THE HINDU

GI tag for Kaipad rice to boost cultivation

Kaipad system of rice cultivation is an organic farming system in which rice cultivation and aquaculture go together in coastal brackish water marshes.

The clearance to include kaipad rice cultivated in the brackish water tracts in the northern parts of the State in the Geographical Indications (GI) registry is expected to give fresh impetus to the initiatives to revive the traditional 'kaipad' system of rice cultivation internationally.

Though the formal inclusion of the organically produced kaipad rice in the GI registry will be notified after four months, kaipad rice cultivators are upbeat that their product could be sold with the GI logo.

The clearance followed a presentation by a delegation from here that included three farmers on the organic rice varieties before a team of experts under the Controller General of Patents in Hyderabad on July 26.

A large acreage of fields under kaipad rice cultivation is in the northern parts, especially Kannur. The kaipad system of rice cultivation is an integrated organic farming system in which rice cultivation and aquaculture go together in coastal brackish water marshes ('kaipad' in local parlance) rich in organic matter.

No chemicals

Traditional varieties such as 'Orkayma' and 'Kuthiri' are popular in the kaipad fields. Chemical fertilizers are not used in the rice, fish and shrimp farming in the fields.

The application for the inclusion of the kaipad rice in the GI registry was earlier submitted by the Malabar Kaipad Farmers Society (MKFS) of Ezhome here.

The society has been formed with its jurisdiction covering kaipad farmers in Kannur, Kasaragod and Kozhikode.

A golden opportunity

When contacted, T. Vanaja, principal investigator of the college project, who led the delegation that made the presentation on the kaipad rice in Hyderabad, told *The Hindu* that the getting the GI tag offered a golden opportunity to small and marginal kaipad farmers to enhance their livelihood security through the high premium price their produce can fetch.

The project is for the comprehensive development of kaipad rice tracts, she said adding that getting GI tag for kaipad rice was one of the objectives of the project.

She said the project was being implemented in association with the MKSF.

The procedures for getting GI tag for kaipad rice, including quality analysis of the produce, collection of data and relevant information, tracing history of origin, interaction with the farmers, and designing log and site map, among others, were started in 2010 and the application package was submitted to the GI cell in Chennai through the IPR cell of the Kerala Agricultural University (KAU).

The two new varieties developed by the KAU will also come under the GI tag, she added.

Fields left fallow

The excitement about the GI tag for kaipad rice, however, is dampened by the fact that large extent of kaipad fields are left fallow. The Fisheries Department's pilot project to restore a vast extent of the kaipad fields to the system of rotational rice and shrimp farming under the Agency for Aquaculture Development, Kerala (ADAK) is an initiative to revive the system. ADAK project manager Dineshan Cheruvat said an extent of 108 hectares of fields were revived last year and survey was on to revive 100 acres this year. “Our plan is to revive kaipad farming in 100 acres in the three districts every year,” he said. The agency was collecting traditional local cultivars. The three northern districts together are estimated to have 4,100 ha of kaipad tract. According to agricultural scientists, considering an average kaipad rice production of 1.8 tonne/ha per year, there was potential of production and marketing of approximately 7,000 tonnes of a year if the entire kaipad was made cultivable.

‘Community Orchard’ to benefit farmers

Quality casuarina seeds, seedlings distributed

The Institute of Forest Genetics and Tree Breeding (IFGTB), Coimbatore, has created a ‘Community Orchard’ in Puducherry with the support of the local Forest Department and successfully distributed quality casuarina seeds and seedlings to nursery-raising farmers.

Giving details about the community orchard programme to *The Hindu*, N. Krishnakumar, Director of the IFGTB, said there was great demand for good quality seeds and seedlings among nursery-raising farmers, which will yield them good revenue.

“If poor quality seeds and seedlings are supplied, precious farmland will get locked up for a longer period without any productivity. This will lead to revenue loss for the farmers,” Dr Krishnakumar said. It was to overcome this problem that the programme was implemented by the Institute, he said.

Talking about the model community orchard at Puducherry, he said the Institute took up a study and realised that one species of Casuarina, raised in coastal regions, was in demand in Puducherry and the erstwhile composite South Arcot district.

Taking this into account, the Institute raised 5,000 trees of Casuarina equisetifolia. Once the saplings grow into trees over a period of three years, the seeds and the seedlings could be collected from the orchard. At Puducherry, the programme was launched in 2010 and now farmers were collecting quality seeds and seedlings from the orchard.

A similar model orchard was created in Arasanur in Sivaganga district with the support of the State Forest department. Here, the Institute established the orchard where Malai Vembu and Soapnut tree have been raised.

Dr. Krishnakumar said the Institute had identified 15 species of trees which needed to be raised in community orchards. Neem tree, Kadambam, Malai Vembu, Matchstick tree and Teak were a few species the Institute identified for the community orchards programme.

While Malai Vembu is in demand for plywood industries, Matchstick tree is for matches industry, Kadambam is for pencil manufacturers and oil from Veppa maram for the soap industry. Those interested in getting more details about the community orchards programme could contact: 0422-2484100 or write to: dir_ifgtb@icfre.org he added

Grandly begins samba season with water release

Special poojas performed before shutters were lifted; paddy seeds sprinkled to mark the beginning of the season

Water being released from Grand Anaicut for samba cultivation on Sunday.—Photo: B. Velankanni Raj

Water from Grand Anicut was released on Sunday for samba cultivation in the Cauvery delta districts.

As the shutters were lifted by State Ministers and district Collectors in the Cauvery, Vennar and Grand Anicut canal systems, water gushed out of the sluices much to the delight of onlookers and farmers.

Special poojas were performed before the release of water and paddy seeds sprinkled marking the beginning of samba season this year.

It was an unusual sight this year in the Grand Anicut with water standing to the brim like a sea in Cauvery, Vennar, Grand Anicut Canal and Kollidam systems before the shutters were lifted. Already water was seeping in all the systems as it could not be held back.

Ministers K.V. Ramalingam, R. Vaithilingam, R. Kamaraj, K.A. Jayabal, T.P. Poonachi and N. Subramaniam, Collectors K. Baskaran (Thanjavur), S. Nadarajan (Tiruvarur) and T. Munusamy (Nagapattinam), MLAs and senior PWD officials were present.

Mr. Ramalingam later told presspersons that 4500 cusecs each was being released into Cauvery and Vennar, 3000 cusecs into Grand Anicut Canal, and 2000 cusecs into Kollidam.

Based on the inflow, storage and demand at Mettur dam, the quantum of water released into Cauvery, Vennar, Grand Anicut canal and Kollidam systems would be increased in the coming days.

He said 12.97 lakh acres would get irrigation from the water discharged from Grand Anicut. This included 4.50 lakh acres in Thanjavur district, 3.90 lakh acres in Tiruvarur district, 3.30 lakh acres in Nagapattinam district, 0.27 lakh acres in Pudukottai district and one lakh acres in Cuddalore district.

He appealed to farmers to use water efficiently and harvest a good samba crop this year.

Training for farmers

A total of 120 cattle farmers attended the special training programme conducted for them on production of seven value-added products from dung and urine of cows, at Ellampalayam village near Koduvai on Sunday.

The event was organised by Veda Bharati, a non-profit organisation, which is involved in various cow promotion activities. Sources said that apart from the training imparted, the participants were also assured of buy-back arrangements for the products like panchakavya, natural mosquito repellent and vibhoothi, among others, manufactured from the cow dung and urine.

“We have arranged the buy-back facility with a renowned commercial product manufacturing firm in the country. The products procured from the farmers will be sold in its natural sense under the company's brand name," Veda Bharati sources added.

The venturing into production of value-added products would help the farmers earn an additional income of around Rs. 200 per cow per day and thereby attain greater economic sustainability from the rearing of cattle, sources pointed out.

Farmers receive free inputs for kuruvai

Support:Collector M. Ravikumar giving away inputs to a farmer at a function in Ariyalur on Sunday.

The district administration has started supplying inputs free of cost under the State government's special package for kuruvai cultivation in the delta region.

Collector M. Ravikumar handed over the inputs, including high quality manure, gypsum, and high density polyethylene pipes to farmers from Kandirathitham panchayat in Tirumanur union on Sunday.

A release issued by the collectorate said that the State government has allotted Rs. 38.17 lakh for supply of inputs to farmers for cultivation of kuruvai in 1,700 hectares.

The inputs would be made available at the agricultural extension centres at Tirumanur, T. Pazhur and Jayankondam.

Ariyalur MLA Durai Manivel, Joint Director of Agriculture Gunasekaran, Assistant Director Babu, and president of Kandirathitham panchayat Thillai Tiruvasagamani were present

Training on maintenance of milch animals

The Krishi Vigyan Kendra at Vamban will organise a day-long training programme on proper maintenance of milch animals on its premises on August 6. Veterinary experts will impart the training . Interested farmers can register their names with the KVK, Vamban, according to a press release from C.Manoharan, District Collector, issued here. For details contact: 04332 290321.

Kuruvai package to three more unions

The State government has extended the kuruvai special package scheme to Tirumanur, Jayamkondam, and T.Pazhur unions in the district for the year 2013-14 for the benefit of farmers . Under the scheme, the agriculture department will provide free fertilizers, insect killers, ingredients, and other inputs to kuruvai farmers . The agricultural engineering department will provide HDPE pipes to prevent wastage of water and ensure free flow of water to the fields. The farmers irrigating kuruvai fields with the help of borewells will be eligible for receiving the pipes. An official press release of M.Ravikumar, Collector, issued here said that the kuruvai farmers could approach the office of the block assistant agricultural officers and register their names. The release called upon the kuruvai farmers to take full advantage of the kuruvai package scheme.

Managing surplus water a key factor

With Mettur dam reaching its full level of 120 feet on Sunday night, surplus water management will be the key factor in the delta this year.

A flood warning has been issued alongside river banks in the district by Collector K. Baskaran, asking people to move to safer places.

Given the copious inflow into the dam towards the end of July, the government advanced the opening of the dam to August 2 from August 12.

Farmers of Cauvery delta districts are assured of samba crop in view of the comfortable storage position in Mettur dam and the prediction of a good north-east monsoon.

The samba season requires about 180-200 tmc ft of water for long-term and medium-term paddy varieties. The crop duration varies from 125 days to 160 days.

The current storage at Mettur will be sufficient for 60 days. If the inflow continues to be on the higher side, more water will be available for another sixty days.

The Meteorological department has also predicted above normal rainfall during the north-east Monsoon and all these factors augur well provided water is managed properly by the PWD.

Intermittent rain witnessed

The district witnessed intermittent rain on Sunday raising hopes of farmers, who are ready for cultivation in the tail end areas.

The rainfall recorded in various areas were as follows; 8.4 mm in Surulode, 3.4 mm in Pechipparai, 2 mm in Perunchani, 6.2 mm in Chittar 1, 4.6 mm in Chittar 11, 3 mm in Mambazathuraiyaru and 2 m in Anaikidanku.

