high-level teams comprising cabinet ministers and senior bureaucrats in all districts are in the final stages, the official added.

Panneerselvam said the state will soon alert the Centre about the situation. “Relief assistance will be extended for crop damage of more than 33 per cent as per guidelines. A sum of Rs 5,565 will be extended to farmers per acre of paddy crop,” he said.

The government said insurance companies will extend compensation on 'crop cutting experiment' shortly. The compensation per acre will be between Rs 21,500 and Rs 26,000, while the Cauvery delta region will get Rs 25,000.

Note ban helped farmers avoid fizul karchi: BJP Kisan Morcha

Virendra Singh said that the biggest benefit of demonetisation was that it brought back among farmers the virtues of thrift, while loan waivers only encouraged freeloading



Demonetisation has not inconvenienced farmers, but instead helped cut down on wasteful expenditure such as lavish weddings and alcohol, BJP MP and Kisan Morcha president Virendra Singh said on Tuesday.

Singh, a three-time MP from Bhadohi in poll-bound Uttar Pradesh said that the biggest benefit of demonetisation was that it brought back among farmers the virtues of thrift, while loan waivers only encouraged freeloading.

“The shastras ask us to practise everything in moderation... That is what demonetisation has done, it has reduced fizul kharchi (wasteful expenditure). Capitalism has made farmers take loans for lavish weddings. How much does a feast cost? Most of the money is spent on showing off and on alcohol, on crackers. That has been controlled now. People had started riding bikes. That habit has been weaned post demonetisation and people are back to walking.”

MP: After onions, tomatoes for ₹1/kg, farmers dump produce on streets



Scores of farmers dumped their tomatoes on the roads outside mandis in Shajapur on Wednesday. (HT Photo)

Fall in prices, coupled with rising costs and low demand, apparently brought about by demonetisation, has forced farmers in Shajapur district to dump their tomatoes, weeks after onion growers did the same in several parts of the country.

Scores of farmers dumped their tomatoes on the roads outside mandis (marketplace) and outskirts of the villages as the rate—around Rs 100-120 per quintal, down from Rs 300-400—was less than the input costs.

On top of this, they had to pay mandi charges and transportation costs, which have risen due to fuel price hike.

Farmers from Chosala, Bercha, Kelawad, Bharad, Newasa, Kanar and other villages in the district claimed that not only tomato, but prices of potatoes, onions, and seasonal vegetables including green peas have crashed.

“Hundreds of tomato growers bring their crop here anticipating that they would fetch good prices, but they are hardly getting Rs 100 to 120 for one quintal of tomatoes,” rued Ramswaroop Patidar (50), who grows seasonal vegetables in his one bigha land in Chosala village.

“How can one take his crop back to his place after spending a good amount on transportation and having to spend on it again? It’s good to dump our crop on the road,” he said.

While some farmers blamed it on demonetisation and cash crunch, Shajapur mandi secretary Rajesh Mishra dismissed the allegations, saying high supply and low demand had caused the prices to fall.

The Madhya Pradesh government had announced facilities such as cash vans and transport subsidy for farmers to face cash crunch, but farmers claimed they are yet to receive them.

According to sources, the daily supply of tomatoes at Shajapur mandi is around 200 to 300 crates as many farmers are sending their crop directly to Bhopal and Indore markets.

They claimed that the rates were “decent” at Indore and Bhopal mandis.

Business Standard

NITI Aayog: No effect of note ban on rabi sowing, prices of crops

Ramesh Chand cites four-fold impact on farming - area sown, crop pattern, productivity, market



The acute cash crunch in rural areas due to demonetisation and the resultant drop in prices of fruits and vegetables in November and December could lower farmers' income in 2016-17 by just 0.26 per cent, said a paper by NITI Aayog member and eminent agriculture economist Ramesh Chand.

The paper, released on Tuesday, also said if the shortage in fertilisers due to cash crunch persisted till the end of the rabi sowing season, India's crop output could slide by 1.05 per cent, while agriculture output could shrink by 0.75 per cent.

With cash becoming scarcer, farmers scaled down fertiliser use. Their sales, mapped by the ministry of agriculture, had fallen by 7.47 per cent, compared to 2014-15 and seven per cent, compared to 2015-16.

