

02 Aug, 2013

## **Incessant rain waters down hopes of potato growers**

Incessant rain in several parts of Hassan district has watered down the hopes of potato growers. Cold weather coupled with the rain creates conditions favourable to the spread of late blight, a fungal infection. As a result, potato crop on nearly 5,000 hectares of land in the district has been affected by the disease.

Seed potato had been sown in over 21,000 ha of land in the district. “Potato cultivation demands an investment of around Rs. 50,000 a ha. Farmers have invested so much already. If they can succeed to sustain the crop for another 20 days, majority of the growers will get an average yield,” said Shakeel Ahmed, Deputy Director of the Horticulture Department. Going by the officer’s statistics, farmers in Hassan district have invested nearly Rs. 105 crore on this three-month crop. As the fungal infection is spreading fast, farmers have lost hopes of making profits and would be contented if they could get back their investment.

H.P. Mohan, progressive farmer and environmentalist, said one of the solutions to the problem would be to avoid cultivation of potato for a certain period. “Unless fungus is eliminated from the area completely, farmers can’t escape chances of their crop getting infected. The government machinery has to suggest alternative crops for farmers who have been cultivating potato every year,” he said. He also stressed the need for spreading awareness among farmers about disease-resistant varieties of potato.

In fact, potato growers were hopeful of good returns till July 15. "Farmers were expecting that a letup in the rain would halt the spread of blight. But their hopes were dashed by incessant rain. Now, farmers are left with no option but to face losses," said R.P. Venkateshamurthy, another progressive farmer and journalist.

Mr. Shakeel Ahmed said blight was first noticed in Alur taluk last month. It spread to all taluks in the last couple of weeks. "Standing crop on nearly 5,000 ha has been affected. The impact is severe in over 1,200 ha. Farmers have to spray fungicide to safeguard their crops," he said.

### **Relief**

Farmers and politicians have been demanding a relief package for potato growers. H.K. Javare Gowda, former Rajya Sabha member, at a press conference here on Thursday, said the government should announce Rs. 15,000 to Rs. 20,000 as relief for an acre for potato growers.

"A delegation of farmers will be taken to Bangalore to meet the Chief Minister and submit a memorandum," he said.

### **The shaky geopolitics of India's food security**

The last time I began an essay with the words "in this era of globalisation," in high school, even my teacher winced at the cliché. In junking the phrase, however, we may have forgotten its import too. The United Progressive Alliance (UPA) certainly seems to have, because it has pushed through a major food security initiative without so much as a murmur on how it will operate with respect to India's international commitments.

Whatever the disagreement on the Food Security Ordinance (FSO), either on the political expediency which drove it, the size of the fiscal burden the

government has to shoulder, or the criteria used to identify its beneficiaries, one aspect is beyond question: to fulfil the Ordinance's mandate, governments would need to procure a lot more food grain than they do currently from Indian farmers and perhaps, through imports. If India intends to be self-sufficient in meeting food security requirements, our farmers must have an incentive to produce more, reflected in higher procurement prices and access to better farming inputs. At the same time, the Rangarajan Committee — constituted by the Prime Minister's Office to "review" the National Advisory Council's version of the law — has suggested India should procure only 30 per cent of the country's total production from farmers. Anything more, the committee has warned, will result in a "distortion of food prices in the open market." But unless our food production capacity somehow dramatically improves in the next few years, procuring 30 per cent from farmers alone will not meet the FSO's requirements. In the interim, therefore, food imports are a reality. During this period, the government needs to compensate farmers well, support the domestic agricultural sector *and* gain access to cheap food imports. If it fails in these objectives, the FSO will not only ratchet up India's trade and fiscal deficit, but also fail to boost our own production capacity. This vicious cycle will eventually render the ordinance (by then a law, presumably) unsustainable.

### **Compensation for farmers**

There's only one problem: imports come cheap thanks to the heavy subsidies the West offers its agribusinesses. These subsidies must go if India's farmers are to have any chance of competing against imports.

What's more, India's commitment to the WTO prevents it from raising its Minimum Support Price to farmers by a high margin. With a view to ensuring food security, therefore, the 'G33' group of countries at the WTO — in which India has played a leadership role — has sought an exception to this rule. If the G33's proposal were to be accepted, developing countries would retain the right to pay most of their farmers "above the market" (ATM) rates for procuring and stockpiling food grain.

Ironically, the UPA is yet to pay market rates, let alone above them, to farmers from whom it buys grain. For all its claims to make food security a priority, the government's Minimum Support Prices for farmers in recent years have been well below those prevailing in the open market. Even so, if one were to give the UPA the benefit of the doubt and assume it will raise compensation for farmers now that the FSO is in place, the G33's proposal is unlikely to gain traction at the WTO. The proposal to grant ATM rates to marginalised farmers in developing countries has been called a "trade distorting subsidy." On the other hand, the West is nowhere near close to agreeing on a gradual reduction and eventual elimination of the massive subsidies it offers to large agri-businesses.

The UPA, racing to the 2014 election with blinders on, has finally realised its Food Security Bill cannot work without resolving both these concerns. But its hectic, eleventh hour efforts to curry favour at the WTO may not be successful: the G33 proposal will likely be staunchly opposed, especially by the United States, at the Bali ministerial meet this December. The group has now been offered a piecemeal "interim mechanism" that will allow specific countries to raise support prices for their farmers. But this is a temporary measure: sans the WTO's green signal in December, India

cannot incentivise its farmers without falling foul of its international commitments. If it still goes ahead, the West is entitled to retaliate with crippling trade countermeasures. Unless developed countries agree to cut their agro-subsidies, India will also see cheap food imports muscling domestic farmers out of business. What does this deadly combination of factors mean for the long-term viability of the Food Security Ordinance? Frankly, who cares? For the UPA, after all, the future is between now and May, 2014.

### **Safeguards**

The issue of farming subsidies is particularly crucial in the context of the Indo-EU Free Trade Agreement (FTA). Under the FTA, trade tariffs for agricultural products will be brought down dramatically. Once the floodgates open, food and dairy products from Europe — that have long enjoyed the EU's political patronage — will easily displace the indigenous market, severely denting our agrarian sector. This is not to say the FTA should be abandoned altogether. The agreement is crucial for India to access better technology (in agriculture) and gain entry into Europe's lucrative markets in other sectors. But before the FTA is inked into existence, India should incorporate safeguards for its farmers, at least keeping food security in mind. If our farmers stand no chance against the massive production capacity of agri-businesses in Europe, the government can kiss self-sufficiency goodbye.

Prime Minister Manmohan Singh and his government have hastily materialised a populist, but much-needed legislation, without laying the foreign policy foundations for its continued existence. WTO rules need to be renegotiated to accommodate higher procurement rates for India's

farmers. Wrinkles in the Indo-EU Free Trade Agreement need to be ironed out, if our agricultural sector is to be strengthened. These objectives require hard-nosed bargaining and adept diplomacy from New Delhi. They certainly cannot be achieved in a few months — unless these measures are in place, the FSO will whimper to a slow death in a matter of years. Food security, a national imperative of enduring significance, cannot be relegated to a legislation that refuses to see beyond the next general election.

### **Post Chapra incident, FAO wants hazardous pesticide withdrawal to be expedited**

The United Nations Food and Agriculture Organisation (FAO) on Thursday said the death of 23 children at Chapra in Bihar after eating school meal contaminated with monocrotophos was an important reminder to speed up the withdrawal of highly hazardous pesticides from markets in the developing countries.

Monocrotophos is an organophosphorus pesticide considered highly hazardous by FAO and World Health Organisation (WHO).

Experiences in many developing countries have shown that the distribution and use of such highly toxic products often pose a serious risk to human health and environment.

“The incident in Bihar underscores that secure storage of pesticide products and safe disposal of empty pesticide containers are risk reduction measures, which are as crucial as prominent field-oriented steps such as wearing proper protective masks and clothing,” FAO said in a statement here.

The entire distribution and disposal cycle for highly hazardous pesticides carried significant risks. Safeguards were difficult to ensure in many countries, it added.

In 2004, the government ruled out banning the production and use of monocrotophos on the grounds that it was cheaper than alternatives and more effective in controlling pests that ruin the crops despite being labelled as highly hazardous by the WHO.

Among international organisations, including FAO, WHO and the World Bank, there is consensus that highly hazardous products should not be available to small scale farmers who lack knowledge and proper sprayers, protective gear and storage facilities to manage such products appropriately.

“FAO, therefore, recommends that governments in the developing countries should speed up the withdrawal of highly hazardous pesticides from their markets,” it said.

Non-chemical and less toxic alternatives were available, and in many cases Integrated Pest Management could provide adequate pest management that was more sustainable and reduced the use of pesticides.

The International Code of Conduct on Pesticide Management, adopted by FAO member- countries, establishes voluntary standards of conduct for all public and private entities involved in pesticide management.

This code has been broadly accepted as the main reference for responsible pesticide management.

The code states that prohibiting the importation, distribution, sale and purchase of highly hazardous pesticides may be considered if, based on risk assessment, risk mitigation measures or good marketing practices, are

insufficient to ensure that the product can be handled without unacceptable risk to humans and the environment.

For monocrotophos, many governments have concluded that prohibition is the only effective option to prevent harm to people and environment. This pesticide is prohibited in Australia, China, the European Union and the United States, and in many countries in Africa, Asia and Latin America.