Safe to carry on with farm activities, say agri officers

Despite good storage in dams, farmers keep fingers crossed

How many times do you want us to suffer loss? This was not a question posed to anyone, but the response from many small and marginal farmers in Madurai district to a query as to whether they would carry on with agricultural activities this season.

Farmers in Madurai district raise paddy in about 60,000 hectares in two different seasons. Water is released for irrigation for the double crop (kuruvai) around June 15 every year, and agricultural lands situated between Peranai and Kallanthiri – about 15,000 ha – benefit from this. Around September 15, water is released for the samba (single) crop, which covers over 45,000 ha from Kallanthiri to Pulipatti, according to Agricultural Department officials.

For a decade or so, the pattern of water release had been volatile, forcing many farmers either to give up agriculture or undertake agricultural activities in smaller areas.

Lands, which were once cultivable in many fertile zones such as Melur, Vadipatti, Thirumangalam and Thiruparankundram blocks, had now turned into housing sites for different reasons.

Technology had indeed enhanced agricultural production in a big way, and also helped in making up for the shortage of farm labourers to some extent.

Today, with comfortable storage in reservoirs (Vaigai and Periyar), the Agricultural Department officials are keen on counselling farmers to start work.

Though initially reluctant, they are convinced with the good rains in catchment areas.

But the problem was no area received sufficient rain locally, Arul Prakasam, a progressive farmer near Melur, said and wanted the officials to release more water for irrigation in order to instil confidence in farmers.

The 900 cusecs of water currently released was insufficient, and it should be increased to 1,200 cusecs, he demanded.

A senior PWD official said the main sources of water for irrigation for Madurai region were Periyar and Vaigai reservoirs. Maintaining that the storage level was comfortable in these reservoirs, the official said as on Saturday, the combined storage credit in Periyar reservoir was 7,577 mcft, while it was 2,157 mcft in the corresponding period last year.

The water level in Periyar dam was 132.20 feet (as on Saturday), while it was 114.20 feet the same time last year.

The water level in Vaigai dam was 51.57 feet (on Saturday), while it was 37.01 feet on the same date in 2012. This meant water might flow continuously for the next 100 days to enable the farmers to complete their farm activities, he summed up.

Despite the assurance and the good South-West Monsoon rains, farmers are keeping their fingers crossed, and it is not without reason.

Mr.Arul Prakasam said though the PWD engineers claimed to be releasing 900 cusecs from Vaigai dam for irrigation, the actual amount received by the end users was around 800-830 cusecs. For some others, it was still lesser.

There was good rain only in catchment areas, but the lands in Melur and other pockets were dry in the absence of rain. The fields should get wet first, and for that more water was required, he noted.

Farm fresh consumer outlets to go mobile soon

The vegetable vans are yet another initiative after the farm fresh outlets to regulate prices —Photo: K. Pichumani

Chennai may soon get vegetables on wheels. The Cooperation, Food and Consumer Protection department plans to procure vans as part of its efforts to provide vegetables at a nominal rate to city residents.

The mobile shops, which will be part of the farm fresh consumer outlets initiative, will be operated by Triplicane Urban Cooperative Society and will begin operating in a month, said officials.

The initiative will be yet another attempt to regulate skyrocketing vegetable prices. The farm fresh outlets, which began functioning on June 20 in 29 locations, aim to promote a direct link between farmers and consumers.

The department has sent a proposal to the central government seeking funds under the National Agriculture Development Project. Sources in the department said that five vehicles may be purchased at a total cost of Rs. 70 lakh. Of these, two will be used in the city. One of them will traverse the Mylapore, Mandaveli, Kotturpuram and Thiruvanmiyur route while the other would pass through Koaymbedu, Vadapalani, Alwarthiru Nagar and Valasaravakkam.

The remaining three vehicles will be used to procure vegetables from farmers in areas such as Krishnagiri, Dindigul and Udhagamandalam. Now, vegetables are bought from these places through hired vehicles, the use of which adds to their cost.

Meanwhile, farm fresh outlets in various areas, including Shenoy Nagar and Washermanpet, have so far sold 800 tonnes of vegetables worth Rs.2.10 crore.

The outlet at Chintamani co-operative stores owned by the Park Town Co-operative Wholesale Stores has made the maximum sales among the outlets followed by those run by TUCS at Teynampet and Triplicane.

In some outlets, consumers said adequate stock of vegetables was not available. Officials of the department said that the prices from markets of six areas, including Adyar, Koyambedu and Kothwal Bazaar, are obtained to arrive at the rate in the farm fresh outlets.

Helping farmers tackle viral, fungal infestations

'Seed treatment with chemicals is the only effective solution'

Saving paddy:Scientists of the Zonal Agricultural Research Station (V.C. Farm) have launched a 'Seed treatment in paddy for disease management' programme in Mandya.

The Zonal Agricultural Research Station (V.C. Farm) has launched a programme to educate farmers on tackling viral and fungal infestation of paddy.

Scientists launched the 'Seed treatment in paddy for disease management' programme in Mandya after noticing seed-borne infestations affecting paddy in Mandya, Mysore, Tumkur and Ramanagaram districts.

The Krishi Vigyan Kendra (KVK), University of Agricultural Sciences, Bangalore, and the Department of Agriculture have extended their support.

Farmers cultivate various varieties of paddy on around 75,000 acres in the district. However, of late, crops are getting damaged owing to viral and fungal diseases.

Diseases such as root rot, 'udubathi roga' (Ephelis oryzae), collar blast, leaf blast, neck blast have caused drastic decline in production. "These diseases will bring down the yield to 50 per cent," M.K. Prasanna Kumar, Plant Pathologist (Rice Section) at V.C. Farm, told *The Hindu* .

Viral and fungal diseases affect the crop during the milky stage, grain filling and maturity stages. The diseases spread through seed, and water used to irrigate. “Seed treatment with chemicals is the only effective solution to reduce viral and fungal infection,” H.M. Atheek-ur-Rehaman, Subject Matter Specialist at V.C. Farm (Agronomy), said.

Infected plants should be destroyed and alternative weed hosts with disease symptoms in the field should be removed periodically, Mr. Rehaman said.

The Agriculture Department had requested the V.C. Farm and other agencies to educate the farmers on such infestations.

Scientists and plant pathologists at V.C. Farm, UAS-B and KVK conducted the programme at Madarahalli, Kyathanahalli, Peehalli, Banadahalli and Hosahalli recently.

They trained farmers in seed treatment and they plan to educate farmers on using the right mix of chemicals while treating seeds before sowing.

Several farmers have already started disseminating information to others.

Weather monitoring

As part of a crop insurance scheme at Karavaram panchayat, a weather monitoring system has been set up in the village. Farmers registered under the crop insurance scheme would get compensation for crop loss owing to natural calamities and bacterial disease. The data recorded in the system would be the basis for estimating loss.

Stop using insecticides with ‘Bio’ prefix

The Department of Horticulture here has cautioned arecanut growers against using some solutions claimed to be organic in nature sold in market for sometime now to fight ‘kole roga’ (fruit rot disease) in arecanut plantations.

A statement from the department has come two years after some arecanut growers began using them to control the blight.

Yogesh H.R., Deputy Director, Department of Horticulture, Dakshina Kannada, those solutions were being sold under different brand names but all start with Bio…

He said in a release that the department received complaints from some farmers who used the solution. The farmers complained that there was pre-maturity of crop, nut dropping, withering of leaves and drop in production after spraying the solutions.

Mr. Yogesh said that the department or any other government department had not recommended their spray to control the blight. No research had been done on the side affects of the solutions.

The release said that those said to be organic solutions had not been registered under Insecticides Act, 1968.

If farmers continued to spray those solutions and incurred loss, the department would not pay them any compensation.

At a conference organised by the Central Arecanut and Cocoa Marketing and Processing Cooperative Ltd. (Campco) here on April 25, 2012, Ignatius D’Souza of Bejai, a dealer of farm products, had drawn the attention of all on the legal aspect of selling those solutions. He had said that information obtained by him under the RTI Act from the Directorate of Plant Protection, Quarantine and Storage under the Union Department of Agriculture and Cooperation revealed that use of potassium phosphonate in the country, said to be a major ingredient in those ‘organic’ solutions sold under different brand names starting with Bio …, was not allowed as per Insecticides Act, 1968.

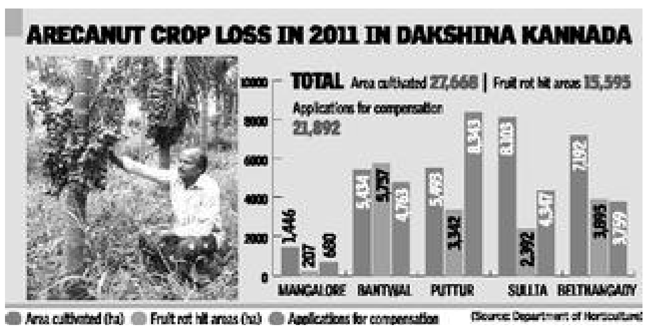
Those solutions are being sold under different brand names but all start with Bio…

Yogesh H.R.

Department of Horticulture

Solatium eludes areca farmers

Horticulture Department estimated loss incurred in 2011 at Rs. 172 crore



About 22,000 arecanut growers who have applied for compensation for ‘kole roga’ (fruit rot disease) in their plantations in Dakshina Kannada two years ago are still awaiting for it even as the blight has struck again this rainy season, too.

The disease had severely affected areca palms in 2011 but its impact was limited in 2012. This year it is reported to be spreading fast due to heavy rains.

According to a February 15, 2012, report submitted by the Department of Horticulture here to the then Deputy Commissioner of Dakshina Kannada and Director of the Horticulture, Bangalore, of the 27,668 hectares of areca crop in the district, the disease hit 15,595 hectares (56 per cent) affecting 21,892 farmers in 2011 rainy season.

The department had estimated the loss at 24,709 tonnes valued at Rs. 172 crore. The report mentioned that its estimation of loss was based on “random enquiry” of growers and information obtained “orally” from them.

The report recommended that those who suffered 50 per cent and above loss per hectare could be given a maximum of Rs. 61,760 as compensation per hectare and those farmers whose loss was below 50 per cent could be given a maximum of Rs. 45,640 as compensation per hectare.

Narayana Bhat, a farmer from Guthigar, said that after assessing the loss due to the blight in his four-acre plantation, he had applied for Rs. 15,000 compensation. He is yet to get it.

B. Sridhara Shetty, Executive President, Dakshina Kannada unit of Karnataka Rajya Ratiha Sangha (Hasiru Sene) near Vitla, said that he had about three acres of arecanut plantation and had sought a compensation of Rs. 65,000.

Kumara Subrahmanya Shastri, State secretary, Karnataka Rajya Ratiha Sangha (Hasiru Sene), from Punacha in Bantwal taluk, said that he has five-acre plantation. He had sought Rs. 30,000 per acre from the government. He, too, is waiting.

No decision yet

Yogesh H.R., Deputy Director, Department of Horticulture, Dakshina Kannada, said that the government was yet to take a decision on compensating the loss of 2011. The department has not received any direction, he said.

