

Plan to increase coconut cultivation

Staff Reporter

THENI: Massive efforts had been taken to expand coconut cultivation area in Theni district for which coconut saplings would be supplied to farmers with 50 per cent subsidy, said Collector P. Muthuveeran.

Presiding over an agriculturists' grievance redress meeting at the Collectorate here on Friday, he said that farmers could buy these quality saplings and get a better yield in a short gestation period. Increase in the area of coconut cultivation was aimed at stabilising the price of coconut and maintain supply of nuts for producing oil.

This season in Theni district, paddy was being cultivated in around 17,764 hectares, small grains in 26,850 hectares, pulses in 13,300 hectares, cotton in 1,272 hectares, sugarcane in 5,984 hectares, oilseeds in 3,277 hectares, and horticulture crops in 37,609 hectares.

There was adequate storage of water in almost all dams in the district to meet irrigation needs. While Vaigai dam had 59.6 foot of water, Sothuparai had 106.10 foot of water, Periyar dam 121.6 feet, and Manjalar dam 45.7 feet. Mr. Muthuveeran appealed to the farmers to use water judiciously.

Officials were directed to conduct field study to assess damage of betel nuts and submit the report to calculate total damage owing to natural calamities. The Collector also advised farmers to insure crops to get compensation for loss in case of natural calamities such as drought or flood.

Rajshree Sugar Mill near Andipatti must issue receipt for arrears to be given to cane growers for the cane supplied to it on or before March 4. The mill had been advised to take steps in this connection immediately. Assistant Director for Agriculture in Periyakulam would monitor the process. Amachiapuram-Kunoor road will be renovated shortly, he said.

Farmers could contact Professor Suresh for advice on pest control management on his mobile phone 99652 88760 or 94880 56584. District Revenue Officer R. Brinda Devi, among others, were present.

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Crop insurance for mulberry farmers

Special Correspondent

COIMBATORE: The Central Silk Board has introduced insurance scheme for sericulture farmers.

According to a release, the insurance cover can be for crop loss due to natural calamities, rearing house, reeling and weaving machinery, and life insurance for the beneficiary. The scheme was formulated under the XI Plan and the total cost estimated is Rs. 6.8 crore. The share of the Central Silk Board is Rs. 4 crore. The rest will be met by the State Governments and the beneficiaries.

The board will provide 50 per cent assistance towards reimbursement of premium paid by the State.

Farmers involved in all varieties of silk, such as uni-voltine, bivoltine, multi-voltine, mulberry, tasar, oak tasar, muga or eri silk can benefit from the scheme.

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Price of small onions doubles in a single day

K. Raju

Centre's move to allow export wrecks havoc in markets

— PHOTO: G. KARTHIKEYAN



Demanding work: Labourers segregating small onions at a wholesale market in Dindigul on Sunday.

DINDIGUL: With announcement of a decision to allow export of onions by an inter-ministerial panel on food, prices of small onions in the wholesale market in Dindigul, one of the major markets in the State, almost doubled within 24 hours.

The prices of top quality onion shot up to Rs.45 a kg. on Friday which was Rs.25 a kg. It would go up further on Monday, the next auction day of the market, said onion traders in the market.

The Central government decided to allow exports of big (Bellary) onions only. But exporters have started buying all available stocks of even small onions in the market since Thursday.

With poor arrival of small onions to the market, they have been thronging farms in nearby villages in the district, traders told The Hindu on Sunday.

In Tiruchi too

A similar trend prevailed in other parts of the State, wholesale dealers said. Small onions were being procured on a large scale in Tiruchi market, the next major market for this vegetable. Exporters did not even allow farmers in Thuraiyur, one of the major small onion producing centres, to come to Tiruchi market. Onions were procured from farmers directly from the fields itself.

Traders expressed a grave concern about massive procurement of onions by exporters. If this trend continued, acute shortage of onions would haunt the domestic market. Retail price of onions would hover between Rs.60 and Rs.70 kg on the basis of quality.

