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# BusinessLine

## Agri Ministry wants tax exemption for FPOs

### The FPO story

*(FPOs promoted by Small Farmer Agri-Business Consortium under Ministry of Agriculture)*

State	No of Farmers	No of FPOs <sup>A</sup>
Madhya Pradesh	1,45,000	144
Karnataka	1,22,500	120
Maharashtra	91,500	92
West Bengal	69,500	68
Odisha	38,900	42
Rajasthan	50,500	40
Uttar Pradesh	35,746	35
Haryana	13,240	27
Chhattisgarh	26,000	25
Bihar	23,000	24
<b>Total*</b>	<b>7,40,669</b>	<b>741</b>

\*Including other states

<sup>A</sup>Including those under process of registration

Women farmers face the brunt; GST adds to their woes

The Agriculture Ministry has written to the Finance Ministry seeking income-tax exemption for farmer produce organisations (FPOs), particularly for those that are registered as farmer producer companies (FPC) under the Companies Act.

“These FPOs were brought in to negotiate the problems that are faced by cooperative societies. So they are naturally eligible for all the benefits that cooperatives are enjoying already,” sources in the Agriculture Ministry said on Wednesday.

While the I-T Act exempts cooperatives from paying under the section 35CCC, FPCs are taxed on par with private and public-limited companies.

According to data available with Small Farmers' Agribusiness Consortium, which comes under the Agriculture Ministry, there are about 750 FPOs in the country at present, with over 7.4-lakh farmers under them.

The government has been promoting FPOs as collectives of small and marginal farmers, as they would help address the challenges that small farmers face, particularly those relating to access to investment and technology. To encourage them, the government has been giving matching grants to the equity raised by recognised FPOs.

FPOs registered as FPCs, however, have been demanding income-tax exemption for a while now. This issue came up as one of the key demands from women farmer leaders, who came to the capital for an interface with different government departments. Suneeta Kashyap, a woman farmer leader with an Utharakhand-based FPC, Mahila Umang Producers Company Limited, said her organisation has no choice but pay income-tax, even though their products are from the agricultural sector, which is exempt from tax.

The problem has become more grievous for them after the implementation of GST regime, she said.

“Income tax and the new GST regime are dealing a severe blow to the profitability of collectives like ours,” Kashyap said.

FPCs should be exempted from income-tax, said Kurbur Shantakumar of Raithamithra Farmer Producer Company Ltd, which is based out of Mysore. The government, which has been encouraging the concept of FPOs/FPCs, should exempt such entities from paying income-tax at least for the first five years, Shantakumar said.

(This article was published on August 30, 2017)

### **Govt earmarks 30% of funds in agri schemes for women**

At least 30 per cent of the fund allocated in the budget for agri schemes is being earmarked for women as part of efforts to bring them into mainstream agriculture, Union Minister Radha Mohan Singh said today.

The ministry is trying to ensure that women become part of the mainstream agriculture and contribute to farm productivity and production as well as in doubling the income of their families, the agriculture minister said.

He said women should reap benefit of every penny spent in the farm sector.

Singh was speaking at an event, themed ‘Securing Rights of Women Farmers: Developing a Roadmap for Action’, organised here by the National Women Commission in association with UN Women and Mahila Kisan Adhikaar Manch (MAKAAM).

He also highlighted measures taken to bring women into the mainstream agricultural, including “earmarking at least 30 per cent of the budget allocation for women beneficiaries in all ongoing schemes/programmes and development activities”.



The government has initiated women centric activities to ensure that benefits of various beneficiary-oriented schemes reach them.

The ministry is focusing on women self-help groups (SHGs) and to connect them to micro—credit. It also decided to celebrate October 15 of every year as Women Farmer’s Day.

Singh said female labourers are facing several inequalities and they work much longer hours than men and are paid lesser than their male counterparts.

The minister said women play multi-dimensional roles in agriculture — from sowing, harvesting, applying fertilisers, irrigation, plant protection to weeding, storing etc.

Singh said women are active in other agriculture related activities like cattle management, fodder collection, poultry, beekeeping, mushroom farming, pig farming and goat rearing.

According to the NSSO (National Sample Survey Office) survey, a decline in both male and female labour force in agriculture has been observed in the last three decades.