We submitted a memorandum to the Chief Minister seeking compensation for the loss of 2011 two weeks ago. He promised nothing.

K. Subrahmanya Shastri

Karnataka Rajya Ratiha Sangha (Hasiru Sene)

Arecanut financial assistance application

The Department of Horticulture has extended the last date for submission of applications to avail financial assistance under the scheme for rejuvenation of arecanut plantation affected with pest and fungal infection from July 29 to August 12. Owners of arecanut plantations infected with fruit rot disease popularly known as kole roga and root grub disease locally known as beruhula roga can avail financial assistance under this scheme. In a press release, Deputy Director of Horticulture said as farmers were busy with agricultural activities owing to early onset of monsoon in the district this year, they had requested for extension of the last date. Farmers have been urged to submit the applications with the office of the Department of Horticulture in their respective taluks.

Cooperative banks to face more curbs

NABARD norms to make primary banks redundant

The National Bank for Agriculture and Rural Development (NABARD) is again contemplating a slew of measures that will render the 1,603 Primary Cooperative Banks (PCBs) in the State redundant.

Banking sector sources told *The Hindu* here on Sunday that after insisting on 4 per cent capital adequacy and issuing a directive for depriving PCBs of their right for conducting banking operations, the apex bank would soon insist on introducing the cheque truncation system (CTS) which will automatically displace the banks at the grassroots level from the banking network of the country.

Introduction of CTS or online cheque clearance facility, which eliminates the flow of physical cheques across bank branches, calls for substantial investments in the IT legacy. After stopping the flow of physical instrument, an electronic image of a cheque will be sent to the drawee bank with relevant information such as details of the presenting bank as well as the date of presentation.

Such payment applications have been developed by the Institute for Development and Research in Banking Technology (IDRBT) set by the Reserve Bank of India (RBI). Majority of the 93,000 PCBs in the country are not in a condition for adopting the new payment regime at present. Certain PCBs have come forward to adopt the new technology, but the IDRBT is understood to have expressed reservations in including them in the network on security grounds.

The apprehension is that the access granted to the PCBs may be misused by disruptive elements for destabilising the entire payment system. But this apprehension is said to be unsubstantiated. The institute can well develop safeguards to stall the entry of hackers into the system. Doubts had also been raised about including such large number of units into the system, sources said.

Big problem

Much more than the hassles in moving over to the new system, the major threat awaiting the PCBs is that commercial banks will stop honouring their cheques. This will erode the customer base of the PCBs. A significant number of customers of the PCBs have already started moving out and once the curbs on operations come into force, it will force the remaining customers to opt for other banks. Thus it will pave way for the natural death of the banks. Kerala will perhaps be the only State to come out against such decisions being clamped without taking the stakeholders into confidence. Being cleared by the RBI, even a resistance of the State government against such moves may not elicit any serious response, the sources said.

Call for increased public awareness on Western Ghats

Dr. Madhav Gadgil speaking at the People's Convention to Save Western Ghats in Panaji, Goa on Sunday.

A day-long "Save Western Ghats" convention held here on Sunday noted that unless a cumulative impact assessment study is done to assess the actual environmental costs for each mine, the banon mining in Goa should continue.

Addressing presspersons on behalf of the coordinating committee of the convention at the end of programme on Sunday, coordinating committee members led by M.K. Prasad, member of Western Ghats Environment and Ecology Protection (WGEEP) V.S. Vijayan and others asserted that accountability while using national resources cannot be ignored.

The deliberations, in which representatives from Kerala, Karnataka, Tamil Nadu, Maharashtra and Goa participated, culminated with the formation of a national-level coordination committee under Prof. Prasad to hold similar meets in all the other Western Ghat states. The next meeting will be held in Bangalore soon, said a representative of the Karnataka Rait Sangh.

The Centre and the States were urged to adopt the WGEEP report and reject the report of Kasturirangan panel. It called for resolutions of Gram Sabhas demanding protection of Western Ghats.

Addressing the convention earlier in the day, Chairman of Western Ghats Ecology Expert Panel Madhav Gadgil said that the report had reviewed the existing scenario and suggested a series of specific measures as a starting point for a broad participatory process of arriving at development and conservation-related decisions involving people at the grass-roots.

However, he alleged that most of the states resorted to misleading the people by suppressing the actual contents of the report and instead distorting the message through their comments.

Referring to the high level of pollution by chemical industries he alleged deliberate suppression of zoning atlas for setting of industries (polluting) in Maharashtra. He alleged that a lot of such scientifically done reports of the government had been deliberately suppressed.

Another resolution demanded opposition to projects like Athirapilly and Gundia hydro-electricity projects and the proposed Mopa airport in north Goa that was coming up on wetlands and agricultural lands.

The magic of coconuts

The tall yet humble tree which is grown mostly in the southern states like Kerala, Tamil Nadu and Karnataka is much more beneficial than it is known to be. Did you know that more than a dozen different products can be made from the coconut tree? Tender coconut, copra, coconut oil cake, coconut oil flower, coconut shell based products, coconut wood based products – to name a few.

Coconut is considered to be anti-bacterial and anti-viral. The benefits of the coconut fibre can be got by adding it to the recipes. A diet rich in coconut kernel prevents digestive disorders and also regulates bowel activity. It has been proven from time to time that intake of dietary fibre protects against heart attacks and strokes. Tender coconut is another precious gift from this tree. The medicinal properties of tender coconut are so many that it may be difficult to list them out. It keeps the body cool, kills worms in the intestine, it is a must-have for patients affected by cholera, it checks urinary infections and it is also apt for patients with kidney stones. It also acts against malnourishment.

To increase the production of coconuts and also for product diversification, there is a special body called the Coconut Development Board. This is a statutory body established by the Government of India which comes under the Ministry of Agriculture. Established in 1981, CDB has its headquarters in Kochi (Kerala). There are regional offices at Bangalore, Chennai and Guwahati. Bhubaneswar, Kolkata, Patna, Thane, Hyderabad and Port Blair which house the state centres. There are also 7 demonstration cum seed production(DSP) farms across the country apart from a market development cum Information centre in Delhi and a technology development centre at Vazhakulam in Kerala.

The main functions of the CDB are working for development of the industry, technical and financial assistance to people involved in coconut cultivation, introducing modern technologies for processing the products and encouraging research on coconut and its products. CDB also works towards improving the yield and quality apart from focusing on the marketing and publicity techniques.

The progress achieved in extending coconut cultivation, increase in production, development of appropriate farming systems are due to the efforts initiated by the CDB in the three decades of its existence. CDB also focuses on coconut technology development in India apart from imparting technical knowledge to entrepreneurs.

State to disburse Rs. 72,000-cr. crop loans this year: Kiran

Another milestone: NABARD Chairman Prakash Bakshi, APCOB president K. Veera Reddy with Chief Minister N. Kiran Kumar Reddy at the Golden Jubilee celebrations of Andhra Pradesh State Co-Operative Bank Limited in Hyderabad on Sunday.-Photo: NAGARA GOPAL

Chief Minister N. Kiran Kumar Reddy on Sunday said the Government has set a target of disbursing Rs. 72,000 crore crop loans this year and bear the interest burden of Rs. 500 crore,.

Appreciating the efforts of the Andhra Pradesh State Co-op Bank (APCOB) at its Golden Jubilee celebrations here on Sunday, he said efforts needed to be focussed on strengthening service delivery mechanisms right down to the village-level. Addressing a modest gathering, he went down memory lane, recalling how his father, the late N. Amarnath Reddy had headed the APCOB, before becoming the Cooperation Minister.

The cooperative movement was doing well in the State, Mr. Reddy said, adding that several States were looking towards the AP model. From a modest Rs.24 crore in 1963, it had now grown to a whopping Rs. 12,500 crore of disbursements, he pointed out, adding that Government of India was working towards a target of Rs. 7 lakh crore.

Chairman of the National Bank for Agriculture and Rural Development (NABARD), Prakash Bakshi said that cooperative banks should not be divided due to political reasons, as one strong bank would fragment into two weak banks. This was important as the banking sector was going through a consolidation phase, he said, pointing out that the 196 Regional Rural Banks (RRBs) were merged into 61.

On the unrest in several parts of the State for the past week over creation of a separate State, he asked if banking institutions that were financial entities would be allowed to be broken into small, non-viable entities. “Because of political developments, we keep on dividing the Cooperative Banks. Will we allow that to happen here ?,” Mr. Bakshi sought to know from the Chief Minister who in his speech later said, “I do not know the answer.”

APCOB President K. Veera Reddy the bank with 37 branches of its own has operations through 22 affiliated District Cooperative Credit Banks that had 616 branches, in turn linked to 2,748 Primary Agriculture Cooperative Society (PACS) at the grass-root level in the villages.

New plant genus from ghats

A team of researchers from Sree Narayana College, Cherthala; King Saud University, Riyadh; and Leiden University, the Netherlands, have reported the discovery of a new plant genus that belongs to the grass family from the South Western Ghats.

Named after eminent agrostologist and environmental scientist N. Ravi, the new genus *Nanooravia* is endemic to the lowland laterite rocky slopes or wet laterite hillocks in Kannur and Kasaragod districts in the State and Dakshina Kannada and Uttara Kannada in Karnataka.

The new genus is represented by a single species *Nanooravia santapaui* . Belonging to the Andropogonoid grass tribe, it usually grows and flowers during the monsoon season. It is characterised by unusual intertwined inflorescence and spikelets covered with golden yellow hairs.

The team comprising M.S. Kiran Raj from SN College, Cherthala; J.F. Veldkamp from Leiden University, the Netherlands; and M. Sadasivan, A.H. Alfarhan, and Jacob Thomas from King Saud University, Riyadh, has published the discovery in the Nordic Journal of Botany.

Nanooravia is the fifteenth endemic grass genus described from the Western Ghats region, considered the centre of diversity of Andropogonoid grass. The region has the highest generic (60 per cent of the world) and species diversity (35 per cent of the world) of Andropogonoids. It also harbours more than 50 per cent of the known species of the subtribe Dimeriinae in the world. Dimeriinae forms a prominent element of the vegetation of western peninsular India during the post monsoon season (November-December).

"A preliminary study shows that the savannah grasslands of Africa have a close affinity with Indian grasslands in terms of the predominance of the Andropogonoid grasses", says Dr. Raj.

Nanooravia is closely allied to, but differs from, the genera *Dimeria* (known as Neypullu in Malayalam) and *Pogonachnae* , which is endemic to the Maharashtra region. The study also found that wild relatives of economically important grass crops like *Oryza* (includes rice), *Sacchrarum* (sugarcane), *Cymbopogon* (lemon and ginger grass), *Eleusine* (includes ragi), *Setaria* (Millet), and *Chrysopogon* (Vetiver grass) were well represented in the Western Ghats region.

Dr. Raj feels that the discovery of the new genus *Nanooravia* would enhance the conservation potential of the grasslands of the Western Ghats.

