THE HINDU

Call to conserve Kiruthumal river

water course:S. Nammalvar, a promoter of natural farming, at a conference in the city on Thursday.

: Efficient water management is the need of the hour since the water resources are being depleted rapidly, according to M. Sampath Kumar, Chief Engineer of Water Resources Organisation.

Addressing a conference organised under the Tamil Nadu Irrigated Agriculture Modernisation and Water Bodies Restoration and Management (TN-IAMWARM) project here on Thursday, he said that the demand for water in the industrial sectors and agricultural sectors, on the other hand, had increased manifold.

The conference attended by students and agriculturalists saw experts and water resources organisations insisting on revival and conservation of the Kiruthumal river, which is apparently as old as the Vaigai.

Speaking on the pitiable condition of the river, Mr. Sampath Kumar blamed individuals, the society and industries for the demise of the river. Sewage flow into the river should be prevented and encroachments on the river's course cleared, he said.

K. Manuraj, Superintending Engineer of water resources organisation, said, "Political willingness and awareness among the public are necessary to conserve water."

S. Nammalvar, a promoter of natural farming, urged agriculturalists to adapt to organic farming citing several incidents such as Kasargod in Kerala where the use of pesticides on agricultural products had an adverse effect on the health of consumers such as slow death and cancer.

"The number of people with cancer is accelerating in Tamil Nadu. Use of chemical fertilisers and pesticides in agriculture are equivalent to slow poisoning," he said.

Mr. Nammalvar said that pollution of water bodies and all other forms of pollution should be averted.

S. Ayub Khan, Executive Engineer of water resources organisation, spoke.

Water level

: Water level in the Periyar dam on Thursday stood at 112.60 feet (136 feet) with no inflow and a discharge of 105 cusecs. The level in the Vaigai dam was 47.64 feet (71 feet) with no inflow and a discharge of 60 cusecs.

The combined Periyar credit stood at 2,284 mcft.

Water level in the Papanasam dam on Thursday stood at 46.75 feet (maximum level is 143 feet). The dam had an inflow of 111.34 cusecs and 454.75 cusecs of water was discharged from the dam.

The water level in Manimuthar dam stood at 80.53 feet (118 feet). The dam had an inflow of 9 cusecs and 30 cusecs of water was discharged.

Kanyakumari

The water level in Pechipparai dam stood at 3.50 feet, 33 feet in Perunchani, 5.05 feet in Chittar I, 5.15 feet in Chittar II and 6.10 feet in Poigai dam.

Fishing rights

The issue of fishing rights in the Krishnagiri Reservoir Project Dam was settled at a peace meeting in Krishnagiri on Thursday.

“Rainwater harvesting structure a must”

Mayor warns of drinking water disconnection if the residents fail to pay heed

In an attempt to improve the groundwater table in areas under its jurisdiction, the Corporation has decided to disconnect the drinking water connection to those houses that have not incorporated the rainwater harvesting structure on their premises.

"Whenever we receive applications from home owners for building plan approval and also for fixing house tax, our officials will inspect the spot and ensure that there is a provision for installing a rainwater harvesting system in the new structure.

If there is no rainwater harvesting system, no approval will be given nor the tax payable to the Corporation fixed.

For the existing houses, the owners should create the rainwater harvesting structure or else drinking water connection to these houses will be cut," Mayor Vijila Sathyananth announced in the council meeting held here on Thursday.

No deadline set

Though no deadline was set , the Mayor directed officials to issue notice to all houses which had not created the rainwater harvesting system before unplugging the drinking water connection.

Since the district has suffered deficit rainfall for the fourth successive year, the groundwater level in several areas under the Corporation limits has gone down alarmingly.

Another important issue taken up in today's council meeting was the delay in giving building plan approvals.

Green channel

Condemning the "inordinate delay" even through the 'Green Channel', which was introduced with the objective of clearing the applications within 24 hours, Deputy Mayor P. Jaganathan alias Ganesan of All India Anna Dravida Munnetra Kazhagam said the officials should sanction building plan approvals at least within a week if the applications were received under the 'Green Channel'.

Deputy Mayor Ganesan wanted to know the deadline for giving building plan approvals.

Executive Engineer (Planning), Soundararajan assured him that the applications received under 'Green Channel' from Monday (March 4) onwards would be cleared within a week.

Finance Minister has ignored plight of farmers: Angadi

'Budget will not help boost economic growth'

Suresh C. Angadi, MP, has criticised Union Finance Minister P. Chidambaram for ignoring the plight of drought-affected farmers in Karnataka and not providing relief in the annual budgetary proposals that were presented in the Lok Sabha on Thursday.

In a release, Mr. Angadi said the Centre was aware of the losses suffered by the farmers owing to drought and poor rainfall during 2012. Appeals were made to the Centre several times to waive agricultural loans, but the Finance Minister has not responded to the farmers' plight.

There was nothing credible or revolutionary about the proposals made by Mr. Chidambaram. This budget won't help in boosting economic growth, Mr. Angadi said.

President of the Belgaum Chamber of Commerce and Industries Satish Tendolkar described the proposals as an "inflation check budget", which was the need of the hour.

The economy was in a bad shape, and one could hope that this budget would take the economy forward in a phased manner. The Finance Minister had attracted foreign investments by presenting a stable budget, Mr. Tendolkar added.

The chamber welcomed certain measures proposed in the budget, such as the development of a Bangalore-Mumbai Industrial Corridor, which would boost industrial growth in the State. Other proposals that the chamber approved of are the lowered security transaction rate and a home loan benefit that would help infrastructure development.

Budget brings good tidings for sericulture farmers

Thursday's 'good news' on hike in import duty on raw silk, farmers say, has come after a dry spell in which productivity has been hit, mainlyby acute water shortage

By late afternoon on Thursday, the mood at the government silk cocoon market yards in Ramanagaram and Mandya lifted after officials informed sericulture farmers that the Union Budget had proposed an increase in the import duty on raw silk from 5 per cent to 15 per cent.

In the two years since the Union government cut import duty from 30 per cent to 5 per cent, sericulture farmers in the State have been in deep distress. Though the market recovered from the initial spell when the price of silk cocoons fell from Rs. 350 to Rs. 380 a kg to Rs. 120 a kg, the price of cocoons and domestic raw silk has been fluctuating since. In fact, over this period, at least two sericulture farmer suicides were reported from this area, apparently triggered by financial distress.

