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Govt seeks growers' views on Darjeeling relief package

Workers hand-pick tea leaves on the Makaibari Tea Estate in Kurseong, West Bengal

Decision to devise schemes, upgrade existing ones to be based on demand

The Centre is ready to work out a financial package to support tea growers in Darjeeling who have been hit hard by the ongoing agitation for a separate State. It has asked the industry to give details of the kind of assistance it is seeking.

"With the second flush tea grown between June and August lost completely and the third flush, too, set to go the same way, tea gardens are staring at huge losses this year. The government is willing to provide assistance and the industry has been asked to come up with a concrete proposal for the same. We have to see if the demands fit into existing schemes or new schemes need to be formulated," said a government official.

Representatives from the Darjeeling Tea Association, a body of tea producers from the region, approached the Commerce Ministry recently asking for assistance to deal with the huge losses the industry was facing due to the continued agitation in the region, the official said.

With the Gorkha Janmukti Morcha renewing its agitation for a separate Gorkhaland state since June, all activities have stopped in Darjeeling's tea gardens. This has led to the loss of the entire second flush tea, which fetches a premium in the export market.

₹400 crore loss

The Indian Tea Association, an association of tea producers across the country, has estimated a loss of ₹400 crore to the Darjeeling tea industry due to the agitation.

"The Darjeeling tea growers are apprehensive that since the cutting and pruning required to allow bushes to regenerate properly when it rains has not happened, the third flush may also be poor," the official said.

However, while the DTA representatives pointed out that the industry could do with a range of assistance from the government, including cash compensation, working capital subsidy and interest subvention, the specific numbers were missing.

"We have to know exactly the form in which they are asking for assistance. If it fits into our existing schemes, we will give them priority. If they want us to go for something totally new, we have to go to the Department of Expenditure for approval," the official said.

For example, the association needs to specify the size of cash compensation and kind of interest subvention it is looking at. For working capital subsidy, too, the limits need to be worked out by determining the size of the gardens, the official added.

"The Darjeeling Tea Association has said that it will re-formulate its demands and get back with specifics," the official said.

(This article was published on August 23, 2017)

‘Input prices have pulled down farm income’

With hope: A farmer ploughing his filed with tractor near Reddiyarchathiram, a rain-fed area, in Dindigul district, Tamil Nadu G. Karthikeyan

A substantial increase in input costs of materials has led to a decline in crop income over the years. This has resulted in the purchasing power of farmers not improving even though there was an increase in farm output, an official report has said.

“By and large, the per hectare real value of output increased for most crops during the period 2004-05 to 2013-14, but the rise in input cost was much higher than the increase in the value of the output. This resulted in lowered net income from the cultivation of most crops,” said the draft report of the Committee on Doubling Farmers’ Income released recently.

WPI comparison

The Committee, headed by Ashok Dalwai, CEO of the National Rainfed Authority, arrived at this conclusion by comparing trends in the wholesaler price index (WPI) of food commodities such as rice and wheat with that of purchased farm inputs such as fertilisers, diesel and electricity. The report reveals that for most of the years, the WPI of food articles was lower than that of farm input materials, indicating that the farmers received lower market prices for agricultural commodities.

Another interesting observation was that the annual growth in income of agricultural households was much lower than GDP growth. The annual growth rate in all-India income of agricultural households was a mere 3.6 per cent in constant prices between 2002-03 and 2012-13, significantly lower than the GDP growth rate in real terms.

Even though there was a slight revival in growth in income from 2005-06, it declined sharply again in recent years, it showed. The analysis covered as many as 23 crops.

Farmers growing paddy in the eastern States of Assam, Bihar, Jharkhand, Odisha and West Bengal, for instance, incurred heavier losses during the recent years.

For example, the net loss per hectare for a paddy farmer in Assam increased to over ₹ 6,000 between 2009-10 and 2013-14 as compared to an average loss of ₹3,930 incurred in the preceding five years. Similarly, losses from every hectare of paddy in West Bengal went up to ₹5,625 from ₹3,146 during the same period.

There was a similar fall in average income from paddy in the States of Andhra Pradesh, Chhattisgarh, Karnataka, Punjab, and Uttarakhand as the cost of cultivation has been going up over the years. The net income from wheat, on the other hand, has shown a marginal increase in some States, including Bihar, Gujarat, Madhya Pradesh, and Uttarakhand, due to a considerable increase in the value of the output over the total cost during the period 2009-10 to 2013-14.

Gloomy picture

However, the average net income has turned out to be negative in four states: Chhattisgarh, Himachal Pradesh, Jharkhand, and West Bengal.

As regards coarse cereals, five of the six major bajra- growing states — Haryana, Karnataka, Maharashtra, Rajasthan, and Uttar Pradesh — have shown negative income during the period under study. A similar trend was observed for maize, jowar, and ragi.

In the category of pulses, all States except Andhra Pradesh have shown positive net income from the cultivation of arhar. However, moong and urad have brought negative net income for some States.

In the case of gram and lentils, the net income was positive in all the major States, but there was a declining trend.