Millennium goal: Teaming up for trees

Treebay By making gardening and tree planting a part of their daily activity, the inmates of PSG Institute of Medical Sciences have created burgeoning green space in the heart of the city, finds Vaibhav Shastry

Tree cover at the P.S.G Institute of Medical Sciences and Research.-PHOTO: S. SIVA SARAVANAN

: The staff, students and caretakers are all in charge of the 87 acre campus of the PSG Institute of Medical Sciences and Research, which is teeming with trees. There are 1200 trees belonging to 40 different species. These trees have been planted over a span of 25 years.

The chaos of the traffic on Avanashi Road is quickly forgotten as you enter this campus. It is almost noon but you can still hear the pleasant, unhurried chirps of a few birds. You even spot a ladybird while taking a stroll through a small green park maintained by the Environmental Officer here. Neem trees, mayflower, cypress, teak, rain trees and many others dot the landscape as you enter the lush green campus.

A majority of the trees are native species while a few others add ornamental value.

The intent is evident as soon as you enter the campus. Students from different departments are at work digging the soil, planting new saplings and watering the existing ones. According to Dr. N. Ramakrishnan, a tutor of community medicine at the college and an eco activist, this is a daily ritual.

"One of the Millennium Development Goals laid down by the United Nations is ensuring environmental sustainability. I teach my students about the medicinal properties of the trees apart from the oxygen they give out, their ability to conserve water and other advantages," he says.

Country fig, honey, eucalyptus, amla, pungan and almond trees add to the medicinal value and are scattered around the campus.

The trees are watered, pruned and maintained by a staff of 30, apart from the students, faculty and environmental officers who personally monitor the saplings.

The aim is to create an eco friendly lung space which will be looked upon as an example by others in the city.

"The forest cover of a state should ideally be 33 percent of its geographical area. We are trying to develop a 40 per cent forest cover in the campus so it can be looked upon as an example," says Dr. R. Tolstoy, Assistant Professor (Medicine) and president of the Nature Club.

The medical college campus also has a small nursery and park which is home to a few rabbits.

Hostelers take the initiative to preserve potted plants and water them daily. For others, it is an extension of their course of study.

"I have planted 15 saplings over three years and participated in a couple of green drives in villages where we set up medical camps. Every student has to compulsorily plant one sapling before graduation to commemorate the occasion," says R. Abinaya, a final year M.B.B.S student.

'Include millets in diet to lower risk of diseases'

Making minor millets an integral part of the food intake can lower risk of lifestyle-related diseases, said T.Dhanapalan, programme leader of Kalanjiyam, Dhan Foundation, on Sunday.

He was addressing the residents of Agrini Residential Enclave in Andalpuram here. “Around 40 lifestyle-related diseases such as diabetes, asthma, cancer, and heart and liver ailments have been identified in India. They can be cured by including minor millets in diet because they are rich in fibre, proteins, carbohydrates and other nutrition,” said Mr.Dhanapalan.

Mr.Dhanapalan said doctors should suggest minor millets to the people to reduce lifestyle-related diseases. Millets such as ragi, thinai, varagu, kambu, cholam, samai and kudiraivaali were rich in nutrition, he said.

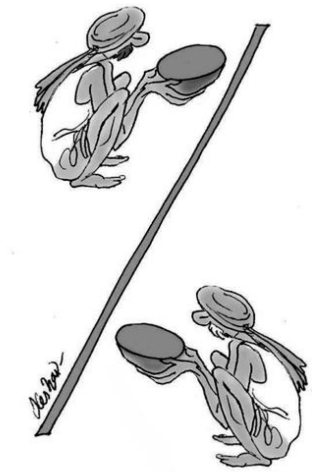
A team from Joule Foods, Coimbatore, which promotes minor millets explained simple recipes using minor millets. Kudiraivali payasam, samai pongal and cholam biriyani were prepared at the venue.

“Most people think that minor millets cannot be eaten everyday. The general assumption is that not many dishes could be prepared from millets. Our demonstration will make them understand that different dishes could be made from millets as well,” said V.R.Dharmendra, one of the members of Joule Foods.

Dhan Foundation and Joule Foods had also put up stalls containing cookies and other snacks made of minor millets. The event was organised by Dhan Foundation and Agrini Residential Enclave.

Understanding the poverty line

What it signifies, what it does not tell us and what it will definitely not be used for



Great shrillness has marked the current furore over the Planning Commission's latest poverty estimates. No surprise, therefore, that understanding and wisdom have flowed in an inverse proportion. Surprising and sad, however, is the fact that some political leaders have at times spoken in a manner deeply hurtful to the*aam aadmi* and others have shown complete lack of understanding of what these estimates are all about.

A Committee chaired by one of India's finest economists, former Chairman of the Prime Minister's Economic Advisory Council and the National Statistical Commission, the late Suresh Tendulkar, computed poverty lines for 2004-05 at a level that was equivalent, in purchasing power parity (PPP) terms, to one U.S. dollar per person per day, which was the internationally accepted poverty line at that time.

Tendulkar line

PPP refers to a method used to work out the money that would be needed to purchase the same goods and services in two places. Across countries, this is used to calculate an implicit foreign exchange rate, the PPP rate, at which a given amount of money has the same purchasing power in different countries. The 2004-05 Tendulkar poverty line was Rs.16, which in PPP terms, is equivalent to one U.S. dollar per person per day.

The new poverty estimates of Rs. 29 per person per day recently released by the Planning Commission are equivalent, in PPP terms, to the new internationally accepted poverty line of $1.25. The suggestion that somehow this much money is enough for people to survive in any conceivable form has given rise to understandable public anger, much exacerbated by insensitive suggestions by some members of the ruling party that even less could be enough.

There could not be a more ridiculous tragedy of errors on all sides. All that the Planning Commission has done is to use the most credible source of consumption data available in the country (the National Sample Survey Organisation) to compute poverty estimates that are both on parity with international standards and enable comparisons within India over time and across States. There is no value judgment being made about the adequacy of this amount of money for any meaningful purpose. All that is being done is to provide an estimate (using the very same methodology) that allows one to compare the number of people below a certain consumption level (aka poverty line) in 1993-94, 2004-05 and 2011-12. Nothing more, nothing less.

Huge decline

The data show that the rate of rise of consumption expenditure in the last decade far exceeds the rate in the previous decade. While those below this consumption poverty line actually went up marginally between 1993-94 and 2004-05, they fell dramatically from 41 crore in 2004-05 to 27 crore in

2011-12. This huge decline in the number of people below this poverty line needs to be taken very seriously.

Ascertaining precisely the contribution of the Central government in this achievement is not a straightforward matter, since it is not government action alone that determines the course of an economy. And State governments also play a crucial role. This is a matter of research and more satisfactory answers will emerge only over time.

However, there can be no denying that Verdict 2004, in which the people of this country voted with their feet to reject the slogan of India Shining, placed great public pressure on the new government at the Centre to move in the direction of more inclusive growth. And it is clear that since 2004, there has been an enormous and unprecedented rise in expenditure by the Government of India on programmes of social inclusion, such as MGNREGA. There is also overwhelming evidence of a rise in wages of the poorest people in rural India. How much of this is directly or indirectly attributable to MGNREGA is another scholarly question, on which divergent views have been expressed. But no one disagrees that MGNREGA certainly played a role here. Nor can it be denied that during this period India became one of the fastest growing economies in the world.

What is even more important, however, is to clarify what the poverty line does not signify. Contrary to popular misunderstanding, there is no suggestion whatsoever that the benefits of government programmes will be restricted to those below this poverty line. The aim is not, as many canards make out, to artificially or falsely reduce the poverty numbers in order to score political brownie points or to bring down the allocations that have to be made on anti-poverty programmes.

Landmark contribution

Quite to the contrary, the incontrovertibly clear landmark contribution made by the UPA-II government is that for the first time in the last 20 years, the poverty line has been delinked from entitlements of the people of India. Indeed, with the 12th Plan, this government has taken the first steps in acknowledging that poverty is a multi-dimensional concept that cannot be reduced to consumption expenditure alone. To illustrate, till now if you were to be regarded as a beneficiary of the Indira Awaas Yojana (IAY) or the Total Sanitation Campaign, you needed to possess a BPL card. The distribution of these cards was plagued by humungous errors of inclusion and exclusion, such that many of the really poor would not be included but those with muscle power at the local level managed to hustle BPL cards even if they were not poor.

During the 12th Plan, all this is poised to change with the enshrining of the principle — "programme-specific indicators for programme-specific entitlements." This is a clear recognition that poverty has many dimensions, each of which is to be tackled by different programmes and the benefits of each programme will either be universal (as in MGNREGA, health, primary education, sanitation, mid-day meals, etc.) or be based on data on specific deprivations such as homelessness.

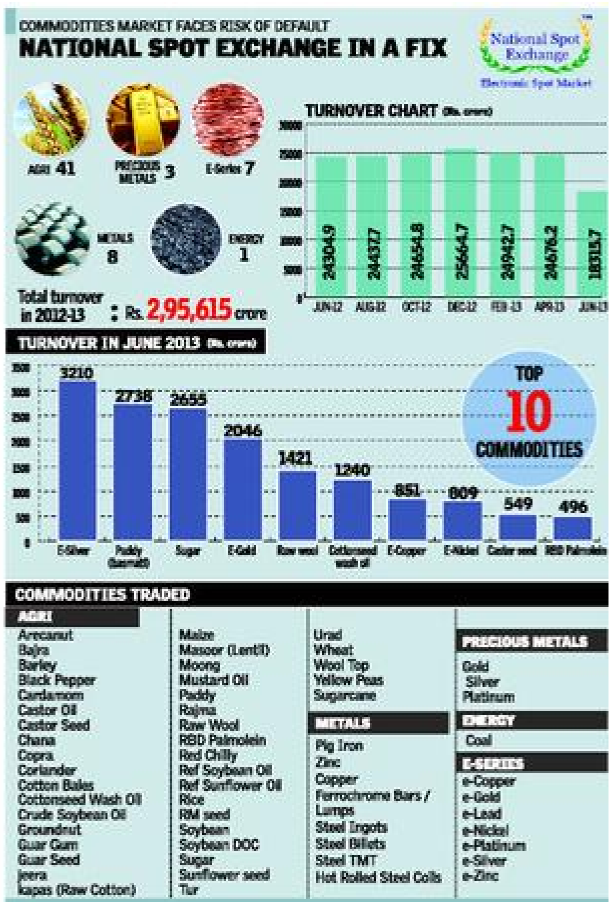
The Socio-Economic and Caste Census (SECC) conducted by the Government of India, in partnership with all State Governments, is nearing completion. The SECC data will be presented in gram and ward sabhas across the country over the next few months and this will enable a kind of social audit of this data and foster citizen awareness and participation in the process. The SECC contains invaluable information on homelessness, manual scavenging, disability and a host of other deprivations, all of which are major constituents of poverty. These will be used to identify the people entitled to specific benefits. Thus, the homeless will be the beneficiaries of IAY and the disabled will get disability pensions, irrespective of whether or not they have a BPL card. The food security legislation will cover 67 per cent Indians, which is more than three times the number of people living below the consumption poverty line (22 per cent).