***Prohibiting monocrotophos is the only option to prevent harm***

### **Pawar to inaugurate Krishi Mela**

The international Krishi Mela being organised by the University of Agricultural Sciences-Bangalore from November 7 to 11 will be inaugurated by Union Agriculture Minister Sharad Pawar. He has sent a communiqué to the university confirming his willingness to inaugurate the event, which is expected to be attended by about 20 lakh farmers.

### **'Keep field channels ready'**

In view of the release of water from Mettur dam, the district administration has appealed to farmers to clear their field channels under the Mahatma Gandhi National Rural Employment Guarantee Scheme.

According to an administration release, work on removal of ipomoeas, water hyacinth, and dredging were on under MNREGA under village panchayats.

Farmers have been advised to take up these works through their village panchayats under MNREGS, the release said.



## U.S. students get tips on chicken farming in Tiruchi



**PRACTICAL LESSONS:**A student from Virginia–Maryland Regional College of Veterinary Medicine looking at a bird at Veterinary University Training and Research Centre ,Tiruchi.

Eight students from Virginia-Maryland Regional College of Veterinary Medicine (VMRCVM), U.S., visited Veterinary University Training and Research Centre (VUTRC), Tiruchi, on July 31.

The students, undergoing six-week training at Tamil Nadu Veterinary and Animal Sciences University (TANUVAS), were accompanied by Dr. Elankumaran Subbiah, Professor, Virology, VMRCVM, U.S.

Dr. T. Lurthu Reetha, Head, Veterinary University Training and Research Centre, briefed them about the activities of the centre and the importance of technology based desi chicken farming including hatching eggs in small chicken incubator and rearing birds under the cage system.

She explained the advantages of the TANUVAS oral pellet vaccine and added that it would help in eradicating the Newcastle disease in desi birds.

The students were taken to Sri Lakshmi feed unit at Chikamalaipatty, run by C. Manivannan, who was trained by VUTRC.

He spoke to them about his motivation to start the feed mill to cater to the needs of livestock farmers in the area by selling quality feed at nominal rates.

#### **416 farmers apply for crop loans**



Support system: Darez Ahamed, Collector, monitoring the proceedings at the farm loan camp at Esanai in Perambalur district on Thursday.

A total of 416 farmers submitted their applications for obtaining crop loans from various banks at a camp organised by the district administration at various revenue villages on Thursday.

The camp was in the wake of repeating complaint by a section of farmers about non-sanctioning of loans or delay in farm credit facility by financing institutions. Camps were held at Esanai, Alangizhi and Kurumbalur in Perambalur taluk; Melamathur, Naranamangalam and Varagupathi in Alathur taluk; Nannai, Tirumanthurai and Olaipadi in Kunnam taluk; and at Udumbiyam, Periavadakarai and Thondapadi in Veppanthattai taluk. Darez Ahamed, Collector, visited the camps at Esanai, Palayam, Tirumanthurai and Nannai villages, and ascertained the coordination by banks. He advised the bank officials to immediately process their applications and disburse the farm credit. Similar camps would be held in a few select villages from August 5 to 8, he said.

Rs. 2.50 crore for insurance

Over 5,000 farmers and their family members got assistance to the tune of Rs.2.50 crore under the Chief Minister's Farmers Protection Scheme at camps held at three centres on Thursday. M.Ravikumar, District Collector, said that with a view to cover farmers who have not enrolled as members, the district administration has made arrangements for enrolling them. A total of 1,137 petitions have been received. Steps to improve yield in Amaravati sub-basin

Farmers in areas under the 'Amaravati sub-basin' can hope for bountiful harvests this year as Department of Agriculture is set to disseminate technical know-how and distribute farm inputs at a cost of Rs2.5 crore to improve yield from the area.

Because of drought, the productivity was severely hit in the 'Amaravathi sub-basin' last year, which used to cultivate rice, pulses, maize, groundnut, and coconut.

The current project will focus on enthusing farmers to take up advanced technologies right from raising of saplings to nutrient management, and application of fertilizers.

To popularise the latest farming practices, 765 demonstration plots will be set up for paddy with each spread over a hectare in Udumalpet, Kundadam, Mulanur, Vellakoil, Dharapuram, and Madathukulam blocks under the Amaravati sub-basin.

### **SRI technique**

"The System of Rice Intensification (SRI) technique will be taught to farmers. Cono-weeders and markers needed for SRI farming methodology,

seeds and plant protection chemicals will be distributed free of cost to the farmers on whose land the demo plots are to be set up,” said Joint Director of Agriculture Mohammed Kalimullah Sherif.

Similarly, 310 demonstration plots would be set up for maize, 40 for groundnut, and 145 demonstration plots for pulses.

To ensure optimal yield and help the farmers address the nutrient deficiencies usually arising in coconut cultivation, it was planned to distribute Rs2.2 lakh worth of micro nutrient mixtures, NPK (nitrogen-phosphorus-potassium)-based fertilizers and bio-fertilizers in the region.

The farmers who wished to obtain power sprayers to apply plant protection solutions, would be given the gadgets at 50 per cent subsidised rate subjected to a ceiling of Rs. 3,000 an instrument.

Mr. Sherif said that financial assistance would be given to set up 215 vermin compost units in the six blocks under the sub-basin.

### **Concrete flooring of canals opposed**

A large section of traders in Naththakadayur hamlet, near Kangayam, closed their shops and establishments on Thursday to express solidarity to the farmers’ ongoing opposition to a project by PWD to concrete floors of canals under Lower Bhavani Project (LBP) irrigation system.

The farmers from Naththakadayur, Muthur, Maruthurai, Paranjerveli, Palayakottai, and few other places, which falls in the command area of LBP irrigation system, were of the opinion that laying concrete on the floor and the banks of the 200km long canal stretches in the region would prevent recharging of wells and borewells.

Karthikeya Sivasenapathy, a coconut farmer, said that the State Government, which was implementing an excellent scheme of setting up rainwater harvest structures in houses/commercial establishments for recharging the groundwater, should not allow concreting of floors on the canals.

“This is because that the water flowing through natural canal beds by itself remains the most natural and economical way of recharging the groundwater,” he added.

A large section of the agrarian community in LBP irrigation system area recently had started airing their opposition only after seeing the move from authorities in April this year to revive the concrete flooring project.

“The plan to concrete the floor of canals in the area came up first in 2010. The decision was then put on hold after staunch opposition from the farmers,” said Mr. Sivasenapathy.

### **Rain shadow region**

The farmers added that since the area falls within the rain shadow region of Western Ghats, the recharging of wells and borewells in the peripherals of the canal irrigation system would be essential for sustainable irrigation and maintenance of livestock through the year.

### **Directive to sugarcane farmers**

District Collector Kirlosh Kumar has issued a directive to all the sugarcane farmers in Chidambaram and Kattumannarkoil to supply their produce only to M.R. Krishnamurthy cooperative sugar mill and not to any other mill.

The Collector has stated that the crushing season in the cooperative sugar mill would begin in November 2013. Whether registered with or unattached to the cooperative sugar mill, all the sugarcane farmers ought to abide by the directive. The Collector has warned that any deviation would attract legal action against the defiant farmers as provided under the Sugarcane Control Act 1966. — Special Correspondent

### **Tiruchi district banana growers seek relief**

Reiterating their demand for sanction of compensation for crop loss suffered by banana growers in Tiruchi district, farmers' representatives of Tiruchi district have urged the government to take steps to sanction money from the calamity relief fund to banana growers sustaining crop losses on account of natural vagaries.

In a representation submitted to the Commissioner of Horticulture in Thanjavur, the farmers observed that banana crop on over 30,000 acres of land had withered because of monsoon failure and lack of flow in the Cauvery over the past six months. This apart, crops in many places were damaged in gale.

Farmers had spent Rs. 1.50 lakh an acre for raising banana and were facing a distress situation now owing to the crop loss, they said in the joint memorandum.

Suriyan, district secretary, Tamil Nadu Vivasayigal Sangam, Puliur A. Nagarajan, president, Tamil Nadu Horticulture Crop Producers Association, and N. Veerasekaran of Ayyan Vaival Pasanatharar Sangam, were present.

## **National conference of Krishi Vigyan Kendras**

Bangalore will host a national conference of Krishi Vigyan Kendras (KVKs) in October. The three-day conference to be held from October 23 is being organised by the University of Agricultural Sciences-Bangalore (UAS-B) with support from the Indian Council of Agricultural Research.

Speaking to *The Hindu* after a programme organised in the UAS-B on the prestigious Sardar Patel Outstanding Institution Award received by the university, which gives it the sobriquet of the country's best agricultural university, K. Narayana Gowda, Vice-Chancellor of UAS-B, said it was the first time that the national conference of KVKs was being held in Bangalore. The conference will be inaugurated by Union Agriculture Minister Sharad Pawar.

The representatives of all the 634 KVKs in the country were participating in the conference that would deal with new innovations and technologies in agricultural extension systems, among other things, he said.

The KVKs, which are the district-level nodal agencies set up by the ICAR, play a crucial role in transferring technologies from agricultural labs to the lands.

Earlier, participating in the post-award function, Dr. Gowda said the award was a befitting gift to the university on the occasion of its ongoing golden jubilee celebrations.

The UAS-B has the rare distinction of receiving the award twice, as it had won it in 2001 also, he said.