Thursday's "good news", farmers say, has come after a dry spell in which productivity has been hit, mainly by acute water shortage. Prices in February, on average, have been lower by Rs. 70, when compared with the previous month, said Bore Gowda, a sericulture farmer from Ramanagaram.

Reelers too have welcomed the budget announcement. Nayaz, who owns a small reeling unit in Mandya, says this will increase the demand for home-grown silk in the market.

Currently, home-grown silk sells at Rs. 2,400 to Rs. 2,800 a kg, which is Rs. 300 to Rs. 500 more than the price of raw silk imported from China. Karnataka produces more than half the country's silk. Nearly 1.25 lakh families are dependant on this sector, which produces 8,000 tonnes of silk annually.

Farmers' organisations had campaigned and organised several State- and national-level struggles on the issue, seeking the restoration of import duty at 30 per cent. G.C. Bayya Reddy, member of the All-India Struggle Committee Against Duty-Free Silk Import, terms the announcement a "partial victory" for their struggles. The intervention, he says, has come at a time when farmers are "under tremendous pressure" with increasing input costs, particularly due to power shortage and water scarcity. Mr. Reddy said that the support price, which had been fixed by the State government, had brought little relief to the farmers.

Coming under pressure from farmers' groups, the State government too had written to the Union government seeking an increase in the import duty. Shantharaj, Deputy Director, Sericulture Department, Mandya, says the decision will give a "strong fillip" to the sericulture sector. "After the 2010 decision, the sector saw very hard times. In fact, the import duty should be brought back to 30 per cent to further revive this sector. Many livelihoods, across the industry, depend on this," he said.

Budget pays lip service to food security

Although Finance Minister P. Chidambaram has pledged an additional amount of Rs. 10,000 crore to meet the requirement of providing concessional foodgrains to only identified beneficiaries under the proposed

National Food Security Bill, it appears that he has garnered this sum by curtailing the annual budgeted Public Distribution System food subsidy requirement of the Department of Food.

The food subsidy budgeted for 2013-14 is Rs. 80,000 crore, and compared with the Rs. 85,000 crore projected in the revised estimates for 2012-13, this indicates a reduction of Rs. 5000 crore.

Having made this reduction, the Minister has, therefore, allocated only an additional Rs. 5000 crore for the food subsidy bill. According to informed sources, the annual budgeted subsidy estimate of the ministry for 2013-14 was around Rs. 90,000 crore. As against this, the allocation is for Rs. 80,000 crore.

The estimated requirement of food subsidy in the government's National Food Security Bill was Rs. 1,17,000 crore for distribution of 7 kg of foodgrains per person per month.

Subsidy demand

The Parliamentary Standing Committee, to which the Bill was referred, projected a subsidy demand of Rs. 1,12,000 crore for the distribution of 5 kg foodgrains per person per month. They suggested coverage of 67 per cent of the population.

By all accounts, the food bill subsidy allocation should be between ideally Rs. 20,000 to Rs. 30,000 crore, unless the government intends to reduce the number of beneficiaries.

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weather

INDIAN CITIES | INTERNATIONAL CITIES

Chennai

Chennai - INDIA

Today's Weather

Sunny

Friday, Mar 1

Max | **Min**

31° | 23°

Rain: 0
Humidity: 94
Wind: normal

Sunrise: 06:25
Sunset: 06:17
Barometer: 1012

Tomorrow's Forecast

Partly Cloudy

Saturday, Mar 2

Max | **Min**

33° | 19°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Mar 3	**Mar 4**	**Mar 5**	**Mar 6**	**Mar 7**
33° | 21°	32° | 21°	32° | 22°	32° | 22°	32° | 21°
Sunny	Overcast	Overcast	Overcast	Overcast

Business Standard beta

Duty on de-oiled rice bran removed

No other support for domestic crushing units

The move to remove export duty on de-oiled rice bran cake is unlikely to impact the fortunes of the vegetable oil industry. Finance minister P Chidambaram has proposed to remove the 10 per cent export duty on it.

"Though India exports a very small quantity of de-oiled rice bran, the move will make us competitive in the international market. Normally, about 200,000 tonnes of de-oiled rice bran gets exported amounting to around Rs 175-200 crore," said B V Mehta, executive director, Solvent Extractors' Association of India. "The budget, otherwise, has been a disappointment for the oil sector with no measures being made to cut imports of edible oils. A hike in import duty was needed to safeguard farmers," said Mehta.

According to him, India imported around 10 million tonnes (mt) of edible oils last year. This year, imports are likely to surge further to around 11 mt.

"There was an apprehension among the industry of an increase in import duty on edible oils. But probably due to inflation concerns, the finance minister avoided to take any such decision," said Atul Chaturvedi, chief executive officer, Adani Wilmar.

The finance minister, however, has withdrawn the exemption given to soybean oil and olive oils from education cess and secondary and higher education cess, which is three per cent of import duty.

"This means the present 2.5 per cent import duty on crude soyabean oil will go up by 0.08 per cent to 2.58 per cent. This would translate into around $1 per tonne of soya oil import," said Mehta.

Budget: Agro-based Companies happy, edible oil industry disappointed

Setting up storage tanks, silos, godowns in rural sector will certainly boost agriculture sector in India

Even as the annual budget brought cheers to Agro-based companies, the edible oil extraction industry expressed disappointed over their issue of import duty structured anomalies on crude and refined palm oil not being addressed.

"Total withdrawal of export duty on de-oiled rice bran oil cake will help the industry, as such a duty had made our exports uncompetitive. Non inclusion of agro commodities for the CTT (commodity transaction tax) on commodities trading again will help the sector," Ruchi Soya Industries Managing Director Dinesh Shahra said here.

Setting up storage tanks, silos, godowns in rural sector will certainly boost agriculture sector in India. Higher allocation to agriculture and rural sector will have a ripple down effect on the Indian economy and agro-based companies, she said.

Investment allowance at the rate of 15 in plant and machinery made after April 1 will also boost the industry. Low cost of financing and generation-based incentives will encourage investments in renewable energy projects, Shahra said.

"Implementation of goods and services tax (GST) is a welcome move and I am sure, it will be backed by immediate concrete steps. All in all, the Finance Minister seems to have achieved a balancing act of fiscal prudence with emphasis on both growth and stability.

"We were expecting the Finance Minister to raise import duty on crude palm oil to 10 and refined palmolein to 20 thus maintaining a healthy differential of 10 that could have benefited farmers of India and the domestic refining industry," he added.

Tariff Commission, chaired by V Lakshmi Ratan, in its report to the Centre had recommended that the tariff differential between crude palm oil, palmolein and refined palm oil and palmolein should be kept at 10.