Of course, whether the consumption poverty line should remain as low as $1.25 is a relevant question. This is the internationally accepted definition of absolute poverty. There is also a notion of moderate poverty pegged at two U.S. dollars. But my counter-questions are: even if we were to raise the poverty line to two U.S. dollars, would it be right to exclude people from benefits of government programmes such as PDS, based on such a line? And should a uniform line, at whatever level, be at all used, in an indiscriminate manner, across programmes? As has been done for decades now?

To its abiding credit, UPA II answers these questions in the negative. Almost all its programmes are now either universal or based on deprivation-specific data. They have no reference to any kind of poverty line. The data on consumption expenditure poverty are used only for the purpose of comparison over time and across States. There is a clear recognition that poverty has many dimensions and data on each of these are used to guide programmes meant to overcome those forms of poverty. Thus, nutritional poverty data come from the National Family Health Survey, housing poverty and disability data from the SECC, sanitation poverty from the 2011 census and so on.

In fact, the 12th Plan clearly acknowledges that even if the figure of people below the consumption poverty line were to fall to zero, removing poverty in India will remain a challenge till every Indian has access to safe drinking water, sanitation, housing, nutrition, health and education. That is the challenge we need to focus on, rather than splitting hairs over the singular estimation of poverty.

An exchange in a spot



Forward Markets Commission has a lot to answer for

A spot exchange, like the leopard, cannot change its spots. Trying to do so, will land it in a spot of bother, as the National Spot Exchange Ltd. (NSEL) is now finding out. The NSEL's mandate is to offer a national electronic spot trading platform for commodities. Yet, by deciding to go well beyond its brief into forward trading of commodities, something that was neither in its charter nor supposed to be its mission, the exchange has landed in grief and has set off what may turn out to be the biggest markets crisis in recent times.

What exactly is the fuss all about and how did it come to this? First, a brief look at NSEL and what it does. NSEL is part of Financial Technologies (India) Ltd., (FTIL), which has also promoted Multi-Commodity Exchange (MCX) and MCX-SX, a stock exchange. FTIL and MCX are listed on the exchanges.

NSEL is the premier spot exchange for trading of commodities with a 99 per cent share of the market and deals in agri-commodities and metals. It has 817 members with over 56,000 trader work stations across the country and in 2012-13 it turned over Rs.2.95 lakh crore. Spot contracts have to be settled within 11 days as per provisions of the Forward Contracts Regulation Act (FCRA), that is, delivery of the commodity and cash settlement has to be completed within this period.

Agri-commodities were the dominant products traded on the exchange accounting for three-fourths of the daily turnover of around Rs.600 crore. NSEL, which has warehouses in Delhi, Madhya Pradesh, Gujarat, Rajasthan, Maharashtra, Bihar and Orissa, counts organisations such as Food Corporation of India, MMTC, Cotton Corporation of India and NAFED among its members.

Though it was founded mainly to offer a national spot market for commodities, the exchange secured specific approval from the government in 2007 to offer one-day forward contracts. The conditions were that there would be no short-sales and that all outstanding positions will be settled by delivery. However, NSEL allowed forward contracts to be rolled over under the excuse that the FCRA does not prescribe a period for delivery. It also appears to have turned a blind eye to short-sales by traders speculating in the forward market.

Booming business

Spotting the opportunity, brokers and traders started offering “products” tailored for their clients with assured returns of 15 per cent and more for speculating in commodities on NSEL. And with equity markets listless, business started booming with turnover zooming from Rs.2,182 crore at the end of its first year of operations in 2009 to the present level of close to Rs.2.95 lakh crore. Forward contracts became the mainstay of its business with spot trading being the poor sibling.

In February, 2012, the government, probably noticing what was happening, brought the NSEL under the purview of the commodities market regulator, Forward Markets Commission (FMC). But that changed little on the ground. The party was well and truly on until the Ministry of Consumer Affairs (MCA), which oversees commodities bourses, and the FMC snatched the punch bowl away on July 12 by asking NSEL to stop launching new contracts until further orders. The FMC also sought an undertaking that all existing contracts will be settled on their due dates.

Bowing to the directives, NSEL told its members that contracts have to be settled within 11 days and it would be on a trade-to-trade basis, that is, payment against delivery of the commodity. This lead to a fall in trading volumes as traders, who were active in forwards, lost interest in spot trading. As traders failed to roll-over their contracts and demanded settlement, the exchange ran into trouble leading to its July 31 decision of a 15-day moratorium on settlement of existing contracts. NSEL was also forced to down its shutters by suspending trading in order to counter speculation of a payments crisis.

Now, to the questions: First, how did the government give permission for one-day forward contracts to a spot exchange, especially when it was outside the purview of the regulator, FMC? From 2007 and till February, 2012, NSEL's forward trading was practically operating in a regulatory vacuum.

Second, how is it that the FMC failed to notice the raucous party that was on at NSEL even if it was not under its watch?

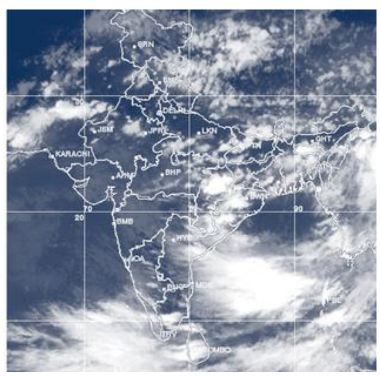
Drawing a parallel

To draw a parallel, stock market regulator, SEBI, hauled Sahara over the coals for raising funds through optional fully convertible debentures even though the company in question was not listed and claimed it wasn't making a public offer. Similarly, SEBI has also been active in watching over collective investment schemes (with mixed success, of course) even though it does not come under its regulatory watch, strictly speaking. Shouldn't the FMC have similarly reined in NSEL before things came to this pass? Third, having let the party go on, the government appears to have acted clumsily by stopping the music suddenly. The drunks have thus been let loose on the streets causing mayhem. Instead of asking NSEL to stop new contracts forthwith, the MCA could have told the exchange to gradually wind down all forward contracts which would have been more orderly and not shocked the system.

A number of big broking houses, active in the stock market, are said to also have exposures in NSEL. In the worst case scenario, a payments crisis in NSEL (though unlikely as of now) could thus spread to the stock market too. This is quite apart from the losses to investors caused by the precipitous fall in the stock prices of Financial Technologies and MCX. An orderly wind down would have contained the damage.

Finally, it is indeed shocking to note the extent of lax regulation of a market institution with a daily business of Rs.600 crore. It is clear that the FMC either did not notice or chose to look the other way after the NSEL was brought under its watch in February 2012. Either which way, it has a lot to answer for.

Weather



INSAT PICTURE AT 11-30 hrs. Observations recorded at 8-30 a.m. on Aug. 4.

	Max	Min	R	TR
New Delhi (Plm)	37	27	1	346
New Delhi (Sfd)	36	27	0	460
Chandigarh	36	28	0	491
Hissar	35	26	tr	315

Bhuntar	33	22	tr	323
Shimla	26	17	10	551
Jammu	34	26	0	623
Srinagar	30	20	0	149
Amritsar	36	27	0	322
Patiala	35	29	0	459
Jaipur	31	26	8	332
Udaipur	27	24	0	508
Allahabad	35	28	0	654
Lucknow	34	25	0	509
Varanasi	36	26	0	419
Dehradun	33	23	81	1955
Agartala	33	27	tr	545
Ahmedabad	30	25	1	673
Bangalore	28	20	17	329
Bhubaneshwar	34	26	0	534
Bhopal	28	23	2	954
Chennai	37	24	9	313
Guwahati	34	26	0	565
Hyderabad	31	22	0	415
Kolkata	33	27	0	785
Mumbai	30	25	4	1915
Nagpur	30	25	tr	1142
Patna	37	27	0	174
Pune	29	21	2	524
Thiruvananthapuram	31	23	6	776

Imphal	34	23	0	488
Shillong	24	18	0	559

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

The axis of monsoon trough on MSL passes through Anupgarh, Alwar, Gwalior, Varanasi and thence south-east wards.

RAINFALL: Rain/thundershowers have occurred at a few places over Himachal Pradesh, Rajasthan and Uttarakhand and at isolated places over Jammu and Kashmir, Punjab and Uttar Pradesh. Weather was mainly dry over Haryana. The chief amounts of rainfall in cm are: (3 cm and above) HIMACHAL PRADESH: Dharamsala 13 and Dharampur 3, PUNJAB: Anandpur Sahib 3, EAST RAJASTHAN: Nadoti 7, Sikrai 6, Gangapur and Abu Road 5 each and Mount Abu, Sarwar, Kotri, Chaksu, Bonli, Khander and Danta Ramgarh 3 each, WEST RAJASTHAN: Fatehgarh 5 and Ramgarh, Desuri and Rohat 3 each, EAST UTTAR PRADESH: Ghorawal 5, Allahabad Sadar 4 and Banda, Chandauli and Mirzapur 3 each and UTTRAKHAND: Dehradun 8, Chamoli 5 and Uttarkashi 3.

FORECAST VALID UNTIL THE MORNING OF 6th August 2013 : Rain/thundershowers would occur at many places over Jammu and Kashmir, Himachal Pradesh, Uttarakhand and east-Rajasthan. Rain/thundershowers would occur at one or two places over Uttar Pradesh, Punjab and Haryana during next 48 hours and increase thereafter. Rain/thundershowers would occur at one or two places over west-Rajasthan.

HEAVY RAINFALL WARNING: Heavy rainfall may occur at one or two places over Jammu division of Jammu and Kashmir, Himachal Pradesh and Uttarakhand during next 72 hours.

FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 6th August 2013: Partly cloudy sky. Very light rain/thundershowers could occur in some areas

THE TIMES OF INDIA

Free tips, updates for farmers on their mobile phones

With a view to bridge the information gap at the bottom of pyramid using emerging media tools, the Union ministry of agriculture has started free mobile phone-based services for farmers engaged in agriculture and allied sector activities. The subscribers are sent SMSs and voice messages on their chosen subjects in their preferred languages, including Punjabi. Even illiterate farmers can avail the benefits of this service by opting for voice messages.

The agriculture ministry has roped in premier agricultural and allied sector research institutions, agricultural universities, krishi vigyan kendras (KVKs), Indian meteorological department (IMD) and agriculture, horticulture and animal husbandry departments of states to send timely updates to the subscribers. Experts and officials from these institutions/departments will send SMSs and voice messages to subscribers as per relevance and need, sources said.

Information pertaining to four key sectors -- agriculture, horticulture, animal husbandry and fisheries -- is sent to farmers as SMSs and voice messages. This includes crop advisory tips, alerts on pest and diseases and their control, package of practices of various crops, weather updates, prices of different crops/commodities in markets and tips and remedies about diseases of livestock. Information about different schemes like loans, subsidies and crop and animal insurance is also being given to the subscribers.