Listing the achievements of the university in all the three spheres of education, research and extension work, UAS-B Director of Education D.P. Kumar said nearly 190 new crop varieties had been developed by the

university so far. Some of these crop varieties were not only popular in different States, but also in other countries.

The university's newly nominated Board of Regents members Hirevenkanagouda and K.R. Srikanth, Registrar Nanjappa and Research Director M.A. Shankar were also present.

### **'Expedite withdrawal of hazardous pesticides'**

*Chapra incident an important reminder, says the United Nations organisation*

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The entire distribution and disposal cycle for highly hazardous pesticides carried significant risks. Safeguards were difficult to ensure in many countries, it added.

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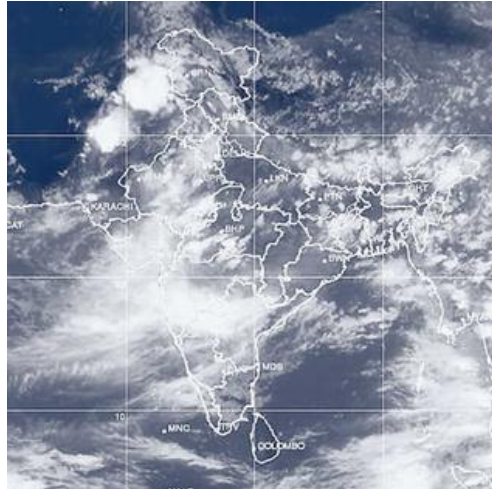
### **BDU professor to join major ICAR project**

The Indian Council for Agricultural Research (ICAR) has sanctioned a major research project with Rs.1.41 crore to Bharathidasan University, Tiruchi, and National Dairy Research Institute (NDRI), Karnal, Haryana, for developing a cost-effective nano biomarker to detect the period of heat in buffaloes and augment artificial insemination.

### **Pheromone Technology**

The research project sanctioned under ICAR's National Fund for Basic Strategic and Frontier Application Research in Agriculture would be carried out by Dheer Singh of NDRI, the lead centre, and G.Archunan, Professor and Head In-Charge, Department of Animal Science, Bharathidasan University, the Cooperating Centre. According to Prof. Archunan, who is also the Coordinator, Centre for Pheromone Technology in the department, the research finding would help in increasing buffalo population in farms.

## weather



INSAT PICTURE AT 14.00 hrs. Observations recorded at 8.30 a.m. on August 1st.

	Max	Min	R	TR
New Delhi (Plm)	33	26	3	346
New Delhi (Sfd)	34	26	0	460
Chandigarh	35	26	8	490
Hissar	38	25	54	288
Bhuntar	34	22	0	319
Shimla	25	18	tr	527
Jammu	35	24	68	545
Srinagar	33	21	4	136
Amritsar	37	28	0	275
Patiala	37	26	6	449
Jaipur	30	26	11	324
Udaipur	28	24	1	448
Allahabad	34	27	5	652
Lucknow	35	25	2	509
Varanasi	34	27	17	417

Dehradun	31	24	62	1864
Agartala	33	25	14	543
Ahmedabad	30	26	tr	575
Bangalore	25	20	0	313
Bhubaneshwar	30	25	tr	534
Bhopal	27	23	45	935
Chennai	35	28	0	304
Guwahati	33	27	0	560
Hyderabad	23	21	14	415
Kolkata	31	26	2	783
Mumbai	30	25	4	1834
Nagpur	29	23	103	1100
Patna	35	27	3	174
Pune	24	21	15	504
Thiruvananthapuram	31	25	1	747
Imphal	28	22	12	483
Shillong	24	19	0	543

The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (tr-trace) and total rainfall in mm since 1st June.

#### RAINFALL

South west monsoon has been active over Himachal Pradesh and east Rajasthan. The axis of Monsoon Trough at MSL passes through Bhatinda, Aligarh, Nawgoan and thence South-East wards.

**RAINFALL:** Rain/thundershowers have occurred at many places over Himachal Pradesh Punjab, east Rajasthan west Uttar Pradesh and Uttarakhand, at a few places over Haryana, Jammu and Kashmir, and east

Uttar Pradesh and at isolated places over rest of the region. The chief amounts of rainfall in cm are: (5 cm and above) HARYANA: Karnal 9, Hissar 5, HIMACHAL PRADESH: Kangra Aero 13, Guler 11, Dharamshala 9, Kheri and Nagrota Surian 7 each and Rajgarh 5, JAMMU AND KASHMIR: Jammu Aero 8, Kathua 5, PUNJAB: R.S. Dam site 11, Shahpur Kandi 9, Phillaur 6, Ferozpur 5, EAST RAJASTHAN: (6 cm and above) Dholpur and Neemkathana 10, Tizara 9, Atru 8, Shahbad 7, Fatehpur 6, WEST RAJASTHAN: Ratangarh 6, Taranagar 5 EAST UTTAR PRADESH: Kanpur Tehsil 6, WEST UTTAR PRADESH: Baheri and Mahroni 5 each and UTTARAKHAND: Chamoli 9, Naintal 7, Dehradun and Purola 6 each, Karanprayag and Mussoorie 5 each.

**. FORECAST VALID UNTIL THE MORNING OF 3rd August**

**2013** : Rain/Thundershowers may occur at many places over Jammu and Kashmir, Himachal Pradesh, Uttarakhand and east-Rajasthan. Rain /Thundershowers may occur at many places over Punjab and Haryana during next 24 hours and decrease thereafter. Rain/Thundershowers may occur at a few places over west-Uttar Pradesh and isolated over east-Uttar Pradesh and west-Rajasthan.

**HEAVY RAINFALL WARNING:** Heavy rainfall may occur at one or two places over Jammu and Kashmir, Himachal Pradesh and Uttarakhand during next 72 hours and over east-Rajasthan during next 48 hours.

**FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 3rd August 2013:** Generally cloudy sky.

Rain/thundershowers may occur in some areas.



# THE TIMES OF INDIA

## Food security good for nation's nutrition?

NEW DELHI: Parliament's monsoon session starting next week is expected to green light the food security ordinance paving the way for implementation of the much-debated law.

The need for a Food Security Act was triggered by the urgent need to fight malnutrition and hunger. The legislation received a positive response, but the timing of the ordinance and its impact on the economy raised doubts. The opposition questioned the government's motive saying UPA wants to win votes off the back of the massive scheme. The programme's scale and implementation challenges also raised serious queries.

The key concern is over the delivery machinery — the public distribution system. Critics say it can't handle such a large programme given its track record and the leakages that have been reported in the past. But recent studies show some improvement in the PDS following state and central efforts. A group of researchers recently evaluated PDS, randomly picking 100 villages across nine states. It points to an "impressive revival". The researchers have written to Prime Minister Manmohan Singh saying "the days when up to half of the PDS grain was diverted to the open market are gone."



Critics, though, insist a marginal improvement isn't enough to risk a massive programme such as the food security scheme.

The other worry is the selection of beneficiaries. Experts say identifying people deserving the benefit will remain a challenge and may negate the intended benefits.

The legislation's fiscal cost and the procurement of food grains to run the programme have fuelled anxiety. One estimate suggests the measure would cost the exchequer about Rs 2 lakh crore. The government says it has the resources. There'd be no damage to public finances.

The huge procurement is likely to impact the farm sector, experts say. It might prompt farmers to rely on wheat and rice and discourage them from diversifying into other crops. According to the World Bank, food subsidies unless designed and targeted properly are unlikely to help the poor. It says consumer food subsidies, being used by some countries such as India to respond to volatile food prices, are often counter-productive.

According to IMF estimates, just 35% of the amount spent to subsidize food prices reaches the bottom 40% of the population (20% in the case of fuel subsidies), compared with 50-75% accruing to the bottom 40% for cash transfers.

<b>THE BILL</b>	
<b>WHO IS IT FOR?</b>  75% of rural population  Upto 50% of urban population	
<b>WHAT WILL THEY GET?</b> 5kg foodgrains per month at ₹3, ₹2, ₹1 per kilo for rice, wheat, coarse grains respectively. Poorest of poor continue to get 35kg per household (Antyodaya Anna Yojna)	
<b>HOW WILL IT BE DISTRIBUTED?</b> <ul style="list-style-type: none"> <li>▶ Through PDS, which the Bill promises will be reformed on ICT platform</li> <li>▶ Food security allowance in case of non supply of foodgrains, leveraging 'Aadhaar' to identify beneficiaries</li> </ul>	
Where there's short supply of food grains, Centre will provide funds to States/UTs for entitled	
<b>CHECKS &amp; BALANCES?</b> Existing grievance redressal mechanisms to be used. Bill promises penalty for public servant not following rules	<b>WHO'LL FOOT THE BILL?</b> Centre. Also supposed to aid states with intra-state transportation costs, handling of foodgrains, dealers' margin
<b>THE FEARS</b> — Will PDS reach the needy? States where poverty is concentrated and need is the most, PDS governance big issue   Cash transfers opposed on grounds that poor will spend it elsewhere   One viewpoint that if they're given food, they'll be better nourished	

## **We can afford liability of Food Bill: K V Thomas**

NEW DELHI: Minister of state, independent charge, consumer affairs, food and public distribution K V Thomas is confident he'll implement the food security ordinance within six months of it getting Parliament's nod. He tells TOI's Surojit Gupta and Dipak Dash there's no substance in the claim that the Food Security Bill will impact government finances.

