

THE HINDU

Fodder scheme's green shoots give hope to farmers, milk cooperatives



Karur is the first district among the targeted delta districts to successfully harvest the green fodder

The State government's bid to overcome fodder shortage for livestock in the drought-hit delta districts has come to fruition with the harvest of the crop raised under the special Drought Mitigation Sorghum Cultivation Scheme in Karur district.

Karur is the first district among the targeted delta districts to successfully harvest the green fodder . The harvested fodder has been distributed at subsidised rates for the benefit of dairy farmers attached to Aavin milk cooperative societies.

The scheme is the result of the State government's serious thought on overcoming drought-induced fodder shortage.

With rains failing in the past few months and Cauvery carrying practically no water for several months , dairy farmers and herd owners were feeling the pinch of fodder scarcity along with their cattle and livestock.

The price of green and dry fodder skyrocketed beyond the scope of poor farmers depriving the animals their regular food intake. So much so that many dairy farmers sold their cattle for cheap rates unable to bear the burgeoning fodder cost. It was then that the State government stepped in to stem the tide by launching the scheme to provide green fodder at subsidised rates to the farmers in delta districts.

Of the estimated cultivation cost of Rs.13,600 per acre, the State provided a subsidy of Rs. 6,800 per acre to aid farmers raise quality sorghum fodder. About 700 acres in Karur district were planned to be covered under the scheme and a sum of Rs. 49.50 lakh was allotted for the purpose.

Sorghum seeds were procured from the National Seeds Corporation; their germination tested and were disbursed to the target farmers early in April. A team of officials led by District Collector S. Jayandhi regularly monitored the growth of the plants.

Then the fodder coordination committee, with the Collector in the chair, met to fix the price of fodder to be procured during which the farmers who raised crop urged the committee to fix the price on a par with the prevailing market rates.

Finally the committee fixed the price of green fodder at Rs. 4 per kg and that of dry fodder at Rs.20 a kg. It has been decided to distribute the procured fodder to members of the Aavin milk producer cooperative societies at a subsidised rate of Rs.2 per kg for green fodder and Rs.10 per kg for dry fodder.

Farmers' grievances redress meeting

The monthly farmers' grievances redress meeting will be held on Thursday at 11 a.m. at the Collectorate. District Collector T.P. Rajesh will preside over the meeting.

Power: farmers urge government to spare them from penal action

Farmers use two-phase power because of distress situation'

The Cauvery Delta Farmers' Welfare Association has appealed to Chief Minister Jayalalithaa to avoid action against any farmer undertaking agricultural operations utilising two-phase supply.

In a statement here, Mahadhanapuram V. Rajaram, working president of the association, thanked her for assuring 12-hour three-phase power supply for kuruvai cultivation.

Misuse of supply

He admitted that some farmers did use two-phase supply for agriculture because of non-availability of 12-hour three-phase supply apart from serious drought and acute paucity of water in the rivers and canals. "If it were to rain or if they were to get water in the Cauvery, farmers won't use even the three-phase supply. The Government knows it. Even in the Assembly, the Minister for Electricity did mention that although utilising two-phase power for agriculture was legally wrong, the government has not initiated any action against any agriculturist."

Mr. Rajaram said that under the previous Dravida Munnetra Kazhagam regime, action was taken against farmers for utilising free power for crops such as coconut and banana and other horticultural crops.

Even if free power was used for watering milch animals, it was treated as an offence. If some drumstick trees in a farm were watered, the then Electricity Board treated it as "power theft". "That was why farmers were forced to launch an agitation against the State government then," he said.

However, Ms. Jayalalithaa had ordered the Electricity Department to avoid any action against farmers who were using two-phase supply for farming operations.

According to Mr. Rajaram, farmers felt that the Chief Minister should explicitly direct the Electricity Department not to initiate any action against them if they were using two-phase power. "They could be given a warning. Otherwise, farmers, who had been struggling against the drought, would start harbouring resentment against the State government," he said.

He appealed to Ms. Jayalalithaa not to permit any such "wrong" on the part of the Electricity Department.

Water release

While he was reconciled to the delayed opening of the Mettur dam for irrigation as it was necessary to have a substantial storage in the reservoir, he pleaded that considerable water should be released for the crops on 1.25 lakh acres of land in Salem, Namakkal, Erode, Karur, Pudukkottai, and part of Thanjavur and also to meet the drinking water needs.

Farmers resume sowing following incessant rain

Sowing has been completed on 84,020 ha; target is 5.71 lakh ha

Sowing has been revived in the district following incessant rainfall in the last two days.

As per the latest details available with the Agriculture Department, it has been completed on 84,020 hectares of the target of 5.71 lakh hectares.

Sources in the Agriculture Department told *The Hindu* here on Tuesday that except for Chittapur, which had, so far, recorded only 46 per cent rainfall of the normal rainfall during June, the other six taluks had received fairly good rainfall.

The six taluks recorded more than 75 per cent rainfall and in three taluks, it was more than 100 per cent of the normal rainfall in June.

The district recorded an average rainfall of 103.80 mm till June 25 as against the normal rainfall of 122 mm.

Taluk-wise

Sedam recorded the highest rainfall of 125.2 mm against the normal rainfall of 113 mm, Chincholi recorded 155.6 mm (normal rainfall of 148 mm) Jewargi 124.9 mm (125 mm), Gulbarga 96.3 mm (116 mm), Aland 80.2 mm (100 mm), Afzalpur 73.80 mm (99 mm), and Chittapur recorded 70.6 mm against the normal rainfall of 153 mm.

Frantic sowing

Farmers have taken up frantic sowing of short-duration cash crops green gram and black gram as they have little time left. They have completed sowing of green gram on 10,391 hectares against the target of 30,000 hectares.

Sowing of black gram has been completed on 11,724 hectares against the target of 40,000 hectares.

Sources said that farmers have completed sowing of red gram, the mainstay in the district, on 48,263 hectares of the target of 3.65 lakh hectares.

They have time till the first week of August to complete sowing of red gram.

Agriculture Department officials are baffled as farmers have exceeded the target for soya bean cultivation by several folds. Against the target of 700 hectares, sowing has been completed on 5,598 hectares.

This figure is likely to increase owing to continued sowing of soya bean in many parts of the district.

Farmers look to the sun to power their IP sets

Government urged to announce 75 per cent subsidy



Green energy:According to farmers' leader Kurubur Shanthakumar, 5 hp pumps can be operated on solar power and water can be drawn from a depth of 300 feet

Farmers, hit by frequent and unscheduled power cuts, are showing interest in alternative sources of energy to power their irrigation pumpsets (IP sets).

Despite their limitations, farmers here believe solar-powered IP sets can be used for at least four to five hours a day to draw groundwater without any interruptions and thus reduce their dependency on electricity.

Farmers in some parts of the State have installed solar-powered pumps.

To promote green energy among growers, a group of farmers, at a pre-budget meeting in Bangalore on Monday, urged Chief Minister Siddaramaiah to announce 75 per cent subsidy on solar-powered pumpsets. The State Budget is scheduled to be presented next month.

Many States, including Tamil Nadu, offer subsidy on solar-powered pumpsets.

22 lakh IP sets

President of the Karnataka State Sugarcane Growers' Association Kurubur Shanthakumar, who attended the meeting, told *The Hindu* that 22 lakh irrigation pumpsets were being used by farmers in the State and each farmer spends nearly Rs. 2 lakh on installing a pump set. Also, the cost incurred on laying electricity lines for the IP sets, including installation of transformers and other works, was huge, he said.

However, one-time cost incurred on installing a solar-powered pump set was around Rs. 2.5 lakh. Besides saving electricity, the government could also save on the cost incurred on operations, he said.

"Farmers cannot expect uninterrupted power supply despite government promises; this has resulted in crops loss and slump in overall farm production. Our aim is to boost food production besides cutting down on power consumption and reducing dependency on electricity," Mr. Shanthakumar said.

He said he had met farmers in Maharashtra who were using solar-powered pumpsets since many years. Even in Punjab, Andhra Pradesh and Tamil Nadu farmers have switched over to renewable energy resources to pump groundwater. They had reduced electricity consumption, cut down energy costs to the government and achieved self-reliance, he said. He said 5 hp pumps could be operated on solar power and water could be drawn from a depth of 300 feet. In spite of certain limitations, it was a feasible option to switch over to solar-powered pumps.

Claiming that farmers were ready to contribute their share for installing solar-powered pumpsets if the government gave 75 per cent subsidy, he said alternative energy resources could also be explored for drip irrigation.

"At a time when farm production is slumping for reasons such as inadequate power supply, the government can take the first step by making allocation in the budget to take this concept forward. At least, we are assured of power from alternative energy resources for four to five hours [a day]. We can use electricity on days when solar power cannot be harnessed much," he said.

