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# BusinessLine

## Copra trading in Tiptur hit; confusion over tax, classification

For Basavaraju, a small farmer from Halkurkepalya in Tumkur district, the ushering of GST regime on Saturday didn't bring any cheer.

Basavaraju, who had brought eight bags (43 kg each) of copra to sell at the Tiptur APMC market on Saturday morning, had to return home without selling his produce, as traders in the market backed off from placing any bids in the last minute, citing confusion over the tax structure and classification of the produce.

As a result, the auctions did not take place on Saturday at Tiptur APMC, the largest market for the single commodity — ball copra, where the annual traded value is estimated at 800 crore. Auctions are held twice a week on Saturday and Wednesday at Tiptur, where traders place their bids online through the unified markets platform.

“I will take some advance from the commission agent in whose premises I have placed the copra and return on Wednesday to sell my produce,” Basavaraju said, adding he will be forced to spend more money and time next week.

So is the case of Mudappa, another farmer, who had brought his produce from a distance of around 80 km to Tiptur and some 500-odd farmers, who could not sell their produce on Saturday as confusion impacted trading. According to APMC officials, the market arrivals of copra on Saturday were about 3,530 quintals, about 3.5 per cent lower than the previous day.

“We don't have any clarity on the tax structure. As a result, no bids were placed for the copra tendered,” said Jayesh Mehta, a trader in Tiptur.

Under the GST rate schedule for goods, copra — placed under the oil seeds category — attracts a 5 per cent tax. On the other hand, products such as coconuts — fresh or dried, whether or not shelled or peeled and coconut powder are placed under the nil category in the schedule. Mehta argued that as copra is dried coconut, it should not be taxed. “There is no tax on coconut with water, coconut dried, shelled or peeled. Since we are using the word copra, it comes under the tax net. The product is the same, but taxes are different. There should be no step-motherly treatment for copra. There is a need for the government to issue a clarification,” he added.

However, the coconut growers countered Mehta's argument and said that copra that is traded in Tiptur was different from dried coconut.

“It takes a minimum of 11 months to produce the ball copra. Farmers dry the mature coconuts for at least 11 months during which process the water in the nut gets dried naturally, lending unique sweet taste to copra. The dried nut is de-husked and de-shelled to obtain copra, which is ball shape. Hence, it is called ball copra,” said Nagesh, a coconut grower.

BS Devaraju, Secretary of the Karnataka Rajya Raitha Sangha, said that a levy of five per cent was necessary on ball copra to maintain its uniqueness. "Ball copra is produced in and around Tiptur, mainly in districts such as Tumkur, Hassan and Chitradurga," he said.

Unlike ball copra, the milling copra — which is mainly found in Tamil Nadu and Kerala — is produced by cutting the raw coconut in two pieces and drying them using artificial driers or under sunlight.

In the pre-GST regime, ball copra attracted a VAT of 2 per cent, a market fee of 1.5 per cent and commission of 2 per cent and the levies are largely passed on to the buyer. In the new regime, copra attracts 5 per cent GST, 1.5 per cent market fee and 2 per cent commission for the commission agents. "There's also confusion on how to bill the 5 per cent tax - whether only on the value of the commodity or on the cumulative value after calculating the market fee and commission," said another commission agent.

Moreover, the rumours of copra traders in Tamil Nadu raising their invoice on Saturday without factoring the 5 per cent GST also added to the confusion of traders in Tiptur, Mehta said. "We are trying to secure a copy of invoice from our counterparts in Tamil Nadu," Mehta added.

Copra price, which touched a low of 6,500 per quintal has recovered marginally and now hovering between 7,800 and 8,100 per quintal.

"The lack of competition from buyers is influencing the prices," said Shrikant Kelahatti of Raitha Bandhu, commission agency started by a farmers' group. "GST will help the copra market streamline and reduce the revenue leakage to the government," Kelahatti said, making a case that copra should attract a levy of 5 per cent.

Though the initial hiccups related to transition to GST did disrupt the trading on Saturday, the APMC officials are hopeful of traders returning to the markets soon.

"We have told the traders to clarify their doubts and return to the markets by Wednesday so that the farmers are not affected," said TP Gayathri, Secretary, Tiptur APMC.