### **Are there major implementation challenges?**

There's a PDS and we're procuring grains. Last year, we mopped up 82 million tonnes and stored it. Five years ago, we stored 55 million tonnes. Now, it's roughly 78 million tonnes. In two years, we'll have capacity for 85 million tonnes. For this programme, we need 62 million tonnes. Projections up to 2034 show we've enough for PDS. Procurement, storage and transportation issues have been resolved. We've brought down damages from 2.5% to 0.07% in five years. We're introducing computerization. Dedicated railway lines will be used to connect producing and consuming states. We're building silos. The problem is distribution. We've 5.5 lakh PDS shops and leakage is 15-20%. I got some data from researchers led by Jean Dreze. They talk of a PDS revival in all sample states barring Bihar. PDS is mainly a state responsibility. We're pushing them to computerize, ensure panchayati raj institutions' participation. The nine-point programme to modernize PDS is showing results. We've weeded out bogus ration cards and from 22 crore card holders, we now have 16 crore.

### **How will you identify the beneficiaries for the scheme?**

The APL, BPL system is there. From that, the NSSO data and the socio-economic data, states can do it easily.

### **What about logistics?**

I transport 60 million tonnes. If I have logistics for this, I can easily add 2 million tonnes.

### **There are calls to reform FCI.**

I've put every state in FCI consultative committees with senior parliamentarians as chairmen and representations from all walks of life.

### **Do you fear hoarding by states and price rise?**

We are procuring only 30%, the balance 70% is in the open market, with farmers and traders.

### **Will this hamper crop diversification?**

We need only 62 million tonnes. At best, we may need 85-90 million tonnes. We produce 200 million tonnes. We're promoting diversification, telling farmers to grow more pulses.

### **How'll you address the question of nutrition?**

Giving grain is not the only solution. We should give pulses, milk and eggs. There are different schemes. Pregnant and lactating women, newborns are being given nutritious food. We've taken care of nutrition.

### **Is it true that the Food Bill will hurt fiscal health?**

We've got a Rs 1.09 lakh crore liability. You need to strengthen PDS. With all the social schemes including midday meal, my liability will be Rs 1.35 lakh crore. I can afford this.

### **Fixing PDS leak biggest challenge for govt'**

Ashok Gulati, chairman of Commission for Agriculture Costs and Prices tells Surojit Gupta the Bill will strangulate the open market for grains.

### **What are implementation challenges?**

The biggest challenge is fixing the PDS that has 40% leakage. The other



arises from the fact that actual cereal consumption per capita per month is 10.7 kg, not 5 kg. This means beneficiaries must rely on markets for over half their needs. It's critical to understand the impact on the open grain market. Demand will be increasing but production can be volatile. In 2002-03, grain production fell by 38 million tonnes. How will we procure or import that much? Either keep high stocks or rely on cash compensation. Fix PDS, stabilize production and storage and move it. Investments on the last two could cost not Rs 1.25 lakh crore but almost Rs 2 lakh crore a year.

### **What'll be the impact on farmers?**

Huge demand for grain means they'll corner the incentives. Farm diversification will suffer. Demand for non-cereal commodities is increasing faster than cereals. If production tilts towards cereals it'd mean costlier fruits, milk, vegetables and meat. That's regressive because growing economies mean more demand for nutritious food. The nutrition question can't be tackled with grain alone.

There's greater incentive for intermediaries to pilfer PDS grain, as gap between open market and subsidized prices will widen. If Rs 2/kilo wheat gets into the market, it may depress farmers' prices and arrest minimum support prices (MSP).

### **Is the Bill pro-farmer?**

I don't know how. We'd want to procure cheap. So we'll keep MSP low, may take over markets, ban exports. We restrict inter-state movement, ban private trade holding stocks, so market prices collapse to the MSP.

Farmers are hit. The other possibility: Government offers a high MSP and is ready to procure as much grain as farmers produce.

## **What're the long-term implications for the economy?**

The moment government touches grain it's like putting a golden hand on it. The economic cost is 50% above procurement price. Part of this'll be taxes states impose; some tax as high as 14.5%. States would want to get as much money from the Centre as possible. It'll happen in the name of food security for the poor.

There's the operational cost. FCI departmental labour costs seven to eight times more than contract labour. Those on contract will demand permanence and add to cost. Procurement, stocking and distribution through state agencies is more expensive than through the private sector. Most countries have abandoned physical handling of grain for conditional cash transfer. To achieve equity, use an income policy that can bypass intermediaries. In the long run, we'll strangulate the open market.

## **Punjab to help Kutch's Punjabi farmers**

AMRITSAR: Punjab chief minister Parkash Singh Badal on Thursday promised to intervene to safeguard the interests of Punjabi farmers in Kutch region of Gujarat, following a National Commission for Minorities (NCM) report revealing that Sikh community is discriminated against in Gujarat.

Talking to media persons here on Thursday, Badal said he would take up the matter of displacement of Punjabi farmers in Kutch with his Gujarat counterpart Narendra Modi. "The state government will take every possible step to protect the interests of Punjabi farmers living in Gujarat," he said.

The issue of Punjabi farmers of Kutch fearing displacement came to light following a NCM report stating that the Narendra Modi-led Gujarat government had "prima facie" discriminated against the state's Sikh community in Kutch by ordering them to sell their land and return to Punjab because they were not Gujaratis.

Badal was here to attend a function organized to swear in the newly-elected panchs and sarpanchs. He was accompanied by cabinet ministers Bikram Singh Majithia, Anil Joshi, Gulzar Singh Ranike, Surjit Singh Rakhra and Lok Sabha MP Rattan Singh Ajnala.

Asked about the rising demand for formation of new states in the country, Badal alleged that the discrimination of Centre in ensuring development of states is the main reason for this.

Shiromani Akali Dal (Delhi) has also appealed Narendra Modi to restore rights of Punjabi farmers in Kutch region. Talking to TOI on Thursday, president of Shiromani Akali Dal (Delhi) Manjit Singh GK said he had urged Modi not to oust the families involved in farming for past the three generations in Naliya tehsil of Kutch area of Gujarat.

General secretary of Delhi Sikh Gurdwara Management Committee, Manjinder Singh Sirsa, told TOI that Modi should behave as a statesman, especially when BJP is looking towards him to lead the country as the prime minister after the coming Parliament elections.

### **Startups using Artificial Intelligence to make products for everyday life**

*World over, companies are making products for everyday needs using artificial intelligence. Indian startups are also at the forefront of this trend. From discovering financial fraud to healthcare support, some of the cutting-*

*edge technologies are developed by young ventures here which have a vibrant market in the United States and Europe.*

## **Areas of Application**

### **Information technology**

IPsoft, a company founded by an Indian-origin mathematician Chetan Dube, is revolutionising the way computer networks are managed. Its technology mimics the human brain and is capable of self-healing, self-learning and autonomously solving a majority of the problems that arise on computer networks. It has created a humanoid called Eliza which can identify problems, have natural conversations with users and solve problems in a few seconds. Infosys recently tied up with IPsoft, which carries out most of its R&D work out of India

### **Advertising and Retail**

Bangalore's Tonbo Imaging, a startup that develops video processing and imaging technology for the military, is using this platform to help retail and consumer goods firms. Its cameras, embedded on digital signboards, automatically analyse a person's facial expressions, eye gaze and body language to develop insights about customer behaviour. Its customers include Kraft-Cadbury, L'Oreal and P&G. Tonbo also has a television audience measurement product. Its device in TV sets can analyse what channel is being watched as well as the demographics.

### **Education**

eDreams Edusoft, a Bangalorebased company uses natural language processing technology to provide automated personalised tutoring. FunToot, its product, is now being used by about 14,000 children. Another company, PrazAs, founded by BITS Pilani and IIT alumni, has developed

adaptive learning software being used by students in India and the US. The technology, which can recognise handwriting, records the steps taken by students to solve problems. It alerts the tutor when a student is stuck.

### **Agriculture**

Hyderabad-based Gramener helps enhance longevity of chickens. It analyses data provided by Suguna Foods, its client and one of the biggest in the poultry business. Gramener finds disease patterns to let Suguna know what precautions to take and makes recommendations about how much sunlight the birds must be exposed to, the type of feed, and even the structure of the shed in which they are housed

### **BPO & ecommerce**

Human responses come with a set of pitfalls —emotional vulnerability, bias, and above all, lack of knowledge. Bangalorebased Vimagino has created intelligent systems called 'angels' which can sense and respond to human emotions in customer interaction.

### **Robotics**

Grey Orange Robotics, set up in 2009, builds robots that can move shelves stacked with various products to a floor assistant who then scans a barcode to confirm the right items. The robot in turn moves the chosen products to the shipping bay where workers seal the packages for final transport. The robots, which look like cubes, are called Butlers.

### **Dating services**

Artificial intelligence is showing the way to true love. Instead of traditional markers such as caste, community, or horoscopes, a new breed of online match-making sites, such as TwoMangoes, rank users based on education, profession and career prospects. These firms use algorithms to study

users' behaviour and reaction to others on the site to suggest a partner.

