



The Southern India Mills' Association

Post Box No. 3783, 41 Race Course, Coimbatore - 641 018

Phone: 0422 4225333 | Fax: 0422 4225366

E-mail: info@simamills.org | Web: www.simamills.org

NEWS CLIPPINGS –01-09-2018

Cotton farmers switch to other crops in Adilabad

Indian Express

<http://www.newindianexpress.com/states/telangana/2018/sep/01/cotton-farmers-switch-to-other-crops-in-adilabad-1865952.html>

With no hopes of getting the desired yield and worried about incurring debts, the cotton farmers in Adilabad district are now removing their crop from the fields.

With no hopes of getting the desired yield and worried about incurring debts, the cotton farmers in Adilabad district are now removing their crop from the fields. With good monsoon in the beginning of kharif season, the farmers expected a bumper crop and germinated seeds, but due to heavy rainfall, all their hopes vanished.

As per preliminary reports, cotton crop in the district was destroyed in 96,000 acres. Moreover, on the banks of Penganga river, the crops have been severely damaged and the farmers are now resorting to sowing soyabean crop.

G Santosh, a farmer from Jainath mandal had cultivated cotton in eight acres, but due to heavy rains, he suffered huge losses and thus removed the cotton plants. Speaking to Express, District Agriculture officer Mangilal said that till now 50 per cent of the crops had been damaged and added that they would complete the survey within ten days and submit the report.

Kharif crop planting increases as heavy rains raise reservoir levels

Economic Times

<https://economictimes.indiatimes.com/news/economy/agriculture/kharif-crop-planting-increases-as-heavy-rains-raise-reservoir-levels/articleshow/65629299.cms>

NEW DELHI: An increase in water storage levels in reservoirs along with heavy rains across Uttar Pradesh, Chhattisgarh and Odisha in the past week led to an increase in the planting of kharif crops.

Planting is currently in the last phase, largely in rain-fed areas. Early-sown cotton is already being harvested in parts of Punjab. Kharif crops have been planted on about 97% of the country's arable land, according to agriculture ministry data on Friday. Government officials expect the shortfall in planting area over the previous year to be covered in the coming days. Major crops have been planted on 1,022.87 lakh hectares this kharif season against an estimated 1,058.1lakh hectares. The area under coarse cereals, cotton and pulses cultivation has fallen, while oilseeds, rice and sugarcane have increased.

Rainfall since June 1 in the monsoon season is 6% below normal in the country. Still, India's 91 major reservoirs currently hold 32% more water than a year earlier at 112.083 billion cubic metres, which is 14% higher than the 10-year average, suggesting better water availability for crops after the monsoon ends. Rice has been planted on 369.98

lakh hectares, compared with 367.88 lakh hectares in the previous year, as per the ministry data.

The acreage under pulses fell 2.55% to 132.66 lakh hectares. Although moongbean acreage was more than 6% higher, planting of uradbean and arhar fell by 13% and 0.5%, respectively. The overall acreage for coarse cereals declined 3.85% to 172.31lakh hectares. Bajra, the major coarse cereal planted in the summer, saw a drop along with ragi, maize and small millets. Planting of oilseeds increased 2.5% increase to 171.3 lakh hectares. Soyabean planting was 6% higher at 111.76 lakh hectares. However, groundnut planting fell 1.71%.

Seed firms to pay just 1,300cr as compensation for crop loss to Maharashtra cotton farmers

Hindustan Times

<https://www.hindustantimes.com/mumbai-news/seed-firms-to-pay-just-1-300cr-as-compensation-for-crop-loss-to-maharashtra-cotton-farmers/story-YBHPpzULguSopUu2myorqK.html>

The state government may not be able to raise the financial compensation that it promised to cotton farmers in Vidarbha and Marathwada who had lost more than half their standing crop to a pink bollworm attack eight months ago.

This is not only because fewer farmers applied for the compensation, but also because the seed companies — which were expected to contribute Rs 16,000 per hectare as compensation to the 40 lakh affected farmers — said they were not liable to pay as much as many of the farmers had not followed proper pest management plans to protect their crops.

