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NEWS CLIPPINGS –21-06-2018

Strong demand to lift cotton price by 8-10% in ongoing season	**Business Standard** https://www.business-standard.com/article/pti-stories/strong-demand-to-lift-cotton-price-by-8-10-in-ongoing-season-118062000949_1.html

Cotton price is expected to increase in the range of 8-10 per cent for the ongoing cotton season following strong demand from both domestic as well as international markets, according to a report.

The cotton price is expected to increase with a marginal cut in the production estimate and producers increasing prices following rising prices of man-made fibres, which went up due to high crude oil prices, Care Ratings said in a report. Also, it said, demand for raw cotton as well as cotton yarn in the international markets, mainly China and Bangladesh, has been on an upward trend and is expected to continue to increase going forward. The prices are likely to increase in the range of 8-10 per cent for the ongoing cotton season, it added.

This downward revision in production is largely attributed to the pink boll-worm infestation on cotton crops in many states including Maharashtra, Andhra Pradesh and Telangana, it said. The current year's output estimate is, however, still higher by about 6 per cent compared with the production in Cotton Season (CS) 2017 which stood at 350 lakh bales, it said.

Meanwhile, Care Ratings said, in line with the cotton prices, the cotton yarn prices have also witnessed an increase during the period on back of increased demand from international markets mainly China following its trade war with the US along with rupee depreciation. China has imposed a 25 per cent duty on import of cotton from the US and is meeting its demand by increasing imports from India, it added.

India ships more cotton to China as 25% tax spoils US supply	**Money Control** https://www.moneycontrol.com/news/business/economy/india-ships-more-cotton-to-china-as-25-tax-spoils-us-supply-2612741.html

The United States, the world's biggest exporter of the fibre, has cornered the bulk of Chinese imports for at least a decade. But China's decision to impose a 25 percent import tax from July 6 on American farm commodities, including on cotton, in retaliation for tariffs enacted by the administration of U.S. President Donald Trump will allow India to grab a bigger share of the Chinese market.

India's cotton shipments to China could grow five-fold to 5 million bales (850,000 tonnes) in the next crop year as exporters rack up orders amid a trade war that is forcing the world's top consumer to look for other sources of supply.

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on cotton, in retaliation for tariffs enacted by the administration of U.S. President Donald Trump will allow India to grab a bigger share of the Chinese market.

"In the last few weeks we are getting good inquiries from China for the new season crop," said Arun Sekhsaria, managing director of D. D. Cotton, an exporter that earlier this month sold cotton to China for shipments in November and December.

"If the 25 percent duty stays there as announced, then India could export 5 million bales to China," he said.

Railways sets target of achieving 90% punctuality by Nov 1

Govt amends rules to enable full-fledged internet telephony

Hotels accommodating SEZ employees is inter-state in nature: CBIC

India has already signed contracts to ship 500,000 bales (85,000 tonnes) of their new season harvest to China, officials said last week, in rare advance deals.

In response to U.S. tariffs on $50 billion in Chinese goods, Beijing slapped import taxes onÂ cotton, as well as onÂ other commodities and products from the United States, even as its own state reserves of the fibre are depleting.

"Everybody is worried about the trade war nowadays so everyone is switching from the U.S. to other origins," said a Chinese trader.

Once the world's top cotton importer, China has seen its imports shrink from more than 5 million tonnes in 2011/12 to around 1 million tonnes last year, mainly due to efforts to reduce its state stockpiles.

But, as the inventories work down, China has begun allowing more imports. Last week, China approved 800,000 tonnes of additional cotton import quotas for 2018, the first time it has given any additional quota in five years.

China is set to return as a major cotton importer, taking 10 million to 15 million bales (2 million to 3 million tonnes) a year by 2019/20, compared with 5 million bales this year, according to Tim Bourgois, head of the cotton platform at Louis Dreyfus Company.

"Chinese demand is huge. This is an opportunity for India to raise exports," said Atul Ganatra, president of the Cotton Association of India.

Strong demand from China could help lift India's overall exports to as much as 10 million bales in 2018/19, highest in five years, as demand from traditional buyers like Bangladesh, Vietnam and Pakistan also remains healthy, said Ganatra.

For the 2017/18 crop year ending on Sept. 30, India is likely to export around 1 million bales to China, Ganatra said.

QUALITY CONCERNS

Chinese buyers would first try to replace U.S. cotton with machine-picked, non-contaminated fibre from Australia and Brazil, and then they would go for Indian cotton, said a Beijing-based trader with an international company.

Indian cotton is not free of impurities such as bits of leaves and empty bolls, but if buyers have no other origin to choose from, they will pay extra to get rid of the contaminants, another China-based trader said. The extra cost would still be cheaper than paying a 25 percent duty on U.S. cotton imports, the trader said.

China is familiar with Indian cotton, and previously would buy as much as 6 million bales a year, said Nayan Mirani, partner at cotton exporter Khimji Visram & Sons.

At present, India also benefits from a depreciating rupee and nearness to China as compared with other competitors.

Along with lower freight rates, shipments from India reach China in about two weeks compared to an average of three to six weeks from other producers Australia and Brazil, dealers said.

"India will benefit not only because of the tariffs, but because emerging nations' currencies have generally lost value against the dollar in the last couple of months," said Gabriel Crivorot, an analyst at Societe Generale in New York.

"This makes Indian cotton look much more attractive than it did a short while ago, relative to American cotton."

U.S. cotton futures have lost 9 percent since the China duty was announced on Friday, while Indian cotton futures have dropped 4 percent.

Indian exports would largely depend on surplus output, said Vinay Kotak, a director at Kotak Commodities, a Mumbai-based brokerage.

"If India manages to produce a bigger surplus, then it can certainly export more as the demand is there."