### **Predicting Crime**

Crime fighting has also found an ally in big data analytics. The Tom Cruise-starrer 'Minority Report', set in 2054, showed prediction of crime. Data scientists at the India laboratories of IBM have brought that future to the present. They predict the chances of a person committing a crime, based on jail records, IBM India has deployed this analytics for the police departments of New York and Chicago and is now working with an Indian state police agency.

IBM also delivers traffic prediction in cities such as London and Stockholm, for which the prediction algorithms are done out of India. The traffic prediction is based on real-time information that helps IBM identify the patterns of how a particular roadway is getting congested and traffic and transport authorities of these cities are able to change the pricing of tolls accordingly.

### **Bountiful rains: Parched Maharashtra crops get relief, throats stay dry**

MUMBAI: The bountiful monsoon this year has brought major relief to farmers in some of Maharashtra's worst drought-affected areas. Yet, it has not been able to alleviate the drinking water crisis in parts of the state.

Several dams here still have extremely low drinking water levels and some, such as Jayakwadi in Aurangabad district, remain completely dry.

After reeling from one of its severest droughts, Maharashtra has on an average received over 100% rainfall so far. The agriculture department, which has been tracking the kharif-sowing pattern since the monsoon began in June, says the state may even be on its way to a bumper harvest.

Aurangabad, Dhule, Osmanabad, Latur and Kolhapur districts, which suffered the drought's full blow, have covered a lot of ground in the past six weeks.

In Aurangabad district, the agriculture department says, kharif crops have been sown on 7,174 hectares as against the yearly seasonal normal (YSN) of 6,292 hectares. In Osmanabad district, where the YSN is 3,905 hectares, sowing has covered 4,305 hectares. And in Dhule and Akola districts, the YSN of 3,968 hectares is nearly reached.

"We now want a dry spell to protect the crops," said a department official. Kharif crops include paddy, jowar, bajra, maize, wheat, cereals and groundnut.

However, while delivering good news for crops, the heavy rain has done little to ease the severe drinking water problem in drought-prone regions.

"Rains were deficient the last two years in parts of the state, such as western Maharashtra and Marathwada. A good monsoon this time has not been sufficient to recharge ground water," said state relief and rehabilitation secretary Milind Mhaiskar.

Data procured from official sources show that the water storage position in major dams of Marathwada region is still far from encouraging. While the total capacity of the 11 dams in the region is 5,142 Mcum (million cubic metres), water storage till last week was barely 632 Mcum.

Jayakwadi in Aurangabad district, Purna Yeldari and Purna Siddheshwar in Parbhani, Majalgaon and Manjra in Beed, Lower Terna and Sina Kolegaon in Osmanabad were empty. These are all crucial irrigation projects in the Marathwada region.

Officials said water from dams in Pune and Nashik regions will be released to the empty dams once the former are 75% full. "This generally happens by end August every year," an official said.

The severe drought in Maharashtra and its impact on some regions have taken on a graver meaning in the light of this newspaper's expose of a multi-crore scam in the NCP-controlled state water resources department. In the past decade, the government has spent Rs 70,000 crore on irrigation projects but has had little to show for it. An irrigation department whistleblower, Vijay Pandhare, alleged last year that half the sum was wasted on dud projects or siphoned off.

Officials point out that the generous monsoon has helped the situation in the state. During the drought's most severe phase earlier this year, Mhaiskar's department was dispatching 5,600 water tankers every day to 10,000 villages and hamlets. Most of these were sent to half-a-dozen talukas in Solapur, Sangli and Satara.

However, heavy rain has reduced the daily number of tankers to about 2,000. The 10 lakh cattle camps set up by the government are now down to three lakh.

### **Indore Development Authority to include Meghdoot garden in proposed water park**

Almost a year after taking the decision to construct a water park in the city, Indore Development Authority (IDA) board on Wednesday, gave its consent to expand the area of the proposed park and include adjoining Meghdoot Garden to come up with the water park and an amusement park. The decision was taken at an IDA board meeting held



here on Thursday.

Earlier, IDA took possession of 7.66 acre land from Mangal amusement park last year in September, after the latter failed to stick to its contract of developing a park on the land. IDA then decided to develop a water park it. Since then no significant development was made on this front and now it has been decided to include Meghdoot Garden also in the project. With this, the proposed amusement cum water park will be spread over around 31 acre land at Scheme no. 54 close to Vijay Nagar crossing.

IDA CEO Deepak Singh said, "Mayor-in-Council of IMC has also given its consent for including Meghdoot Garden in the project and state has also asked the transaction advisors to come up with the proposal." He added that if no proposal comes from the advisor panel in next one month then they will go for open tenders.

Similarly, the state has also asked the advisors to come up with proposal for development of stadium and swimming pool on Ring Road. The project was pending since long. Initially IDA had given land to IMC also for development of international swimming pool long back but IMC also failed to start work on the project. Few months ago, IDA took back the project from IMC.

### **Multi-crore prawn cultivation project drains Maharashtra exchequer**

Criminal neglect by the state administration in developing one-of-its kind fresh water prawn hatchery project here has not only resulted in loss of public money exceeding Rsseven cores but also shamed Maharashtra in the international community.

Ambitious plans for developing a modern aquaculture sector in the state with technical and financial assistance of the French government were inked way back in 1997 by the then Shiv Sena-BJP regime. The project aimed at increasing the production of fresh water prawns here and was to be a test case to encourage farmers into similar aquaculture initiatives to help substitute their income and also as a substitute to traditional farming. The golden opportunity, however, was lost due to bureaucratic lethargy in the planning and implementation of the project at Dapchari, a remote tribal village in Thane district where 12 hours of power failure is commonplace, according to the audit observations made by the Comptroller and Auditor General of India against officials of the state fisheries department.

The project took off with all sincerity between 1997-2004 with the French consultant firm COFREPECHE sharing technical expertise including preliminary and detailed engineering designs, installation of equipments etc besides funding 80 per cent of the project on low interest long duration loans. The remainder 20 per cent of the funds were to be pumped in by the Maharashtra government.

The biological start-up was completed in two phases in November-December 2006 and in July-August 2007 and the post-larvae trial production was completed in August 2007. However, five years after the project became fully operational, the production targets were dismal. It was entirely the fault of the state officialdom who failed in the planning and the implementation of the aquaculture project," an official said.

The CAG observers in their report tabled in the budget session of the state legislature in 2013 said, the broad reasons for the failure of the project was in the selection of a wrong location. Multi-cores spent on educating the

officials and sponsoring for their visits abroad for the project were simply lost.

The project was located in a remote tribal district with frequent power failures for 12 hours to 15 hours every day. This despite the knowledge that the project requires continuous power supply. Moreover, the generator set supplied by the French government could not be repaired due to non-availability of spare parts. The faulty construction of the breeder ponds resulted in water seepage and water could not be stored for more than 24 hours," the report said.

The French consultants then suggested alternative water supply arrangements, construction of storage ponds and tube wells and also recommended privatization of the farm. The state government, however, failed to comply with any of the recommendations resulting in loss of revenue. The stated objective of supporting and developing a modern aquaculture sector could not be achieved, the CAG said.

### **Trial run of biogas plant begins at Palayam**

The trial run of the biogas plant at Connemara, the biggest among the ones being set up in city markets, began at Palayam on Thursday. Mayor K.Chandrika, the officials of KSUDP, Palayam Rajan, chairman of welfare standing committee assessed the functional capacity and operation of the bio-gas plant.

In the coming two weeks, the electricity generated from the plant will be used to light up LED lamps in the pathway and in the market. Medicinal saplings will be planted around the bio-gas plant. The plant measures 9m in diameter and 5m in height. The digester of the plant will have a capacity

to process two tonnes of waste per day. The biogas generated from the digester will be passed through a filter into the generator where it will be converted into electricity.

The bio-gas plant at Palayam is being set up at a cost of Rs 26 lakh. The plant works on bio- methanization process where the organic waste is converted into methane, which in turn is converted into electricity. Initially 250 kg of waste from market will be processed. Later waste from nearby housing areas will be processed using this plant.

## Dams filled to brim, irrigation dept mulls proper discharge

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With a majority of the dams in the district full, irrigation department authorities are discussing proper management of dam discharge.

Till Thursday, the five dams supplying water to Pune and Pimpri Chinchwad were more than 95 per cent full and 30,113-cusec water was flowing under the Bund Garden bridge. Low-lying Baba Bhide bridge connecting Deccan to Narayan Peth is now inundated.

Khadakwasla dam was 100 per cent full by Thursday evening, while Panshet, Warasgaon and Temghar were 97.8, 98.20 and 96.74 per cent full, respectively.

Due to the incessant rain that lashed catchment and command area of the dams, Pavana is 93.91 per cent full. With two more months of monsoon left and with prediction of moderate to good rain, more water is set to be discharged from the dams in the next few days.

On Thursday evening, the irrigation department had released 13,849-cusec water. Panshet released 3,436 cusecs of water, while 4,286-cusec water was released from Warasgaon dam. The discharge from the Pavana dam, which supplies water to Pimpri Chinchwad, was 1,337 cusecs of water. Of the 25 dams in the Bhima Basin, water is discharged from 17 dams and the total water flowing under the Bund Garden bridge has been 30,113 cusecs. The discharge from the dams, irrigation officers said would increase in the next few days, as there were forecast of moderate to heavy rainfall in the ghats.

"It takes around five days for the water to accumulate at the catchment area of dams. Once the catchment gets filled, we have to release water as the dam's capacity will be full," said a senior irrigation officer.