Soon after the pest attack, the Maharashtra government announced a compensation of Rs 30,800 a hectare to the affected farmers in a region already reeling under an agrarian crisis. The state had planned to collect this amount from three sources — Rs 6,800 a hectare from the National Disaster Relief Fund, Rs 8,000 a hectare from crop insurance firms and Rs 16,000 a hectare from seed companies under the Maharashtra Cotton Seeds Act. That translates to Rs 6,000 crore that the state government expected to raise from seed companies alone. However, claims only to the tune of Rs 1,300 crore, for the loss of cotton crop on just 11 lakh hectares, have been raised so far.

The agriculture commissionerate finalised claims in four districts after holding hearings of the district committees, which include agriculture officers, scientists and representatives from seed companies; the claims from the remaining 18 cotton-growing districts are expected to be raised by September 15.

While all 40 lakh farmers received compensation from the NDRF, only a fourth, or 14.50 lakh farmers, applied for compensation from seed companies.

There are at least 40 companies selling seeds in every district, and each of them was represented at these hearings. The claims finalised in the four districts amounts to Rs 140 crore, and total claims are expected to touch Rs 1,300 crore, sources in agriculture department said.

“The total should have been more than Rs 2,200 crore, but the seed companies have been contending that farmers do not follow the integrated pest management plan, and that the losses are just 5% to 10% of last year’s production,” said an officer from the department.

Officials said the seed companies often challenge the state’s orders. “The companies always move court, challenging our orders, saying the farmers do not follow instructions on the seed packets,” another official said. “In some cases, the compensation slapped is more than the firms’ annual turnover.”

Experts and farmers’ activists agreed. “I don’t think these claims will be accepted by the seed companies, as they cite the lack of awareness among farmers about the pest attack,” said farm activist Vijay Jawandhia. “Instead of waiting for the compensation from companies, the government should first pay it to the farmers. He said only a-fourth of the cotton farmers applied for the compensation as they did not have awareness about the provision in the first place.

Bijay Kumar, additional chief secretary, agriculture department said, “The compensation is being claimed based on applications and depending on the loss assessed from the crop cutting system. While giving the compensation under NDRF norms, the government is more liberal, but the compensation is claimed more scientifically from the companies. Even if the companies move court against the orders, we are sure to win them in the court.”

Agri exports: PMO set to review policy on Monday

Financial Express

<https://www.financialexpress.com/economy/agri-exports-pmo-set-to-review-policy-on-monday/1299258/>

The Prime Minister’s Office will review on Monday the farm export policy floated by the commerce ministry, a source told FE. The draft export policy has proposed to keep the outbound shipment of processed and organic items free of any restriction.

The Prime Minister’s Office (PMO) will review on Monday the farm export policy floated by the commerce ministry, a source told FE. The draft export policy, which has been circulated for inter-ministerial consultations, has proposed to keep the outbound shipment of processed and organic items free of any restriction.

Senior commerce ministry officials will brief the PMO about various aspects of the export policy and its intent on which the ministry has moved the cabinet note, said the source.

Delivering his Independence Day speech, Prime Minister Narendra Modi had announced that the new agriculture export policy will be unveiled soon to boost farm income.

The policy is aimed at doubling the country’s farm exports to over \$60 billion by 2022.

Once the Cabinet endorses this proposal, the commerce ministry is expected to start consultations with the ministries of agriculture, food and consumer affairs to gather consensus on a policy to limit export curbs to only a very few farm items, such as rice and wheat, that are crucial to the country’s food security, and not all the dozen-odd items that are considered essential commodities. This means the scope for periodic curbs on exports of politically-

sensitive onion or pulses, cotton and sugar that the government has resorted to in the past will be ended if there is a consensus. These curbs include the imposition of minimum export price, export duty and an outright ban on exports.

However, analysts have argued that to best tap India's farm export potential, the outbound shipment should be kept free all the time. This is all the more important when the government has announced a 50% premium to farmers over their cost of production, which threatens to inflate domestic prices of several commodities and hurt exports. A predictable export regime will provide some cushion in that case.