However, there has been a greater decline in the number of male labour force employed in the agri sector as compared to female workforce.

The decline in the number of women is significantly lower than the men and “this can be easily called the feminisation of agriculture”, the statement said.

Singh said rural women’s contribution to the Indian economy is vital.

According to NSSO report, women lead almost 18 per cent agricultural households and there is not a single area of agriculture in which they are not involved. As much as 80 per cent financially independent women are engaged in farm—related activities. Out of them, 33 per cent work as agricultural labourers and 48 per cent as self-employed farmers.

(This article was published on August 30, 2017)

### **Gujarat receives 100% of season’s rain; 43 dams full**

The South-West monsoon has brought cheers to farmers in Gujarat as the State has received 100.85 per cent of its annual average rainfall till Wednesday even as the monsoon withdrawal is still about a month away.

All the districts received copious rains during the last 24 hours, with Saurashtra and south Gujarat receiving the maximum rains.

The India Meteorological Department (IMD) has predicted heavy rainfall in parts of the State till September 1. The IMD has forecast heavy rainfall at isolated places in south Gujarat, heavy to very heavy rains in Saurashtra and Kutch on August 31.

The administration has also advised fishermen not to venture out into the sea in the next 24 hours. Deputy Chief Minister Nitin Patel expressed his happiness at the satisfactory rainfall. “The State’s season’s average rainfall is 810 mm and we have received 816.87 mm rainfall till date. This is over 100 per cent of the season’s average. This will immensely benefit agricultural crops such as paddy, cotton, groundnut and pulses. Also this will improve the fodder availability,” he said.

What brings cheer to farmers is the storage levels at the key reservoirs in the state.

Out of the 203 dams, 43 are full to the brim with high alert warning, while 48 dams are showing storage level of 80-99 per cent.

The lifeline of agriculture in Gujarat, the Sardar Sarovar Project on the Narmada, is 59 per cent full as of August 30. The availability of water is set to help sowing for the rabi crop.

(This article was published on August 30, 2017)



## Cardamom regains flavour, touches ₹1,150/ kg at Kerala auction



Small cardamom bounced back with the price touching ₹1,150/ kg at the Wednesday auction held at Puttady in Kerala's Idukki district.

At the auction conducted by Sugandhagiri Spices Promoters and Traders Pvt Ltd, nearly 29 tonnes of cardamom arrived, and almost the entire quantity was traded. The auction average stood at ₹1,149.68/kg. The maximum price was ₹1,540/kg.

At the forenoon auction, the average was ₹1,142.83/kg. The maximum price was ₹1,547/kg, according to Spices Board sources.

Infact, after showing a marginal dip from mid-last week, the prices have started moving up from Monday afternoon, taking the individual auction average to above ₹1,100 at all the subsequent auctions, they said.

The current bullish trend in the markets could be attributed to the empty pipelines in the consuming markets, coupled with an unlikely upsurge in the arrivals in the coming days, P C Punnoose, General Manager, CPMC, told *Business Line*.

The current arrivals, he added, at a time when the second round of picking is at its peak, are not reflective of an above-normal crop this season because of the erratic weather conditions.

Exporters were also active as they are understood to have good orders in hand, trade sources said.

(This article was published on August 30, 2017)

## Business Standard

### **UP sugar mills to advance crushing by a month to boost supply**

The state reported bumper sugar production at 8.2 million tonnes for 2016-17



*The commencement of crushing in October is set to benefit the mills*

Large sugar mills in Uttar Pradesh have decided to begin crushing in October this year, almost a month ahead of schedule, to boost supply of the sweetener and control shifting of cane supply to jaggery and khandsari units.

Normally, sugar mills in UP start the crushing activity in early to mid-November due to late maturing of standing cane. The mills in western Karnataka and Maharashtra, on the other hand, begin crushing by mid-October with early variety of cane.

The Indian Sugar Mills Association (ISMA), the apex industry body, has found after a survey of its member mills, that large sugar mills in UP are going to advance their cane crushing activity by a month.

The industry estimates a bumper cane crop in UP for the crushing season beginning October 2017, the second year in a row. The state reported a sugar production of 8.2 million tonnes (mt) for 2016-17.