Maharashtra: Delayed monsoons have farmers worried, only 2% fields sowed	**DNA India** http://www.dnaindia.com/delhi/report-maharashtra-delayed-monsoons-have-farmers-worried-only-2-fields-sowed-2627493

With monsoon in a lull phase, farmers have sowed only 2 per cent of the total crop area so far. And with only 16 per cent water left in the state's major dams, aagriculture is the most hit sector.

According to the Department of Agriculture of Maharashtra, sowing activities have declined by 2 per cent compared to last year. "However, we are not yet worried. We are expecting good monsoon even though it is delayed. So far most of the agricultural activities are taking place in Kolhapur, Konkan and North Maharashtra region that produces paddy and cotton," said Bijay Kumar, Additional Chief Secretary, (agriculture).

According the to Water Resource Department, reservoirs in Maharashtra have only 16 per cent of water stock left. "The Nagpur and Amarawati region is worst affected with only 10 per cent and 13 per cent water left in the dams respectively. While in Pune it is 15 per cent , 18 per cent in Marathwada, 33 per cent in Konkan and 18 per cent in

Nasik region. Vidharbha is most worst affected region," stated in the data.

Bijay Kumar said that farmers have been asked not to hurry. "Let there be the satisfactory rainfall, only then they can start sowing and planting activities. Meanwhile, we have been in touch with the seed manufacturing companies in terms of shortages. However, there is no need to press the panic button yet," Bijay Kumar added.

Sources in the agriculture department told DNA that if the monsoon gets delayed for one more week, then "farmers will not able to sow the green gram crops". "This is a very short period crop that has to be sown in June. If it gets delayed it would not be able to sustain the insect attack later. This may impact pulses productions in Maharashtra. In June, most of the pulses, particularly green grams are sowed. Last year, we had surplus production of pulses," said an official requested anonymity.

While Bijay Kumar admitted the tricky situations for the green gram sowing, but he is confident that shortage of green grams can be compensated by other pulses.

Nanasaheb Patil, president of Shetkari Kruti Samitit said that erratic and delayed monsoons every year is affecting the agricultural sector. "There is no consistency in rainfall. This year, the situation is scary. The government should not take it lightly. It should be ready with a contingency plan. Otherwise, the number of farmer's suicides in Maharashtra will increase. The irrigation supply has also gone down. Most of the wells and tube wells have also dried up," Patil said.

For Sanjay Jadhav, a farmer from Jalgaon who has resorted to drip irrigation to water 20 acres of cotton is not better off. "The ground water level has gone down drastically. We have invested heavily. Only a good monsoon can help us out," Jadhav said.

Gujarat to offer 2.5% SGST refunds in lieu of VAT sops	**Times of India** https://timesofindia.indiatimes.com/city/ahmedabad/gujarat-to-offer-2-5-sgst-refunds-in-lieu-of-vat-sops/articleshow/64671747.cms

GANDHINAGAR: Taking a first step towards streamlining fiscal incentives under Goods and Services Tax(GST), Gujaratgovernment has decided to reimburse 2.5% of State Goods and Services Tax (SGST) in lieu of sops offered to industries in the previous Value Added Tax (VAT) regime. To begin with, the SGST reimbursement incentivewill be made available to the textile industry, and other sectors will be extended these benefits in a phased manner.

The state government is in final stages of amending various state policies, including the industrial policy, to replace VAT incentives with sops under GST. The government will first amend textile policy to offer SGST sops to the textile sector. “After a series of consultations with various industrial stakeholders, the state government has decided to reimburse 2.5% SGST as fiscal incentive under GST. Under VAT regime, the state government used to offer fiscal incentives such as VAT refund,” said a key source privy to the development.

The state government is gearing up to roll out SGST incentives with textile industry held at top priority as the sector employs a large number of people. “The SGST incentives will be extended to other industrial sectors later on in a phased manner as the state government is currently evaluating the possible financial burden on the exchequer on account of these sops," the source added.

Although the industries want higher percentages of SGST to be reimbursed, the state government wants to begin with a rate of 2.5%.

Gujarat government is under pressure from the industries to offer fiscal sops under GST regime as fiscal incentives under VAT ceased to exist after GST implementation. With the government yet to finalise any policy decisions with regard to incentives under GST, industries, both large and small, are facing troubles.

"Industries and traders are already facing a lot of challenges as the state government has stopped all financial incentives under VAT for almost a year now. To boost the industries and trade sector the government needs to give minimum 5% reimbursement against the SGST paid," said Jaimin Vasa, newly elected president of the Gujarat Chamber of Commerce & Industries(GCCI).

"Since the industries have stopped getting VAT refunds or reimbursements since GST came into force in July 2017, the industries also demanded compensation in form of arrears. However, the government will take a call on it shortly. As far as other schemes for micro, small and medium enterprises (MSMEs), large and mega industrial projects as well as other sectoral policies are concerned, the state government will take a separate decision," said a source close to the development.

Reduce duty to improve cotton yarn export to China'	**The Hindu** http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/reduce-duty-to-improve-cotton-yarn-export-to-china/article24214840.ece

'The Cotton Textiles Export Promotion Council (Texporcil) is expecting a correction in the duty tariff on the export of cotton yarn from the country to China which was reduced from 603 million kg in 2013-14 to 315 million kg in 2017-18.

Texprocil chairman Ujwal Lahoti said here on Wednesday that Vietnam emerged as a major competitor for India in terms of the export of cotton yarn to China, the largest importer, taking advantage of duty free access to the country.

Though cotton yarn exported from India was superior in quality, the export reduced due to duty tariff of 3.5 % to 5%, he said.

"Texprocil is taking efforts to bring down the duty tariff. We have already represented the issue to forums like Asia Pacific Trade Agreement and Regional Comprehensive Economic Partnership (RCEP) and the Union Ministry.