In March, the commerce ministry had released the first draft farm export policy, seeking a stable trade policy regime with limited government interference for key farm items. Reforms in the APMC Act, streamlining of mandi fee and liberalisation of land leasing norms are among the raft of measures suggested in the draft policy.

India had imposed a ban on exports of wheat in 2007 and on non-basmati rice in 2008. The government has resorted to impose curbs on onion exports almost every year and periodically slapped restriction on cotton and sugar exports as well. An export ban on key pulses and oilseeds was in effect for a long time. However, in recent years, the fluctuations in farm trade policy have reduced considerably.

After hitting a record \$42.6 billion in 2013-14, partly aided by elevated global commodity prices, farm exports have declined to \$32 billion in 2015-16 and \$33 billion 2016-17, and the net trade surplus, too, declined to \$9.5 billion in 2015-16 and \$7.8 billion in 2016-17.

India's farm exports reversed a three-year slide and posted an over 14% rise to \$38.2 billion in the last fiscal from a year earlier on robust demand for marine products and rice. What bolsters the notion of a recovery in farm export is the fact that, in volume terms, as many as 27 of the top 40 items that make up around 95% of total agricultural shipments registered a rise in 2017-18. In fact, export volumes of six of the top 10 items accounting for around 70% of agricultural and allied product shipment rose in the last fiscal, vis-a-vis 2013-14. "This suggests our farm and allied sector exports in the last fiscal could have breached the earlier record if key commodity prices in the export market would not have remained subdued last fiscal," a senior commerce ministry official had told FE earlier. The rise in the outbound shipments of farm items exceeded a 10% expansion in the overall merchandise exports in 2017-18.

Elaborating on the stable trade policy regime, the policy said given the domestic price and production volatility of certain agricultural commodities, there has been a tendency to utilise the policy as an instrument to attain short-term goals of taming inflation, providing price support to farmers and protecting the domestic industry. Such decisions may serve the immediate purpose of maintaining domestic price equilibrium, but they end up distorting India's image in international trade as a long-term and reliable supplier, it said.

Rupee at 71: India's largest bank SBI says don't worry, INR still overvalued vs USD

Financial Express

<https://www.financialexpress.com/market/rupee-at-71-indias-largest-bank-sbi-says-dont-worry-inr-still-overvalued-vs-usd/1298754/>

Even as the rupee breached the crucial 71 level plumbing a new life-time low today, State Bank said one should not get too much worried about a "little bit of depreciation" as the currency is still "overvalued".

Even as the rupee breached the crucial 71 level plumbing a new life-time low today, State Bank said one should not get too much worried about a "little bit of depreciation" as the currency is still "overvalued". The rupee has been the worst among the large emerging market peers, losing over 10 per cent from the beginning of the year. But SBI managing director PK Gupta told reporters that the rupee has been faring better than many of its peers, including the Turkish, Argentinean, and Indonesian currencies.

"You need to look at what's happening globally. Argentina, Indonesia...most of the currencies are losing against the dollar. In fact, the fall of the rupee against the dollar has been much lesser compared to most other currencies," Gupta said. "I don't think the value of the rupee is so much of a concern now. The unit is overvalued in any case. A little bit of depreciation should not impact too much at this stage," he added.

The rupee slumped to a fresh record low of 71 against the dollar for the first time ever by falling 26 paise on persistent demand for the greenback amid rising crude prices and projection of a further spike going ahead. At the interbank foreign exchange market, the rupee opened sharply lower at 70.95 and slipped further to hit its lifetime low of 71 from its previous close of 70.74.

Forex dealers said besides robust month-end demand for the dollar from oil importers, the strength of the dollar is rising against its rival currencies on expectations of rising interest rates in the US amid lingering trade wars between the US and China, weighed on the domestic currency.

Yesterday, the rupee slid 15 paise to close at a fresh lifetime low of 70.74 due to strong demand for the greenback from oil importers and surging crude prices, stoking inflation fears which anyway has been on a northward ho for the past many months now.

Growing fears about rising inflation amid high global crude prices and consistent selling by foreign funds from the domestic equity markets also weighed on the rupee. Benchmark Brent crude was at trading at USD 78 a barrel in early Asian trade.