Renewable energy resources were being accepted by farmers in the State, he said, and added that some growers in Belgaum district were using solar-powered pump set.

This needs to be expanded with government support, he said. In the perennially drought-prone Chamarajnagar district, there were about 25,000 IP sets. The number was more in Mysore district, he added.

Agriculture sector suffers Rs 3.5-cr. loss

The district has suffered an agricultural loss of Rs 3.5 crore in the monsoon so far, according to official figures. Eight more relief camps were opened in the district on Tuesday. There are now 170 relief camps in the district. The additional eight camps include four in Ambalappuzha taluk, two in Chertala, and one each in Kuttanad and Mavelikara taluks. A total of 1,10,265 people from 29,167 families are living in various relief camps in the district. There are 60 relief camps in Ambalappuzha taluk alone.

Paddy farmers look for alternatives in East Godavari

Even after the onset of monsoon and release of water into the canals, paddy farmers in the district are not evincing interest to commence works for the kharif season. Except for a couple of mandals in the Konaseema region, the nursery works have not been launched in the rest of the district.

Farmers from the upland mandals are looking for alternatives like cotton and the official estimates too indicating that paddy farmers from over 7,000 hectares are going to switch to cotton during this season.

Though the rabi season remained promising for the paddy farmers, some of them are under the sentiment that kharif is not going to be encouraging for the farmers of late. They are citing the kharif season of the last year and before last year, which had turned into bitter experiences for them.

“The tenant farmers are suffering many problems. Investment is the major challenge, as we are neither getting loans from the banks nor the input subsidy promised by the government,” says N. Sriramulu, a tenant farmer from Penuguduru on the city outskirts.

Against the target of disbursing loan to the tune of Rs.390 crore to 1.5 lakh tenant farmers through Loan Eligibility Cards, the bankers have so far disbursed Rs.2.14 crore to 1,606 farmers in the district.

The bankers complain that the loans against LEC remained overdue and cite that the outstanding is over Rs. 45 crore for the last two years. The validity of the LEC is only for two crop seasons and there is no provision for any other guarantee except the card are discouraging the bankers to provide the loans. Distribution of input subsidy is moving at a snail's pace due to lack of coordination among the officials of various departments.

The Agriculture Department has estimated that paddy is going to be transplanted in 2.25 lakh hectares during the kharif season and the extent of cotton sowing area is going to be increased

from 12,000 hectares to 19,000 hectares during the season. “Our focus is on ensuring the supply of seed and fertilizer to all the farmers as per their requirements. About 1.1 lakh quintals of seed is required for the season, which we are going to arrange through various channels,” says D. Prameela, Joint Director of Agriculture.

Farmer ends life

Perturbed over his inability to repay mounting debts, a farmer allegedly ended his life in despair at Nagulavancha village in Chintakani mandal on Tuesday.

According to sources, T. Srinivasa Rao, 45, a distraught farmer, allegedly swallowed insecticide at his home in the wee hours of the day.

He was shifted to the District Headquarters Hospital in the early hours.

However, he was reportedly declared brought dead by the doctors at the hospital, sources said.

He had accumulated debts due to the successive cotton crop failures in the past. Sources further said that he had resorted to the extreme step after making desperate attempts to clear the debts, but in vain.

A case has been registered.

A joint campaign against GM crops, Biotechnology Bill

Cutting across party lines, several political leaders participated on Tuesday in a joint campaign with civil society groups and farmers' organisations against Genetically Modified crops and the Biotechnology Regulatory Authority of India (BRAI) Bill at Jantar Mantar here.

Participating in the campaign CPI(M) leader Sitaram Yechury declared that he would support the organisers — Coalition for GM-free India — on the streets and oppose the Bill in Parliament. "We do not need a bio-regulatory bill. We need a bio-safety law."

Aam Aadmi Party convener Arvind Kejriwal said his party was opposed to genetically modified crops and his colleague Prashant Bhushan had filed a PIL in the Supreme Court against it. "The Aam Aadmi is unaware of GM crops and the BRAI. He/she does not understand it. If they did, then this demonstration site [at Jantar Mantar] would have been milling with people as it concerns their health and safety. Regulation spells corruption and our party is striving to change the political system that breeds corruption."

The former BJP ideologue, Govindacharya, was quick to come out with a suggestion that the coalition form small groups of people who could fan out in the country to spread awareness about genetically modified organisms and BRAI.

CPI's National Council member Dinesh Vasnik said his party would fight on these issues inside and outside Parliament. He warned against foreign aids and grants for agriculture research, seminars and such programmes that were meant to promote the agenda of multi-national companies.

Gurnam Singh of the Bhartiya Kisan Union in Haryana wondered why the government was in a hurry to promote GM seeds when farmers and consumers were opposing it. "When the Parliamentary Standing Committee and the Supreme Court have said there is not need for GM crops, then why is the government allowing surreptitious field trails? Why is the government shying from an open debate on this issue."

SUCCESS OF GREEN REVOLUTION

Recalling the green revolution, Mr. Singh said that farmers have enhanced grains production since Independence to such an extent that today the godowns were overflowing with grains. There is no storage capacity.

"Still half the land in the country is waiting to be exploited. There is was no irrigation facility. If the government provides water for irrigation, then farmers can raise production even higher. If the government persists with the GM/BRAI path, then farmers and consumers will unite to oppose it on the streets," he warned.

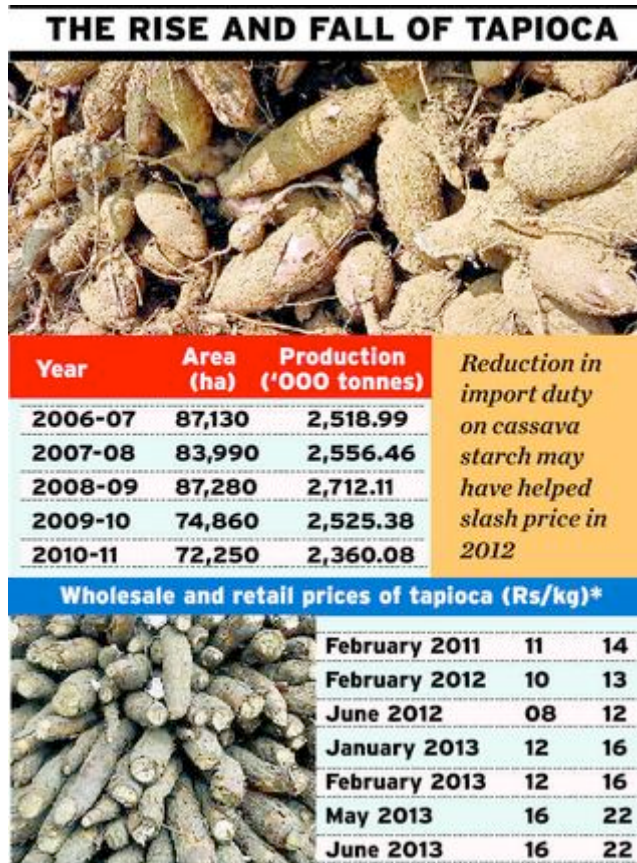
While Nikhil De of Mazdoor Kisan Shakti Sangathan bemoaned the lack of Right to Information on GM crops, Devendra Sharma said BRAI and GM crops were being opposed as “prevention is better than cure.”

SINGLE-WINDOW CLEARANCE TO GM SEEDS

He said BRAI provided for single-window, fast clearance to GM seeds. “It is meant to suppress the voice of farmers and consumers and does not even allow the States the right to decide if they want field trials. Scientists do not speak up for the fear of losing their jobs. Companies like Monsanto decide the fate of farmers and farming in countries like the U.S. and governments tweak their regulations to ensure profits for them,” he said.

Among others who participated in the campaign were Bharat Krishak Sangh’s Krishnabir Choudhary, farmer leaders Laxman Singh, Naresh Sirohi, former journalist Ved Pratap Vaidik and Greenpeace activist Rachna.

Call it yummy but not cheap, anymore



It was probably the uber-cheap source of calories available around for humans, especially Keralites. But not anymore.

The retail price of tapioca has shot up to Rs 25 a kg in the local market after price rallied for more than a fortnight.

And the 'root' cause behind the price surge? Shrinking acreage under cassava cultivation in Kerala. Poor price for the product last year has forced farmers to give up on cassava. Market arrivals have shrunk substantially in June, this being the lean season. Land under tapioca cultivation had taken a beating from cash crops like rubber, said S. Ramanathan, principal scientist at the Central Tuber Crops Research Institute, Sreekaryam. He said on Monday that tapioca reached its peak in the 1970s when acreage under the crop touched two lakh hectares. Since then it has been downhill for tapioca.