Last month, when the government announced imposition of an import duty of 2.5 on CPO, the duty differential was reduced to 5 as there was no corresponding change in the duty of 7.5 on refined palmolein.

The industry as a whole has invested over Rs 5,000 crore and employs over 5,00,000 people.

Pepper futures down 0.45% on higher output hopes

Pepper for delivery in April month fell by Rs 160, or 0.45% to Rs 35,145 per quintal with an open interest of 914 lots

Pepper prices fell by Rs 160 to Rs 35,145 per quintal in futures trade today as speculators trimmed their positions, triggered by hopes of higher output and sluggish demand in the spot markets.

At the National Commodity and Derivatives Exchange, pepper for delivery in April month fell by Rs 160, or 0.45% to Rs 35,145 per quintal with an open interest of 914 lots.

Similarly, the spice for delivery in March contract declined by Rs 150, or 0.40% to Rs 37,725 per quintal in 1,829 lots.

Analysts said besides offloading of positions by speculators on expectations of a higher output, sluggish demand in the spot market, put pressure ont he pepper futures prices here.

Sugar sector sees better days ahead: Abinash Verma

Contrary to expectations, the Budget did not suggest any sugar sector reforms. During the past few weeks, the general understanding of the market was that the government would announce abolition of the regulated release mechanism and removal of levy sugar obligation from the industry; open market consumers and cane farmers.

By Rangarajan Committee, the annual additional burden on the government would be Rs 3,000 crore. This, compared to the food subsidy bill of around Rs 1,00,00 crore, is just about three per cent. It is best left to the finance ministry to decide and plan on how to manage the additional responsibility, after the first phase of reforms of the sector.

The economic survey suggested removal of the controls from the "over-regulated" sector in a phased manner. Pitching for decontrol of the sector, the survey states "the sugar industry in India is over-regulated and prone to cyclicality due to price interventions". It has suggested government interventions only in situations where it's absolutely necessary, adding "from a purely economic point of view, greater play of market forces would provide better prices and serve the interests of all stakeholders". Taking this as an important indicator, the sugar sector would be hopeful for better days soon.

Abinash Verma
Director General, Indian Sugar Mills Association

Cardamom up on pick-up in demand

March cardamom moved up by Rs 1.40, or 0.15% to Rs 965.90 per kg in business turnover of 451 lots

Cardamom prices moved up by Rs 1.40 to Rs 965.90 per kg in futures trading today as speculators enlarged their positions, tracking a firm trend at spot market on pick up in demand.

Tight stocks availability in the physical market following less arrivals from producing belts further fuelled the uptrend.

At the Multi Commodity Exchange, cardamom for delivery in March moved up by Rs 1.40, or 0.15% to Rs 965.90 per kg in business turnover of 451 lots.

In a similar fashion, the spice for delivery in April edged up by Rs 1.10, or 0.11% to Rs 105.10 per kg in 59 lots.

Market analysts said speculators enlarged their positions, tracking a firm trend at spot market on pick up in demand against restricted arrivals from producing belt mainly influenced cardamom prices at futures trade.

Jeera down 0.7% on rising supplies

Prices went down as speculators reduced their positions

Jeera futures for April moved down by Rs 97.50, or 0.74%, to Rs 13,005 per quintal in 10,104 lots.
At the National Commodity and Derivatives Exchange (NCDEX), the March contract lost Rs 95, or 0.73%, to Rs 12,957.50 per quintal 6,624 lots.

Prices went down as speculators reduced their positions, triggered by rising supplies of new crop in spot market against subdued demand.

THE HINDU Business Line

Higher supply, lower offtake smash tomatoes

Our Correspondent

Tomato prices dropped by Rs 150-300 a quintal on Thursday in key North Indian markets on higher supply and lower offtake.

Vikas Sachdeva, a trade expert, told *Business Line*, that the situation was anticipated as farmers, who had not brought their produce last week due to rain, have started off-loading their stocks in the market.

In Karnal, a key market for tomato, apart from regular arrivals from the farms, the vegetable market has begun receiving stocks from the greenhouse operators also.

Around 1,000 crates (a crate is 25 kg) of different varieties of tomato arrived at the Karnal vegetable market on Thursday.

They ruled between Rs 200 and Rs 1,700 depending on quality. Around 6,000 crates of varieties such as 592, Abhilash, Nashik, Trishul, 525, Avinash and 524 have been received in various markets in Karnal district.

Of the total arrivals, about 40 per cent stock was of low quality; around 50 per cent was of medium quality and only 10 per cent was of superior quality.

Prices of superior quality decreased by Rs 150 a quintal and quoted at Rs 1,650-1,700.

The prices of medium quality produce dropped by Rs 300-750-1,000, while low quality produce ruled at Rs 200-600, down Rs 200 from the previous levels.

Despite the fall in prices, bulk buyers are still keeping away from the market. On Thursday, some 5-7 per cent the total arrival remained unsold.

There has been too much volatility in the market in the last few days but it is unlikely to see any major change in the next couple of days, said Vikas Sachdeva.

The quality of the stocks is likely to be inferior for the next couple of weeks in view of rain last week, he said.

Sugar may see some rise on new month demand

Our Correspondent

Spot prices on the Vashi wholesale sugar market dropped by Rs 10 a quintal for S-grade on Thursday. M-grade ruled unchanged. Naka and mill tender rates were steady as there was nothing to cheer for the sugar industry in the Union Budget, said traders.

Domestic sugar futures dropped sharply on speculative selling. The volume was thin due to ample stocks in the market.

Players were expecting hike in excise duty on sugar as the Government is keen to free the sector from controls of selling its produce through a quota system and levy obligation.

Sources said that “with start of the new month, local retail demand will increase and with producers not very keen to sell at lower rates, the market may witness some improvement in the coming days. Demand will pick up as Maha Shivrati will be celebrated next week.

“Sugar price will not go up sharply as supply from mills is ample at local level due to lack of demand from the neighbouring States in Maharashtra. Selling and lifting pressure will also ease in the month beginning”.

In the Vashi market, arrivals were 62-63 truckloads (each 100 bags) and local dispatches were 60-61 loads. On Wednesday evening, merely 5-7 mills offered tenders and sold 10,000-12,000 bags (each 100 kg) to local buyers at Rs 3,060-3,120 (Rs 3,060-3,120) for S-grade and Rs 3,160-3,250 (Rs 3,160-3,250) for M-grade.