Indian economy records 8.2% growth in first quarter of 2018-19

The Hindu

<https://www.thehindu.com/business/Economy/indian-economy-grows-at-15-quarter-high-of-82-in-q1/article24832841.ece>

The growth cemented India's position as the fastest growing major economy, clocking higher expansion rate than China's 6.7 in the same quarter.

The Indian economy grew at a 15-quarter high of 8.2% in the April-June quarter of current fiscal on good show by

manufacturing and farm sectors, according to government data released on Friday.

The growth cemented India's position as the fastest growing major economy, clocking higher expansion rate than China's 6.7 in the same quarter.

The gross domestic product (GDP) at constant (2011-12) prices in the first quarter of 2018-19 is estimated at ₹33.74 lakh crore, against ₹31.18 lakh crore in Q1 of 2017-18, showing a growth rate of 8.2%, a Central Statistics Office statement said.

The quarterly GVA (Gross Value Added) at basic price at constant (2011-2012) prices for Q1 of 2018-19 is estimated at ₹31.63 lakh crore, against ₹29.29 lakh crore in Q1 of 2017-18, showing a growth rate of 8% over the year-ago period, it said.

The previous high quarterly GDP growth was recorded in July-September period in 2014-15 at 8.4%.

As per the data, the quarterly GVA at basic prices for Q1 2018-19 from the 'manufacturing' sector grew by 13.5%, compared to contraction of 1.8% in Q1 2017-18.

The Quarterly GVA at basic prices for Q1 2018-19 from 'agriculture, forestry and fishing' sector grew by 5.3% as compared to growth of 3% in Q1 2017-18.

India economy accelerates as rupee declines

BBC News

<https://www.bbc.com/news/business-45369884>

India's economy has seen its fastest quarterly growth in two years, even as its rupee currency continues to fall.

Gross domestic product expanded by 8.2% in the three months to June, compared with a 5.5% rise in the same quarter last year, reinforcing India as one of the fastest growing economies.

In the January-March period this year, the economy grew by 7.7%.

The \$2.6tn (£2tn) economy was boosted by a strong performance in consumer spending and manufacturing.

However, when it came to currency, the rupee saw its worst month against the dollar in three years.

The currency fell by 3.6% in August - its steepest decline since August 2015 and its fifth straight month of falls.

As with other currencies in emerging economies, the rupee fell on concerns that the US will soon impose additional trade tariffs on Chinese goods.

Since the start of 2018, the rupee has lost 10% in value as foreign investors sold the currency over concerns about the Indian economy's trade deficit, as well as inflation on high oil and commodity prices.

Although the GDP growth is welcome, some analysts doubt the economy will accelerate further.

Shashank Mendiratta, an India economist at ANZ Bank, said: "The numbers are pretty solid and mostly driven by public investment and higher consumption, especially, in the rural-end with this being a pre-election year.

"This is probably the best GDP trend we have seen in the first half helped by a favourable base. Going ahead, I expect the growth rate to be moderate as private investment is unlikely to grow at a faster rate due to stressed assets."

Credit ratings agency Moody's has warned about rising pressure of higher oil prices and interest rates on government finances and India's current account.

The Reserve Bank of India has raised its benchmark rate by a total of 50 basis points at its past two meetings, to 6.5%, to tame inflation that has remained above its medium-term target of 4% for the last nine months.

Cotton picking: female workers being trained for ensuring international standards

Business Recorder

<https://fp.brecorder.com/2018/08/20180831403449/>

The Punjab Agriculture Department (PAD) is imparting training to female farm workers for ensuring cotton picking in line with the international standards.

A spokesman of the department said on Thursday that clean cotton picking is acceptable in market and contamination-free picking always ensures profitability to the farmers. He advised farmers to start picking of cotton bolls after 9 am and end by 4 pm. "If there are chances of rainfall then farmers are advised to postpone picking of cotton and labour involved in picking should use cotton bags for collection and avoid mixing hair and other type of contamination in cotton bolls so that ideal price can be obtained," he added.