"They have assured us positive changes in the tariff. India will get an upper hand over Vietnam only if the duty issue is addressed," said Mr. Lahoti.

According to Mr. Lahoti, a major chunk of mills from China shifted to Vietnam in the last five years, making it a conversion centre. Yarn produced in Vietnam thereby enters China without duty tariff, he said.

Vietnam, which had exported 287 million kg of cotton yarn to China during 2013-14, bettered its position and overtook India during 2017-18 by exporting 718 million kg. Currently, Vietnam's export is 228 % of India's export to China. Though India remains the largest exporter of cotton yarn in the world, the country's share declined to 25% in 2017 from 30 % in 2015. Meanwhile, cotton yarn export from Vietnam, the second largest exporter with 19.94% share in the global market, increased to 881 million kg in 2017-18 from 250 million kg in 2012-13, registering a growth rate of 252 %.

Mr. Lahoti said various issues of refunding related to embedded taxes, as in the form of duty for electricity and petroleum products used in the cotton textile value chain, need to be addressed if exports had to pick up.

Soon, farmers in state may use drones for spraying fields	**Tribune India** http://www.tribuneindia.com/news/ludhiana/soon-farmers-in-state-may-use-drones-for-spraying-fields/608459.html

Farmers of Punjab will go hi-tech in the coming days. Soon, you will see a drone along with a farmer holding its remote and spraying insecticides in his fields.

The Farm Machinery and Engineering Department of the Punjab Agricultural University (PAU) is working on the project. If all goes well and experts of the agri varisty are satisfied with results then drones may soon be seen spraying insecticides in fields.

Dr Manjit Singh, head of the Farm Machinery and Engineering Department, PAU, said, “The university will be doing practical application of using drones for spraying in paddy and cotton fields. A private company is providing technology to the university.”

“The experiment will also be done on the upcoming paddy crop and after that on the cotton crop. We are hopeful that this will turn out to be labour saving and cost effective. Experiments are on. Its effectiveness will be known only after we are through with our experiments,” he said.

“If we are satisfied with results then farmers will be acquainted with this technique. Four nozzles will be fixed on a drone for spraying. It will also help in spraying at a faster speed,” he added.

“Using a drone will be a costly affair, but for the convenience of farmers they will be able to get it on rent. Presently, farmers face many difficulties while spraying insecticides and pesticides. If a farmer sprays himself it takes a lot of time. Sometimes, it also results in health problems. If he sprays with the help of a tractor it results in crop loss. Drones will be an effective alternative for farmers to spray crops,” said Dr Manjit.

Drones can spray pesticides in fields in only half an hour. Farmers can also monitor the quality of crop with thermal sensors. Drones can work wonders if advance image processing unit is integrated with these.

Govt. clears Rs. 38,062 cr. in GST refunds	**The Hindu** http://www.thehindu.com/todays-paper/tp-business/govt-clears-rs-38062-cr-in-gst-refunds/article24214331.ece

The government has cleared pending GST refunds to the tune of Rs. 38,062 crore to exporters so far, the Central Board of Indirect Taxes and Customs said on Wednesday.

"In all, Rs. 21,142 crore (IGST refunds), Rs. 9,923 crore (RFD-01A refund by CBIC) and Rs. 6,997 crore (RFD-01A refund by states), all totalling Rs. 38,062 crore has been sanctioned till June 16, 2018," the CBIC said in a statement.

During the CBIC's refund fortnight, pending refunds of integrated GST (IGST) of exporters based on shipping bill were cleared. Also, those businesses making zero rated supplies or those wanting to claim input credit, were given refunds.

Texprocil: Export incentives needed for competitiveness	**Business Line** https://www.thehindubusinessline.com/economy/agri-business/texprocilexport-incentives-needed-for-competitiveness/article24212459.ece

Without a level playing field and burdened by high transaction costs, inadequate export benefits, the Indian textile industry's export competitiveness is taking a hit.

The industry has sought a hike of the duty drawback incentive to 3-4 per cent (at 1 -2 per cent now) and extinguishing of embedded tax (in the GST regime such as electricity duty and on petroleum products) to be able to bounce back, Ujwal Lahoti, Chairman, The Cotton Textiles Export Promotion Council (Texprocil) said.

Highlighting the opportunities and challenges in export of cotton yarn, Lahoti said that India is the largest exporter accounting for 26 per cent of the global share. "Our yarn quality is well-accepted. Yet, because of the export duty that Indian yarn attracts, we are losing our market share in China."

India exported 603 million kg (mkg) of cotton yarn to China in 2013-14. This fell almost by half to 315 mkg in 2017-18. At the same time, Vietnam's exports to China increased from 287 mkg in 2013-14 to 718 mkg in 2017-18. Currently Vietnam's export is well over twice that of India's export to China.

China is importing from India only to bridge the gap in demand from supplies from its domestic spinners.

Vietnam has no raw material base but imports from the US, India and China. It competes with Indian suppliers due to the advantage of zero tariff in most of the importing countries.

Texprocil and the Southern India Mills Association have taken up this tariff correction issue both at the Asia Pacific Trade Agreement (APTA) and RCEP (Regional Comprehensive Economic Partnership) forum, seeking some concession, Lahoti said. The problem is more severe in fabric than yarn.

Despite being the world's largest exporter of cotton yarn, India's share fell from 30 per cent in 2015 to 25 per cent in

2017. Vietnam is second with with a share of 19.94 per cent.

The ratio of yarn production to export slipped to 26 per cent in 2017-18 from 33 per cent in 2013-14 indicating a growth in domestic consumption. (Yarn production grew from 3,900 mkg in 2013-14 to 4,065 mkg in 2017-18). Though over 3 million spindles and 60,000 rotors were added to the spinning capacity in the last five years yarn production has stagnated at around 4100 mkg as 1.6 million spindles were scrapped and capacity is under utilised, he said.