Numbers from the Agricultural Market Intelligence Centre of Kerala Agricultural University (KAU) showed that area under food crops had shrunk continuously between 1980-81 and 2008-09. Acreage ratio (area under a particular crop as percentage of the total cultivated area) of rice and tapioca fell from 27.79 to 8.69 and from 8.49 to 3.24 during the period for rice and tapioca respectively.

Indira Devi, senior scientist at KAU, said area under tapioca fell 40 per cent between 1995-96 and 2010-11. The absolute fall is from 1,13,600 hectares to 72,250 hectares during the period.

But the higher productivity made sure that tapioca reached Keralites' dining tables despite lost acreage. Productivity during the period rose from 22 tonnes to 32.65 tonnes a hectare, she said. But for the farmers, it had been a raw deal all these while. Figures from Vegetable and Fruit Promotion Council Kerala (VFPCCK) showed that tapioca was selling for Rs. 12 a kg in the retail market in June 2012. The wholesale price was Rs. 8 a kg in Kochi, which means farmers got nothing out of their labour.

K.P. Kuriakose, a farmer in Moovattupuzha, said the prices were so low last year that farmers stopped selling tapioca. Farm gate price of tapioca collapsed to less than Rs. 5 a kg in some areas of the State last year.

Poor prices

The poor prices left a bitter aftertaste that farmers in traditional tapioca growing areas gave up farming this year. Tapioca arrivals were now mostly from border areas such as Meenakshipuram, said P.S. John, professor of agronomy at KAU

However, the price rise has brought a windfall to farmers as they are getting between Rs. 14 and 16 a kg in the wholesale market. Kerala State Horticultural Products Development Corporation (Horticorp) procured tapioca for between Rs. 14 and 16 a kg on Monday from farmers in the Moovattupuzha EEC Market.

Last year's low price has been described as a cyclical phenomenon common to food commodity. But Indira Devi feels the price of tapioca may have been affected last year by a reduction in the import duty on cassava starch, which in turn may have fuelled imports and killed the hunger for local tapioca. However, she said that there were no figures available on starch imports.

Dr. Ramanathan said the lack of an industrial base was one of the reasons for the price swings. In Tamil Nadu, he said, farmers gave a twist to tapioca and made value-added products like sago from tapioca starch.

Some crisp-makers have set foot in the market lately. However, the current price level will discourage industry-scale operations.

Tapioca farmers in Kerala may have to look up to farmers like K. Koyu in Palakkad, who sells tapioca only after it is boiled and dried the traditional way. He said that he gets between Rs. 32 and 38 a kg this way even when the price of raw tapioca is much lower in the local market.

'Fix cane price at Rs. 4,000 a tonne'



Registering protest:Members of the Karnataka Rajya Raitha Sangha staging a demonstration on the Bangalore-Mysore highway in Mandya on Tuesday

Members of the Karnataka Rajya Raitha Sangha (KRRS) took out a protest march and staged a demonstration here on Tuesday to urge the State government to fix the price of sugarcane for this crushing season at Rs. 4,000 a tonne.

Farmers from various villages in the district participated in the protest held at Sri Nalwadi Krishnaraja Wadiyar Circle. The protesters blocked traffic for a while on the busy Bangalore–Mysore highway and raised slogans against the government.

They also demanded that water be released into canals dependent on the Krishnaraja Sagar (KRS) for agricultural purposes.

They requested Chief Minister Siddaramaiah to issue an order to sugar mills in the district to clear the dues of farmers who had supplied sugarcane to factories in 2011–12 and 2012–13. The protest was led by KRRS leaders Shambunahalli Suresh and Haniyambadi Nagaraj.

Make Kuruvai package a success, officials told

Sandeep Saxena holds discussions with Irrigation, Agriculture department officials

Sandeep Saxena, Commissioner, Agriculture Production, and Principal Secretary, appealed to the officials of various departments of five Cauvery delta districts to work together and make Kuruvai special package scheme a success in the districts.

He held discussions with officials of Thanjavur, Tiruvarur, Nagapattinam, Cuddalore, and Tiruchi districts here regarding the implementation of special package announced by the Chief Minister Jayalalitha for Kuruvai here on Monday.

Mr. Saxena appealed to the officials to keep agriculture inputs ready for farmers to take up cultivation. Besides Agriculture Department, other departments officials should cooperate and ensure the success of Kuruvai.

Engineers of Tamil Nadu Generation and Distribution Corporation (Tangedco) should ensure proper distribution of power to all areas. Twelve hours three-phase supply should be given in

phases of six plus six hours. Faulty transformers should be repaired quickly, according to an official release issued here.

Weighing options to produce new breed of heavier goats for meat

TANUVAS has allotted Rs. 7.50 lakh for importing the goat semen.

“If the attempt succeeds, the artificial insemination of Cyprus goat semen will be passed on from lab to land (to beneficiary farmers),” said R. Prabakaran, Vice-Chancellor, TANUVAS here on Tuesday, while inaugurating a workshop on ‘Current concepts in small ruminant production system and disease management for profitable sheep goat husbandry practices in Tamil Nadu.’

Dr. Prabakaran said India, which had made its presence felt in the production of milk, eggs, broiler and aquaculture, was lagging behind in meat production as it was producing only 2.38 million tonnes per annum for various reasons.

The economically weaker farmers, mostly having small holdings, were not following modern breeding and feeding techniques while rearing sheep and goat meant for meat.

Native breeds give 18 to 25 kg of meat, whereas full-grown foreign varieties such as Cyprus goat provide 100 -125 kg as a result of scientific rearing methods.

He appealed to the farmers to keep the heavier male goats and sheep for breeding and not sell them for meat. Moreover, the farmers should also allow their goat and sheep with the males in other flocks at least once in two years to produce healthy lambs.

Claiming that the farmers were not properly vaccinating their sheep and goats, Dr. Prabakaran said the TANUVAS, which had developed an effective vaccine for blue tongue disease, was on the verge of introducing another highly effective vaccine for Johne’s Disease, a chronic enteritis of ruminants caused by *M. paratuberculosis*, a bacteria.

The Vice-Chancellor said that TANUVAS, in a bid to increase buffalo milk production, had designed a synchronised system in which the animals would be administered an injection to bring all buffaloes in a particular area to heat at a particular period so that increasing the success rate of artificial insemination would be easier.

Ramanathan Kasimanikam, Associate Professor, Department of Clinical Studies, Washington State University, Dean, Veterinary College and Research Institute, Tirunelveli spoke.

More than 120 delegates from various parts of the country participated in the workshop to present 63 papers on small ruminant production and 93 papers on small ruminant health. In addition, 29 eminent scientists, including Dr. Ramanathan Kasimanikam, presented lead papers at the workshop.

Tobacco farmers in State earn good returns

A quantity of 109.37 million kg of tobacco has been sold so far on the 19 auction floors in the State at an average price of Rs 122.25 compared to Rs 98.67 per kg realised during the same time last season, according to Tobacco Board sources here.

Farmers benefited the most at the five auction platforms in the Northern Light Soils of Devarapalli, Gopalapuram, Koyalagudem and Jangareddigudem in West Godavari district.

A quantity of 36.22 million kg. has been sold here so far at an average price of Rs. 148.65 (Rs.115.25 last season).

However, the farmers at Torredu auction platform near Rajahmundry are not so happy having realised just Rs. 98.41 a kg. on an average against Rs. 83.34 in the last season as only 1.72 million kg. were sold. Farmers here are upset with the low price line which did not help them even recover the costs of cultivation. Meanwhile, a total quantity of 36.56 million kg. of tobacco has been sold. In the Southern Black Soils at an average price of Rs. 109.58 (Rs. 85.16) and in the Southern Light Soils 34.87 million kg. have been sold at an average price of Rs. 109.30 (Rs. 92.36).

Electronic auction has been introduced this season in Jangareddygudem and Tobacco Board officials claim that it has helped in securing better prices for the farmer. Actual production in the State is estimated at 167 million kg against a crop size of 170 million kg fixed by the Tobacco Board. There is no excess production in the State and that has also helped prices on the floors, it is said.

The Tobacco Board has also posted better export performance in the month of April 2013.

Ryots asked to go for green manuring

The Tobacco Board has exhorted farmers to sow Sunn hemp seed as green manure crop taking advantage of the onset of southwest monsoon, to protect the soil health and soil fertility.

Farmers should realise the importance of green manure to improve productivity, Tobacco Board Regional Manager G. Bhaskar Reddy said while talking to *The Hindu*. Farmers could also grow Horsegram as green manure crop.

The ryots should incorporate the green manure crop into the soil when it attained flowering stage. Sufficient care should be taken to ensure moisture in the soil for organic matter to decompose, he explained.