On the National Commodities and Derivatives Exchange, sugar for March delivery dropped by Rs 17 to Rs 3,043 (Rs 3,060); for April by Rs 30 to Rs 3,098 (Rs 3,128) and for May by Rs 23 to Rs 3,157 (Rs 3,180) till noon.

The Bombay Sugar Merchants Association's spot rates were: S-grade Rs 3,202-3,272 (Rs 3,202-3,282) and M-grade Rs 3,252-3,421 (Rs 3,252-3,421).

Naka delivery rates were: S-grade Rs 3,140-3,190 (Rs 3,140-3,190) and M-grade Rs 3,220-3,350 (Rs 3,220-3,350).

Currency, futures pull edible oils down

The bearish trend continued in edible oils market on Thursday, tracking weak currency and futures markets. Imported palmolein dropped by Rs 2 for 10 kg, while soyabean and rapeseed oil declined by Rs 5 each. Washed cottonseed oil extended its gain by Rs 3 as selling eased. Groundnut and sunflower oil ruled steady.

A Mumbai-based broker said: "The volume was negligible due to the Union budget. The Finance Minister has left the edible oil sector almost untouched. Increase arrivals of rabi crops pulled down indigenous cooking oils price. A weak futures market and strong US currency weighed on physical markets sentiments".

A wholesaler said that in absence of local demand due to month-end, a meagre 150 – 200 tonnes of palmolein were traded in resale at Rs 510-512. . Towards the end of the day, Liberty quoted palmolein at Rs 514-516, super palmolein at Rs 555 and sunflower refined oil at Rs 790. Ruchi quoted palmolein at Rs 514, Soyabean refined oil at Rs 675 and sunflower refined oil at Rs 775.

Rajkot groundnut oil dropped further by Rs 10 to Rs 1,900 (Rs 1,910) for telia tin and Rs 1,230 (Rs 1,240) for loose (10 kg).

On the National Commodities and Derivatives Exchange, soyabean refined oil's March futures was lower by Rs 7.10 to Rs680.10 (Rs687.20), April was down by Rs9.20 to Rs675.90 (Rs685.10) and May drop by Rs10.75to Rs 675.00 (Rs.685.75).

Malaysia's crude palm oil's March contracts settled lower at MYR 2375 (MYR 2,390), April at MYR 2387 (MYR 2,400) and May at MYR 2397 (MYR 2,410) a ton.

The Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 1,235 (1,235), soya refined oil 675 (680), sunflower exp. ref. 710 (710), sunflower ref. 780 (785), rapeseed ref. oil 715 (720), rapeseed expeller ref. 685 (690) cottonseed ref. oil 620 (617) and palmolein 510 (512).

Vikram Global Commodities,Chennai quoted Malaysian Super Palmolein at Rs 568 for 10 kg.

New upcountry orders, quality boost turmeric

Spot turmeric prices increased on Thursday on arrival of quality produce and exporters received new orders from North India.

“Exporters quoted higher prices as they have received fresh orders from North India. They quoted Rs 300 a quintal more for the fine variety. Upcountry orders have led to brisk buying and more orders are expected,” said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

The arrival of new crop has increased and on Thursday, 1,500 bags of new turmeric arrived for sale. Traders procured over 1,300 bags due to good quality. Totally, some 5,028 bags arrived for sale and 3,090 were sold.

Due to arrival of quality finger variety at the Regulated Market Committee, prices increased by Rs 300 a quintal and quoted at Rs 6,819.

Similarly, prices of finger and root variety turmeric increased by Rs 150-200 in the other three markets.

Following the arrival of super fine Salem Hybrid turmeric, prices increased by Rs 700 and ruled at Rs 7,524. All 210 bags of salem hybrid on offer found takers.

At the Erode Turmeric Merchants Association sales yard, the finger (new crop) ruled at Rs 4,111-6,589 and the root variety at Rs 3,829-5,619.

The old finger crop was sold at Rs 4,180-6,674. The root variety quoted at Rs 4,119-5,709.

Salem hybrid crop: The finger variety quoted at Rs 6,906-7,524 and the root variety at Rs 5,985-6,181. Of the 1,002 bags, 70 per cent were sold.

At the Regulated Market Committee, the finger variety ruled at Rs 5,479-6,819 and the root variety at Rs 5,411-6,108. Of the 538 bags put up for sale, 502 found buyers.

At the Erode Cooperative Marketing Society, the finger variety sold at Rs 5,489-6,638 and the root variety at Rs 5,011-5,989. Of the 505 bags under hammer, 491 got sold.

Higher arrivals keep spot jeera on leash

Jeera spot prices gained on Thursday following overseas demand but higher arrivals of the new crop limited the upside.

However, jeera futures dropped as market participants continued to book profit.

On the National Commodity and Derivatives Exchange, jeera March contracts dropped by Rs 75 to Rs 12,977.50 a quintal with an open interest of 6,495 lots. April contracts declined by Rs 62.50 to Rs 13,040, with an open interest of 10,038 lots.

At the Unjha mandi in Gujarat, spot jeera increased by Rs 10-15 to Rs 2,240-2,340 for 20 kg for medium quality. NCDEX quality jeera rulcd at Rs 2,420-2,520.

Total arrivals increased to 17,000 bags from 15,000 a couple of days ago, while demand was seen around 20,000 against 17,000 bags.Demand from stockists is expected to increase on account of this.

Traders estimated the total jeera production at 34-35 lakh bags, up almost 1-2 lakh bags from the last year.

According to Kedia Commodity report, the drop in jeera can head to Rs 12,750-12,800 in the next 2 sessions due to rising supplies from the new season crop and expectations of a higher output.

Further fillip to farm sector

U.S. Awasthi, MD, IFFCO

With indicators such as average annual growth, total foodgrain production and agriculture exports looking up, I believe that the appropriation in the current budget will provide further fillip to the sector in the future.

Overall the budget 2013-14 looks positive for the agriculture sector and the Finance Minister has provided good financial stimulus which will contribute to the development of the sector by improving infrastructure and provide a push to the food processing sector.

The outlay of Ministry of Agriculture has also been raised to 22 per cent which shows that the Government is still optimistic about the future of this vital sector of the economy and it only comes to show that the importance of agriculture in our economy has not diminishing contrary to the views of some. It's good to see that Agricultural credit has increased from Rs 5,75,000 crore to Rs 7,00,000 crore. The Finance Minister has taken a positive step by continuing the the green revolution to eastern India and supporting the Eastern States with an allocation of Rs 1,000 crore. But I would like to see the government to extend the same to the other regions of the country so as to improve the degrading condition of agriculture in general and soil in particular in these areas.It was good to notice the appropriation for the Rashtriya Krishi Vikas Yojana and the National Food Security Mission. Another allocation of Rs 500 crore for crop diversification in the original green revolution States is another positive step, this to my mind is the need of the hour as far as improving the overall yield is concerned and I hope that the government will take it seriously and extend this to the entire country.