### **Agri conclave in Coimbatore**

The Indian Chamber of Commerce and Industry, Coimbatore, is on a mission to promote agriculture in the region.

To highlight the potential, the Chamber along with Codissia, has scheduled 'Uzhave Thalai' (Agriculture: Fuelling Lives), an agriculture conclave on July 15, to coincide with the 17th edition of Agri Intex 2017, between July 14 and 17 at the Codissia Trade Fair Complex.

Briefing media persons about this forthcoming conclave, K Ilango, past president, Codissia, said the effort is aimed at making youngsters to take to agriculture, encourage technology adoption and innovative ways to boost productivity. "There is huge chunk of fallow lands. We should make productive use of this idle resource," he added.

Chamber president Vanitha Mohan, the brain behind this forum observed that Kongu region is basically an agriculture belt, and lots of things are happening — be it weekend farming or

farming as a hobby, albeit silently. Codissia president Sundaram said the associations intend to take this forum as a movement.

The organisers say that the online registration for the conclave is on and the seats are limited to 1,000.

### **TN sugar mills cheer new regime, VAT's exit**

Large commodity businesses do not have much to complain as the changeover to the GST regime has been smooth, said industry representatives. Preparations for the transition to the new indirect tax structure have been afoot for a while, they added.

Sugar mills in Tamil Nadu cheered the GST rollout, which did away with the 5 per cent VAT (value added tax) on sugar, putting the industry on an even keel with counterparts in other States.

However, there is a lack of clarity on sugarcane. Farmers have been exempt from having to pay GST, but sugarcane is yet to figure on the exempted list.

If five per cent GST is levied on the crop, the mills may face a reverse charge and have to shell out the tax. Although, in itself, this is not a dampener, but with electricity being kept out of the GST's ambit, mills will not be able to claim input credit on cane used for generating power. About 20 per cent of the turnover can be attributed to electricity, and if the input credit is disallowed on this, they would lose about a fifth of the credit paid as tax on cane, said a senior sugar mill executive.

N Ramanathan, MD, Ponni Sugars, says the industry is well prepared for the shift to GST. But there are anomalies on biomass fuels. The industry has to identify the heads under which various items have to be classified. For instance, the industry uses a wide variety of biomass such as groundnut shells and coconut shells for fuel. But it remains to be seen if they qualify as firewood, he said.

### **Paper pause**

There were absolutely no despatches on Saturday and Sunday said a paper dealer. Small businesses in this segment had been concerned over the shift to GST, particularly the transition of stocks between the previous VAT to GST regime. So they had cut down on pipeline stocks. "Life should come back to routine in stages from Monday," a dealer said.

### **CMFRI to formulate action plan for protecting coastal ecosystems**

The Central Marine Fisheries Research Institute will take a lead role in formulating a national-level action plan for the sustainable management of marine and coastal ecosystems.

As per the direction of NITI Aayog, CMFRI will collaborate with the World Wildlife Fund-India to draft the management strategies for strengthening the resilience to achieve healthy and productive ocean ecosystems.

NITI Aayog, CMFRI and WWF-India will jointly organise a two-day session of eminent marine biologists, environmentalists, technocrats, fisheries experts across the country and

senior officials of fisheries departments from all the maritime States on July 4 and 5 at the CMFRI. The draft action plan will be finalised at the end of the session.

A Gopalakrishnan, CMFRI Director, said that the conglomeration of experts from various sectors would identify the ways and means for the protection of ocean wealth in a long-term view and the draft action plan will be circulated among the stakeholders for feedback. This will have a composite route map for boosting the contribution of marine and coastal ecosystems to the national and local GDP as an incentive for protection and sustainable management.

### **RBI to release Rs. 1700 cr towards farm loan payments, says Union Minister**

Bandaru Dattatreya, Union Minister of State for Labour and Employment, has said Reserve Bank of India will release around Rs. 1700 crore on Monday towards farm loans to the State banks.

Speaking to media here today, Dattatreya informed RBI officials responded positively on the complaints about tardy progress in Kharif farm loans.