Field trials

Field trials showed that incorporation of green manure crop in the soil helped the next crop(tobacco) to grow vigorously.

It increased water retention capacity of soil and protected the tobacco crop from moisture stress, he said.

Farmers could cut down on costs by reducing the usage of

Nitrogenous Fertilizer usage and minimising expenses towards pest and disease control in tobacco crop as the green manure crop returned nitrogen to the soil, suppressed weeds and reduced soil erosion, he added.

NABARD sanctions loans to create warehouse facilities

Realising the great need of creating additional storage facility for agriculture products, National Bank for Agricultural and Rural Development (NABARD) has zeroed in on encouraging individuals and Primary Agricultural Credit Societies (PACS) to build godowns in Krishna District. NABARD Chief General Manager K.R. Nair on Tuesday sanctioned six loans to the tune of Rs. 1.24 crore to create warehouse facilities with the capacity to store 3,000 tonnes under the Rural Godown Scheme (RGS), also known as Grameen Bandaar Yojana. 'An additional 54,000 lakh tonne storage space was created in Andhra Pradesh State under the RGS during the 11th five-year plan (2007-12)' said Mr. Nair.

Speaking to newsmen, Mr. Nair sanctioned a 'PACS Development Cell' to resolve the problems of members of the PACSs in Krishna District and strengthen the cooperative credit structure that has been weakening over the years. 'The Development Cell is likely to be set up on the premises of Krishna District Co-operative Society and NABARD will also extend its necessary financial support to yield better results in the district' said Mr. Nair.

In order to change the face of 425 PACSs in Krishna District, NABARD also invited the PACSs to come forward with proposals emphasising on offering services to the farmers in addition to credit facility. The Krishna District Co-operative Society President P. Venkateswara Rao on Tuesday received Rs. 58.5 crore loans from NABARD on behalf of the 29 PACSs, which will spend the amount in freshwater aquaculture. The Andhra Pradesh State Co-operative Bank Limited General Manager N. Muralidhar announced at the press conference that plans are afoot to set up 'State Level Project Monitoring Unit' to co-ordinate between the State Government and the PACSs. NABARD AGM, Vijayawada N. Madhumurthy and other officials were also present at the press conference.

Flow and hope goes up in Cauvery basin

The chances of Tamil Nadu getting higher quantum of water from the Cauvery river brightened on Tuesday evening as the Biligundlu gauging site, the entry point of the Cauvery water to Tamil Nadu, saw the flow going up by over two times in less than 24 hours.

On Monday evening, the flow was 1,000 cubic feet per second (cusecs). By Tuesday afternoon, it went up to 2,600 cusecs. The flow is likely to be more in the coming days as authorities in the

Karnataka government have begun increasing the quantum of water release from the Kabini dam, one of the four Karnataka reservoirs across the Cauvery.

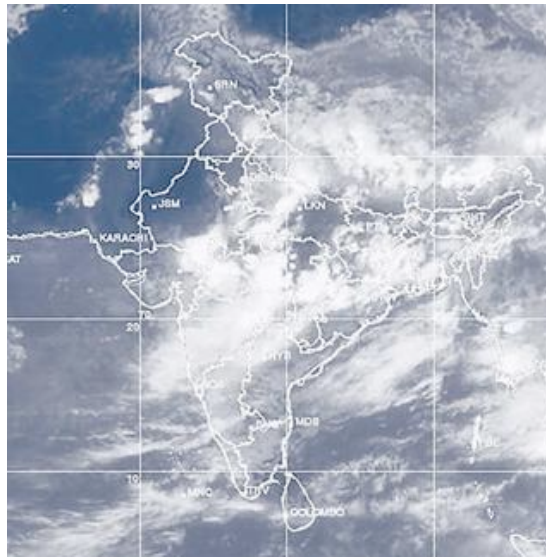
On Tuesday evening, the release rose to 7,000 cusecs from 4,300 cusecs in the morning, according to an official here. The issue of water from the Krishnarajasagar, another important reservoir in Karnataka, was around 2,800 cusecs.

The higher flow of water was attributed to heavy rainfall being experienced in the Cauvery catchment areas located in Karnataka and Kerala.

As of now, the State experienced barely two thousand million cubic feet (tmc ft) at Billigundlu, the reference point for measurement as indicated in the Cauvery Water Disputes Tribunal's Final Order. For the month of June, the State should get 10 tmc ft.

On Tuesday morning, the Mettur dam, the most important storage point in Tamil Nadu, had a storage of around 2.9 tmc ft (capacity:93.47 tmc ft) with the water level standing at 15.51 ft (full level: 120 ft). The inflow to the dam was recorded as 80 cusecs.

Weather



	Max	Min	R	TR
New Delhi (Plm)	40	28	0	154
New Delhi (Sfd)	39	28	0	113
Chandigarh	36	29	1	186
Hissar	42	29	0	101
Bhuntar	31	21	3	117
Shimla	25	15	12	189
Jammu	38	26	17	48
Srinagar	34	22	0	32
Amritsar	44	28	0	131
Patiala	38	28	0	117
Jaipur	41	29	tr	86
Udaipur	35	28	0	84
Allahabad	38	28	0	76
Lucknow	32	25	0	164
Varanasi	39	26	18	71
Dehradun	30	23	120	831
Agartala	34	27	1	335
Ahmedabad	37	28	0	103
Bangalore	28	21	0	139
Bhubaneshwar	32	24	32	292
Bhopal	31	22	55	219
Chennai	36	28	0	123
Guwahati	36	25	64	260
Hyderabad	26	21	21	193
Kolkata	33	27	12	286
Mumbai	29	25	62	893

Nagpur	31	24	72	266
Patna	38	29	0	42
Pune	27	22	13	275
Thiruvananthapuram	30	23	9	381
Imphal	33	24	0	79
Shillong	27	19	19	289

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

HEAT WAVE

Southwest Monsoon has been vigorous in Uttarakhand and active in Himachal Pradesh. The axis of Monsoon trough at MSL passes through Ferozepur, Rohtak, Gwalior and thence southeast wards.

RAINFALL: Rain/thundershowers have occurred at most places over Uttarakhand, at many places over Himachal Pradesh, at a few places over Uttar Pradesh and at isolated places over Haryana and Jammu and Kashmir. Weather was mainly dry over rest of the region. The chief amounts of rainfall in cm are: (5 cm and above) HIMACHAL PRADESH: Paonta 15, Gohar 11, Pandoh 8, Baijnath and Banjar 5 each, EAST RAJASTHAN: Chabra and Manohar Thana 5 each and UTTARAKHAND: Pantnagar 15, Mussorie 14, Dehradun 12, Tehri 10, Dunda 8, Devprayag, Haldwani and Kashipur 7 each, Jakholi 6, Ranikhet and Rudraprayag 5 each.

FORECAST VALID UNTIL THE MORNING OF 27th June 2013: Rain/thundershowers may occur at most places over Uttarakhand, at many places over Himachal Pradesh and west Uttar Pradesh and at a few places Jammu and Kashmir and east Uttar Pradesh. Rain/thundershowers may occur at one or two places over rest of the region.

HEAVY RAINFALL WARNING: Heavy to very Heavy rainfall may occur at a few places over Uttarakhand during next 48 hours. Heavy rainfall may occur and at one or two places over west Uttar Pradesh and Himachal Pradesh during next 24 hours.



Weather

Chennai - INDIA

Today's Weather



Wednesday, Jun 26

Max Min

Tomorrow's Forecast



Thursday, Jun 27

Max Min

Cloudy

36° | 28°

Cloudy

37° | 28°

Rain: 0

Sunrise: 05:44

Humidity: 59

Sunset: 06:38

Wind: normal

Barometer: 1007

Extended Forecast for a week

Friday
Jun 28



36° | 28°

Cloudy

Saturday
Jun 29



37° | 29°

Overcast

Sunday
Jun 30



38° | 28°

Overcast

Monday
Jul 1



38° | 28°

Overcast

Tuesday
Jul 2



37° | 28°

Overcast

Airport Weather

Chennai

Rain: 0

Sunrise: 05:44

Humidity: 59

Sunset: 06:38

Wind: normal

Barometer: 1007



Vegetable prices rise 50 per cent owing to bad weather

By [Madhvi Sally](#), ET Bureau | 26 Jun, 2013, 04.02AM IST



Vegetable prices have risen up to 50% in Delhi, Mumbai and other parts of the country as farms near the Yamuna river in northern India are flooded, while dry weather in many parts of western India have hit output.