With drought-like conditions in many parts of the country, the allocation of Rs 5,387 crore for the integrated watershed programme will help ameliorate conditions in such areas. I am also happy to see that Nabard has been provided stimulus to set up warehouses and godowns which would certainly add to food production and food availability.

Another welcome step is the announcement of The National Institute of Biotic Stress Management for addressing plant protection issues which will be established at Raipur, Chhattisgarh and The Indian Institute of Agricultural Bio-technology will be established at Ranchi, Jharkhand which will serve as a centre of excellence in agricultural bio-technology. This to mind will fill the knowledge gap in the agriculture sector and also attract young and energetic minds in the agriculture research. Overall the budget is positive for the agriculture sector and sends out all the positive signals to the investors at large.

— U.S. Awasthi, MD, IFFCO

Agri, biotech cos get a boost

Sushil Karwa, MD, Krishidhan Group of Companies

In the Budget, the Finance Minister has announced allocation of Rs 500 crore to start a programme in crop diversification and promote technological innovation along with Rs 3,415 crore for agri-research. These provisions are very encouraging for the core players of agriculture and biotech sector as it would help us to focus more on research and development. Since private sector is playing a leading role in biotech and agri sector, we hope that the Government would channelise some funds in private sectors in the form of grants and / or soft loans so as to encourage the sector. It would also motivate us to develop innovative, disease-resistant and drought-resistant seeds to deliver value-added quality products that ensure higher yields at lower cost to farmers.

— Sushil Karwa, MD, Krishidhan Group of Companies

Kudos to nutri-farms programme

S. Sivakumar, CEO-Agri Business, ITC Limited

Agricultural production in India has grown decently in the recent past, despite the delayed and deficient monsoon from time to time. A primary reason for this remarkable performance has been the expansion of our irrigation infrastructure. The 77 per cent increase in the Budget allocation for the integrated watershed programme that complements this infrastructure will go a long way in soil and moisture conservation in the drought-prone regions and make farm productivity in such regions more resilient to poor monsoon rains.

A 22 per cent growth target in agricultural credit, on top of the continuous and significant growth over the past few years, will further improve the holding capacity of the farmer and in turn in raising production. Extending the interest subvention scheme to private sector banks will help them meet their targets for priority sector lending and expand the cash flowing into agriculture.

Eastern India, especially the Indo-Gangetic Plains and Brahmaputra region – well-endowed with basic natural resources viz. fertile land, abundant water and lots of sunshine – is a power house with potential to multiply India's agricultural production. The Western Indo-Gangetic Plains and Godavari belts, which contributed to India's first Green Revolution, have become ecological hotbeds with decaying soil and depleting ground water. The enhanced Budgetary support to the States in East India for raising production, and the Green Revolution States for Crop Diversification are steps in the right direction.

The pilot programme on Nutri-Farms for introducing micro-nutrient-rich crops such as iron-rich bajra, protein-rich maize and zinc-rich wheat is innovative. I am sure agribusinesses and food companies will respond with equally innovative proposals to take this idea forward. The full potential of Indian agriculture will be realised if these measures are supplemented with further reforms in the Agricultural Produce Marketing Act by the States, and the Forward Contracts Regulation Act by the Centre.

S. Sivakumar, CEO-Agri Business, ITC Limited

No relief on import duty structure

Thrust on the rural and infrastructure development has brought cheers for agro-based companies like ours. Total withdrawal of export duty on de-oiled rice bran oil cake will help the industry as such a duty had made our exports uncompetitive. Non-inclusion of agro commodities for the CTT on commodities trading again will help the sector. Setting up storage tanks, silos, go-downs in rural sector will certainly boost agriculture sector in India. Higher allocation to agriculture and rural sector and investment allowance at the rate of 15 per cent on investment in plant and machinery made after April 01 will also boost the industry. However, edible oil extraction industry was disappointed as no relief was provided to do away with the import duty structure anomalies on the crude and refined palm oil. We were expecting the Finance Minister to raise import duty on crude palm oil to 10 per cent and refined palmolein to 20 per cent thus maintaining a healthy differential of 10 per cent that could have benefited farmers and the domestic refining industry. The industry as a whole has invested over Rs 5,000 crore and employs over 5, 00,000 people. How can an industry continue to make investments if its plans are upset by such sudden changes in policy? These changes suddenly cause us to review our overall strategy. We have to go straight back to the drawing board and revaluate our business plans and suddenly many of these look unviable.

Dinesh Shahra, MD, Ruchi Soya Industries Ltd

apping the East to spread green revolution

Ensuring food security: A busy Nafar Chandra Das wholesale vegetable market in Kolkata. The Budget has proposed to continue to support the eastern States with an allocation of Rs 1,000 crore. — A. Roy Chowdhury

The Union Finance Minister P. Chidambaram has kept the allocation for Green Revolution in Eastern India unchanged at Rs 1,000 crore in his Budget for 2013-14.

The Government had, in its Budget 2012-13, raised the allocation for the green revolution project by almost 150 per cent to Rs 1,000 crore (Rs 400 in 2011-12).

It was during Union Budget 2010-11 that for the first time, separate funds were allocated for the eastern parts of the country. The scheme, which comes under Rashtriya Krishi Vikas Yojana, includes Assam, Bihar, Jharkhand, eastern UP, Chhattisgarh, Odisha and West Bengal.

Rice was a priority crop under the scheme. The other areas of focus were asset-building activities such as water management, construction of farm ponds and repair of irrigation channels.

“Bringing the green revolution to eastern India has been a remarkable success. Assam, Bihar, Chhattisgarh and West Bengal have increased their contribution to rice production,” the Finance Minister said in his Budget speech.

Of the Rs 1,000 crore allocated in 2012-13, West Bengal received nearly Rs 270 crore.

According to Paritosh Bhattacharya, Director of Agriculture, almost the entire fund has already been utilised primarily towards improving paddy productivity. “The main motive behind this project is to ensure food security. The idea was to tap the eastern region for foodgrains and pulses,” said Pranab Chatterjee, Professor, Bidhan Chandra Krishi Vishwavidyalaya.