“Many sugar mills in Uttar Pradesh, Maharashtra, Karnataka, and Tamil Nadu have given us in writing that they would start crushing by mid-October this year. Sugar mills in UP normally do not start crushing in October,” said Abinash Verma, director general, ISMA.

“Sugar mills across all the four aforementioned sugar-producing states are estimated to produce 800,000 tonnes of the sweetener in October,” said Verma.

The commencement of crushing in October is set to benefit the mills, the government, and consumers alike, as it would help control shifting of cane supply to jaggery and khandsari units (kolhus), especially in western UP. In absence of procurement of sugarcane from the mills, small and marginal farmers in UP supply their produce to kolhu to fetch instant cash. With early start, the mills will start generating early revenues also.

Secondly, the government has taken a number of steps to control sugar price hike, including imposing stock limits on the mills. The prices had surged over two months ago after reports of a decline in its output this year.

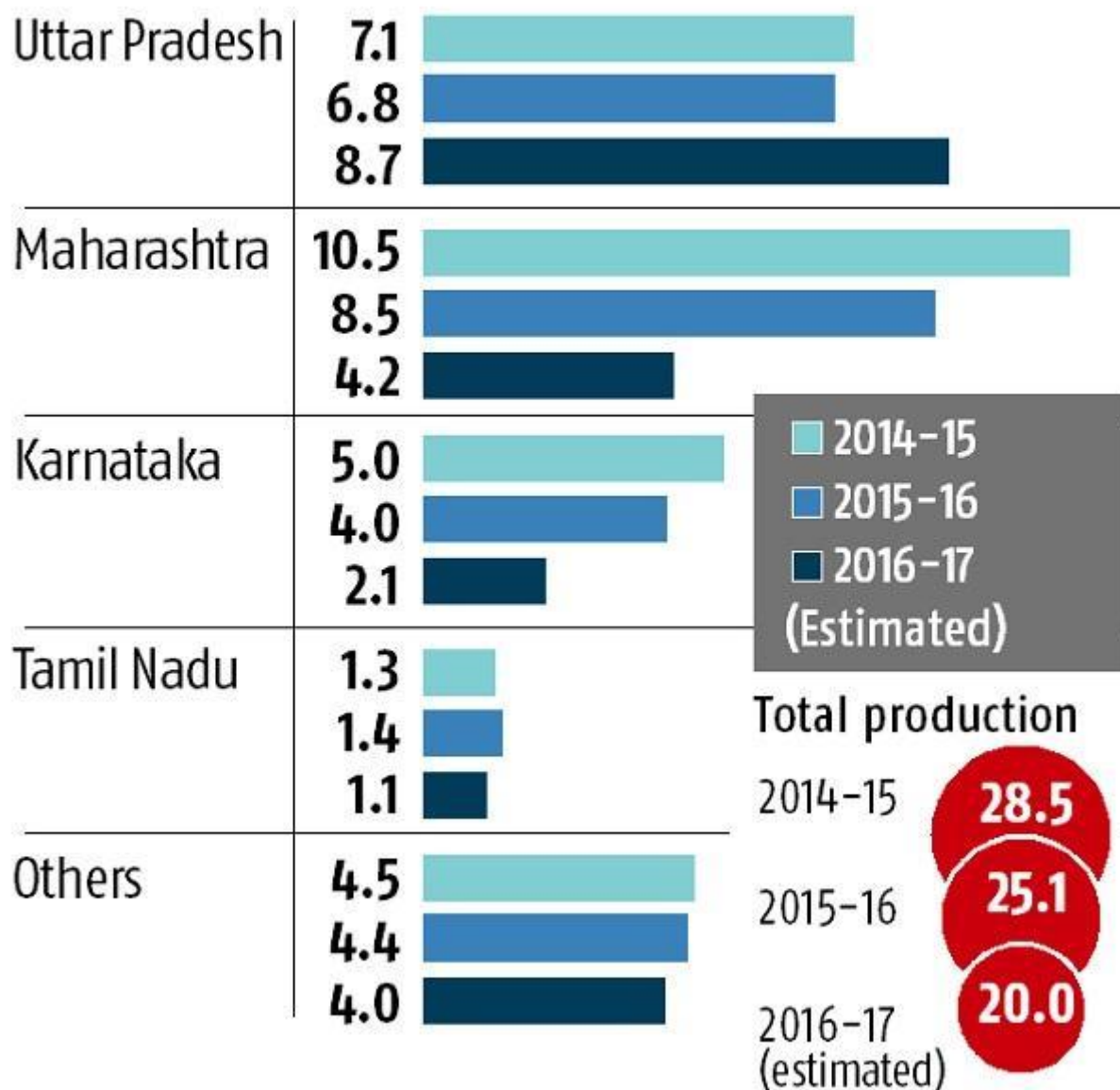
ISMA estimated India’s sugar output at 20.3 mt this year, compared to 25.1 mt last year.