Farmers can subscribe to this free service by calling up at the Kisan Call Centre (KCC), which is run by the Union agriculture ministry in collaboration with state agriculture departments, on toll free number 1800-180-1551. KCC runs from 6 am to 10 pm seven days a week. Farmers can give their preferences about crops or other activities to KCC agents. Besides calling up KCC, net savvy farmers can also register for this service through the ministry of agriculture's portal http://farmer.gov.in.

Private players took lead in empowering farmers

Long before the Union government decided to start mobile phone-based information services for farmers, a few private players had already forayed into this domain. Reuters Market Light (RML), an innovative project of Thomson Reuters, and IFFCO Kisan Sanchar Ltd (IKSL) -- a joint venture of Indian Farmers Fertiliser Cooperative Ltd (IFFCO), Bharti Airtel and Star Global Resources -- had launched mobile phone information services for rural area subscribers in October 2006 and April 2007 respectively. RML has paid SMS service for subscribers, which includes quarterly, biannual and yearly subscriptions while IKSL offers voice messages for its users, who have to buy a pre-paid SIM card.

Sending timely information a challenge

It will be a challenge for the experts to cater to the diverse needs of millions of subscribers. Information has to be sourced, crunched into text and voice messages and delivered to end-users in a timely manner. Unlike private players, free updates by agriculture ministry are not sent daily to the subscribers. Many subscribers, who are enrolled for the national do not call

(NDNC) registry of the Telecom Regulatory Authority of India (TRAI), will not be able to receive these updates as sending unsolicited information on mobile phones including calls, text and voice messages is barred. Subscribers will have to change their preferences to receive these updates.

Tariq predicts bumper foodgrain production

There will be a record food production in the country in 2013-14 and it will cross the last year's figure of 250 million tonne, said Union minister of state for agriculture Tariq Anwar on Sunday.

He said despite drought in Andhra Pradesh and Maharashtra last year, the country had produced 250 million tonne of food grains. This year, the two states have good monsoon and they would contribute to the bumper kharif production.

About Bihar, he said, certain districts of the state have received less rain causing concern among the farmers. Bihar government has not sent any communication to the Centre apprehending drought. He assured the Centre would act swiftly on any such demand by the state government.

Speaking at a programme organized at Bihar Industries Association here on the prospects of agro industries in Bihar, Tariq said Union agriculture minister Sharad Pawar would visit Patna in September to participate in a national seminar on food processing.

Bihar has huge potential in food processing and the Centre is ready to give financial assistance to the entrepreneurs for setting up an integrated cold storage chain network. Industrialists are still reluctant of investing in Bihar because of lack of basic infrastructure. Though law and order has improved, there is not enough electricity for the industries. In Khagaria and

Bhagalpur, the Centre sanctioned food parks, but the farmers are agitating as they are not willing to transfer land for the industries. He had sought chief minister Nitish Kumar's help in negotiating with the farmers.

On the pattern of Amul, cooperative societies of fruit and vegetable growers should be set up in Bihar to prevent wastage of fruit and vegetable, he suggested. Bihar stands third in the country in maize production and there is scope of setting up starch, corn flex and corn flower units. But, due to lack of power, such units are not coming up. Honey produced from litchi of Muzaffarpur is in great demand abroad, he claimed, and assured the Centre would give financial assistance to the litchi growers for setting up food-processing units.

Pointing out the spacious bungalows in the Patliputra Colony where mango, guava and other fruits are produced and wasted, Tariq suggested the residents of the colony should form a cooperative society to process and market their fruits.

Drought more serious than flood: CM

Chief minister Nitish Kumar, on Sunday, said the drought situation in the state was more serious than the flood.

After making an aerial survey with water resources development minister Vijay KumarChoudhary and chief secretary A K Sinha over Danapur area, Koelwar and Barhara in Bhojpur, Buxar and West Champaran, Nitish said, "The floodwaters have gushed into low-lying areas and riverine belt of Danapur. Similar is the situation in Koelwar and Barhara and parts of Buxar." But, he said, the drought situation was a real cause of concern.

"If the rain deficit continues, the situation may turn for the worse. We have taken steps to tackle the situation and already started giving diesel subsidy to farmers. Attempts are being made to save the crops," he said, adding that the authorities were told to ensure minimum eight-hour power supply to the rural areas besides implementing other measures.

The CM also made a survey of the Gandak river which discharged 1.25 lakh cusecs of water. But, pressure on PDR embankment near Korahia in West Champaran continued and the officers were at work to save the embankment. He would now undertake an aerial survey of Munger, Bhagalpur and Naugachia and see the trend of Burhi Gandak.

The CM asked the chief secretary to hold videoconferencing with all the DMs concerned and directed to launch relief and rescue work in all the regions where floodwaters destabilized local population. He also asked them to press into service the country boats. The chief secretary will himself monitor the situation.

However, the CM said the flood situation would be constantly monitored because it was just the beginning of August and was difficult to say what turn the flood situation would take in the coming days. The water level of rivers in north Bihar could rise due to rainfall and cause flood in those areas. "The administration is prepared to face the situation and provide relief and launch rescue operation everywhere the flood situation turns grim," he said.

18,228 cattle killed, 20,000 hectares of agriculture land damaged in Uttarakhand

About 18,228 cattle were killed and 20,000 hectares of agricultural land was severely damaged in the deluge that struckUttarakhand'sRudrapryag, Chamoli andUttarkashi districts on June 16 and June 17.

The information was released on Sunday by Uttarkhand principal secretary (agriculture) Ranvir Singh.

Chief secretary Subhash Kumar said residents at different catastrophe-struck areas had suffered losses of over 10 lakh, with their animals being washed away.

Kumar said fodder is being air-dropped to feed surviving cattle in about 200 cut off villages.

"Air-dropping maximum quantity of fodder to domestic animals is on the list of priorities and we are committed to ensure the safety of these animals at any cost," he said.

Kumar said at a meeting of National Agriculture Development Scheme that 93 crores were sanctioned for 13 new self-employment related schemes under state government including fisheries, animal husbandry, dairy, organic farming to compensate for the losses that occurred due to the catastrophe.

Farmers begin 8-day padayatra for Avinashi-Athikadavur project

KongunaduMakkalDesiyaKatchi has dusted off and brought to the limelight the much-delayedAvinashi-Athikadavu Flood Canal Project after it was kept in cold storage for the past one-and-half years. The party on Sunday launched apadayatra, led by its general secretary E REswaran, demanding the state and central governments to implement the project at the earliest. The Rs1,862 project envisages diversion of surplus flood water from the Bhavani river to tanks and ponds in Coimbatore, Tirupur and Erode districts. As per the plan, 2,000 cusecs of surplus water will be diverted to feed as many as 71 tanks and 538 ponds in Karamadai, Annur, Avinashi, Puliampatti, Palladam and Perundurai areas. Experts say this project is not just to mitigate the effects of flood but also to help in recharging the groundwater level.

Official sources said that the state government is planning to implement the project by getting assistance under the Flood Management Programme, a central and state shared scheme implemented in the ratio of 75:25.

Farmers in Coimbatore, Tirupur and Erode districts are demanding speedy implementation of this project as the groundwater level is depleting and pointed out that the project is necessary to encourage agriculture.

However, political parties in the region allege that the government was not sincere in implementing the project.

On Sunday, cadres of Kongunadu Makkal Desiya Katchi led by its general secretary E R Eswaran started a padayatra from Karamadai demanding implementation of the project.

"We are carrying out protests and rallies to bring it to the notice of the chief minister," he said. The rally would conclude at Perundurai on August 11 by covering a distance of 186 km.

Functionaries of various struggle committees affiliated to different parties said the project is necessary to recharge the groundwater table.

"During every assembly and parliamentary elections both the DMK and AIADMK made poll promises, assuring voters this project will be implemented but nothing has happened," G K Nagaraj, general secretary of Kongunadu Munnetra Kazhagam, another regional political party said. According to him, both the state and central governments should be steadfast in implementing the project and should think across political boundaries.

In 2102, the state government released Rs 30 lakh to begin the preliminary survey work for the project.

The Indian EXPRESS

US plans tough norms for food imports from India, other places

Indian food companies seeking to enter American markets may soon face a tough screening process, as the US health watchdog FDA has proposed a new Foreign Supplier Verification Programme for such products.

The new rules, once adopted after an ongoing public consultation process, would apply to all foreign companies supplying food products for human as well as animals in the US and would vary as per the type of food product (such as processed foods, farm produce, and dietary supplements) and category of the importer.

The regulations would require importers, from countries including India, to go through a screening process that ensures that food being imported has been produced in compliance with the processes and procedures required for the US FDA (Food and Drug Administration) standards.

About 15 per cent of all food consumed in the US is imported, while the ratio is even higher at 20 per cent for fresh vegetables and as high as 50 per cent of fresh fruit.

According to FDA, India is the second largest drug exporter and seventh largest food exporter to the US. At the same time, India also figures among the top countries in terms of import refusal of food products by the FDA. Besides, several food-borne disease outbreaks have been traced to imported food, including outbreaks resulting from consumption of imported fruits, vegetables, and nuts.

Amid recent concerns related to imported food, tighter rules have been designed to provide the same level of public health protection as those required under the hazard analysis and risk-based preventive controls and standards for produce safety sections of US Federal Food, Drug, and Cosmetic Act.

Although FDA applies the same safety standards to domestic and imported food marketed in the US, the regulator has long taken different regulatory compliance approaches to the products produced domestically and abroad hindustantimes

Jaya writes to PM: amend food security ordinance

Terming the National Food Security Ordinance as the Food Insecurity Ordinance for Tamil Nadu, chief minister J Jayalalithaa has urged the Centre to amend the bill that will replace the ordinance.

In a letter to Prime Minister Manmohan Singh dated Aug 2, the text of which was released to the media here Saturday, Jayalalithaa has suggested amending the bill so that allocation of foodgrain to those states that are implementing a public distribution system delivering a higher level of coverage than the ordinance provides for is protected.

"This provision should ensure that the present total allocation of food grains to the state under the Antyodaya Yojna, BPL (below poverty line) and APL (above poverty line) categories is not reduced," she said.

According to her, the supply of food grains by the centre currently proposed should be guaranteed, and not restricted for a period three years.

She said due to the Ordinance, the monthly allocation of food grains for the state will decline by nearly 100,000 tonnes, from the current level of 296,000 tonnes.

"Preserving the Universal Public Distribution System in Tamil Nadu will then cost the state exchequer a net additional Rs.3,000 crores per annum. An even graver concern is the uncertainty of availability, which would expose the state to higher vulnerability of physical shortage, especially during scarcity periods," Jayalalithaa said.

She said the ordinance is not clear as to how Union Government will maintain the level of subsidy on the supply of food grains to the states three years after the commencement of the ordinance.