CROP DIVERSIFICATION

The Centre has also allocated Rs 500 crore for encouraging crop diversification to promote technological innovation.

“The original Green Revolution States face the problem of stagnating yields and over-exploitation of water resources. The answer lies in crop diversification,” Chidambaram said.

West Bengal, on its part, has already embarked on a diversification project by aiding the cultivation of crops, such as hybrid maize, sesame, black gram (urad) and khesari dal (Lathyrus sativus) – a cheap variety of pulses with high protein.

“The area under pulses cultivation in the State has come down from 5 lakh hectare in early 80s to about 2 lakh hectare at present. The Government is looking at how to enhance the production of various pulses and oilseeds,” Chatterjee said.

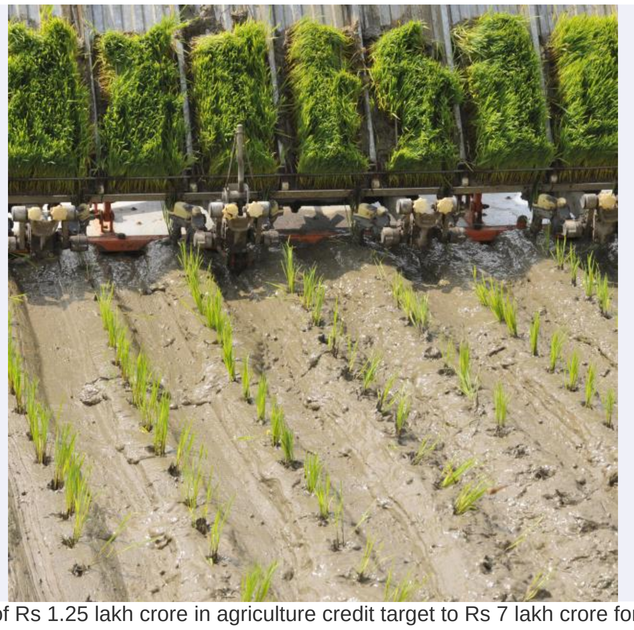
GROUND REALITY

However, according to paddy farmers in the State, mere allocation of funds for improving productivity might not yield results.

According to Salauddin Mullah, a farmer of Boromuriya village at Golsi block in Burdwan district, Green Revolution can be achieved only if the Government addresses issues pertaining to water, electricity, seeds and fertilisers. Burdwan is called the “rice bowl” of West Bengal.

“Most often than not, we hardly benefit from such schemes. It is important they ensure that we get proper financial assistance from institutions,” he said. *shobha.roy@thehindu.co.in*

Farm sector gets a booster dose with 22% higher allocation



Green impetus: An increase of Rs 1.25 lakh crore in agriculture credit target to Rs 7 lakh crore for next fiscal and allocation of additional Rs 10,000 crore in subsidy for implementing the Food Security Bill has been announced in the Budget.

The farm sector has received a major push in the Budget with Finance Minister announcing a 22 per cent increase in allocation to the Agriculture Ministry. Crop diversification, watershed management, livestock development, market linkages and Green Revolution in Eastern India will get a further impetus from the higher outlay.

“I propose to allocate Rs 27,049 crore to the Ministry of Agriculture, an increase of 22 per cent over the revised estimates of the current year. Of this, agricultural research will be provided Rs 3,415 crore,” said the Finance Minister P. Chidambaram presenting his eighth budget.

The National Livestock Mission with an outlay of Rs 307 crore will be launched in 2013-14 to attract investment and to enhance productivity taking into account the local-agro climatic conditions. Further, a sub-mission for increasing the availability of feed and fodder would also be launched.

CROP DIVERSIFICATION

Chidambaram has allocated Rs 500 crore to start a programme of crop diversification that would promote technological innovation and encourage farmers to choose crop alternatives. The scheme mainly targets original green revolution States such as Punjab and Haryana, which face stagnation in yields and over-exploitation of water resources.

Further, the Finance Minister also hiked allocation to integrated watershed programmed to Rs 5,387 crore from Rs 3,050 crore, a move that may help small and medium farmers in drought-prone and ecologically-stressed regions.

PILOT ON NUTRI-FARMS

In a bid to introduce new crop varieties that are rich in micro-nutrients such as iron-rich bajra, protein-rich maize and zinc-rich wheat, the Finance Minister proposed to start pilot nutri-farms with an allocation of Rs 200 crore. The Agriculture Ministry is expected to formulate a scheme in this regard. Further, the pilot scheme to re-plant and rejuvenate coconut gardens will be expanded to entire state of Kerala.

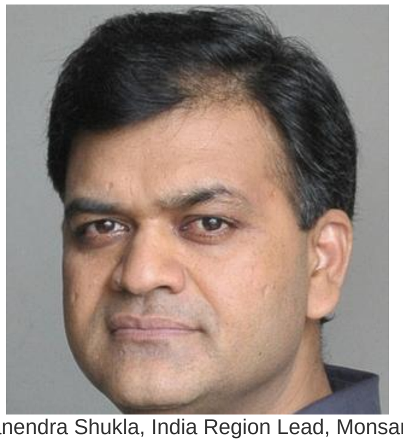
The National Institute of Biotic Stress Management for addressing plant protection issues will be established at Raipur, Chhattisgarh. Besides, the Indian Institute of Agricultural Bio-Technology will be established at Ranchi.

Continuing with the interest subvention programme for short-term loan, the Finance Minister expanded the scheme to crop loans borrowed from private sector scheduled commercial bank. Also, the agricultural credit target has been hiked to Rs 7 lakh crore for 2013-14 over previous year’s Rs 5.75 lakh crore. Chidambaram also said Rs 10,000 crore has been set apart to meet the incremental costs of the proposed National Food Security Bill.

MARKET LINKAGES

Registered farmer producer organisations (FPO) will get a matching equity grant of up to Rs 10 lakh per FPO to enable them to leverage working capital from financial institutions. Further, a Credit Guarantee Fund will also be created in the Small Farmers’ Agri Business Corporation with an initial corpus of Rs 100 crore.