The rabi sowing season, which ends after January and contributes to almost half the country's annual agriculture output, was just peaking when Prime Minister Narendra Modi announced the decision to demonetise Rs 500 and Rs 1,000 notes.

The severe cash crunch also slowed fertiliser and seed purchases, fuelling talk of Prime Minister's Modi move leading to a potential slowdown in farm-sector growth, which, until now, was showing some signs of revival after two years of drought.

However, Chand, in his paper, showed that even after factoring in the fall in income, the overall income of farmers would still grow at a healthy rate of over 5.8 per cent in 2016-17, while the sector itself would grow at over six per cent.

"The growth story in agriculture is intact. Demonetisation is found to have had insignificant effect on output growth as well farmers' income. The largest informal sector in the Indian economy has, in fact, shown strong resilience to the effects of demonetisation," Chand said.

However, this estimate does not take into account the impact of temperature on the rabi harvest in February and March.

In a well-researched article, Chand said demonetisation could affect agriculture directly in four ways - area sown, crop pattern, productivity and market.

During the week ended December 30, 2016, the net sown area under rabi crops exceeded the normal area by 2.77 per cent and area sown last year by 6.86 per cent.

"The data on progress of sowing of rabi crops clearly indicate that, at the country level, there is absolutely no adverse effect of demonetisation insofar as sowing of major crops is concerned," the report said.

On its impact on productivity, the report said farmers use cash to buy quality seeds, fertilisers, chemicals, diesel, and to hire labour and machinery.

On seeds, Chand said even though the sales of seeds by public institutions is lower than last year's, its impact could be limited, what with more than 70 per cent seeds used in rabi crops being self-produced, with the rest purchased from public sector agencies, research institutes and private sources.

On the impact on demonetisation on prices, the report said there was no impact on prices of major crops like paddy, soyabean and maize in November, and their wholesale prices in agricultural produce market committee mandis were around three per cent higher in November, compared to October last year.

But prices of fruits, vegetables in most markets and states showed a dip in market arrival as well as prices after the currency purge, which could be due to seasonal glut and bumper crops.

“It is difficult to ascertain how much the fall in prices of perishables during December 2016 was due to glut in arrival and how much could be due to any disruption due to demonetisation. Because of this, it is assumed the losses to farmers were similar to those of November, which will raise the total loss during the months of November and December to 0.26 per cent,” the report added.

Vegetable prices crash in mandis on bumper crop

Experts estimate 10-15% rise in vegetable production this year; lower food inflation likely



Photo: Shutterstock

Data compiled by the government-owned National Horticulture Board (NHB) showed 76.19 per cent decline in the price of cabbage, which is trading currently at Rs 2.50 a kg in the Ahmedabad wholesale mandi. Similarly, [cauliflower](#) in Kolkata [mandi](#) shed 76.74 per cent since December 1 to trade at Rs 5 a kg. Vegetable prices crashed by as much as 76 per cent during the past five

weeks due to a sharp increase in arrivals, following harvesting of new season crops and lower inventory building by stockists amid fears of short shelf life.

Despite such a drastic decline in wholesale mandis, retail prices remained elevated, with cabbage in Ahmedabad trading at Rs 15 a kg, six times of the price prevailing in the wholesale mandis. Cabbage in Ahmedabad's retail markets reported a decline of a mere 25 per cent since December 1. Similarly, [cauliflower](#) in the Kolkata retail market was trading at Rs 8 a kg, down 73.33 per cent over the past five weeks, but 60 per cent more than the wholesale price.

The sharp decline in prices has brought a much-needed breather for Indian households, as [vegetables](#) make up nearly 20-25 per cent of the household budget. It is also likely to bring down food inflation for December 2016 and January 2017.

"Good [monsoon](#) rainfall helped improve acreage under vegetables. Since the climatic condition was also good with no crop damage reported anywhere across the country, the vegetable output is likely to remain bumper this year. Also, stockists are facing a huge shortage of liquidity due to [demonetisation](#) resulting into lower lifting from stockists," said Shri Ram Gadhawe, president, [Vegetables](#) Grower Association of India.