Arrival of new stock from Dindigul, Erode and Coimbatore districts also did not reach the market till date. Arrival from Mysore was also very less, they added.

Besides new players, regular buyers who send the onions to Sri Lanka, Singapore and other South East Asian countries from Dindigul also would increase quantum of purchase in the months to come.

The wholesale onion sellers, mostly commission agents and direct buyers of onion from farmers, have appealed to the government to regulate small onion exports and allow it only after meeting domestic requirements.

If the Centre failed to regulate exports, prices of small onions go beyond reach of the common man, they cautioned.

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Crop insurance, burden on ryots?

S. Sundar

Premium paid also adds up to their loss, complain farmers

— Photos: G. Moorthy.



NORMS CRITICISED:Farm labourers in a paddy field at Narasingam near the city.



, Lead Bank Manager: “We (bankers) too have taken up the issue with the insurance people.”



, a farmer: “They decline compensation, if the extent of loss at firka-level is not matching with extent of loss in individual farmer's land.”

MADURAI: Insurance coverage is meant to tide over unexpected loss. But, it seems that it does not work the desired way for the farmers who have sought crop insurance?

The insurance premium paid also adds up to their loss, complain farmers criticising the norms of the National Agriculture Insurance scheme.

“When man or animal, covered under insurance scheme, is dead, the compensation is paid immediately after post-mortem done on the deceased man/animal by a doctor/ veterinary doctor. So, is the case with motor accidents after inspection of the damaged vehicle by the Motor Vehicle Inspector is done. But, when it comes to crop loss, the officials do not take the individual farmer's farm. They decline the compensation if the extent of loss at the firka level is not matching with the extent of loss in the individual farmer's land,” said N. Sunderajan, a farmer.

He pointed out that a group of farmers at Maalaipatti near Alanganallur was denied the insurance compensation after they faced crop loss to the extent of more than 50 per cent in their 30-acre land. “On one hand they face crop loss. And another hand, the insurance premium too becomes a loss,” he said.

When he raised the issue at the monthly farmers' grievance day meeting, the officials said they had acted as per the insurance norms.

“If these are the norms, why is that the Department of Agriculture advocating such an insurance scheme that does not benefit the poor farmers,” he said.

The claims settlement under the crop insurance scheme is done after calculating the loss of the crop for the entire notified area (read firka). The loss is calculated by taking the actual average yield against the normal average yield.

The Joint Director (Agriculture), P. Sankaralingam said that the norms had been relaxed over the years with regard to the notified area – reducing it from the district level to block level and now to firka level. He said the insurance scheme had indeed benefited farmers in some areas.

An official in the Agriculture Department said that though the insurance scheme has been left to the willingness of the farmers, “we have targets (for crop insurance coverage) at firka level to be achieved.” The Lead Bank Manager, KN. Subramanian, said it was a policy matter which cannot be decided at the district. “We (bankers) too have taken up the issue with the insurance people saying it was not benefiting the farmers at large,” he said.

“The loss is both ways under the existing norms. Individual farmers or group of farmers were not benefiting on losing the crop. On the other hand, the company also losses, as it has to pay compensation to all farmers of a notified area, including those individuals who get bumper crop,” an official said.

Stating that insurance officials were wary of any misuse of the scheme when taken at individual farmers' level, he added that necessary mechanism could be put in place to check any misuse.

Mr. Subramanian said that the insurance notified area would soon come down to village level. He exuded confidence that it would reach the individual farmers level in the years to come.

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Farm lands giving way to buildings

Udhagamandalam: Gudalur and surroundings, where land related problems have for long occupied centre stage, are of late in focus for a land problem of a different kind.

The area, which had hitherto not been considered as attractive as other parts of the Nilgiris such as Ooty, Kotagiri and Coonoor from the real estate point of view, has suddenly started attracting land developers and others who are in the construction business.

Enquiries made by The Hindu revealed that most of them were from neighbouring States.

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Slow procurement of paddy upsets farmers in Bihar

3.5 lakh tonnes procured; target was 12 lakh tonnes

Procurement to end by March 30 Minister blames the FCI for laxity

Patna: Rice cultivators in Bihar are upset over the slow pace of procurement of their produce by the Centre and State agencies.