Vitthal Banhode, incharge of the disaster management cell of the district collectorate, said that though no high alert has been sounded till now, the administration had taken all precautionary measures, owing to forecast of heavy rainfall in the next 48 hours.

## Weather-Chennai

### Today's Weather



Partly Cloudy

Friday, Aug 2

Max Min

36° | 27°

Rain: 0

Sunrise: 05:54

Humidity: 55

Sunset: 06:35

Wind: normal

Barometer: 1005

### Tomorrow's Forecast



Cloudy

Saturday, Aug 3

Max Min

36° | 29°

### Extended Forecast for a week

Sunday

Monday

Tuesday

Wednesday

Thursday

Aug 4

Aug 5

Aug 6

Aug 7

Aug 8



36° | 28°

36° | 28°

36° | 29°

35° | 29°

35° | 29°

Cloudy

Overcast

Overcast

Overcast

Overcast

### Airport Weather

Rain: 0

Sunrise: 05:54

Humidity: 55

Sunset: 06:35

Wind: normal

Barometer: 1005



## **Aug-Sept rainfall will be normal, says IMD**

Rainfall in the second half of the four-month monsoon period (August and September) is expected to be normal, the India Meteorological Department (IMD) said on Thursday.

“Quantitatively, the rainfall for the country as a whole in August-September 2013 is likely to be 96 per cent of the long period average (LPA) with an error margin of 8 per cent,” IMD said in a statement. LPA is the average of seasonal rainfall over the country as a whole from 1951 to 2000.

“In the first half of the four-month monsoon season, the country received 17 per cent excess rains,” said D.S. Pai, Head of the Long Range Forecasting Division, IMD.

Total rainfall across the country from June 1 to July 31 was 17 per cent more at 528.1 mm against the normal of 452.4 mm. The total June-July rainfall this year was the highest since 1994.

IMD expects August rainfall to be normal at 96 per cent of LPA, as forecast in June. Of the 36 meteorological sub-divisions, 17 have received excess rains, while 13 were normal. About six sub-divisions, mainly in the East and North Eastern parts of the country had witnessed deficient rainfall for the period.

“The rainfall deficit in North East is pegged at 54 per cent and is likely to continue for the season ahead,” Pai said.



## **Govt may procure 34.5 million tonnes rice**

The Government expects to procure about 34.5 million tonnes (mt) of rice in the ensuing marketing season beginning October. This is marginally higher than 33.85 mt procured in the last year. The Government had procured about 38.73 mt of paddy last year.

Union Food Secretary Sudhir Kumar reviewed the arrangements for paddy and coarse grain procurement at a meeting of the State Food Secretaries on Wednesday. The State-wise procurement estimates for paddy, coarse grains and action plan needed for procurement were also reviewed.

Kumar asked Food Corporation of India and the State agencies make arrangements for opening adequate procurement centres in the paddy growing regions.

Also, the States were told to prepare detailed storage plan and be ready with an action plan to meet the deficit in storage requirement.

Rice production in the current kharif aided by good monsoon may touch a record high, according to Agriculture Ministry's expectations.

Last year, the kharif rice output stood at 92.76 mt, according to latest Government estimates. Total rice production last year stood at 104.40 mt, marginally lower than previous year's 105.3 mt.

In the current kharif, rice has been planted on 196.38 lakh hectares as on July 26, against corresponding last year's 184.24 lh. States such as Uttar Pradesh, Gujarat, Punjab and Arunachal Pradesh have reported a higher acreage this year, while the Eastern States such as West Bengal, Odisha and Andhra Pradesh had registered a lower area.

Rice stocks in the Central pool stood at 31.50 mt as on July 1.

### **Pepper trade stumbles on costlier freight**

Pepper trading came to a halt on Thursday in view of truck freight doubling in view of rains taking a toll of roads.

There were no arrivals from Idduki or Wayanad, the main growing areas.

On the IPSTA, only one tonne was traded.

Pepper futures moved up on tight supply while spot remained unchanged on limited activities. Running contract ended lower as it is nearing maturity, while nearbys moved up.

On the NMCE, Aug contract decreased by Rs 258 to Rs 41,000 a quintal.

Sep and Oct increased by Rs 150 and Rs 117 respectively to Rs 41,850 and Rs 41,600 a quintal. Total turn over went up by 14 tonnes to 39 tonnes while total open interest declined by four tonnes to 65 tonnes.

Spot prices remained unchanged at Rs 39,000 (ungarbled) and Rs 41,000 (garbled) on limited activities.

Indian parity in the international market was at \$7,000 (c&f) Europe at \$7,300 a tonne (c&f) US.

### **Rubber inches up on buying activities**

Domestic rubber prices improved on Thursday.

On the spot, prices strengthened, tracking moderate gains on the National Multi Commodity Exchange.

Weather predictions on the resumption of rains from the beginning of the current month kept covering buyers slightly active in selected counters.

Sheet rubber firmed up to Rs 194.50 (Rs 194) a kg, according to traders.

The grade was flat at Rs 194 both at Kottayam and Kochi, as reported by the Rubber Board. The trend was mixed.

August futures improved to Rs 194.60 (Rs 192.09), September to Rs 183.85 (Rs 179.96), October to Rs 173.50 (Rs 169.45), November to Rs 167.80 (Rs 164.75) and December to Rs 168 (Rs 164.55) on the NMCE. RSS 3 (spot) closed at Rs 150.07 (Rs 147.41) at Bangkok.

August futures closed at ¥ 245 (Rs 150.03) on the Tokyo Commodity Exchange.

**Spot rubber rates (Rs/kg):** RSS-4: 194.50 (194); RSS-5: 190 (189); Ungraded: 180 (179); ISNR 20: 177 (177) and Latex 60 per cent: 161 (161).

### **Indian potash buyers may renegotiate deals**

Following the break-up of the Russian potash cartel, large importers of the nutrient in India such as Indian Potash Ltd (IPL) and Zuari Industries Ltd propose to re-negotiate their existing contracts with Uralkali and Belaruskali, who constituted this alliance.

IPL, the country's largest importer, has an existing contract with Belarusian Potash Company (BPC), as the joint venture of Uralkali and Belaruskali was called, for supply of one million tonnes of muriate of potash (MoP) till January 2014 at a price of \$427 a tonne. About half a million tonnes has already been imported by IPL under the existing deal.

"If possible, we will try to renegotiate our existing contracts," said P.S. Gehlaut, Managing Director, IPL. He further said that the disintegration of the cartel was good for the Indian buyers as it gives a good bargaining power which may help bring down the global prices.

BPC accounted for about 40-45 per cent of the potash imported by Indian companies in recent years. For the current year, the Indian companies

were expected to import about 35 lakh tonnes with IPL expected to bring in about 22 lakh tonnes, followed by Zuari Industries at 7 lakh tonnes.

Uralkali, the biggest producer of the nutrient, recently said that it is exiting the joint venture with Belaruskali and will no longer sell potash through BPC, the Minsk-based marketing company. Uralkali plans to shift from the price based growth to a volume-led growth strategy to expand its market share in all key markets, a move that may pull down the global prices.

The high prices of potash in recent years had led to demand destruction in countries like India, resulting in lower imports. From a peak of 63.57 lakh tonnes imported into the country in 2010-11, the shipments had slowed down to 23.20 lakh tonnes in 2012-13. This was mainly on account of an increase in landed costs from \$370 to \$490 a tonne in past few years.

“It is too early to comment on the impact on prices. We are evaluating the situation and may renegotiate the contracts if the prices come down drastically,” said Suresh Krishnan, Managing Director, Zuari Industries.

For the current year, Zuari has contracted 7 lakh tonnes from all major global vendors including those in the North American continent and Israel. Canpotex, an international marketing and logistics company owned by Saskatchewan potash producers – Agrium Inc, The Mosaic Company and Potash Corporation of Saskatchewan Inc is the other large potash cartel, which competed with BPC.

### **Cotton set to bloom on demand for quality fibre**

Cotton prices dropped at the regulated market committee yarn at Bhoodapady near here with arrivals increasing. Prices are expected to, however, rise next week as mills need quality cotton, said trade sources.

At the weekly auction of the Bhoodapady market, more than 30 farmers brought their produce and 10 regular bulk buyers attended the sale.

“Last week due to want of proper demand, prices dropped by Rs 500 a quintal.

Though arrivals increased this week, traders quoted lower. Sales, however, were very encouraging,” said a market official. He said some farmers those who are having good stock of cotton expected a price of Rs 6,500 a quintal, but traders quoted only Rs 6,250.

All 150 tonnes on offer were sold.

Farmers said that the price of cotton in Bhoodapady is high compared with other markets, so they expect higher prices from next week.

The traders also said they are in need of good quality cotton, so they are procuring all the cotton and they said they will purchase more quantity of cotton from next week.

At the Bhoodapady RMC, the Surabi variety was sold at Rs 5,890-6,250, while the Bt Cotton fetched Rs 4,970-5,430.

All the 1,501 quintals were sold.

At the Anthiyur RMC, the Surabi variety was sold at Rs 5,400-5,800, Bt. Cotton at Rs 4,900-5,425.

All the 1,700 quintals put up for sale were sold.