The industry is showing an uptick as cotton yarn prices are tending to increase over the last two months mainly due to continuous increase in cotton prices from mid-February, he said.

Competition Commission of India okays Bayer-Monsanto merger but with riders	**Business Standard** https://www.business-standard.com/article/economy-policy/competition-commission-of-india-okays-bayer-monsanto-merger-but-with-riders-118062100038_1.html

It said the merged entity will follow a policy of non-exclusive licensing of non-selective herbicides or their active ingredient(s)

The merged Bayer-Monsanto entity in India will need to give non-exclusive licensing of its genetically modified (GM) and non-GM traits, currently commercialised in India or to be introduced in the near future on a fair, reasonable and non-discriminatory basis, the Competition Commission of India (CCI) has said.

Approving the merger of Bayer and Monsanto in India, the CCI released conditions attached with the approval.

It said the merged entity will follow a policy of non-exclusive licensing of non-selective herbicides or their active ingredient(s).

It will be in the case of launch of new GM or non-GM traits in India that restrict agricultural producers, including farmers, from using specific non-selective herbicide(s) being supplied only by the parties, on a fair, reasonable and non-discriminatory basis.

The merged entity will also grant access to Indian agro-climatic data, free of charge, to the central government and its institutions, to be used exclusively for public good, the CCI said.

The CCI order also said that the combined entity is also barred from offering its clients, farmers, distribution channels or its commercial partners, two or more products as a bundle as this may potentially have the effect of exclusion of any competitor.

The commission asked Bayer to divest its glufosinate ammonium (a non-selective herbicide), crop traits of cotton and corn, and hybrid seeds of its vegetables businesses.

It also ordered that Monsanto should divest shareholding in Maharashtra Hybrid Seed Company Limited (26 per cent) to an independent entity. Bayer is also supposed to honour these changes for seven years from culmination of the deal.

CCI's approval of the $66 billion deal, proposed in September 2016, will make the merged entity the world's largest seed and pesticide player.

Russia, China and European Union have already approved their merger.

EU has stipulated, among other conditions, Bayer will have to exit global field crop seeds businesses such as canola, cotton, and soybean, R&D platform for hybrid wheat, global vegetable seeds business, global glufosinate ammonium business as well as certain glyphosate-based herbicides business in Europe.

Russia's Federal Anti-monopoly Service (FAS) has also given approval on the condition that Russia be provided modern technologies from Bayer and Monsanto.

Agriculture budget doubled to help double farm income by 2022: PM Modi	**Money Control** https://www.moneycontrol.com/news/business/economy/agriculture-budget-doubled-to-help-double-farm-income-by-2022-pm-modi-2-2612031.html

Continuing his outreach programme of direct interaction with beneficiaries of his pet schemes, Modi spoke to farmers from over 600 districts via video-conferencing, highlighting the government interventions right from seeds to market that is aimed at addressing farm distress.

eaching out to farmers, Prime Minister Narendra Modi today showcased his government's "unprecedented" work in the agriculture sector, including doubling of the budget to Rs 2.12 lakh crore.

Modi also reiterated that his government is working to double farm income by 2022.

Continuing his outreach programme of direct interaction with beneficiaries of his pet schemes, Modi spoke to farmers from over 600 districts via video-conferencing, highlighting the government interventions right from seeds to market that is aimed at addressing farm distress.

The government, through an extensive and balanced policy, is aiming to provide inputs like quality seeds, fertilisers, water and electricity as well as markets for increasing farmers' income, he said.

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"We have decided to double farmers income by 2022... When I talked about doubling of farmers income, there were many people who made fun that this is not possible and difficult. They created an atmosphere of doom. But we decided as I had full faith in farmers," Modi said.

To achieve this target, he said the four cornerstones of the government policy are cutting input cost, fair price for the crop, preventing post-harvest losses and creating alternate sources of income.

Modi said in the Budget for 2018-19 fiscal, the government announced that the minimum support price (MSP) for all crops will be fixed at least 1.5 times the cost of production. He also listed out all the costs that will be included while fixing the MSP.

"The budget allocation for the agriculture sector in 5 years of the previous government was Rs 1.21 lakh crore. This has been increased to Rs 2.12 lakh crore during 2014-19, which is almost double. This clearly reflects our commitment to farmers welfare," Modi said.

Stating that there has been "unprecedented development" in the farm sector during the last four years, the Prime Minister highlighted that foodgrains production in the country touched an all-time high of 280 million tonnes during 2017-18 crop year as against an average production of 250 million tonnes during 2010-14.

There has also been bumper production of fruits, vegetables and milk, he said, adding that pulses production has increased by an average 10.5 per cent. Production of fish and milk grew by 26 per cent and 24 per cent, respectively. Egg output has risen by 25 per cent.

"Our effort is to provide farmers assistance at all stage of agriculture -- at the time of sowing, after sowing and at the time of harvesting," he said, adding the policy interventions are being planned to help farmers right from seeds to markets.

First, soil health cards are being provided to help farmers better understand soil nutrient status of his/her holding and advice them on the dosage of fertilisers.

Thereafter, loans are being made available to farmers to help them procure good quality seeds, he said, adding neem coating of urea has ensured that black-marketing of the crop nutrient is stopped and farmers get it without any problem.

To ensure farmers get the right price for their crops, Modi said an online platform e-NAM has been started to eliminate middlemen. As many as 22,000 rural markets are also being linked to wholesale mandis.

The government is also giving special attention to allied sectors like fisheries, dairy and bee-keeping to boost farmers income, he added.

The Prime Minister said farmers should get full credit for ensuring the country's food security but rued that "from the beginning, farmers were left to fend for themselves" which resulted in their shrinking prosperity.

Modi highlighted the various initiatives launched by the government in the last four years such as soil health cards, new crop insurance scheme, irrigation programme and e-NAM, among others.