Against a target of procuring 12 lakh tonnes of paddy this year, just about 3.5 lakh tonnes have been purchased so far, sources in State Food and Civil Supplies department said.

The procurement process will end by March 30.

"I worked hard to grow paddy in my field. I pray to God that my stock of paddy is procured soon," Rajendra Mahto, a small farmer on the outskirts of Patna, said.

Bihar Food and Civil Supplies Minister Shyam Razak pinned the blame for lax paddy procurement on the Centre.

"Food Corporation of India has procured only about 30 per cent of their target of lifting 10 lakh tonnes of paddy so far," Razak said.

The Minister said he drew the attention of Union Minister of State for Food and Consumer Affairs K. V. Thomas to the matter when he met him during a food conference in the National Capital early this month.

Razak said while the FCI has to procure 10 lakh tonnes of paddy, the State's share is two lakh tonnes.

He said the three state agencies -- State Food Corporation, Biscoman and PAX (Primary Agriculture Cooperative) -- have completed nearly 70 per cent of the work.

"We are speeding up the process," he said.

Razak alleged that the FCI has done precious little to increase its storage capacity in the State despite the glaring need.

The situation is serious as the State suffered its second consecutive drought in 2010 and farmers were eagerly waiting for the procurement season.

Bihar had declared all 38 of its districts as drought-hit in August last year due to the paucity of rain to the tune of about 30 per cent.

Except for the Araria and East and West Champaran districts, paddy sowing and transplantation was badly hit due to the dearth of rainfall.

The eastern state, which normally produces 4.5-5 million tonnes of paddy annually, is expected to have an output of around 3 million tonnes in the 2010-11 crop year. Paddy cultivation in the State last year was 3.4 million tonnes, sources in the State Agriculture department said.

Rice cultivation in the country is expected to be 94 million tonnes in the 2010-11 (July-June) crop year which is 5 million tonnes more than 2009-2010.

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Rajasthan to simplify farm produce procurement

Special Correspondent

JAIPUR: The Rajasthan State Cooperative Marketing Federation (RAJFED) is planning to simplify the procedure for procurement of agricultural produce and other farm commodities to provide relief and ensure remunerative prices to farmers in the State. RAJFED would also expand its annual business from the current financial year.

For farmers' benefit

State Principal Cooperative Secretary Tapesh Pawar said at a review meeting for RAJFED here over the week-end that the procurement at both the minimum support prices and commercial prices through the cooperative channel would extend the maximum benefits to the farmers.

Mr. Pawar said RAJFED had conducted business worth Rs.449.69 crore till January during 2010-11 and affirmed that the RAJFED's animal feed unit with the annual production capacity of 24,000 metric tonnes would improve the quality of its products.

Registrar of Cooperative Societies P. S. Mehra pointed out that RAJFED had been consistently making profit and had distributed 1.35 lakh tonnes of certified seeds to farmers through cooperative societies across the State. Besides, RAJFED has constructed warehouses with a total capacity of 20,000 metric tonnes on its own.

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Institute's initiative to help draft food processing policies

R. Ramabhadran Pillai

Panel of consultants to assist in drafting policy Over 1,200 food processing units in the State

KOCHI: The National Institute for Food Technology and Entrepreneurship Management (NIFTEM), an autonomous body under the Union Ministry of Food Processing Industries, being established in Haryana, will enlist the services of reputed agencies and individuals for consultancy roles. The institute is expected to play a key role in formulating policies in the sector.

The institute proposes to prepare detailed project reports for food processing units suited for each State.

It will prepare a panel of consultants to assist in developing and coordinating innovative technologies, entrepreneurship, international collaborations, and research and development initiatives.

The panel will be selected from among professional firms, consultancy agencies, individuals, and academic and research institutions.