The Union Minister informed an amount of Rs. 23, 000 crore is to be disbursed to the State farmers. As an immediate measure, Rs. 1700 crore will be released on Monday, according to a statement from PIB.

While the old districts of Karimanagar, Nalgonda, Warangal, Adilabad, Nizamabad, Mahabubnagar, Khammam and Rangareddy will get Rs. 130 crore each towards the farm loans, Hyderabad and Medak will receive Rs 200 crore each, he said.

He said he would take up the issue of service charge on banking transactions with the Union Finance Minister on Monday while also discussing concerns expressed by representatives of textiles, ready made clothes and beedi industry under the GST regime.

The Union Labour Minister said the Centre and State governments should work in coordination for the success of the GST.

The roll out of GST, the GDP growth rate will get a boost and inflation will come down, he said.

In the initial stages, there will be some problems due GST, but in the long run it would benefit the poor and general public, he said.



### **Maha govt reviewing fiscal priorities: Agriculture, Metro projects on schedule**

The state government has also decided to push its 26 ongoing irrigation projects worth Rs 32,000 crore listed in the Pradhan Mantri Krishi Sinchai Yojana.



While announcing the loan waiver two weeks ago, Chief Minister Devendra Fadnavis had indicated that the government's capital investment in agriculture would not be impacted.

THE MAHARASHTRA government is reviewing its budgetary priorities to ensure that its five flagship projects are not affected by the fund shortfall due to the Rs 34,000 crore loan waiver for 89 lakh farmers.

A highly placed source in the government's infrastructure sub-committee told The Indian Express, "None of the flagship projects which has been rolled out is likely to be hit by the loan waiver. The list includes Jalyukta Shivar, Maharashtra Metro, the Nagpur-Mumbai Samruddhi Corridor, Digital Maharashtra and affordable housing."

The source added, "The budget allocated for the Jalyukta Shivar project does not exceed Rs 2,500 crore. So there is no question of curtailing the funds, even in the next budget (2018-19). Besides, the state government has committed to making 25,000 villages across Maharashtra drought-free by 2019, and it will not compromise on this as it directly affects agriculture and farmers. At present, 11,494 villages have become drought-free. In the next three years, allocation of Rs 1,600-2,000 crore per year would help achieve the target."

Another flagship project, the Samruddhi Corridor, is also unlikely to be affected as it directly concerns agriculture and farmers. With its 24 nodes, the corridor will provide a value chain for agriculture produce through sustainable agro-industries. The financial tie-up for these mega projects would be with international borrowers for long term high and low interest rates.

While announcing the loan waiver two weeks ago, Chief Minister Devendra Fadnavis had indicated that the government's capital investment in agriculture would not be impacted.

The state government has also decided to push its 26 ongoing irrigation projects worth Rs 32,000 crore listed in the Pradhan Mantri Krishi Sinchai Yojana. Sources said that projects worth at least Rs 10,500 crore, funded entirely by the Centre, would help to complete the irrigation projects in the 14 distressed districts of Marathwada and Vidarbha.

Due to the loan waiver, officials acknowledged, they would not allow any new projects in any sectors. They said bank loans and land securitisation were being seriously considered as options to partly provide the financial cushion for additional expenditure. Sources said that

the government is unlikely to abandon any of the mega-infrastructure projects. After the loan waiver, the infrastructure committee has been directed to reset its priorities and timetable. A senior official said, “Whether it was the 172-km, eight phases Metro costing Rs 75,000 crore or the Rs 46,000-crore Nagpur-Mumbai Samruddhi Corridor, the Rs 12,000-crore coastal road or the Rs 9,500-crore Mumbai Trans Harbour Link, the government is working on long term loans spread over 40 years from international companies like JICA and ADB at extremely low interest rates not exceeding 0.5 per cent. And the government is not bound to make any payment for the first few years which helps it to cope with the financial constraints for the next two to three years.”

### **Women-led agro-ecological farming model set to get UN award**

The aim was to empower the women in a way that they are able to manage the available natural resources and achieve food and income security through agriculture.