Under Prime Minister Krishi Sinchaee Yojna, Modi said about 100 projects are being completed so that water reaches all agriculture fields. The government is promoting drip irrigation to achieve "per drop more crop" and reduce input cost.

Modi said farmers can increase their income by value-addition of farm produce.

The Prime Minister highlighted that more than 500 farmer producers organisations have been established in the last four years which help farmers in getting more sales realisation with lower input costs. These FPOs have been exempted from income tax.

Talking about the new crop insurance scheme, Modi said farmers were not getting any claim under the previous scheme.

"We have reduced premium and scope of insurance has been widened," he said, adding that this has helped in increasing the insurance coverage by 60-65 per cent.

Modi said the government has provided soil health cards to 12.5 crore farmers in the last four years, helping farmers to boost yields and cut input cost.

Interacting with farmers from the North-East, he said 21 lakh hectares have been brought under organic farming as against 7 lakh hectares in 2013-14.

Reverse crop diversification: Cotton no longer King in Punjab	**Indian Express** https://indianexpress.com/article/india/punjab-punjab-farmers-paddy-cotton-no-longer-king-5226224/

Assured MSPs and development of new short-duration high-yielding varieties have led farmers in Punjab to desert the fibre crop for paddy

Amarjit, aka Honey Singh, has been growing cotton for as long as he can remember. Being at the tail end of the Sirhind Canal's Bathinda branch, his fields can be irrigated by the Sutlej River waters only after farmers upstream have done with satiating the thirst of their crops. And with no electric tubewell connection either, cotton is what he has always been cultivating at this time of the year.

But in this kharif season, Honey has done the unthinkable: Growing paddy, a crop requiring 6-7 times more water than cotton, on all his five acres. "There's too much price uncertainty and risk of damage from chitti makkhi (whitefly insect pest) in cotton. Besides, we have lot of spurious seed going around now," says this farmer from Bhucho Khurd, a village about 10 km from Bathinda town.

Paddy, in contrast, has no such issues, as it is procured by government agencies that also pay an assured minimum support price (MSP). Equally important is the advent of new short-duration, yet high-yielding, varieties. Punjab's farmers earlier mainly grew Pusa-44, a 160-day paddy whose nursery sowings had to be done by mid-May, followed by transplanting a month later, to enable harvesting before end-October.

“This time, I am planting the PR-121 variety, which matures in 140 days, on four acres. In the remaining one acre, I am trying out PR-126, which takes even less time — 125 days from seed to grain. The paddy yields from these are 30-32 quintal per acre. Although marginally below the 34-35 quintals from Pusa-44, I can transplant them even after June 25, and harvest by mid-October. It gives me enough time to clear the parali (paddy stubble) from the field and sow the next wheat crop well in time before the middle of November,” says Honey, who is in his early forties.

The new short-duration varieties require only 20-21 irrigations, compared to the 31-32 for Pusa-44, as transplanting happens around the time of the southwest monsoon rains. “Paddy needs continuous standing water in the first 50-60 days after transplanting. In this case, the irrigation requirement is lower, because the crop gets much of its water from the monsoon and the fall in temperatures also reduces the evaporation rates,” explains Honey.

Apart from assured MSP-based procurement and short-duration varietal development, there are two other factors making farmers like him switch from cotton to paddy.

The first is irregular supply of canal water. Cotton is planted in Punjab from mid-April to mid-May. “The crop needs good-quality water at the time of sowing, without which there will be no proper germination. This time, the irrigation department started cleaning the canals only in April. So, water could not be released before the last week,” Honey says.

The second factor is the sanctioning of new tubewell connections — over one lakh in just the last year of the previous Shiromani Akali Dal-led government. Honey’s own village has seen nearly 100 of these being installed in the last couple of years, allowing even farmers like him to buy tubewell water for irrigating paddy.

Bathinda, along with the other southwest districts of Mansa, Barnala, Muktsar, Fazilka, Faridkot, Firozpur and Moga, constitute Punjab’s cotton belt. This year, only 2.84 lakh hectare (lh) in the state has been planted with the fibre crop, as against 3.82 lh in 2017, and the Punjab government’s target of 4 lh. Acreages were previously even higher — at 5.03 lh in 2013, 5 lh in 2014 and 4.12 lh in 2015 — before a combination of low prices and whitefly attacks brought these down to 2.52 lh in 2016. There was no widespread whitefly incidence last year, but that has still not helped boost sowings this season.

“The majority of farmers here have replaced cotton with paddy. The cotton area target for our district was 1.40 lh, but we have achieved only 1.10 lh. Restricted supply of canal water during sowing time, sanctioning of large number of new tubewell connections, and introduction of short-duration paddy varieties are the main reasons for farmers deserting cotton,” says Gurditta Singh, chief agriculture officer of Bathinda.

“There is no price or yield stability in cotton. In 2016, the rates for kapas (raw cotton with seeds) were Rs 5,700-6,200 per quintal. Last year, we got Rs 4,200-4,300 for the initial pickings in September and Rs 4,600-4,700 in October. Some of us stocked up hoping to realise better prices, but they barely crossed Rs 5,000-5,100 even in February-March. Yields, too, fluctuate between 8 and 14 quintals per acre, since the crop is prone to damage from pests and unseasonal rains,” points out Jasbir Singh of Burj Mehma village in Bathinda tehsil. The five-acre farmer is among those who have acquired a tubewell connection recently, prompting him to turn fully to paddy.

Rajwinder Singh, a farmer from Raipur village in Mansa district's Jhunir tehsil, estimates the per-acre cultivation cost of cotton at around Rs 30,000, and for paddy, Rs 17,500. Taking per-acre yields at 12 quintals for the former and 30 quintals for the latter, and corresponding rates of Rs 5,000/quintal and Rs 1,590/quintal (the MSP for last year), the returns work out to more or less the same. But the risks are far less in paddy. "Saanu jhona di vaddia keemat mil rahi hai, te phir kyon assi narma da risk layye (when the returns from paddy are good, why risk growing cotton)," says the 31-year-old, who has replaced cotton with paddy on his entire seven-acre holding.