The consultancy division of the institute, which caters to the needs of entrepreneurs, industry, exporters and policy makers, is intended to build the best available skills in the domain of food processing, according to industry sources. Consultancy would be required in engineering, technical competency and marketing. Processing of grain, fruits, vegetables, dairy products and fish, and quality control and supply chain management will be among the areas which would need consultancy. Designing of equipment for food processing technologies and investment promotion are among the tasks to be taken up.

The focus will be on adopting an international approach in manufacturing and marketing in the food processing sector. The initiative is in response to stringent safety standards in place in certain export destinations.

The institute aims at providing the right inputs to enable the industry to move ahead in terms of manufacture and exports. It will provide guidelines to facilitate business incubation.

The initiative is in tandem with the Ministry's plan to increase the level of processing of perishables from 6 per cent to 20 per cent, value addition from 20 per cent to 35 per cent and the share of global trade from 1.5 per cent to 3 per cent by 2015. According to estimates, the country had been incurring a loss of Rs.58,000 crore annually out of wastage of perishables. Less than 3 per cent of fruits and vegetables were being processed. A meeting organised recently by NIFTEM in the State had noted that Kerala was third in terms of licensed food processing units after Maharashtra and Tamil Nadu. The State had over 1,200 food processing units.

There were about 300 units dealing in processed spice trade, about 400 coconut processing units and over 350 fish processing units. Almost two-thirds of the State's total export income comes from processed food. About 75 per cent of seafood units certified by the European Union existed in the State, according to industry sources.

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Coimbatore grapples with drop in water supply

Karthik Madhavan

'Water supply is irregular and there is no parity in supply among wards'

Photos: K. Ananthan



Summer effect:A view of the Siruvani Dam, which supplies drinking water to Coimbatore city. (right) The waterspread has come down around the intake tower in Bhavani from where water is supplied for the Pilloor scheme. —



COIMBATORE: The city's water supply story resembles an epic with many twists and turns, plots and sub plots. The story that revolves around the Coimbatore Corporation's Siruvani and Pilloor water schemes involves 72 wards comprising 12 lakh-odd residents.

This year, as the summer inches closer, the story is turning out to be a not-so-happy one. The water level in Siruvani Dam is falling by the day and given the current storage, Corporation sources say, the supply may not last long.

This has forced the water supply managers to resort to a reduction in withdrawal from the dam and urge the residents to be judicious in the use of water.

The Siruvani Dam reading as on February 15, 2011 suggests that the year's storage is the lowest in the last six years.

The water level stood at 871.18 m _ in other words, a little over 25 feet of water is available for supply as the dead storage level is 863.4 m. This means that the dam is half empty.

From the dam, the Tamil Nadu Water Supply and Drainage Board (TWAD) is supposed to draw 88 million litres a day (mld) and supply around 74 mld of that to the Corporation after meeting the needs of various other wayside local bodies.

Corporation sources say they are getting only around 63 mld, a reduction of 10 million litres. This water meets the needs of 50 per cent of the city's population.

The other side of the water supply story is that there is an almost equal deficit in the Pilloor water supply scheme. The water caters to the remaining 50 per cent of the city and a number of local bodies.

The 20 mld deficit is having an impact on the city, particularly in the wards in the North and East zones.

There is also a dissimilarity in the nature of the Siruvani and Pilloor water supply schemes. The water from Siruvani flows to the city using the natural gradient method. The latter is dependent on power supply as water has to be pumped. The pumping coupled with fluctuations in power supply often lead to leaks, breaches and frequent pipeline damages.

Councillors say the water supply is irregular and there is no parity in supply among wards. "Few wards get water frequently than others, which is unfair on the part of the city body," says D. Jothimani, Ward 2 Councillor.

"The Corporation was supplying water once a week in Ward 2. In the last few days, the frequency has decreased to once in 15 days," she complains. A few other councillors also echoed similar views, saying the residents were forced to go without water for several days.