NEW DELHI: Vegetable prices have risen up to 50% in Delhi, Mumbai and other parts of the country as farms near the Yamuna river in northern India are flooded, while dry weather in many parts of western India have hit output. The deluge in parts of northern India has also wiped out muskmelon and watermelon apart from hurting the mango crop. Traders said it would take two to four weeks for prices to stabilise. In Delhi, prices of brinjal and tomato have doubled, both retailing at 50 a kg, while in Mumbai, bottle gourd, bitter gourd, ridge gourd (tori), round gourd (tinda) and cucumber have risen over 50%. The surge in prices renews concerns over food inflation, which has been persistently high in recent years, barring occasional dips.

"Rains and flooding in the past few weeks across Punjab, Haryana and western Uttar Pradesh have damaged the standing and flowering crop. It will take a fortnight for supplies to pick up," said Pradipta Sahoo, head of horticulture at Mother Diary, a co-operative retailer. Of the daily procurement of 250-300 tonne of fresh vegetables for Safal stores, 30% of supplies come from the Yamuna belt, he said. The Yamuna belt spans across Uttar Pradesh, Delhi to Haryana covering major vegetable regions of Karnal, Panipat, Sonapat, Delhi, Faridabad, Kosi, Mathura, Agra, Kanpur and Allahabad.

Apart from vegetables, muskmelon and watermelon grown on river beds have been wiped out, said traders. Similarly, black spots have developed on mango crop in areas where incessant rain arrived ahead of harvesting.

The Centre has asked states to assess the losses due to heavy rains and floods, said [Sanjeev Chopra](#), joint secretary and mission director, [National Horticulture Mission](#) & National Mission on

Micro Irrigation, [Ministry of Agriculture](#). "There has been a huge damage to the crop, crippling supplies to most parts of north Indian states. Looking at the rising onion price (wholesale price at 18 a kg in Delhi and 15 a kg in Mumbai) we are offering states the option of stocking onion through the National Agricultural Cooperative Marketing Federation of India (Nafed)," he said.

Retail onion prices are at 30- 40 a kg. Traders pointed out that supplies of arbi and red chillies from Uttar Pradesh to southern states have slowed down. "We are not getting vegetables like red chillies and arbi from the north and prices have firmed by 30% to 35 a kg in a week," said Prakash Thakkar, secretary of the Vashi mandi in Mumbai. According to him, vegetable prices remained high this year because farmers didn't go for vegetable sowing due to the lack of water.

"Major supplies from Madhya Pradesh, Gujarat and Maharashtra are low. With a good spell of rains, we expect things to improve in a month," he said.

THE HINDU Business Line

Stockists keep off edible oils market



MUMBAI, JUNE 25:

The bearish trend continued in edible oils market on Tuesday, tracking weak futures market and slack physical demand. Sunflower refined oil and cotton oil declined by Rs 5 and Rs 4 each. Palmolien eased by Rs 2, tracking steady close of Malaysian palm oil futures.

About 150-200 tonnes of palmolein were traded in resale at Rs 525 for ready delivery.

Liberty quoted palmolein at Rs 548, super palmolein Rs 583 and super deluxe at Rs 603. Ruchi quoted palmolein at Rs 548, soyabean refined oil Rs 675 for June-July and sunflower refined oil Rs 800.

On the National Commodities and Derivatives Exchange, soyabean refined oil July futures dropped by Rs 2.15 to Rs 688.70 (Rs 690.85), August down by Rs 2.30 to Rs 682.30 (Rs 684.60) and September declined by Rs 1.80 to Rs 676.00 (Rs 677.80).

Malaysia BMD crude palm oil July contracts closed higher at MYR 2,400 (MYR 2,394), August ended at MYR 2,413 (MYR 2,409) and September closed at MYR 2,412 (MYR 2,404) a tonne.

The Bombay Commodity Exchange spot rates (Rs/10 kg) were: Groundnut oil 960 (970), soya refined oil 675 (675), sunflower exp. ref. 745 (745), sunflower ref. 800 (805), rapeseed ref. oil 698 (698), rapeseed expeller ref. 668 (668) cottonseed ref. oil 668 (672) and palmolein 528 (530).

Vikram Global Commodities, Chennai, quoted Malaysian super palmolein at Rs 585 ex-Chennai for delivery in 15 days.

Sugar turns bearish with cues from futures



MUMBAI, JUNE 25:

Sugar prices on the Vashi wholesale market extended losses by Rs 5-7 a quintal on Tuesday as demand eased and supply improved.

In *naka* trade, prices were weak by Rs 4-5 as mill tender rates dropped by Rs 5-10. Continuous selling by mills in the local market in the absence of neighbouring States buying has resulted in building up of over 110 truckloads of inventories in Vashi market.

With routine activities, the sentiment remained weak, said traders.

In the domestic futures market, July futures dropped below Rs 3,000, the lowest since May 8. This supported the bearish trend.

Due to higher production this year, sugar prices have been ruling weak in the last three quarters. Sugar prices in the Vashi market have declined by Rs 200-220 for S-grade and by Rs 160-170 for M-grade since January on ample supply.

Procurement by the State Government will provide some relief to the producers who are still facing inventory pressure.

Arrivals in the Vashi market were 64-65 truckloads (each 100 bags) and local dispatches were about 61-62 loads. On Monday, 14-15 mills offered tenders and sold about 38,000-40,000 bags to local traders at Rs 2,920-2,980 (Rs 2,930-Rs 2,990) for S-grade and Rs 3,000-Rs 3,090 (Rs 3,000- 3,090) for M-grade.

On National Commodities and Derivatives Exchange, July futures declined by Rs 10 to Rs 3,000 (Rs 3,011), August down by Rs 10 to Rs 3,053(Rs 3,063) and September dropped by Rs 8 to Rs 3,103 (Rs 3,111) till noon.

The Bombay Sugar Merchants Association's spot rates were: S-grade Rs 3,062-3,131 (Rs 3,062-3,131) and M-grade Rs 3,162-3,311 (Rs 3,172-3,311).

Naka delivery rates were: S-grade Rs 3,010 -3,060 (Rs 3,010-3,060) and M-grade Rs 3,100-3,180 (Rs 3,100-3,180).

Corporates cut coconut oil purchase



KOCHI, JUNE 25:

The coconut oil market in Kerala and Tamil Nadu was steady with major corporates cutting their purchases at higher levels. Prices remained almost at the same level as last week. In Kerala, prices are ruling at Rs 70 a kg while in Tamil Nadu it was Rs 67 (Rs 68). Copra prices also remained at the same level quoted last week at Rs 5,200 a quintal in Kerala and Rs 5,000 in Tamil Nadu.

Prakash B. Rao, Vice-President, Cochin Oil Merchants Association, said that off-season and the continuous rain affected availability of copra in Kerala markets.

The local consumers in the State depend on arrivals from Tamil Nadu, he said.

He expressed doubt over a major spurt in prices this week due to low upcountry demand at these higher level prices. The depreciation of the rupee has also led to increase in import edible oil prices such as palm oil and palm kernel oil at Rs 58 and Rs 56 respectively, he said.

Bharat N. Khona, former Board Member, COMA, said the demand from north Indian markets was also low.

GOVT PROCUREMENT

However, the designated Government agencies have not yet started the copra procurement as on today even though the notification in this regard was announced in the second week of May.

Coconut Development Board officials said that this is because prices of both copra and de-husked coconuts are currently ruling at higher levels in the market than the rates fixed by the Government.

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Groundnut oil slips to Rs 1,700 a tin



RAJKOT, JUNE 25:

With almost nil demand, groundnut oil has declined further by Rs 20 a tin to Rs 1,700 on Tuesday. Cotton oil remained steady. According to millers, higher crushing following higher availability of groundnut put pressure on oil prices. At Rajkot, groundnut oil loose decreased by Rs 15 to Rs 915-920 for 10 kg, *teliya* tin decreased by Rs 22 to Rs 1,415-1,416 for 15 kg and new tin for 15 kg moved down by Rs 20 to Rs 1,695-1,700. According to millers and traders, consumption of groundnut oil has drastically decreased as other edible oil prices are nearly half that of groundnut oil. Lower consumption is also one of the reasons for downfall in prices.

“Groundnut oil prices are easing since last two months and it may decline further as the demand is very weak.

“Most people have now shifted to other edible oils such as cotton oil, palm oil as these edible oils are cheaper than the groundnut oil,” said a Gondal Oil Mills Association source. Cotton oil wash was traded at Rs 625-628 for 10 kg while cotton oil new tin stood at Rs 1,115-1,125 for 15 kg. About 15-20 tankers of cotton oil were traded in mills.

Sellers see pepper topping Rs 400 a kg



KOCHI, JUNE 25:

Pepper prices on futures and spot market continued to rule hot on good demand amidst tight availability.

However, some in the trade are of the opinion that the market is being pushed up artificially by bull operators.