Darbara Singh of Moola Singhwala village in Mansa tehsil grew only cotton until five years ago. But when Punjab Agricultural University, Ludhiana began releasing its new short-duration paddy varieties from 2014-15, he gradually reduced his area under cotton. In this kharif season, he is sowing paddy on 25 of his total 26 acres, and cotton on just one acre. Moreover, he has sown his nursery as late as on June 11, and will transplant the seedlings from it only after July 5. "PR-122, PR-124 and PR-126 are a real boon. I plant them after the monsoon rains have arrived, which generates huge groundwater savings. Also, it now enables me to grow a 60-day summer moong (green gram) crop between harvesting of wheat in early-April and paddy nursery sowing," the 42-year-old points out.

All this may not be good news, though, for the Punjab government, given its focus on weaning farmers away from paddy. "The short-duration varieties are becoming very popular among farmers. The end-result could be that the paddy area, instead of reducing, only increases further," Jasbir Singh Bains, the state's director of agriculture, told The Indian Express. Proof of it is cotton, which, in 2007, occupied 6.04 lh area in Punjab. That has since dropped to 2.84 lh, even as paddy acreage has risen from 26.09 lh in 2007 to 29.26 lh in 2017, and may cross 30 lh this year.

Government to do away with the 'hire and fire' clause of Industrial Employment Act	**Indian Express** http://www.newindianexpress.com/specials/2018/jun/21/government-to-do-away-with-the-hire-and-fire-clause-of-industrial-employment-act-1831150.html

The clause allows companies to employee and sack up to 300 contract employees according to their business needs without giving them compensations.

In a bid to shed its anti-worker tag, the government is planning to do away with the 'hire and fire' clause it had introduced in the Industrial Employment (Standing Orders) Act.

The decision was taken after RSS affiliate Bharatiya Mazdoor Sangh (BMS) put forward its objections regarding the rule, sources in the Ministry of Labour and Employment said. BMS leaders had recently met BJP president Amit Shah regarding the same. "We were assured that changes in labour laws and reforms would be undertaken only after deliberating with trade unions. The BJP president also promised to strengthen mechanisms to settle issues," a BMS leader said.

A ministry official said the decision had received support from political quarters. "If we can put together all initiatives, including a possible change to the number of people factories can hire or fire, the ministry will be successful in changing its image from anti-worker to pro-worker," the official said.

The government had inserted the hire-and-fire clause in the Act through an amendment last year, ostensibly to promote the ease of doing business and reduce the role of middlemen. It had notified fixed-term employment only for apparel sector in February 2017, but it was extended to all sectors in March this year.

The clause allows companies to employee and sack up to 300 contract employees according to their business needs without giving them compensations. It states that a fixed-term employee "shall not be eligible for all statutory benefits available to a permanent workman in his period of employment" and that "no notice of termination shall be necessary in the case of temporary workman".

The clause was inserted after lobbying by industrial and corporate groups who argued that it would give a big push to the government's move to introduce ease of doing business. However, critics argued the move would make it easier for companies to lay off workers, which could have a bearing upon job creation in the country.

Job recruiters confirmed there had been mass layoffs of temporary workmen in recent months. "If you ask about bulk firing, we have not recorded such thing in mid or senior level workforce. But there are six to seven instances reported by a couple of textile companies and in gems and jewellery sector, where there were instances of bulk firing (above 100 workers) after March. Most of them were contract labourers and companies cited lack of order and credit crunch. Some bulk firings were also reported in the telecom sector," a senior official from Naukri.com, a leading online job portal, told Express.

An official of the Gems and Jewellery Export Promotion Council said layoffs mostly "happen at lower level and with low-skilled workforce". "Mostly they are hired on contract for short period of time (6-8 months), which depends on the order received by the companies. Lower order or poor sales directly impact layoffs," he said.

The government is also considering others steps to improve its image, which includes better wages for contractual employees. According to sources, the ministry is also keen to introduce some changes in the EPFO and ESIC to make more employees eligible for pensions and provident funds. "The ministry also plans to ensure social security cover and make work environment better," Labour Minister Santosh Gangwar had said at an International Labour Organization conference last week.

Standardization boosts domestic growth, exports: Prabhu	**SME Times** http://www.smetimes.in/smetimes/news/top-stories/2018/Jun/20/prabhu-exports-standardisation39011.html

Minister of Commerce and Industry Suresh Prabhu Tuesday released a national strategy for standardization, adding that standardisation helps both domestic businesses and exporters.

Speaking at the 5th National Standards Conclave - Implementing the Indian National Strategy for Standardization, being held in New Delhi on 19-20 June 2018, Suresh Prabhu said standardisation boosts both exports as well as domestic economic growth by enabling realisation of value of product and services and consumers will be the biggest beneficiary.

The Minister said that unless products are standardised it becomes difficult to market them.

Two reports were also released by the Minister, Indian National Strategy for Standardization (INSS) and CII-ASL Study on TBT/SPS Notifications. INSS is the result of the combined efforts of Ministry of Commerce and Industry, Ministry of Consumer Affairs and industry stakeholders.

It provides a vision for the country to achieve the highest quality standards in production and distribution of goods and services in an attempt to reclaim Brand India.

The INSS report addresses four broad pillars of Quality Ecosystem: (i) Standards Development (ii) Conformity Assessment and Accreditation (iii) Technical Regulations and SPS Measures (iv) Awareness and Education.

Commerce Secretary, Rita Teaotia and Joint Secretary, Department of Commerce, Sudhanshu Pandey were also present during this occasion.