A vote of confidence in farmers & technology



Gyanendra Shukla, India Region Lead, Monsanto

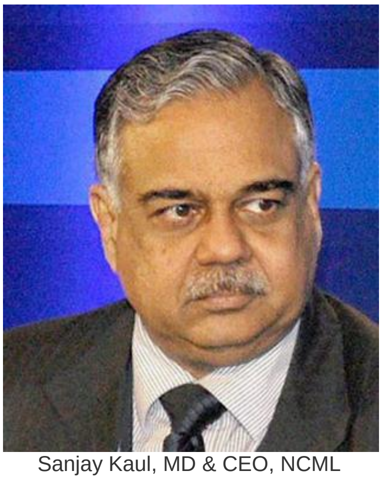
The Indian economy can grow rapidly when farmers and the agri sector progress. Improved farmer incomes, enabled by increased crop productivity are the cornerstone for farmers' progress, domestic self-sufficiency and agriculture progress. Better seeds, technologies, soil testing, farm practices, irrigation capacity build-up, supported by effective extension services and market linkages can transform farmers' lives, rural communities and the sector.

The Finance Minister has rightly said that agricultural supply side pressures also need to be addressed to resolve food security and manage food inflation issues in the country. The Government has attempted to address all these facets of the sector holistically. Access to credit at low rates will ensure that farmers can invest in the best farm inputs. Budget outlays for crop diversification and the Krishi Vikas Yojna will aid sustainability for farmers and natural resources, resulting in improved incomes and improved productivity.

The Government has also shown its commitment to research, whether it is in setting up nutri-farms, or a new Indian Institute of Agricultural Biotechnology at Ranchi, Jharkhand. This vote of confidence in technology by the Government is laudable. The Government has balanced the immediate needs of farmers in terms of financial support and knowledge development, while at the same time keeping a focus on the future by providing a fillip to biotechnology and agricultural research.

Gyanendra Shukla, India Region Lead, Monsanto

Rs 5,000-cr allocation a non-starter



Sanjay Kaul, MD & CEO, NCML

The expectation that the Finance Minister would give the right signals to investors in the agriculture, warehousing and cold chain infrastructure space through an integrated package of measures to be announced in the Budget has been largely belied.

The Finance Minister has, as in the last year's budget, announced a Rs 5,000 crore allocation for creation of warehousing including cold stores using RIDF funds to be administered through Nabard. Following the Budget speech last year, Nabard had also announced an interest subvention and re-finance scheme through banks that lend to such warehouse infrastructure projects. Unfortunately, for reasons not known, RBI objected and the scheme stands scrapped. A similar announcement shows that the Government and the RBI do not know what the other side is doing. It is hoped that the Finance Minister will bring clarity on this issue in the coming days and this will not remain a paper announcement.

The budget allocation of Rs 10,000 crore towards the proposed Food Security legislation is clearly a gross under-provision. However, the extension of the crop loan interest subvention scheme to crop loans given by private sector banks is a welcome announcement. Similarly, the incentive given for aggregation of farm produce to farmer producer organisations and producer companies is also a good initiative. Exemption of service tax for testing of agricultural produce will also help the movement towards standardisation and gradation of farm produce.

Sanjay Kaul, MD & CEO, NCML

Decks cleared for 20% export duty on sugar

The Finance Minister P. Chidambaram has made a provision for imposing export duty of up to 20 per cent on raw sugar, white or refined sugar in the Union Budget. Currently, there is no duty applicable on sugar exports.

In case of imports, the Government already has a provision to increase the customs duty to up to 60 per cent to control its inflow into the country. However, the current import duty stands at 10 per cent.

"The industry thinks it is a positive move towards decontrol of sugar exports and imports. We think there would no longer be a ban on exports, but the Government would regulate the exports and imports of sugar through changes in tariff. This is broadly in line with the recommendations of the Rangarajan Committee on sugar decontrol," said Abinash Verma, Director-General of the Indian Sugar Mills Association (ISMA). The industry, faced with cheaper imports mainly from Brazil and Pakistan, has been demanding an increase in customs duty to up to 60 per cent on sugar imports. According to trade sources, about 2.2 lakh tonnes of sugar imported from Brazil has found its way into the eastern parts of the country. Also, about 10-15,000 tonnes have entered the market in Punjab from Punjab (Pakistan) through the Wagah Border. The imported sugar is cheaper by 10-15 per cent compared with domestic ex-factory prices, sources said.

Plantation sector rues lack of sops for mechanisation

The Budget has failed to give sops to plantation sector's farm mechanisation drive. The sector had sought concessions in the wake of labour shortage and non-availability of machines locally.

This year – Finance Ministry under notification No 13/2013 – has continued lower customs duty on farm equipment and coffee roasting, grinding and packaging machines.

Welcoming the continuation of concessions, Jawaid Akhtar, Chairman, Coffee Board, said: "We have introduced the farm mechanisation schemes in coffee growing regions and this will further speed up the implementation process."

Last year through notification No 12/2012, Union Finance Ministry has offered basic customs duty on power weeding machine for coffee plantations, coffee grinder, coffee processing machine, sprayers, coffee packaging machine, coffee bagging machine and mechanical harvester for coffee plantation had been reduced from 7.5 per cent to 5 per cent.

However, the other planters sectors – tea, rubber and spices did not feature in the Budget 2013. Ullas Menon, Secretary-General, Upasi, said: "We had sought concession on import tariff on all plantation sectors due to labour shortage and non availability of machinery locally. We were expecting something to come this year for tea machineries as done in the last budget for coffee machineries but it did not come."

The Coconut Development Board (CDB) has hailed the Rs 75-crore budget allocations to rejuvenate and replant coconut garden, saying that it will benefit all traditional coconut growing areas in the long run.

T.K. Jose, Chairman, CDB told *Business Line* that a timely re-plantation and rejuvenation of coconut plantations was necessary for the benefit of the sector to get more yield. The Board, he said, had initiated a pilot project since 2009 in three district of Thiruvananthapuram, Kollam and Andaman and Nicobar Islands to replace old, senile plants. The project is almost nearing completion.

Not the one for non-vegetarians

COSTLIER FOOD

	January 2010	January 2013	%change in 3 years
Food inflation	164.9	213.8	29.6
Egss, meats, fish	167	253	51
Fish (inland)	172.6	324	87
Fish (marine)	172.9	278.8	61
Egg	176.8	203.7	15
Mutton	1871	226.1	20
Chicken	122.5	170.9	39.5
Milk	157.6	210.4	33
Fruits & Veg	147.6	187.6	27
Cereals & pulses	179	215.9	20

Source: Economic Advisor, Ministry of Commerce and Industry

Finance Minister P. Chidambaram has said the Government will bring down food inflation, but for non-vegetarians it could take more time for their favourite fish or meat dish to ease.

Eggs, meat and fish prices have seen a 51 per cent rise since 2010, while overall food inflation has gone up 29.6 per cent.