“Sugar production in Maharashtra is estimated at 7 mt for 2017-18, compared to 4.2 mt in the previous year and 8.4 mt for 2015-16. Cane output in Tamil Nadu and Karnataka is estimated to remain subdued,” said B B Thombare, president, West Indian Sugar Mills Association (WISMA).

Data compiled by the Ministry of Agriculture showed cane sowing at 4.978 million hectares by August 25, compared to 4.56 million ha by the same day last year.

# SWEET SURPRISE

Sugar production (million tonnes)



As of April 24, 2017

Compiled by BS Research Bureau; source: All India Sugar Trade Association

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# THE TIMES OF INDIA

## **Monsoon showers bring farmers relief**

Kolhapur: The continuous precipitation in the region over the last five days has brought much relief to kharif crops struggling to survive.

"The district suffered a long dry spell in the last fortnight and that would have a negative impact on the final produce," the district superintendent of agriculture Bsavaraja Mastoli said.

The first half of July and August is vital for crop growth. However, the district did not receive adequate rainfall in the first three months from the onset of monsoon.

Hearty showers in the last five days have brought cheer among kharif crop growers, especially paddy farmers.

District superintendent of agriculture Bsavraj Mastoli said, "We were waiting for a good spell of rain that could boost crop growth. The downpour has broken the long dry spell that continued over the fortnight. Crop growth came to a halt in some Talukas which come under rain shadow area. Paddy requires continuous rainfall for growth. The dry spell had given room to weed outgrowth in paddy. Now the crops have adequate water for further growth."

He further added that despite continuous rains, we are expecting a drop in the final produce, owing to the two long dry spells. The natural growth of the crops halted twice and it will reflect in final production. But the continuous rainfall would help minimise the potential loss.

The Kolhapur district is considered the sugar bowl of the state. Sugarcane farming requires a lot of water and one cannot expect a good harvest without good monsoon. Hence, continuous showers are a bonus to the crop.

Paddy, sugarcane, soya and groundnut are the main crops cultivated in the kharif season. As per the agriculture department data, the district has recorded around 2.64 lakh hectare area under kharif crops this season.

## **In first phase, govt waives Rs 146 crore in loans of 22k farmers in Bijnor**

Bijnor: Under the first phase of the farm loan waiver scheme, an amount of Rs 146 crore was on Wednesday credited to the accounts of 22,000 farmers in Bijnor. This amount will be used by banks to recover the loans taken by farmers.

According to officials, in the first phase, out of 66,000 farmers who applied for waiver, only 22,156 were found to be eligible for it. "The farmers whose Aadhar cards were linked to their bank accounts were shortlisted in the opening phase," said an official. A list of these farmers was put up in their respective villages.

Wednesday's development brought cheers to scores of distressed farmers. Bheem Singh from Madhusudanpur village said, "On Wednesday, the government fulfilled its promise. There are several peasants in my village whose loans have been settled. All of them are happy and relieved."

Bijnor district agriculture officer Avdhesh Kumar Mishra said, "On Wednesday, around 22,000 farmers in the district received benefits of the UP loan waiver scheme. An aggregate amount of Rs 146 crore was credited to their accounts."

Kumar added, "In the second phase, over 98,000 farmers have applied for loan waiver. We have asked them to submit their Aadhar cards. After verifying their applications, the government will settle their loans. Physical verification will be done of farmers who fail to provide Aadhar cards."

## **India to set up cloud-based digital platform to provide agriculture solutions to farmers at their doorsteps**

NEW DELHI: Seeking to provide precise solution of complex farm-related problem to farmers at their doorsteps, the government has planned to set up a cloud-service - called 'FarmerZone' - where right kind of agri data will be collated, analysed and then distributed to take care of day-to-day needs of farmers.