On the spot, arrivals continued to remain to be thin and, hence, trading activities were insignificant, according to market sources.

Sellers are not ready to release their produce at current levels as they expect prices to touch Rs 400 a kg.

All the active contracts July, August and September on the NMCE shot up by Rs 355, Rs 919 and Rs 121 respectively to Rs 39,299, Rs 39,950 and 39,295 a quintal.

Total open interest decreased by five tonnes to 99 tonnes.

Total turnover increased by 28 tonnes to 62 tonnes. Spot prices soared by Rs 300 to Rs 36,000 (ungarbled) and Rs 37,500 (garbled) on strong demand.

Indian parity in the international market has moved up around \$6,700 a tonne (c&f) for Europe and around \$6,800 a tonne (c&f) for the US at July prices.

Turmeric gains as quality of arrivals improves



Doors open: Turmeric samples placed at the new premises of the private market run by the Erode Turmeric Merchants Association, Tamil Nadu, on Friday. The turmeric complex constructed at Semmampalayam, 7 km from Erode, is operational from Friday. Hereafter, turmeric sale would be conducted at this complex. — M. Govarthan

June 25, 2013:

Spot turmeric improves by Rs 200 a quintal: ERODE: The price of the spot turmeric has increased by Rs 150 to Rs 200 a quintal on Tuesday.

“Due to sudden arrival of quality turmeric the price of the spot turmeric showed an increase of Rs 200 a quintal. Though the price of the turmeric was increased by Rs 500 in Warrenal, Nizamabad and Sangli, the increase in Erode market is very low. Similarly the price in the turmeric future has increased by 3 percent has not reflected in Erode sale. The arrival has increased to 3200 bags on Tuesday, the sale remains with fifty percent. Most buyers are the local traders and stockists. The local traders with an intention to fulfill their committed orders purchased the yellow spice”, said R.K.V. Ravishankar, President, Erode turmeric Merchants Association.

He further said due to heavy rain in North India the upcountry merchants have keep away in placing new orders and the exporters and traders of Erode are still anxiously waiting for the orders.

But the turmeric grower farmers said they are aware that the present season is a lean season for the turmeric and are waiting till August, so they are bringing very limited stock to cater their domestic expenses.

At the Erode Turmeric Merchants Association sales yard, the finger variety fetched Rs 4399 to Rs 6499 a quintal, root variety Rs 3894 to Rs 5689 a quintal.

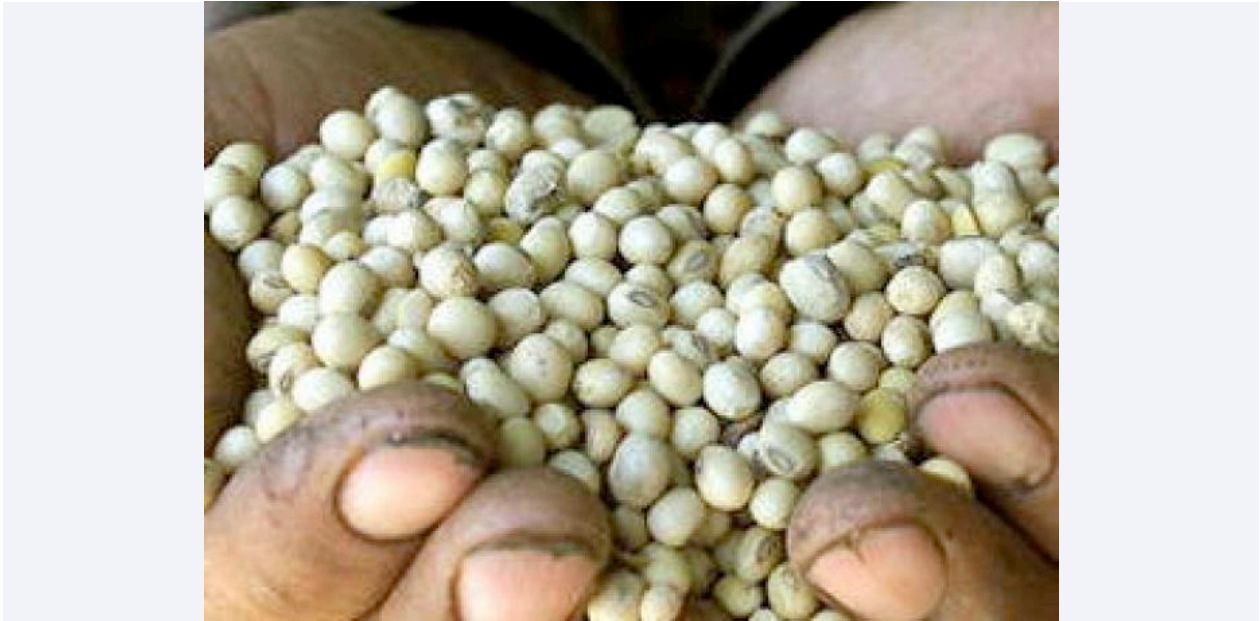
Salem Hybrid Crop: The finger variety sold at Rs 5494 to Rs 7779 a quintal, root variety Rs 5389 to Rs 6211 a quintal. Of the total arrival of 613 bags of turmeric only 109 bags were sold.

At the Regulated Market Committee, the finger variety was sold at Rs 5513 to Rs 6415 a quintal, root variety Rs 5115 to Rs 6064 a quintal. All the 106 bags of turmeric arrived for sales were sold.

At the Erode Cooperative Marketing Society finger variety was sold at Rs 5670 to Rs 6739 a quintal, root variety Rs 5589 to Rs 6129 a quintal. All the 253 bags of turmeric kept for sale were sold.

At the Gobichettipalayam Cooperative Marketing Society finger variety was sold at Rs 6109 to Rs 7112 a quintal, root variety Rs 5440 to Rs 6242 a quintal. All the 120 bags of turmeric kept for sale, were sold.

Weak cues, arrivals pound soyabean



INDORE

Weak global cues and huge arrivals pounded soyabean prices in Indore mandis on Monday by Rs 100 to Rs 3,650-3,750 a quintal. In futures market also, soyabean prices declined on weak buying support and global cues with its July and October contracts closing at Rs 3,742 (down Rs 77) and Rs 3,218 (down Rs 18). Plant deliveries in soyabean also declined by Rs 100 to Rs 3,775-3,850. Arrival in Madhya Pradesh on Monday rose to 1.75 lakh bags against 35,000 bags last week.

Indore mandis witnessed an arrival of 8,000 bags, while it was 12,000 in Ujjain. Slack demand in physical market and weak global cues also dragged soya oil prices with soya refined in Indore quoted at Rs 668-72 for 10 kg (Rs 670-75). Similarly, soya solvent also declined to Rs 632-37 for 10 kg (Rs 630-40) on weak buying support and global cues. In futures also, soya oil traded lower with its July and August contracts on the NCDEX closing at Rs 690.75 for (down Rs 2.95) and Rs 684.65 (down Rs 4.25).

Soyameal is ruling stable with its prices on the port at Rs 36,200, while in the domestic market, it ruled at Rs 34,200-300 a quintal.

Festival season boost seen for chana

INDORE, JUNE 25:

Higher imports have perked up chana prices in the past one week by about Rs 75 a quintal.

On Tuesday, chana (kanta) ruled firm at Rs 3,225, while chana (desi) ruled at Rs 3,000, chana (mausmi) at Rs 3,250-3,300, Kabuli Bitki at Rs 2,800-2,830, chana (Annagiri) at Rs 3,000-3,200, chana (vishal) at Rs 2,800-2,850, while Kaktu ruled at Rs 2,700-2,800.

Due to heavy rains throughout the State, trade remained subdued amid decline in arrival. Any major rise in chana prices is expected to be from August this year as demand for chana will likely to increase with the onset of festive season, said a trader to *Business Line*. Chana dal (average) in local mandis was at Rs 3,800-3,825, chana dal (medium) at Rs 3,900-3,925, while chana dal (bold) ruled at Rs 4,100-4,125.

Dollar chana ruled stable at Rs 3,600-4,500. In container also, dollar chana ruled stable on sluggish export demand with 42/44 count quoted at Rs 5,425-50; 44/46 count Rs 5,200; 46/48 count at Rs 5,000; 58/60 count at Rs 3,650; (60/62 count) ruled at Rs 3,525.

Ministry to seek priority sector tag for textiles

Mumbai, June 25:

The Textile Ministry will approach the Reserve Bank of India and the Finance Ministry to accord priority sector status to the textile industry.

Once the demand is met, the industry will be able to avail itself of bank loans at seven per cent compared to 12-14 per cent it pays currently.

Interacting with the media, K.S. Rao, Union Textile Minister, said considering the fact that the industry is the second largest employment generator after agriculture, it needs a special treatment and giving it a priority sector tag will be more appropriate.