EU CIRCULAR ECONOMY PACKAGE BECOMES LAW	**Resource** https://resource.co/article/eu-circular-economy-package-becomes-law-12697

The EU's Circular Economy Package (CEP) has been published in the EU's Official Journal, meaning the legislation will enter into force at the start of July, 20 days after its publication.

The long-awaited waste legislation was signed off and appeared in the Journal – the EU's official gazette of record for new legislation – last Thursday (14 June), following the final ratification of the ambitious set of revised waste directives by the EU Council in May, and will now become law on 4 July. The governments of member states will then have 24 months to transpose the directives into national legislation.

The final ratification came a little over a month after MEPs in the European Parliament gave the set of revised waste directives their seal of approval, ratifying the targets agreed upon following the end of three-way discussions known as trilogues between the European Council, Commission and Parliament back in December, which were then approved by EU ambassadors in February this year. The announcement marks the end of a long journey through the institutions since the Juncker Commission put the current legislation forward in 2015, after withdrawing a draft CEP put forward in July 2014 that included a 70 per cent recycling and reuse target for 2030.

The CEP will see new targets set for the recycling of municipal waste, which the EU estimates accounts for between seven and ten per cent of the total waste generated in the EU. Member states will now be expected to reach a recycling rate of 55 per cent by 2025, 60 per cent by 2030 and 65 per cent by 2035.

Recognising the importance of waste management and the circular economy to the EU, the revised text states: 'Improving the efficiency of resource use and ensuring that waste is valued as a resource can contribute to reducing the Union's dependence on the import of raw materials and facilitate the transition to more sustainable material management and to a circular economy model.

'That transition should contribute to the smart, sustainable and inclusive growth goals set out in the Europe 2020 strategy and create important opportunities for local economies and stakeholders, while helping to increase synergies between the circular economy and energy, climate, agriculture, industry and research policies as well as bringing benefits to the environment in terms of greenhouse gas emission savings and to the economy.'

The UK Government, despite its impending departure from the EU, has ratified the new proposals and will work towards the targets set within it. However, the UK currently faces an uphill climb to reach the current target of 50 per cent by 2020.

Shaun Gallagher, Director of Environmental Quality at the Department for Environment, Food and Rural Affairs (Defra), speaking at the Resourcing the Future conference last week (13-14 June), refused to be drawn on whether the UK would be transposing the CEP into UK law in full following Brexit – though he did say this was an opportunity to go further than the requirements contained in the package.

Read more: Five things we learned at Resourcing the Future 2018

Beyond the headline recycling targets, the CEP also includes specific targets for packaging and separate requirements for bio-waste and landfill. EU member states will be expected to achieve stated recycling rates by 2030 for all packaging (70 per cent), plastic (55 per cent), wood (30 per cent), ferrous metals (80 per cent), aluminium (60 per cent), glass (75 per cent) and paper and cardboard (85 per cent).

In addition to this, member states will have until 1 January 2025 to set up separate collections of textiles waste and hazardous waste from households, while they must ensure that bio-waste is either collected separately or recycled at source through home composting, for example, by 31 December 2023.

With regard to landfill, member states will be expected to ensure that all waste suitable for recycling or recovery shall not be sent to landfill by 2030, except for waste for which landfill is the best environmental outcome. On top of that, member states will have to ensure that by 2035, less than 10 per cent of the total amount of municipal waste generated is sent to landfill.

Focus is also placed on extended producer responsibility to ensure that the costs of waste management are shared equitably, with producers that place products onto the EU market contributing to the financial cost of treatment at the end of that product's life.

The CEP states that 'extended producer responsibility schemes form an essential part of efficient waste management', but that these should not impinge on the 'smooth functioning of the internal market'.

It continues: 'The general minimum requirements should reduce costs and boost performance, as well as ensure a level playing field, including for small and medium-sized enterprises and e-commerce enterprises… They should also contribute to the incorporation of end-of-life costs into product prices and provide incentives for producers, when designing their products, to take better into account recyclability, reusability, reparability and the presence of hazardous substances. Overall, those requirements should improve the governance and transparency of extended producer responsibility schemes.'

Though a lot of emphasis has been put on recycling, the package is cognisant of the need for member states to move up the waste hierarchy and recognises that 'waste prevention is the most efficient way to improve resource efficiency and to reduce the environmental impact of waste.'

As such, the text of the package encourages reuse and new business models that reduce waste generation, stating: 'Member states should facilitate innovative production, business and consumption models that reduce the presence of hazardous substances in materials and products, that encourage the increase of the lifespan of products and that promote reuse including through the establishment and support of re-use and repair networks, such as those run by social economy enterprises, deposit-refund and return-refill schemes and by incentivising remanufacturing, refurbishment and, where appropriate, repurposing of products as well as sharing platforms.'

$40 billion export target: Ambitious or lacklustre?	**Dhaka Tribune** https://www.dhakatribune.com/business/commerce/2018/06/20/40-billion-export-target-ambitious-or-lackluster

A whopping $33.5 billion is expected to come from the RMG sector. The second largest target is set for leather and leather goods at just $1.13 billion

The government plans to set a $40 billion goods export target with a 7.14% growth for fiscal year 2018-19, riding largely on the apparel industry's success, the largest contributor to overall export earnings.

The Export Promotion Bureau (EPB) sent a proposal to the Commerce Ministry for consideration on Tuesday. After a review of the proposal, Commerce Minister Tofail Ahmed, will formally announce the export target within a week or two.

In the proposal, the EPB recommended an export target of $40 billion with 7.14% growth. The projected export earnings target is $2.5 billion higher than the outgoing fiscal year's export target of $37.5 billion.

Of the total amount, $33.5 billion is expected to come from the garments sector. The second largest target is set for leather and leather goods at $1.13 billion.