Of the five major groundnut growing states, Karnataka and Tamil Nadu have registered negative income, while Andhra Pradesh and Maharashtra have shown some improvement during the recent period.

However, the cultivation of sunflower has turned out to be non-profitable in Andhra Pradesh and Karnataka.

(This article was published on August 23, 2017)

Centre asks states to impose stock limits on onion traders

Concerned over rising onion prices, the Centre today asked state governments to impose stock limits on traders to check hoarding and curb further increase in rates of the kitchen staple.

The government is also considering restricting exports by imposing minimum export price (MEP) to boost local supply and keep prices stable, sources said.

Retail onion prices in the national capital have risen to ₹38/kg as of today from ₹22/kg in the year-ago period.

Onion is sold at ₹34/kg in Mumbai, ₹40/kg in Kolkata and ₹29/kg in Chennai, as per official data.

“To control the prices of onion, state governments have been advised to impose stock limits for onion on traders/ wholesalers,” Food and Consumer Affairs Minister Ram Vilas Paswan tweeted.

A letter in this regard has been sent to state governments, who are empowered to take action against onion traders under the Essential Commodities Act.

Onion prices have shot up in the last few weeks due to depleting old stocks and concerns about this year's output as kharif sowing area is down by 20-30 per cent.

Recently, Paswan had also written to the Commerce Ministry seeking imposition of MEP of USD 450 per tonne on onion to curb outbound shipments and withdrawal of incentives given to traders for its export.

The issue was discussed at the recent meeting of the Committee of Secretaries, which too favoured imposition of MEP. A final decision is expected to be taken soon, sources said.

Onion MEP was scrapped in December 2015. The MEP is the minimum rate below which exports cannot be undertaken.

Last fiscal, India exported 34.92 lakh tonnes of onion.

Onion stock of 2016-17 is being consumed currently. The new kharif crop is expected to arrive in full swing from next month.

(This article was published on August 23, 2017)

For Kerala's rubber planters, the grass is greener in Sindhudurg

But the Maharashtra government is wary of the environmental impact of the 'exotic, non-native' crop

Sindhudurg, in the Sahyadri Hills, is gaining popularity as the next destination for rubber cultivation, with as many as 3,000 Kerala-based planters moving into the district.

This is despite the Maharashtra government discouraging planting of rubber and terming it an “exotic” crop, concerned about its impact on the district’s natural vegetation.

Sindhudurg, which shares borders with Goa and Karnataka, is about 500 km from Mumbai by road.

Till the late 1990s, rubber plantations were confined to Goa, but they then started moving into the Konkan region.

“An analysis of the 10th and 11th Five Year Plan periods reveals accelerated growth of rubber plantations in Maharashtra, especially in Dodamarg and Sawantwadi taluks of Sindhudurg district,” a Rubber Board official told BusinessLine.

“For rubber, Sindhudurg is a non-traditional area for cultivation, but in recent years many Kerala-based planters have been buying land pieces of about 5-10 acres. There are a handful of large planters with more than 2,000 acres,” said Alex K Babu, Chief Investment Officer at Kochi-based Baby Marine Ventures group.

“Land cost in Kerala is relatively high, while the land in Sindhudurg is fertile and the topography is similar to the southern State,” he added.

The group has about 2,000 acres under rubber plantation in the district. Kerala-based Muthoot Group too has a similar acerage in the district.

Kerala accounts for 68 per cent of planted area and 78 per cent of rubber production. Tripura (7.8 per cent) and Karnataka 5.2 per cent) lag far behind.

“Land ownerships and titles in Kerala are not clear. Government commissions have identified about 5-lakh acres with title disputes, and there is no set policy for rubber plantations,” said C Vinayaraghavan, former president of the Association of Planters of Kerala (APK).

With a production of 691,000 tonnes in 2016-17, India is the sixth-largest producer of natural rubber (NR); it also ranks second in NR consumption. The country has 843,000 ha under rubber; around 70 per cent of the area is under yielding stage, according to Rubber Board (Ministry of Commerce and Industry) data.

Labour costs

Another reason for rubber planters looking beyond Kerala is the labour cost, according to APK Secretary Ajith BK.

"In Kerala, a rubber tapper gets ₹600 as daily wages; in Tripura it is about ₹120, and in Maharashtra it is ₹200 per day. The per-kg cultivation cost of rubber in Kerala is ₹160; elsewhere, it is about ₹60 per kg. In Kerala, there are additional costs such as the State agriculture income tax, which other States don't levy," Ajith added.

NR production in Sindhudurga is 200 mt, against 5.80-lakh mt in Kerala.

The Sindhudurg district administration, howerver, is not excited. "The Maharashtra government has no scheme to promote rubber in Sindhudurg. The administration discourages rubber plantations, and instead promotes spices, which are more suited to the local agro-climatic conditions," an official said.

(This article was published on August 23, 2017)

Business Standard

Centre asks states to impose stock limits on onion traders as prices rise

Retail onion prices Delhi have risen to Rs 38/kg as of today from Rs 22/kg in the year-ago period

Concerned over rising onion prices, the Centre on Wednesday asked state governments to impose stock limits on traders to check hoarding and curb further increase in rates of the kitchen staple.

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