### **Fears over crop loss light up edible oils**

The bullish trend continued in edible oils market on Thursday. Barring a steady trend in soyabean and sunflower oils, all the other oils extended gain on fears of crop loss due to continuous rain in producing centres.

In Mumbai, groundnut oil rose by Rs 10 and palmolein gain by Rs 3. Cotton and rapeseed oils increased by Rs 8 each. Higher demand for edible oils is also expected in the coming festivals days.

Liberty sold about 450-500 tonnes palmolein at a discount of Rs 5 at Rs 525 for delivery up to August; resellers offloaded 150-200 tonnes palmolein at Rs 521-523 for ready delivery. Ruchi sold 350-400 tonnes of soyabean refined oil at Rs 628, then raised rates by Rs 3.

Liberty quoted palmolein at Rs 525, super palmolein Rs 565 and super deluxe Rs 585. Ruchi quoted palmolein Rs 530, soyabean refined oil Rs 631 and sunflower refined oil Rs 800. Allana quoted palmolein Rs 532 and super palmolein at Rs 570. Gokul's rates were Rs 530 and Vaibhavi quoted Rs 530.

In Rajkot, groundnut oil was Rs 1,510 (Rs 1,510) for *telia* tin and loose (10 kg) was Rs 975 (Rs 975). Soyabean arrivals declined to around 30,000 bags national level and its prices were Rs 3,150-3,200 ex-mandi and Rs 3,280-3,300 for plant delivery. Mustard seeds arrivals also dropped to 55,000 bags and the prices were Rs 2,925-3,560.

**On the National Commodities and Derivatives Exchange**, soyabean refined oil's September futures were higher at Rs 637.80 (Rs 635.15), October up at Rs 613.65 (Rs 611.60) and November to Rs 613.40 (Rs 610.50).

**Malaysia BMD crude palm oil** September futures settled at MYR 2,279 (MYR 2,266), October at MYR 2,260 (MYR 2,236) and November at MYR 2,252 (MYR 2,229).

**The Bombay Commodity Exchange spot rates (Rs/10 kg) were:** Groundnut oil 980 (970), soya refined oil 625 (625), sunflower exp. ref. 720 (720),

sunflower ref. 795 (800), rapeseed ref. oil 680 (672), rapeseed expeller ref. 650 (642) cottonseed ref. oil 638 (630) and palmolein 525 (522).

**Vikram Global Commodities (P) Ltd** has quoted Rs 575 for 10 kg for Malaysian super palmolein for August delivery.

### **Reports of damage to soya lift mustard oil**

Mustard oil has been witnessing an uptrend in Indore and other mandis across Madhya Pradesh, Rajasthan and Gujarat on strong global cues and decline in arrivals.

Unavailability of mustard seeds to plants at lower rate with stockists restricting release of mustard seeds on account of heavy rains, has added to uptrend in mustard oil.

Maintaining an uptrend, mustard oil in Indore mandis on Thursday rose to Rs 622 for 10 kg (up Rs 5). Similarly it was up Rs 5 in Neemuch (Rs 615) and Moorena (Rs 620).

Similarly in Rajasthan mandis also mustard oil was ruling higher with its prices in Kota and Ganga Nagar quoted at Rs 640 each (up Rs 15). In Jaipur also it ruled Rs 15 up at Rs 655 for.

Scattered report of some damage to soyabean crops due to heavy rains in the State has also supported bullish trend in mustard and soya oil.

Mustard seeds ruled flat at Rs 4,000-4,100 a quintal, even as arrival of mustard seeds across the country on Thursday declined to 55,000 bags (70,000 bags last week).

Weak demand and buying support have also dragged raida with its prices being quoted at Rs 2,800-2,900 (down Rs 100-200 from last week).

In Neemuch, mustard seed is currently ruling at Rs 3,000-3,085. Compared to futures, mustard seeds prices in the physical market have remained stable.

Mustard seeds traded higher with its August and September contracts on the NCEDX closing at Rs 3,163 (up Rs 14) and Rs 3,200 (up Rs 18).

With decline in arrivals, plant deliveries of mustard seeds for Jaipur line were quoted higher at Rs 3,380-85 (Rs 3,350-55 last week).

Rajasthan led the arrivals with 37,000 bags, followed by Madhya Pradesh, Uttar Pradesh, Punjab/Haryana with 4,000 bags each, while Gujarat recorded an arrival of 2,000 bags and 4,000 bags elsewhere in the country.

### **Rice seen ruling flat in next few sessions**

Rice market continued to rule flat as trading was lukewarm on Thursday. Prices of aromatic and non-basmati rice have remained unchanged since last weekend.

Amit Chandna, Proprietor, Hanuman Rice Trading Company, told *Business Line* that the market has not seen any alteration in prices of aromatic and non-basmati rice since last weekend. Inconsistent but heavy rainfall since Wednesday night has also disturbed the physical trading on Thursday. It's unlikely to see any changes in the prices in the next couple of days too.

In the physical market, Pusa-1121 (steam) sold at Rs 8,000-8,100, while Pusa-1121 (sela) quoted at Rs 7,600-7,800. Pure basmati (raw) quoted at Rs 8,800. Duplicate basmati (steam) sold at Rs 6,600. For the brokens of Pusa-1121, Dubar quoted at Rs 3,600, Tibar sold at Rs 4,250 while Mongra was at Rs 2,900. In the non-basmati section, Sharbati (Steam) sold at Rs 4,500-4,600 while Sharbati (Sela) quoted at Rs 4,300. Permal (raw) sold at



Rs 2,300-2,350 while Permal (sela) went for Rs 2,300. PR-11 (sela) sold at Rs 2,900 while PR-11 (Raw) quoted at Rs 2,750. PR14 (steam) sold at Rs 3,100.

### **Paddy arrivals**

Just around 2,000 bags of different paddy varieties arrived at the Karnal Grain Market Terminal on Thursday from the Uttar Pradesh.

About 500 bags of Pusa-1121 arrived and quoted at Rs 3,150-3,200.

Around 1,500 bags of PR arrived and quoted at Rs 1,000-1,100.

### **Bearish trend continues in sugar**

Sugar prices on the Vashi wholesale market declined by Rs 5-10 a quintal for fair quality, while the bold variety remained unchanged on Thursday.

Naka and mill tender rates ruled steady on routine activities. In the absence of neighbouring States buying, Maharashtra's mills are forced to concentrate on local market resulting in ample supply at local level. Prices in other producing centres were ruling at par with Maharashtra.

Futures market continued the bearish trend with loss of Rs 10-17 till noon, said sources.

Vashi-based traders are of view that "Retailers demand is expected to pick up this month after a month long rest due to host of festivals in line.

"In July, due to higher supply, prices in physical market dropped by Rs 10-20 while in futures market, August-September dropped by Rs 40-60 due to higher production and stock". On Wednesday evening, 15-16 mills offered tenders and sold about 44,000 – 45,000 bags at Rs 2,900-2,970 (Rs 2,900-2,970) for S-grade and Rs 2,980-3,120 (Rs 2,980-3,120) for M-grade.

**On the National Commodities and Derivatives Exchange**, sugar September futures declined to Rs 3,018 (Rs 3,029), October to Rs 3,032 (Rs 3,042) and November by Rs 17 to Rs 2,996 (Rs 3,013).

**The Bombay Sugar Merchants Association's spot rates were:** S-grade Rs 3,048-3,132 (Rs 3,052-3,132) and M-grade Rs 3,156-3,301 (Rs 3,160-3,311). **Naka delivery rates were:** S-grade Rs 3,000-3,050 (Rs 3,000-3,050) and M-grade Rs 3,080-3,190 (Rs 3,080-3,190).

### **Upcountry orders perk up turmeric**

Spot turmeric prices increased on Thursday with a few more traders receiving upcountry orders.

Traders who have received fresh upcountry orders purchased over 2,000 bags quoting higher price.

Prices were up despite higher arrivals as 50 per cent of the arrivals was sold.

Stockists procured only negligible number of bags.

Turmeric futures also ruled steady, without any decrease or increase.

Farmers said that they are in need of money for agricultural operations, so they have decided to sell stocks, despite being aware that the current prices are not feasible for them.

At Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 3,711-5,981, the root variety fetched Rs 3,611-5,499 .

### **Salem Hybrid Crop**

The finger variety was sold at Rs 6,269-7,510 and the root variety at Rs 4,899-5,974.

Out of 879 bags that arrived, 365 bags were sold.

At the Regulated Market Committee, the finger variety was sold at Rs 5,116-6,291, the root variety fetched Rs 4,899-5,814.

Of 603 bags put up for sale, 531 were picked up.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,191-6,250, the root variety Rs 4,667-5,885.

All the 866 bags on offer were sold.

At the Gobichettipalayam Agricultural Cooperative marketing Society, the finger variety fetched Rs 5,416-6,489, the root variety Rs 5,216-6,019.

All the 70 bags of turmeric that arrived for sale were sold

# Business Standard

**Mentha oil rises by 0.7% as demand picks up**

**Restricted arrivals from Chandausi in Uttar Pradesh also influenced mentha oil prices**

Mentha oil prices rose by 0.73% to Rs 899.90 per kg in futures trade today as traders engaged in creating positions largely supported by rising demand from consuming industries.

Besides, restricted arrivals from Chandausi in Uttar Pradesh also influenced mentha oil prices.