The winners were selected from 806 nominations across 120 countries. (Express Photo)

It was around the year 2009 that Pune-based organisation Swayam Shikshan Prayog (SSP) began working with women of the drought-hit Marathwada. The aim was to empower the women in a way that they are able to manage the available natural resources and achieve food and income security through agriculture.

An initiative was introduced wherein the local women farmers were encouraged to adopt climate resilient agriculture model that involved use of bio-fertilizers and pesticides, preservation and exchange of local seeds, diversifying from single crop to 5-7 crops to reduce climate risk.

This not only enhanced household food consumption but also allowed women to sell surplus crop. The women were also introduced to efficient ways of water management through use of hydroponics, drip irrigation, sprinklers, farm ponds, recharging of borewells, tree plantation etc, all of which resulted in better groundwater levels and soil fertility.

The initiative by SSP has recently won the Equator Prize 2017 by the United Nations Development Programme (UNDP) and partners which recognised 15 local and indigenous communities from Africa, Asia and Latin America.

The winning organisations, which showcase innovative solutions for tackling poverty, environment, and climate challenges, will be honoured at a celebratory gala in New York on September 17. The winners were selected from 806 nominations across 120 countries by an independent Technical Advisory Committee of internationally renowned experts. The selection process emphasised community-based approaches that provide a blueprint for replication.

Speaking about the award-winning initiative, Prema Gopalan, executive director, SSP, said, "This model addresses the issues of food security, income security, natural resource management and women empowerment all at the same time."

The initiative focuses on women and their families who are marginal and landless farmers and own four or less than four acres of land in drought-hit Marathwada region. Gopalan added that with the training, coupled with the right know-how, the marginal farmers who are worst-affected have better soil fertility, income security, and are able to make informed decisions about the types of crops, their cycles and water resources even in bad weather conditions. Since 2009, the initiative has reached out to as many as 72,000 women in Marathwada.

"Marathwada is not just about farmers' suicide. It is also about people like us who have challenged drought and destiny," Shaila Narore, one of the women farmers to benefit from the initiative, said. All the Equator Prize winners will receive US\$10,000 each and the opportunity for a community representative to join a week-long summit in New York during the 72nd United Nations General Assembly. The Equator Prize Award Ceremony on September 17 will feature celebrities, government and UN officials and members of civil society.

The Equator Prize has been supported by former heads of state Gro Harlem Brundtland and Oscar Arias, Nobel Prize winners Al Gore and Elinor Ostrom, thought leaders Jane Goodall and Jeffrey Sachs, indigenous rights leader Vicky Tauli-Corpuz, philanthropists Richard Branson and Ted Turner, and celebrities Edward Norton, Alec Baldwin, Gisele Bündchen, and many more.



## THE TIMES OF INDIA

### **Agriculture department pushes for inter-cropping of vegetables in 5,000 hectares**

VISAKHAPATNAM: An adequate monsoon has prompted the agriculture department to scale up the cultivation of gourd and other vegetables through inter-cropping in the district. Elaborating on the plans, officials noted that they are mulling the introduction of inter-cropping in over 5,000 hectares in the upland orchard plantations

Speaking to TOI, joint director of agriculture V Satyanarayana said, "We have identified vegetables that are easy to grow such as water gourd so that they can be grown in mango and

cashew topes in the district. Mandals in Narsipatnam division are being identified for the purpose."

Elaborating on the reasons, Satyanarayana said, "In Narsipatnam division we have observed that Casuarina is taking over vegetable patches and sugarcane plantations. In the long run this is unhealthy, but unfortunately farmers cannot be told what to do. Instead we are coming up with the idea of promoting vegetable cultivation especially gourd which are easy to grow in orchards and farmers can make additional income during the monsoon."

Regarding the availability of seed, horticulture department officials noted that seeds are quite cheap and the horticulture department would provide seeds at Rs 400 per kg, while the requirement per hectare is close to 3kg. In the open market, seeds are being made available at almost double the cost (Rs 700 per kg).

Farmers, however, are yet to buy this idea of inter-cropping. Ch Ganesh, a farmer from Uratla in Narsipatnam division, said, "Vegetable cultivation was common in this region. However, nobody has ever tried inter-cropping. They were always grown as stand-alone crops.