Data related to weather prediction, disease and pest surveillance & control, soil nutrition, irrigation needs, seed selection, credit linkages and market access will be used for the developing the cloud-based platform.

The concept is conceived by the department of biotechnology (DBT) of the science ministry, taking lessons from similar digital platform available to farmers in the United States, Israel and European countries.

"The department has collaborated with different national and international stakeholders and industry partners, including Infosys and Microsoft India, to set up the 'FarmerZone' using cutting-edge technology", said an official.

The Research Councils United Kingdom (RCUK) and the United States Department of Agriculture (USDA) are also involved with the DBT to build a multi-purpose cloud-based platform for providing solutions to farmers anywhere in the country.

"Solutions will be provided at the farm, similar to that done by e-commerce companies at the doorstep. The farmer can access the service directly or through an intermediate structure such as local co-operatives", said the science ministry in its concept note of the project.

It said, "The 'FarmerZone' will include a 'MarketZone' where farmers can directly sell their produce which can be picked up directly from the farm".

The concept and a roadmap for setting up the cloud-service were discussed in a conference - Smart Agriculture Conclave - here on Wednesday where experts from different countries exchanged their views on how to set up the 'FarmerZone'.

Data availability for algorithm, cloud computing and drone/phone mapping for creating a viable and usable 'FarmerZone' were also discussed during the Conclave whose outcome will provide a definite roadmap for the cloud-based service and resulting digital farming solutions.

"Knowledge gaps at different stages of agriculture need identification. Information technology and big data can help in this direction", said RameshChand, member of the government's policy think tank, NITI Aayog, at the Conclave.

The experts noted that the 'FarmerZone' is a vision for the future of agriculture whose prerequisite for success is a shared resource framework.

### **Kerala Agricultural University identifies plants to make natural dyes**

THRISSUR: The Kerala Agricultural University (KAU) has identified plants for manufacturing natural textile dyes, paving the way for a return to natural dyeing and elimination of risks from chemical dyes. The study undertaken at the College of Agriculture (CoA), Vellayani, has identified 12 indigenous plants capable of giving colour to cotton and silk textiles.

The study was undertaken as part of a Western Ghats Development Project (WGDP) funded initiative, according to a release from the KAU received here on Tuesday . The technology

for using the plants for commercial textile industry has also been standardized under another research project sponsored by the Rashtriya Krishi Vikas Yojana (RKVY) .

“The study has opened up the possibility of using indigenous plants as potential dye yielders. We are looking forward for a technology for industrial production of natural dyes for textile industry ,” the release said quoting KAU vicechancellor P Rajendran.

"Plant dyes were used for garment dyeing and wall paintings till the advent of synthetic dyes in the 16th century . The hazardous effects of chemical dyeing has provoked a rethinking now and the KAU effort is along these lines," pointed out Rajendran.

According to the release, the technology will be of great value in development of ecofriendly and safe clothings, especially for new-born babies and people allergic to synthetic dyes. The biochemical properties of these natural dye compounds have also been deciphered, which will help to identify the biomolecules in them, the release said.

"Though a lot of work along these lines have been conducted abroad, not much has been done in our country . Kerala, especially the Western Ghats region, is gifted with a wide array of flora and much of them have not been fully exploited. We also have a treasure of traditional knowledge associated with temple wall paintings and traditional colouring techniques of the rural and tribespeople," said P Indira Devi, director of research.

Appropriate techniques need to be adopted for the successful commercial use of natural dyes. Development of newer shades with acceptable colour fastness behaviour and producible colour yield can be achieved through technology intervention," she said.

"The twelve natural dyes with five different mordants (a substance that combines with a dye and thereby fixes it in a material) have been screened. All silk and cotton material dyed with these pigments were tested in the South Indian Textile Research Laboratory (Sitra) for colour fastness to light and stability to washing. Through analysis, combinations of natural dye and natural mordants with good stability have been identified," V G Jayalakshmi, principal investigator of the research, said.

The extraction of the plant dye can be done on a commercial level and the identified plant species can be lifted to the status of a commercial crop. In the era of organic food and clothing and given the thrust on environmental protection, the study will have greater implications, she said.