In a meeting with export industry stakeholders on June 12, the EPB discussed the export target and heard opinions about industrial capacity.

In July-May of the current fiscal year, Bangladesh earned $33.72 billion against a target of $37.5 billion.

In setting the export target, the world economic outlook, policy changes at important export destinations, stakeholder feedback, supply chain capacity, change in exchange rates, and global business trends were taken into consideration.

'It should be higher'

"Over 82% of our export earnings come from the apparel sector. Bangladesh has enough capacity to meet the export target. We have the confidence of global retailers. But manufacturers are losing their competitive edge due to a rise in production costs," Exporters Association of Bangladesh (EAB) president Abdus Salam Murshedy told the Dhaka Tribune.

In the proposed budget for FY19, beginning July 2018, "the government has increased corporate tax to 15%, while the tax-at-source returned to 1% from 0.70%. This will have an adverse impact on investment as well as production cost," said Salam, a former BGMEA president.

If the government reduces the corporate tax and brings down tax-at-source to the previous level to increase competitiveness, Bangladesh will be able to reach the target, said Salam.

On the flip side, experts are saying the target, though higher than that of the previous year's, is not in line with the development goals of the government.

"This export growth target, which is below 10% and it has been contracted, is unambitious. Our development strategy is driven by exports, but the GDP to export ratio has been falling. What does that signal?" said Policy Research Institute (PRI) Executive Director, Ahsan H Mansur.

"In attaining development goals as well as the GDP target, the export target should be much more ambitious," he said.

"Present policy towards export-oriented industries, rate of target achievement, and performance is disappointing. This is because of lack of proper policy support to export oriented industries," said Ahsan.

alance needed'

Export business leaders say they want a comprehensive and balanced export policy to achieve the export target.

"There is a lack of coordination between concerned ministries in setting the export target. The government is not taking necessary steps to remove export barriers," Md Jashim Uddin, president of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), told the Dhaka Tribune.

The government has offered incentives to promote plastic exports but exporters are yet to enjoy the benefits. Due to lack of proper implementation, government incentives and policy support fail to reach the target," Jasim said.

"We need policy continuity and equal treatment in terms of government incentives to provide space for emerging export industries to grow. If we can ensure this, it will help diversify the export basket," said Jasim.

In the proposed budget, the government offered 15% corporate tax for the RMG sector while other export-oriented sectors are to pay 35% corporate tax.

To achieve the export target, the government should prioritize the emerging sector and take measures to expand the export basket, according to business people.

An exporter who is in the IT industry said Bangladesh's export is dominated by the apparel sector, which contributes over 82% to total export earnings.

“This is not a good development strategy. If the sector fails or falls into trouble, the whole economy will suffer,” he said.

“The apparel sector always enjoys the highest government benefits due to their strong lobby, which discourages others and creates an unfair situation,” he said.

Bangladesh needs to concentrate on emerging sectors such as pharmaceuticals, information technology, jute diversified goods, plastic goods, and the leather sector, he added.

Korea, Taiwan big 2 investors in Vietnam's textile sector	**Fibre 2 Fashion** http://www.fibre2fashion.com/news/textile-news/korea-taiwan-big-2-investors-in-vietnam-s-textile-sector-242909-newsdetails.htm

More than 2,000 foreign companies from 16 countries and territories have invested around $15.75 trillion in Vietnam’s garment and textile sector so far, according to Vietnam Textile and Apparel Association (VITAS) chairman Vu Duc Giang. South Korea is the biggest investor with its investment exceeding $4.4 billion, followed by Taiwan, Hong Kong and Japan.

Taiwan’s investment is worth $2.5 billion, Hong Kong’s $2.1 billion and Japan’s $789 million, according to a Vietnamese news agency report.

Earlier this year, Japan’s ITOCHU Corporation purchased additional 10 per cent shares of Vietnam National Textile and Garment Group (Vinatex) by investing $47 million, raising its stake to 15 per cent and making it the second-largest stakeholder after the Vietnamese industry and trade ministry.

Other big foreign direct investment projects include the $80-million Nam Dinh Ramatex Textile and Garment Factory by Singapore and the $80-million Ha Nam YKK Factory specialising in zippers and other materials for the garment industry.

Low labour costs and free trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), have made the Vietnamese garment and textile sector alluring to foreign investors, Giang said.

Once the CPTPP comes into effect, Vietnam can increase shipments to CPTPP member countries, which spend up to $40 billion on garment and textile products annually.

US commerce department finds dumping of low melt PSF	Fbire 2 Fashion http://www.fibre2fashion.com/news/textile-news/us-commerce-department-finds-dumping-of-low-melt-psf-242904-newsdetails.htm

The US department of commerce (USDC) has announced affirmative final determinations in the antidumping duty (AD) investigations of imports of low melt polyester staple fibre (PSF) from two countries. USDC determined that exporters from South Korea and Taiwan sold low melt PSF at dumping margins ranging from 0–16.27 per cent and 49.93 per cent, respectively.

As a result of this decisions, USDC will instruct US Customs and Border Protection (USCBP) to collect cash deposits from importers of low melt PSF from South Korea and Taiwan based on the final rates, as appropriate.

In 2017, US imports of low melt PSF from South Korea and Taiwan were valued at an estimated $75.5 million and $26.9 million, respectively.

The petitions were filed by Nan Ya Plastics Corporation, America (SC).

Meanwhile, the US International Trade Commission (ITC) is conducting investigations to determine whether or not the domestic industry is materially injured, or threatened with material injury, by imports of low melt PSF from Korea and Taiwan. The ITC is currently scheduled to make its final injury determinations on or before August 1, 2018.

If the ITC makes affirmative final injury determinations, USDC will issue AD orders. If the ITC makes negative final determinations of injury, the investigations will be terminated, and no orders will be issued.