Chidambaram has blamed food inflation for supply-demand mismatch and the Budget has done little to boost the supply of eggs, meat or fish that matter much to non-vegetarians.

Though the Finance Minister has announced a National Livestock Mission from the 2013-14 fiscal with an outlay of Rs 307 crore, it is likely to take time before yielding the desired results. With a rising population that seems to have enough disposable income to indulge itself, it is anybody’s guess how quickly the steps will result in bringing down prices.

Let us take pulses for example. In the last two Budgets, the Government came up with special programmes to boost pulses production. Despite the measures, prices of pulses have gone up by 12 per cent. This is notwithstanding the fact that there was a record production in pulses over 17 million tonnes during 2011-12.

The accompanying table shows how non-vegetarian food mainly fish, chicken and mutton have surged in these three years. Whatever the Budget may be termed as, it is surely not one that make a non-vegetarian smile.

Spot rubber inches up

Physical rubber prices showed a mixed mood on Thursday. Selected counters improved on fresh buying and short covering as the sentiments were catalysed partially by the hike in the import duty of natural rubber (NR).

But the market seemed to be missing the charm possibly as it is moving slowly towards the end of the current fiscal.

Sheet rubber finished flat at Rs 158 a kg according to traders. The grade was unchanged at Rs.157.00 a kg both at Kottayam and Kochi, according to the Rubber Board.

The March futures dropped to Rs 156.60 (Rs 158), April to Rs 161.90 (Rs 162.96), May to Rs 166.20 (Rs 166.49) and June to Rs 168.20 (Rs 168.86) a kg while the July series continued to remain inactive on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) inched up to Rs 161.48 (Rs 161.05) a kg at Bangkok. The March futures increased from ¥270.10 a kg to ¥273.0 (Rs 161.17) on Tokyo Commodity Exchange (TOCOM).

The spot rubber rates Rs/kg were: RSS-4: 158.00 (158.00); RSS-5: 153.00 (152.50); Ungraded: 148.00 (148.00); ISNR 20: 153.50 (153.00) and Latex 60%: 100.00 (99.00).

Spot pepper drops on selling pressure

Pepper futures on Thursday fell on selling pressure coupled with bearish sentiments and consequently all the active contracts ended below the previous day closing.

There was plain liquidation as is evident from the March open interest. Much of the activities were concentrated on March delivery and, hence, 87 per cent of the turn over was in that delivery, market sources told *Business Line*.

March contract opened on a firm note at Rs 37,980 a quintal and moved up to Rs 38,080 up by Rs 100 in the opening hour itself. In the beginning of the closing session, it touched the lowest price at Rs 37,500 down by Rs 580 from the highest price of the day. Thereafter, marginally recovered to the last traded price of Rs 37,635.

Market dropped on reported selling pressure in Karnataka where the pepper was being offered at Rs370 - Rs372 a kg. Consequently, almost all the interstate dealers are said to have shifted their activities to Chikmagalur, Sakleshpur and Madikeri, they said.

On the spot, 55 tonnes of fresh pepper arrived and 60 tonnes were traded almost all afloat, they said. The spot market was ruling firm following tight domestic supply at a time when the domestic demand was strong. However, now the domestic buyers are staying away from the declining market consequent to the selling pressure from Karnataka, they said.

March contract on the NCDEX decreased by Rs 260 to close at Rs 37,615. April and May declined by Rs 90 and Rs 55 respectively to close at Rs 35,215 and Rs 34,205.

Total turn over increased by 1,723 tonnes to close at 837 tonnes. Total open interest dropped by 125 tonnes to 3,340 tonnes. March open interest fell by 132 tonnes while that of April and May moved up by only one tonne and six tonnes respectively to close at 915 tonnes and 724 tonnes, indicating clear liquidation.

Spot prices on selling pressure dropped by Rs1,000 to close at Rs 37,300 (ungarbled) and Rs 38,800 (MG 1). Indian parity in the international market slipped to $7,500 a tonne (c&f) prompt March shipment at spot prices and March at $7,350 a tonne (c&f) and April at $6,900 a tonne (c&f).

Centre unveils 3 new farm schemes with outlay of over Rs 1,000 cr

To boost agriculture and allied sector growth to the targeted 4 per cent for the next five years, the government today unveiled three new schemes with a budget allocation of over Rs 1,000 crore.

It also enhanced funding for ongoing programmes such as Rashtriya Krishi Vikas Yojana and National Food Security Mission.

Outlay for the Agriculture Ministry has been raised by 22 per cent to Rs 27,049 crore for 2013—14 fiscal, of which the agricultural research will be provided with Rs 3,415 crore.

Concerned over stagnant farm yields in states like Punjab and Haryana, covered during the Green Revolution of 1960s, Finance Minister P Chidambaram today proposed Rs 500 crore to encourage farmers there to switch to alternative crops from traditional rice and wheat.

“The original Green Revolution states faced the problem of stagnating yields and over exploitation of water resources. The answer lies in crop diversification.

“I proposed to allocate Rs 500 crore to start a programme of crop diversification that will promote technological innovation and encourage farmers to crop alternatives,” the Minister said while presenting the Budget 2013—14.

To deal with malnutrition, Chidambaram allocated Rs 200 crore for a pilot programme to promote cultivation of micro— nutrient rich crops.

“Eminent agricultural scientists have suggested that we have to start a pilot programme on nutri—farms for introducing new crop varieties that are rich in micro—nutrients such as iron—rich bajra, protein—rich maize and zinc—rich wheat. I propose to provide a sum of upto Rs 200 crore to start the pilots,” he said.

The Ministry of Agriculture will formulate a scheme for that, he said, and expressed the hope that agribusinesses and farmers will come together to start a sufficient number of pilot programmes in the districts most affected by malnutrition.

This apart, the Minister announced the launching of the National Livestock Mission in 2013—14 to attract investments and enhance productivity taking into account the local agro—climatic conditions.

“I propose to provide Rs 307 crore for the mission. There will be a sub—mission for increasing the availability of feed and fodder,” he added.

To promote market facilities for farmers, the government announced its support to setting up of Farmers Producers Organisation (FPO) with an allocation of Rs 50 crore matching equity grants for registration process.

Each FPO will get a maximum of Rs 10 lakh to leverage working capital from financial institutions.

Besides, a credit guarantee fund will be created in a small farmers agri—business corporation with an initial corpus of Rs 100 crore. “I urge state governments to support such FPOs with necessary amendments to the APMC Acts and other ways,” the Minister said.