"This will only increase the uncertainty in ensuring food security over the long run, and expose the state's finances to an even greater risk," she said.
Citing Section 8 of the ordinance that requires state governments to pay a food security allowance when food grains cannot be supplied, Jayalalithaa said that such a situation would arise for Tamil Nadu only when the centre fails to allocate and supply food grains.
"This provision does not answer the fundamental question of making adequate food grains available. The provisions contained in Section 23 are also inadequate to meet such a contingency," she said.
"Hence, I suggest that Section 23 should be amended to make it incumbent on the Government of India to take all necessary measures, including import of food grains when warranted, to ensure continued supply of food grains and not leave the states to fend for themselves after providing limited financial assistance," Jayalalithaa said.
She said the Centre has taken up the Socio Economic Caste Census (SECC) in 2011 which should form the data base for identification of households.
"This census process has not been completed and the data is yet to be shared with the state governments in a final, usable form. It is learnt that the Government of India is yet to prescribe guidelines on the manner in which BPL families and eligible families are to be identified, based on the SECC data base," she said.
"In these circumstances, the requirement of finishing the identification of eligible households in six months' time is unrealistic and is bound to create many administrative difficulties, exposing the state governments to

needless criticism. Hence the first proviso to Section 10(1) may be deleted from the ordinance," Jayalalithaa suggested.

Techie takes to farming, sows seeds of change

While many farmers come to cities to earn their livelihood, an engineer from Bihar has taken up farming and has ended up starting a new agricultural trend in the Muzaffarpur area.

After completing his Bachelor of Technology course from Chennai's MGR University in 2011, Ujjwal Kumar refused job offers from multinational companies to take up an unlikely profession - farming.

His middle class urban family considered the decision 'suicidal' but Kumar was adamant. Even the fact that he would be a 'landless' farmer in an area where land ownership is a must for prestige and prosperity failed to deter him.

So, does Kumar live in penury? Not quite.

A technology graduate from a modest middle class urban background, 24-year-old Kumar has subverted the trend by taking land on contract and turning it into a money-spinning proposition.

Within two years of taking up farming, Kumar earns anything between Rs. 75,000 and Rs. 100,000 every month through his farm produce and agro-products. And he has plans to extend his operations further.

He has also become a source of inspiration for many educated and unemployed youths in north Bihar, who have been taking his advice on farming.

Kumar has also inspired many landowners in Muzaffarpur and adjoining districts to adopt contract farming to significantly increase their monthly earnings.

But three years ago, Kumar's family expected him to take up engineering. "I was determined to take up farming, a decision that my family, which had no background in agriculture, considered suicidal," he said.

He started by taking two acres of land on contract from the head of a math (religious place) at Sirisia and sowed turmeric and elephant foot yam (ole in Hindi).

After earning profits, he took an additional four acres on contract.

Borrowing money from friends to cover his costs, Kumar used his knowledge of technological advancements and hybrid variety of seeds to his advantage.

This way he earned a ten-fold returns on his initial investment of Rs. 15,000 per acre. "Now, I have taken 70 acres of land on contract and I use the latest equipment and technology to grow crops. This not only reduces my input cost per acre, but also gives me better returns," he said.

Ujjwal is now all set to install processing plants, boilers and polishers which can also be used by other farmers to process their crops.

"I am installing a solar tunnel dryer machine, possibly the first such initiative in Bihar and Jharkhand. All the formalities, including those for a bank loan, have been completed," he said.

Kumar's father, Dev Narayan Verma, an accountant in public works department at Muzaffarpur, who was initially disappointed by his son's decision is now proud of him.

"I wanted him to be an engineer but now I think he made the right decision," Verma said.

Kumar's success story has inspired more than a dozen farmers to take to contract farming, after taking tips from him.

Onion prices jump 45% in 2 weeks, to rise further

There's no escaping the price monster. Onion prices have shot up 45% in the last fortnight, yet another burden on strained household budgets.

The vegetable is selling at Rs. 55 a kilo (retail), a big jump from Rs. 38 last week. And the prices are more likely to go up than come down.

"Onion prices have risen by more than Rs. 15 within a week and are likely to rise further. Supply in the domestic market is low due to rain destroying the harvest in Maharasthra and exports to other countries," said Anil Malhotra of the Agricultural Produce Marketing Committee.

Cauliflowers — essentially a winter produce — have also witnessed a 50% jump in prices. The only relief is a gradual 15% cut in prices of tomatoes.

Retailers claim their hands are tied. "Procurement cost from wholesalers is sky-high, we can't help but raise prices," said a Safal outlet retailer.

THE HINDU Business Line

Centre examining refiners' demand to raise import duty on RBD palmolein

The Government is weighing the option of raising import duty on RBD palmolein (or refined oil) imported mostly from Indonesia and Malaysia as domestic refiners have been complaining about cheap imports forcing them to operate below capacity.

The Revenue Secretary recently held a meeting with the Secretaries from the Commerce, Agriculture and Food Processing Ministries to discuss the steps that could be taken to alleviate the problems being faced by farmers of oilseeds and domestic refiners who are operating below capacity.

"The option of raising the import duty on RBD palmolein was discussed in the meeting. All ministries and departments concerned gave their inputs. It is now up to the Revenue Department to take a call on the matter," a Commerce Department official told *Business Line*.

The low import duty differential between RBD palmolein which attracts a duty of 7.5 per cent and crude palm oil which attracts a duty of 2.5 per cent is also a big problem, say refiners.

Many refiners say that the duty differential between refined oil and crude oil should be at least 14 per cent for the domestic refining industry to be sustainable.

"The Secretary's group discussed all the nuances of the situation. We hope the revenue department will take a decision soon on the matter," the official said.

Edible oil imports

The Solvent Extractor's Association of India has been demanding an increase in duties on RBD palmolein to 20 per cent.

Total edible oil imports in the current year (November-June) were up 11 per cent at 6.94 million tonnes. The imports of refined oils stood at 1.54 million tonnes during the November 2012 -June 2013, about 27 per more than corresponding last year.

B.V. Mehta, Executive Director of SEAI, said that the rising trend of refined oils imports on a month-on-month basis as witnessed in the past few months was worrisome. "The domestic refiners are becoming packers of imported refined oils," Mehta said highlighting the need to hike import duty to protect the huge investments made into refineries.

Refined oils, which traditionally accounted for a tenth of total edible oil imports, touched a high of 44 per cent in May, 2013. In the first eight months of oil year starting November 2012 till June 2013, the refined oils constituted 22 per cent of total edible oil imported into the country.

Commodity markets groping for direction; gold seen range-bound

Global commodity markets are currently facing uncertain times what with broader environment of slowing growth especially in large emerging markets, improvement in supplies and inventory builds across a number of markets even as the threat of tightening liquidity, especially in the US, is looming large.

No wonder, the appetite for investment is somewhat dampened. This is borne out by the fall in the value of asset under management which from a peak of over $400 billion has declined by about 10 per cent this year.

At the same time, on current reckoning, there appears no major risk of a renewed bout of commodity inflation in the medium-term. This should prove positive for emerging markets such as India and China which are commodity-import dependent and whose currencies are weakening.

Notwithstanding anything else, the most crucial factor that is likely to impact commodity markets and investment climate is the US Federal Reserve decision of tapering the QE.

Last week, global commodity markets displayed mixed performance with precious metals taking some beating.

Silver was the worst hit with a decline of 2.8 per cent while gold was down 1.6 per cent on the week due mostly to better US economic data.

Palladium closed nearly flat. Platinum was an exception with a marginal rise of 0.6 per cent.

All base metals were generally up over the week with standout performer tin rising by a whopping 8.7 per cent followed by lead 3.3 per cent and copper 2.1 per cent. Oil WTI was up 2.3 per cent.

Going forward, data from emerging markets such as China need to be watched closely.

According to reports, CFTC-managed money positions in oil and refined products are very elevated; and any negative news flow or weaker macro data could lead to profit taking. In precious metals, investors hold a large net long position in palladium, but in platinum positioning is a lot lower.

However, there are supply side risks to platinum given the ongoing wage negotiations in South Africa.

The markets are still groping for direction. Steady flow of positive macro data is sure to bring back confidence among market participants.

Gold: Range-bound

A more dovish-than-expected comments from the Fed, weaker dollar and US treasuries easing have supported gold and held prices above $1,300 an ounce.

At this price level, the cash-negative ETP holdings are minimal and so outflows have nearly ceased.

In London Friday, gold PM Fix was $1,309, down from the previous day's $1,315. silver moved in tandem with Friday AM Fix of $19.46 versus previous day's $19.72. Platinum at $1,436 and palladium at $730 closed flat.

In the coming days, gold is likely to trade in a range. ETP outflows are likely to taper off. The metal needs a fresh trigger for a directional change. Silver is a lot more vulnerable to downside risk given its huge physical market surplus.

Physical demand conditions for the yellow metal are nothing much to write home about. Arrivals into India have slowed down considerably following the government's clampdown on gold imports, financing and sales.

Aggregate imports are slated to decline from last year's level of about 845 tonnes. With the prospect of good harvest brightening, physical demand has the potential to return after September.

Metals: stable outlook

Slow global economic growth in general and slowing Chinese growth in particular continue to haunt the complex.

On Friday, LME cash copper closed at $6,990 a tonne, aluminium $1,765 and lead $2,110.

The technical picture is: copper faces resistance at 7,225 and then 7,120 while support is seen at 6,865 and 6,720.

The move above July range highs makes lead and tin clear base metal outperformers. For lead, the target is 2,155 and then 2,200.

Crude: may rise

Supply shortfalls in the crude oil market mount.

A combination of OPEC and non-OPEC supply shortfalls, along with the seasonal strength in demand is tightening the third quarter oil market balances.

Hurricane season creates its own supply side risks.

Prices are likely to stay elevated in Q3 but by Q4 the upward momentum in prices is likely to fade, with seasonal strength in demand slowing.

NSEL crisis: Bearish sentiment grips pepper

Pepper market last week witnessed a bearish sentiment on reports of alleged financial problems in the National Spot Exchange Limited (NSEL), which, in turn, has led to a panic situation in the market. Many of the players who had opted for trading on the NSEL so as to make very high returns are claimed to have withdrawn from the market now after having allegedly burnt their fingers.

Besides, the stock position at the NSEL, according to reports, as on July 26 was projected at 820.50 tonnes in Saharanpur (UP). These phenomena coupled with good availability from Sri Lanka at competitive prices said to have aided the market to decline last week. Good quantity was reported to have been exported to several South-East Asian countries.