“We will soon approach the Finance Ministry and RBI officials in this regard,” he said.

The textile industry employs about 80 million people from the below poverty level and registers production of \$85 billion accounting for four per cent of the gross domestic product.

It also helped the Government contain the current account deficit by registering \$31 billion (Rs 1.86 lakh crore) exports last fiscal.

The Government has set an export target of \$50 billion (about Rs 3 lakh crore) in next two financial years against \$31 billion (about Rs 2.04 lakh crore) achieved last fiscal, said Rao, who took over as Textile Minister on June 19.

He held a closed door meeting with the trade body representing farmers, ginners, spinners, exporters and textile companies here on Tuesday.

“We have heard the grievances of the stakeholders and instructed them to write to us with a possible solution. Delay in decision making at the policy level is hampering growth. I will ensure that this red tapism is removed,” he said.

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State sets foodgrain target of 225 lt

Hyderabad, June 25:

With monsoon promising good rains, the Andhra Pradesh Government has set a foodgrain production target of 225 lakh tonnes in 2013-14. This is 41 lakh tonnes more than what the State achieved last year. The highest foodgrain production the State recorded so far is 204 lakh tonnes in 2008-09.

“Despite drought and floods during 2012-13, the State could produce 184 lakh tonnes last year. But this year we think we will be able produce more,” Andhra Pradesh Agriculture Minister Kanna Lakshminarayana has said. The State expected a requirement of 81 lakh quintals of different fertilisers to achieve the targeted foodgrain production. Last year, the State consumed about 57 lakh tonnes of fertilisers with a subsidy worth Rs 7,500 crore.

The Minister said the Government had requested ICRISAT (International Crops Research Institute for Semi Arid Tropics) to advise the farmers on micro-nutrient deficiencies in the fields and how to address the problem. “The Buchetana programme we are jointly undertaking is aimed at revitalising the soil,” the Minister said, talking on the Agriculture Action Plan the State has just prepared for 2013-14.

Last date for dairy subsidy

Thiruvananthapuram, June 25:

Last date for applying for subsidy under Dairy Entrepreneurship Development Scheme has been extended to July 15 at the instance of the National Bank for Agriculture and Rural Development (Nabard). Applications received at bank branches between June 1 and July 15 would alone be eligible, a spokesman for Nabard said here. Banks in the State had earlier been advised to applications from June 1 to June 30. The Centre has allocated Rs 265 crore under the scheme for the current year. Allocation for the State is Rs 7.70 crore, with 75 per cent (Rs 5.78 crore) set apart for dairy animals and the rest for other components.

Changing pattern of food inflation

Food inflation has been a continuing theme in India for the past decade, and its persistence almost without any remission over the entire period of the two UPA Governments suggests that it has proved to be relatively intractable at least for Indian policy makers to address.

Chart 1, which shows the monthly movements of the Wholesale Price Index (WPI) for all commodities as well as for food, indicates that — particularly for UPA-2 — food inflation has significantly outstripped the increases in the general price level.

It is also evident that the gap has actually grown in the recent past, in particular in the past four years of UPA-2.

The other feature of significance that is apparent from Chart 1 is the divergent behaviour of the aggregate food price index compared with the price index for only foodgrains.

Before the middle of 2010, foodgrain prices were moving upwards faster than other food items. Thereafter, while grain prices have been rising, the composite food price index has gone up even more, suggesting that non-grain food items have become the significant drivers of food price rise.

Policy failure

It has been commonplace for Indian policy makers to blame global trends for the domestic food price increases. This is problematic for several reasons.

First, despite the more open trade in agricultural products forced upon India by the WTO regime, it is still possible to insulate domestic consumers from the full impact of global price increases and market volatility. A number of other countries (including China but also other smaller economies) have done so more effectively than India.

Second, it is bizarre to talk of global prices for essential commodities such as food and fuel in India when per capita income is still so much lower than the global average and when the majority of Indian residents operate at levels of monetary income that would be considered extreme destitution in most other countries.

To that extent, the increasingly close correspondence between Indian and global food prices is not just a reflection of globalisation: it is a sign of domestic policy failure, even in the increasingly integrated economy.

Chart 2 shows that the recent trajectory of Indian food prices has been unremittingly upwards, even beyond the movement of global prices.

The index (with May 2005=100) shows that while Indian food prices avoided the extreme spike exhibited by global prices in 2007-08, they did increase quite significantly even then.

What is more, they did not fall as global prices fell — rather their levels exceeded the global index by a substantial margin until the next global price spike of early 2011. Thereafter, while global prices fell from their peak, the Indian food price index has continued to rise.

However, this has not been mostly because of cereal prices, which was much more the case earlier. Indeed, Chart 3 suggests that the Indian economy has avoided the worst effects of the global price spikes in cereals, largely because of the domination of domestic production in consumption and the role played by the public procurement and distribution system for major foodgrains such as rice and wheat.

At a time when this system is being sought to be undermined (including through proposals to substitute it with a system of cash transfers) it is important to recognise this crucial role.

There are clearly major weaknesses in the system, as will be noted below, but without this in place it is likely that Indian consumers would have suffered even more by being exposed to the massive volatility in global prices.

demand-supply imbalance

The relative significance of foodgrain and non-foodgrain elements of the food price index in driving food inflation and general inflation becomes more evident from Chart 4, which describes movements in the price indices during UPA-1 (May 2004 to April 2009) and UPA-2 (May 2009 to May 2013).

During UPA-1, the increase in foodgrain prices (by around 53 per cent) was more than double the increase in the general price level, and also much higher than the general food index.

But during UPA-2 thus far, food grain prices have moved along with the general price index, while the composite food index has moved much faster, rising by nearly 60 per cent in just four years.

The major elements of this are fruits and vegetables, sugar, milk, eggs, meat and fish, and edible oils, as indicated in Chart 5.

In the four years of UPA-2, prices of fruits and vegetables and milk have gone up by close to 60 per cent, while prices of eggs, meat and fish have more than doubled. This indicates that the nature of food price inflation has changed to some extent.

While foodgrain prices continue to increase, that increase has tapered to some extent such that it is now the same as the general inflation (which does not mean that it is less of a problem for the poor, as will be evident below).

However, the other elements of a balanced diet have soared in price, becoming unaffordable for many poor consumers. Obviously, the factors behind this rapid price increase in non-grain food items need to be studied in more detail.

The growing demand-supply imbalance in such items as well as the continuing problems of India's livestock economy as well as rising prices of fodder that must be purchased in the market may be among the factors.

Little done to revive PDS

Meanwhile, however, the increase in foodgrain prices is also not something that can be ignored by policy makers, especially in a country with such terrible overall nutrition indicators.

In the past four years of the UPA-2 Government, prices of both cereals and pulses have increased by nearly 40 per cent — still very high rates for a dominantly poor country. (It is worth noting that lower increases of food inflation have been associated with increased public disaffection and widespread protests in countries at much higher levels of per capita incomes, such as Brazil.)

Further, in the first few months of 2013, cereal prices have started rising faster than other food prices once again, suggesting that this may become an important concern very quickly.

While the Central government has been anxious to score political points by belatedly trying to pass a flawed Food Security Bill that has been pending for years, it has done very little to revive the Public Distribution System and ensure that it is more effective in its functioning.

This is in stark contrast to some State governments that have already shown that it is possible to have an effective system of public procurement and distribution of foodgrain and even other food items (such as Tamil Nadu and Kerala) and others that have recently expanded and reformed their systems (such as Chhattisgarh and Orissa).

Instead, the Central government's handling of exports and imports as well as of food stocks in the central pool has been such that it may well have contributed to the domestic price rise in foodgrains.

This is certainly suggested from Table 1 which shows that net exports of foodgrain were large and even growing during periods of particularly rapid foodgrain price increase. Further, the increase in central stockholding in a period of rising prices, and with inadequate storage facilities that allow the grains to rot and become unfit for human consumption, has prevented their being transferred even to those State governments that are clearly interested in making this system more effective.

In the case of pulses, production has remained low relative to India's requirements, making India the largest importer of pulses in the world, whose imports clearly drive up global prices, and still leave net domestic availability low relative to the real needs of the population.

This is doubly important as pulses remain the most important source of protein for most households in the country.

These processes may be why per capita net availability of both cereals and pulses remains low relative to that achieved several decades ago (Chart 6). Indeed, recent trends have not been sufficient to bring this back to levels that were experienced in the early 1990s in the case of cereals.

The UPA Government's management of the food economy may yet prove to be its political Achilles' heel.

But a more serious consideration of the strategies to ensure food and nutrition security to the entire population is not just about politics: it is an essential plank of any viable development strategy.