At the Multi Commodity Exchange, mentha oil for delivery in August rose by Rs 6.60, or 0.73%, to Rs 899.90 per kg, with a trading volume of 219 lots.

Similarly, the oil for delivery in September higher by Rs 5.50, or 0.60%, to Rs 912.20 per kg, with a business turnover of 17 lots.

Marketmen said a firming trend at the spot markets on rising demand against restricted supplies from producing regions mainly influenced mentha oil prices at futures trade here.

**Belarus push to bring down potash import bill**

**Potash prices are set to come down by at least 30% from the next contract period starting January**

The India government today indicated that the break-up of Russia's Uralkali and Belaruskali from its joint venture, Belarusian Potash Company (BPC), is a positive sign if potash prices are going to come down, making it affordable for farmers.

According to industry experts, potash prices are set to come down by at least 30% from the next contract period starting January.

The Russian partner walked out of the venture over a decline in sales and due to its plans to market through Swiss unit.

“For the last couple of years, the demand of potash was coming down due to higher prices. If this development can bring down the prices, it would be a positive sign for India,” Chemicals and Fertilisers minister Srikant Kumar Jena said.

If international prices are down, it would help India in making some savings as potash along with phosphorous contribute a major chunk of the overall fertiliser subsidy, which touched almost Rs 1 lakh crore during the previous financial year. The drop in prices may also bring down the country’s potash import bill, which is currently in the range of about Rs 6,500 crore. This would be a welcome sight at a time when India is trying hard to find some relief on balance of payments.

The potash imports to India dropped by 42% to 2.32 million tonne in 2012-13, as compared to 3.99 MT in 2011-12 mainly owing to a decline in demand among farmers due to a higher prices.

“For the current year, India has imported 1.6 MT of potash and the total contract till December was for 3 MT. I hope that some price negotiations are happening for the remaining contracts for the year. On the other hand, the prices are likely to come down to \$ 300 per tonne for the next contract from January next year, from the current \$ 427 per tonne,” said U S Awasthi, managing director of Indian Farmers Fertiliser Co-operative Ltd (IFFCO). According to sources, Indian Potash Ltd may also try to bring down the rates during the present contract period only.

While BPC had almost a monopoly with more than 40% share in the global potash market, another dominant North American producer group Canpotex has 30% share in the global import market. The agriculture sector in India and China are supposed to be the major gainers due to the move as both the countries account to more than 30% of the global demand.

After oil and food, the fertilizer sector is the third largest contributor to the country's subsidy bill. The Centre wanted to cut down subsidy bill on these three to Rs 2.21 lakh crore for the financial year 2013-14, as compared to more than Rs 2.47 lakh crore during the previous fiscal.

#### **Uttarakhand seeks Rs 60.70-cr package from agriculture ministry**

**Due to the flash floods, vast agriculture land in the hill areas had been washed away, while those in the plains had also been damaged**

Chief Minister Vijay Bahuguna on Thursday met Union Agriculture Minister Sharad Pawar at Krishi Bhawan in New Delhi and submitted a proposal worth Rs 60.70 crore for conservation of soil and water in disaster affected areas of the hill state. He informed Pawar that due to the recent disaster, agriculture activities in the state had been adversely affected. Due to the flash floods, vast agriculture land in the hill areas had been washed away, while those in the plains had also been damaged.

"It may be noted that the prime occupation of those living in the disaster-affected areas is agriculture," he said. Stating that Kharif crop production would also be affected due to the floods, he called for taking immediate measures to restore the agriculture land.

According to the proposal presented by the state government, 37,000 hectare of agricultural land would have to be immediately treated in order to be saved from further damage.

According to central relief fund norms, this task would cost around Rs 55 crore. The state government has included the cost of other activities such as repair of terraced fields, construction of check walls and dams, as well as retaining walls. He has also suggested planting of trees in order to avoid soil erosion.

This cost will also involve reinforcement of block development offices in disaster affected areas, setting up of government agricultural farms, investment in redeveloping disaster hit Agastmuni (Rudraprayag) and repair of seed storehouses in Doiwala, Raipur, Kalsi, Ukhimath and Bhatwadi on priority.

### **Sugar down 0.3% on ample supply**

#### **Sugar for delivery in August contract traded lower by 0.26%**

Sugar prices slid 0.36% to Rs 3,018 per quintal in futures trade today as speculators reduced positions on the back of sluggish demand in the spot market against ample supplies.

At the National Commodity and Derivatives Exchange, sugar for delivery in September month declined by Rs 11, or 0.36% to Rs 3018 per quintal with open interest of 17140 lots.

Similarly, sugar for delivery in August contract traded lower by Rs 8, or 0.26% to Rs 3017 per quintal in 24770 lots.

Market analysts attributed the fall in sugar futures to ample supplies against sluggish demand in the spot market.

### **Mustard seed up 1% on renewed buying**

#### **Renewed buying and strong demand in the international market added gains in mustardseed prices**

Mustardseed prices rose by Rs 35 to Rs 3,246 per quintal in future trading today on falling demand in the spot market.

Marketmen said renewed buying by traders in line with weak supplies against restricted stocks position mainly kept prices higher.

Strong demand in the international market also added some gains in mustardseed prices, they said.

At the National Commodity and Derivatives Exchange, mustardseed for October contract shot up by Rs 35, or 1.09% to Rs 3,246 per quintal, showing an open interest of 15,560 lots.

Near September month gained by Rs 33, or 1.04% to Rs 3,215 per quintal, clocking an open interest of 66,080 lots.

Most active current August month contract followed suit, and rose by Rs 31, or 0.98%, to Rs 3,180 per quintal, mirroring an open interest of 66,460 lots.

### **Chana futures rise 1.1% on good buying activity**

#### **Demand improved in local market, though hopes of a rise in summer-sown pulses output restricted the upside**

Chana prices rose by 1.06% to Rs 2,662 per quintal in futures trade today as traders enlarged their holdings on good demand in spot market.



Demand improved in local market, though hopes of a rise in summer-sown pulses output restricted the upside.

At the National Commodity and Derivatives Exchange, chana for delivery in August rose by Rs 28, or 1.06%, to Rs 2,662 per quintal, with an open interest of 2,663 lots.

Similarly, the commodity for delivery in September gained Rs 27, or 1.01%, to Rs 2,702 per quintal, with an open interest of 1,15,720 lots.

Traders said speculators increasing their holdings on hopes of a rise in spot market demand and enquiries by millers at lower levels supported chana futures prices.

They said fall in supply from the producing regions of Rajasthan and Madhya Pradesh further influenced the sentiment.

### **Crude palm oil down 0.4% on weak overseas cues**

### **Selling by speculators amid a weakening overseas trend, adequate stocks position in domestic markets led to the fall in CPO prices**

Crude palm oil prices fell by 0.47% to Rs 481.60 per 10 kg in futures trade today on selling by speculators following weak spot market trend on adequate stocks position.

At the Multi Commodity Exchange, crude palm oil for September delivery fell by Rs 2.30, or 0.47%, to Rs 481.60 per 10 kg, with a trade volume of 77 lots.

Similarly, oil for delivery in August declined by Rs 2.10, or 0.42%, to Rs 488.10 per 10 kg, with a trading volume of 201 lots.

Traders said selling by speculators amid a weakening overseas trend and adequate stocks position in domestic markets mainly led to the fall in crude palm oil prices in the futures trade.

The oil declined in overseas markets on speculation that a record soybean crop in the US will add to global oilseed supplies, reducing demand for the tropical oil.

The CPO prices fell 0.60% to \$686 a tonne on the Malaysia Derivatives Exchange.

### **Castor seed up by 2.1% due to rise in demand**

#### **Increased buying in spot markets influenced prices**

Castor seed prices spurted by Rs 71 to Rs 3,451 per quintal in future trading today owing to renewed demand of consuming industries as well as exporters.

Marketmen said besides increased buying in spot markets, higher demand from major global consumers such as US and China mainly pushed up the prices.

At the National Commodity and Derivatives Exchange, castor seed for October contract surged by Rs 71, or 2.10% to Rs 3,451 per quintal with open interest of 16,930 lots.

Most active September contract rose by Rs 65, or 1.97% to Rs 3,372 per quintal, having an open interest of 1,32,200 lots.

August contract improved by Rs 56, or 1.73%, to Rs 3,289 per quintal, clocking an open interest of 85,080 lots.

### **Potato rises by 2% on firm demand, tight supply**

#### **Speculators enlarged their positions on a firming spot market trend**

Potato prices rose by Rs 17.50 to Rs 723.10 per quintal in futures trade today as speculators enlarged their positions on a firming spot market trend amid restricted arrivals from the major producing regions.

At the Multi Commodity Exchange, potato for delivery in September rose by Rs 17.50, or 2.48%, to Rs 723.10 per quintal, with trading volume of 127 lots.

The potato for delivery in August also moved up by Rs 9, or 1.20%, to Rs 754 per quintal with a trade volume of 62 lots.

Marketmen said increased buying by speculators on the back of pick-up in spot market demand and tight supplies from major producing belts, mainly led to the rise in potato prices at futures trade.

Mentha oil rises by 0.7% as demand picks up

### **Restricted arrivals from Chandausi in Uttar Pradesh also influenced mentha oil prices**

Mentha oil prices rose by 0.73% to Rs 899.90 per kg in futures trade today as traders engaged in creating positions largely supported by rising demand from consuming industries.

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