The bearish sentiments built up in India despite reports of Vietnam, the top producer in the world, making huge purchases from Sri Lanka.
Multinational companies are claimed to have bought pepper from Sri Lanka for processing and re-export from their processing plants in Vietnam, which signals the depletion in the Vietnamese stocks, market sources told Business Line. Good quantity of 500 GL pepper is said to have exported to India also at $5,800 a tonne cif Kochi. The landed cost is worked out at Rs 358 a kg and remained cheaper, they said.
Arrivals have been very thin and consequently at the weekend only one tonne was traded. People do not seem to have interest on the commodity specific regional exchange as the members are claimed to be apprehensive about the performance of its software, trade sources said.
Due to very bad road conditions following the onset of heavy South-West monsoon rains the truck freight has been allegedly doubled and that was pointed out as one of the reasons for the disruption in arrivals. Hence there were no arrivals from Idukki and Wayanad. Whatever material arrives has high moisture content and is infested by fungus. Even though Ipsta has been allowed to raise its daily fluctuation limit from Rs 500 to Rs 1,000 a quintal, it does not seem to be interested in implementing it probably due to lack of interest among its operators, IPSTA sources alleged.
All the active contracts fell on the national exchange last week. Aug, Sep and Oct contracts decreased by Rs 330, Rs 644 and Rs 435 respectively to Rs 41,180, Rs 41,400 and Rs 41,390 a quintal. Total turnover increased by 64 tonnes to 264 tonnes. Total net open position moved up by four tonnes to 87 tonnes.

However, spot prices remained unchanged last week end on limited activities, but matching demand and supply, at the previous levels of Rs 39,000 (ungarbled) and Rs 41,000 (garbled) on limited activities.

Indian parity in the international market was at $7,925 (c&f) Europe at $7,175 a tonne (c&f) US. Europeans are on summer holidays and hence no activities were reported from there. Non-availability of labour because of the holy month and heavy rains is said to have hampered harvesting in Indonesia.

Limited supply pushes tomato up

Lower arrivals in the market pushed tomato prices up by Rs 1,000-1,500 a quintal on Sunday.

Vikas Sachdeva, a trade expert, told *Business Line* that after witnessing a fall earlier this week, tomato prices have rapidly gone up over the last couple of days. Restricted availability of stocks is the prime reason behind the current situation of the market, he added.

Stocks are mainly arriving from Kullu, Ponta and Solan. Small consignments from Nasik have also started, said Vikas Sachdeva.

Following too much volatility in the market over the last few days, it is hard to anticipate the market future, he added.

On Sunday, just around 550 crates (of 25 kg each) of different varieties of tomato arrived at the Karnal vegetable market and were quoted between Rs 1,500 and Rs 4,500. Around 900 crates of varieties such as Himsona and Hybrid were received.

Out of total arrivals, about 10 per cent stock was of low quality; around 40 per cent stock was of medium quality while about 50 per cent of total arrivals were of superior quality.

Prices of superior quality increased by Rs 1,500 and quoted at Rs 4,400-4,500. The prices of Medium quality produce went up by Rs 1,200 and quoted at Rs 3,000-3,500 while Low quality produce was at Rs 1,800-2,600 , Rs 1,000 up from previous levels.

No ‘guaranteed buyback’ for new urea capacity

In a move to prevent excess urea capacity addition, the Government may amend the New Urea Investment Policy 2013 by removing the word ‘guaranteed buyback’.

While the Government will be doing away with ‘guaranteed buyback’ scheme, it will continue to extend subsidy for the sale of urea produced from the brownfield expansion and greenfield units that come up under the new policy.

Guaranteed buyback was to be made available to units for a period of eight years from the date of start of production in the new policy.

This triggered rush among the urea makers as this gave the connotation that the Government will buy-back the output from the capacity added under the new policy.

The Fertiliser Ministry is expected to move an inter-ministerial note in this regard soon, official sources said.

“We will subsidise the urea produced under this policy. Let them sell to farmers and we will reimburse the subsidy as is being done currently,” sources said.

About 13 existing urea makers including IFFCO, RCF, Chambal Fertilisers and Tata Chemicals have applied for expanding their capacities (brownfield), while two new players want to start new production units (greenfield) of 1.3 million tonnes each per annum.

This will translate into total annual urea capacity of 41.5 million tonnes by 2017, higher than the projected demand of 34 million tonnes.

The present domestic urea production is about 22 million tonnes, while the consumption is pegged at 29 million tonnes.

Scarce availability of domestic gas has led urea players to depend on expensive imported gas for production beyond existing capacity.

At a delivered re-gasified liquefied natural gas (imported gas) cost of $20 a unit (gas is measured in million British thermal units), the cost of producing a tonne of urea works out to $550. This is 75 per cent higher than the cost of imported urea (CFR India), which currently rules at $310 .

Further, international prices may continue to remain soft in the medium term, thanks to excess urea capacity globally.

Given the high cost of indigenous urea and weak urea prices globally, a surplus urea capacity will not help the industry.

According to official sources, the government is keen that only about five units of 1.3 million tonnes each come up.

No new units

Interestingly, no new capacity has been added in the 13 years due to lack of an appropriate policy framework, which has resulted in the widening demand-supply gap.

The Government had previously notified a policy in September 2008 for new investments in urea and long-term off-take through joint ventures abroad.

This helped the industry revamp its existing capacities by removing bottlenecks and increase output by 2 million tonnes per annum.

However, it did not bring in any new investments either through green field or brownfield units.

With the broad contours remaining the same, the new urea investment policy 2013 assures a minimum 12 per cent return on equity, even at gas cost exceeding $14 a unit.

Hence, ability to strike long term gas supply contracts at competitive rates may influence investment decision by individual players.

Existing majors such as Chambal and RCF have secured necessary statutory clearances and are awaiting the government’s final word on the policy to firm up their expansion plans.

Business Standard

Incessant rain stokes crop damage fear in MP, Vidarbha

For a change, farmers in the central and Vidarbha regions of the country are hoping for less of rain.

With the southwest monsoon continuing a record-breaking run over most of India, except the eastern part, the region in question is apprehensive of damage to the standing soybean crop. The Malwa region of Madhya Pradesh, along with Vidarbha in Maharashtra, produces almost 80 per cent of the country's total soybean crop.

Till end of July in MP, soybean was sown on around 6.2 million hectares, 7.5 per cent more than last year at this time and 16 per cent more than the normal area. In Maharashtra, soybean had been sown in 3.8 mn ha till last Thursday, 25 per cent more than in the same period last year and 31 per cent more than the normal area (measured as the average area covered in the past five years). Annually, India produces 10-14 mn tonnes of soybean, 30-40 per cent of its total oilseed production. Lower output would mean India's dependence on import of edible oils could escalate. "As of now the situation is not very worrisome and the good thing is that rainfall intensity is gradually coming down over central India. But, if it revives with the same intensity in the next few days, then the damage can be more," a senior official said.

There are reports from in Kerala of risk to the cardamom and pepper crops due to waterlogging in plantations. The India Meteorological Department (IMD) says rainfall between June 1 and August 3 in west Madhya Pradesh (the soybean growing region) and Vidarbha was 96 more than the normal. Overall, across the country, rainfall during the same period was 17 per cent above normal. Rain is expected to remain normal in August and September as well, says IMD. In other crops, sowing has been satisfactory, with a little over 80 per cent of the total area covered normally in the kharif season already done by the first week of August. Usually, kharif crops are sown on 107 mn ha every year. Sowing is complete so far in 82 mn ha, about 11.6 per cent more than in the same period last year.

RISKY RAIN

Soybean sowing till August 1 (million hectares)

State	2012	2013	% Change
Madhya Pradesh	5.77	6.2	**7.5**
Rajasthan	0.9	1.05	**17.0**
Maharashtra	3.04	3.8	**25.0**
Andhra Pradesh	0.16	0.28	**75.0**
Total	**10.3**	**11.87**	**15.2**

Note: Total might not match as all states have not been included
Source: Department of Agriculture

Price difference in paddy stock may hit NSEL settlement

Average price on NSEL was around Rs 28,000 a tonne, while market price ranges from Rs 9,800 to Rs 17,000

For National Spot Exchange Ltd (NSEL), which is facing a Rs 5,500-crore payment crisis, auctioning the stock it holds in warehouses to settle outstanding contracts might not be an easy way. At least the difference between the prices on NSEL when it suspended trade last week and spot prices seems to indicate that.

The biggest trouble could be liquidating the massive paddy stock of 509,851 tonnes stored in 10 warehouses of Haryana, Punjab and Andhra Pradesh. At an average price of Rs 28,120 a tonne across different contracts, the stock is valued at Rs 1,433.7 crore. However, the commodity's price in different mandis across the country on August 3 painted a different picture. According to www.agmarket.nic.in, the official website of the Directorate of Marketing & Inspection of the agriculture ministry, paddy prices ranged from Rs 9,800 a tonne in Uttar Pradesh's Shahjahanpur to Rs 17,000 in Tamil Nadu's Kovilpatti.

ALSO READ: Warehouses for Jeera stocks tell a different story

The value of the NSEL stock could translate into Rs 499.6 crore at the Shahjahanpur price and Rs 866.7 crore at the Kovilpatti price — compared with the original value, a hit of Rs 934.1 crore and Rs 566 crore at the two price levels, respectively. Even if one assumes that NSEL's paddy stock gets a price of Rs 13,500 a tonne — about the average of the two spot prices — the value would still be about Rs 700 crore less than the original estimated value. And, this is after assuming that NSEL's huge supply actually finds takers and prices do not fall further.

This hit could upset the NSEL settlement equation. Here's how:

According to its website, on July 26, NSEL had stocks of 34 commodities in 79 warehouses across the country. While the exchange gave its total stock position as 1.44 million tonnes, it put the value of its total stock at Rs 6,200 crore — Rs 700 crore more than the total due claims of Rs 5,500 crore.

ALSO READ: The great vanishing trick

However, an analysis by Business Standard Research Bureau showed the value of the stock, according to the NSEL prices on July 26, stood at around Rs 5,800 crore.

If NSEL takes a hit of Rs 500-1,000 crore on the paddy stock, it might have to dig in deep into its settlement-guarantee fund. But, as the FMC chairman has pointed out, there are restrictions on use of this fund.

PADDY PROBLEM

	NSEL			Spot price (Agmarket)	
Commodity	Stock as on July 26 (in tonne)	Rate (July 26) in ₹/tonne	Value in (₹ crore)	Rate in ₹/tonne (August3)	Value in ₹ crore
Sugar (6)	476,367.9	34,080	1,623.46	36,000	1,714.9
Raw wool (1)	11,190.5	7,30,000	816.91	7,30,000	816.9
Paddy (10)	509,851.0	28,120	1,433.70	13,500	688.3
Cotton wash oil (1)	89,765.8	62,400	560.14	62,400	560.1
Castor seed (8)	132,073.2	32,500	429.24	33,300	439.8
Top 5 total			**4,863.45**		**4,220.1**
Grand total			**5,769**		**5,131**

In brackets: Number of warehouses Source: NSEL, Agmarket.nic.in Compiled by BS Research Bureau

Paddy, sugar, raw wool, cotton wash oil and castor seed — the top five commodities according to tonnage — accounted for 84 per cent, or 1.21 million tonnes, of NSEL's 1.44 million stock; and Rs 4,823 crore, or 83 per cent, of the total value. Of these, prices of castor seed had risen marginally on Agmarket as on August 3, giving an additional Rs 10 crore. In the absence of any other comparable price for raw wool and cotton wash oil, we assume both prices remain as traded on July 26. That leaves us with sugar, which might provide some respite.