Meanwhile, prices of unseasonal [vegetables](#) like [bitter gourd](#) and okra have moved up sharply. While [bitter gourd](#) price reported 43 per cent increase in wholesale Delhi market to Rs 32.25 a kg, the vegetable reported 42.86 per cent jump in Mumbai to trade currently at Rs 20 a kg in wholesale. In retail, however, [bitter gourd](#) doubled to Rs 40 a kg in Mumbai. At Rs 55 a kg in Delhi retail markets, [bitter gourd](#) posted 22.22 per cent increase in the last five weeks.

"Most seasonal [vegetables](#) have plunged since December as stockists remained absent from the market. Owing to high moisture content, stockists await a change in climate from extremely cold weather to a warm weather to start procurement for stocking. This will start mostly in the third week of January after the Makar Sankranti, the one day winter festive after which hot weather normally begins," said Sanjay Bhujbal, a vegetable trade in Vashi mandi.

MANDIS SEE RISE IN ARRIVALS

Wholesale price in ₹/quintal

	DELHI		MUMBAI		AHMEDABAD	
	Jan 9, '17	% chg*	Jan 9, '17	% chg*	Jan 9, '17	% chg*
Cabbage	150	-65.91	500	0.00	250	-76.19
Cauliflower	325	-7.14	500	0.00	500	-52.38
Onion	875	16.67	600	-29.41	700	-12.50
Peas	1,250	-56.52	900	-76.32	820	0.00
Tomato local	600	-40.00	400	0.00	0	0.00
Potato fresh	430	-31.75	650	-16.13	0	0.00
Brinjal round	500	-20.00	650	8.33	300	0.00
Okra	4,000	9.11	2,400	33.33	0	0.00
Bitter gourd	3,225	43.33	2,000	42.86	2,700	116.00

*Change over November 30, 2016
Source: National Horticulture Board

Compiled by BS Research Bureau

A senior trade official, however, attributes the massive vegetable price falls to a sharp increase in arrivals over the last one month due to peak harvesting of winter crops. Data compiled by the APMC office showed total arrivals of 3522 tonnes (178 trucks of average 9 tonnes each and 480 tempos of average 4 tonnes each) on Tuesday on Vashi [mandi](#) compared with 3144 tonnes (112 trucks and 534 tempos) a month ago. The same scenario prevails across the country.

"The sharp decline in prices indicates huge production this year. Normally, vegetable prices decline only in case of bumper supplies and lower purchases. Currently, the market is also facing [demonetisation](#) issue," said a senior government official on condition of anonymity.

Many [farmers](#) especially of [potato](#) and [onion](#) across the country, have started going their crop unharvested due to realisation fetching lower than the cost of harvesting and transportation to mandis. For farmers, therefore, [onion](#) and [potato](#) are fetching Rs 1-2 a kg at the farm gate.

"If this trend continues, [farmers](#) will not cultivate [vegetables](#) next year," said Gadhave. Experts estimate at least 10-15 per cent increase in vegetables' production this year.



THE TIMES OF INDIA

In a major step for farmers, land records go digital in state

Nagpur: Farmers can heave a sigh of relief as CM Devendra Fadnavis on Wednesday launched in Mumbai digitalization of land records. With this 7/12 utara (extract) will be available on a digital platform under Digital India Land Record Modernization Programme (DILRMP) across the state.

Initially, digitally signed 7/12 extracts will be available in two districts — Nashik and Wardha. By March this year land records in every district will be available and can be procured online. Till now land records could be viewed online and for examining their title status but downloads of this documents did not have legal validity as it did not have signature of verifying authority.

Fadnavis also chaired a meeting of ministers, MLAs, MLCs to deliberate on Nanaji Deshmukh Krushi Sanjivani Prakalp where Agriculture minister Pandurang Fundkar, his deputy Sadabhau Khot and officials from World Bank, agriculture department and other departments were present.

The project will be implemented in 15 drought-prone and salt ingress districts including Jalgaon, Aurangabad, Beed, Jalna, Osmanabad, Parbhani, Hingoli, Buldhana, Akola, Amravati, Wardha, Washim, Yavatmal, Nanded and Latur).