Oilseeds acreage may go up by 5% as farmers plant more

Industry expects good progress of monsoon to boost area



More coverage: Planting of oilseeds has taken off on a positive note and States such as Gujarat, Karnataka and Andhra Pradesh are reporting higher acreages.

New Delhi, June 25:

The edible oil industry expects the area under oilseeds such as groundnut and soyabean to expand by about five per cent this kharif over last season on good progress of monsoon across the country.

“The rains have brightened the prospects for kharif oilseeds and we expect the acreage to go up slightly by about three to five per cent,” said B.V. Mehta, Executive Director, Solvent Extractors Association of India (SEAI).

rise in area

Planting of oilseeds has taken off on a positive note and States such as Gujarat, Karnataka and Andhra Pradesh are reporting higher acreage.

According to the latest data, oilseeds have been planted on 8.13 lakh hectares (lh) till June 20, against 3.19 lh in the corresponding period last year.

Groundnut has been planted on 5.55 lh, up from 2.21 lh in the same period last year. Similarly, soyabean has been planted on 1.32 lh (15,600 hectares).

Other oilseeds such as sunflower, sesamum, castor and niger have also seen a marginal increase in area.

higher prices

The Soyabean Processors Association of India expects a five to seven per cent increase in acreage as higher price during the planting season may prompt farmers to plant more of the oilseed. The India Metrological Department has forecast that rains would be normal for the month of July and August.

“If the rains continue at regular intervals for the season ahead, we can expect better yields this year,” Mehta said.

Oilseeds such as groundnut and soyabean compete with crops such as cotton and pulses as farmers prefer to plant those that have offered better returns.

The delay in announcement of minimum support price by the Government for the kharif crops this year could possibly boost the oilseeds acreage.

drought

Last year the planting of oilseeds was affected by drought in parts of Gujarat, Maharashtra and Karnataka and the total area stood at around 175 lh.

The kharif groundnut output was impacted due to scanty rains and stood at around 34.59 lakh tonnes against 51.27 lakh tonnes in the previous year.

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US duty on Indian shrimps will go, hopes seafood sector



Kochi, June 25:

The seafood export industry, smarting under a 5.91 per cent countervailing duty imposed by the US Department of Commerce on the shrimps imported from India, is pinning its hopes on the 'final determination' of the duty by the US authorities in September.

Both exporters and Marine Products Export Development Authority functionaries hope that the Department of Commerce will scale down the duty during the final determination, expected early September.

The Commerce Department had, in its preliminary determination, imposed the duty on May 29 on the grounds that subsidies and aid provided by Indian Government agencies amounted to 'unfair trade practices.'

A US team had recently visited New Delhi and carried out extensive verification of the charges made against the seafood industry, a senior official of the marine export body told *Business Line*.

They held discussions with Union Commerce Ministry officials to see if the Government offered Indian shrimp industry any undue assistance.

One of the allegations raised by the US industry was that the export body paid subsidies to shrimp farmers and exporters that had reduced their cost of production and hence secured competitive advantage over US farmers.

Top officials, at their meetings with the US officials, explained that the subsidies were offered to tiny farmers.

These subsidies only encouraged the tiny farmers to opt for aquaculture as a source of livelihood, and not to improve their competitive muscle on the global market.

Moreover, compared to the huge earnings from shrimp exports, the subsidies were insignificant.

K.G. Lawrence, Vice-President of Seafood Exporters Association of India, said that the association believed the final determination would be favourable to India.

“We hope there would a substantial reduction in the duty,” he told *Business Line*.

He said the allegation of industry-specific assistance for seafood was baseless. Expert lawyers would be hired to convince the US authorities of this, he said.

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Chilli growers asked to hold crop for better prices

Bangalore, June 25:

Chilli growers in north Karnataka, especially those in Byadagi region, have been asked to hold back their produce until December and sell thereafter to get better prices.

“Farmers of Byadagi areas are busy in preparing their lands for sowing of chilli. The Domestic and Export Market Intelligence Cell (Demic), as a caution to farmers, has come out with price forecast for chilli valid till February 2014,” Dr Balachandra K. Naik, Head of Demic, told *Business Line*.

“The latest price forecast is likely to help them during harvest and also help them decide to go for chilli sowing this year,” he added.

price forecast

In Byadagi chilli market, prices are likely to be around Rs 5,900-6,880 during December to February .

Chilli is cultivated exclusively for commercial market, with a little proportion of it retained for domestic consumption.

For price forecast, we have studied 20 years monthly price data of dry chillies from Byadagi regulated market has been collected and was analysed by employing rigorous statistical time series model.

“Prices in other major markets for chilli, demand from manufactures of ready-to-use masala, sambar powders and Government policies were taken into consideration,” Naik said.

Onion

Demic said that onion prices will rule around Rs 800-1,000 a quintal during harvest in Belgaum market.

The prices of kharif onion would rule at Rs 900-1,000 during August and Rs 800-900 during September.

Naik said “Since the crop experiences high level of volatile prices due to various factors, we have come up with an indicative price to help farmers take better sowing decision and to save them from distress sale.”

Groundnut

The prices of groundnut for Raichur market is expected to range between Rs 4,100 and Rs 4,300 during August and Rs 3,800-4,200 during September.

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Turmeric gains as quality of arrivals improves



Erode, June 25:

Spot turmeric prices increased by Rs 150-200 on Tuesday as the quality of arrivals improved.

“Due to sudden arrival of quality turmeric, the spot price increased by Rs 200 a quintal.

Though the price increased by Rs 500 in Warangal, Nizamabad and Sangli, the rise in Erode was lower,” said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Similarly, prices in the futures market increased by three per cent. Arrivals increased to 3,200 bags on Tuesday.

“Most buyers are local traders and stockists”, said Ravishankar. Due to heavy rain in North India, upcountry merchants have kept away from placing orders and Erode traders are anxiously awaiting them.

But farmers said they are aware that this season would be a lean one and they will wait till August. Therefore, they are bringing limited stocks to meet their domestic expenses.

At the Erode Turmeric Merchants Association sales yard, the finger variety fetched Rs 4,399-6,499 a quintal, the root variety Rs 3,894-5,689.

Salem hybrid crop: The finger variety sold at Rs 5,494-7,779, the root variety Rs 5,389-6,211. Of the 613 bags that arrived, 109 were sold.

At the Regulated Market Committee, the finger variety was sold at Rs 5,513-6,415, the root variety Rs 5,115-6,064. All the 106 bags on offer found takers.

At the Erode Cooperative Marketing Society, finger variety was sold at Rs 5,670-6,739, the root variety Rs 5,589-6,129. All the 253 bags put for sale got sold.

At the Gobichettipalayam Cooperative Marketing Society, the finger variety was sold at Rs 6,109-7,112, the root variety Rs 5,440-6,242. All the 120 bags were sold.

Govt to assist farmers in flood-hit Uttarakhand under MNREGA



Manwati Devi who lost her house and fields explains the tragedy at Narayan Bagar village over Pindari river which washed away fields, buildings and roads during the recent flash floods in Uttarakhand. Photo: V.V.Krishnan



The bridge over Pindari river at Narayan Bagar village which got washed away during the recent flash floods in Uttarakhand. Photo: V.V.Krishnan



A family moved to a temporary shelter at higher heights under a bridge along the Pindari river which washed away fields, buildings and roads during the recent flash floods in Uttarakhand. Photo: V.V.Krishnan



Residents of Simli village watch the Pindari river in full spate, in Uttarakhand. Photo: V.V.Krishnan

NEW DELHI, JUNE 25:

Rural Development Ministry will provide all assistance to farmers in flood-ravaged Uttarakhand for restoration of their ponds and clearing fields.

The assurance was given by Rural Development Minister Jairam Ramesh to his Cabinet colleague and Water Resources Minister Harish Rawat who had sought assistance under MNREGA for the flood-hit agriculture sector in the hill state.

“You have asked for liberal assistance under MNREGA for repairing of drainage systems, creating new drainage systems, clearing farmer fields, restoration of local ponds and other such activities.

“All the activities that you have identified as priority are permissible under MNREGA and I am asking my officers to be in touch with Uttarakhand Government to get concrete proposals in this regard and have them implemented quickly,” Ramesh said in his reply to Rawat, who wrote a letter seeking assistance.

In his letter to Ramesh, Rawat, a Congress leader from Uttarakhand, had said that farmers have lost their fields and ponds as they are covered with debris, sand and soil.

Days after the calamity, Ramesh had announced a separate Rs 340 crore special package for Uttarakhand for constructing village roads in the flood-ravaged hill state.

The Rural Development Minister had also said special assistance would be given to Uttarakhand for constructing village houses under its ambitious Indira Awas Yojana (IAY).