A Corporation engineer in-charge of water supply in the area attributes the poor supply to a work the civic body undertook recently. The work was to link the pipelines of the Pilloor Phase I scheme with that of the Phase II scheme so as to augment water supply. The disruption was

mainly due to this interlinking work, the engineer says and adds that though the civic body stopped supply only for a few days, the impact was being felt longer because of the cyclic nature of water supply. Areas that did not get water supply in the first cycle because of the work were forced to wait till the second cycle and this meant that those places went without water for over 10 days.

Senior officials say that once the interlinking work is completed, the civic body would start pumping an additional 20 mld to meet the city's shortfall. The Corporation is in talks with TWAD in this regard.

Meanwhile, the Corporation is also working on its Pilloor Phase II scheme. As and when the water supply project is completed, the city will get another 65 mld, exclusively for its use. This will relieve it of its dependence on Siruvani water.

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Support natural farming, Yeddyurappa urged

Special Correspondent



Subhash Palekar

GULBARGA: Subhash Palekar, who has popularised the concept of natural farming throughout the country, on Sunday urged Chief Minister B.S. Yeddyurappa to change the Government's policy of giving a fillip to organic farming, and instead support farmers to take up natural farming.

Mr. Palekar told presspersons in Gulbarga city that he had explained to the Chief Minister the need for promoting natural farming, which would be the final answer to all the problems of farmers.

“The Chief Minister, who had promised to look into the advantages and disadvantages of both organic and natural farming and take a final decision, is yet to take any steps in this connection,” he said.

'More expensive'

Mr. Palekar said that organic farming was more expensive than conventional farming.

“With one country cow a farmer can enrich soil in 30 acres of land and control pest and virus attacks using the correct mixture of cow urine, dung and other locally available material, without spending anything.”

In natural farming, there was no waiting period for enrichment of soil, and cultivation can be taken up in the first year itself. The produce — be it foodgrains, pulses, or fruits and vegetables — would be high in nutrients and would fetch a better price.

Better price

Mr. Palekar said one kg of wheat cultivated using conventional or organic farming methods would fetch around Rs. 12, but wheat produced using natural farming methods would fetch Rs. 25 a kg. Similarly, rice produced using conventional farming practices would fetch Rs. 30 a kg while rice produced using natural farming methods would fetch Rs. 60 a kg.

Incidentally, it was Karnataka which had the maximum area under natural farming in the country and the concept was slowly catching up in Maharashtra, Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Punjab, Kerala, Rajasthan and Uttar Pradesh, he said.

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Fisheries university opened

Staff Reporter

KOCHI: The Prime Minister is considering the proposal for setting up a separate ministry for fisheries and animal husbandry, K.V. Thomas, Union Minister of State for Agriculture, has said.

At the inaugural ceremony of the Kerala University of Fisheries and Ocean Studies at Panangad on Sunday, Prof. Thomas said that the demand for a separate ministry was justified considering the importance of the sectors. The two sectors together witnessed a growth of 8 per cent last year whereas the growth in the agriculture sector was 4.42 per cent. The new university should focus on issues concerning fisheries, including the impact of climate change and making value-added products from fish. Ornamental fish farming can be one area of focus, he said.

He laid the foundation stone of the university's administrative block. S. Sarma, Minister for Fisheries, said that 25 per cent of seats in the university would be set aside for children of fishermen. The State government had brought in five major legislations in the sector during its term, he said. The university was dedicated to the nation by Chief Minister V.S. Achuthanandan, through a telephonic message. Agriculture Minister Mullakkara Ratnakaran laid the foundation stone of the fish disease control lab.

Date:21/02/2011 URL: <http://www.thehindu.com/2011/02/21/stories/2011022155680500.htm>

Alkaline-resistant eucalyptus cultivated after two decades

Special Correspondent

Joint efforts of TNPL, Agriculture Department bear fruits



for a better tomorrow:M. Vijayakumar, Collector, inspecting the eucalyptus planted at Brahmadesam village near Perambalur.

PERAMBALUR: A joint intervention by the Tamil Nadu Newsprint and Papers Limited (TNPL) and the Agriculture Department has resulted in the cultivation of eucalyptus trees on a sprawling 88 acres, benefiting 71 farmers of Brahmadesam near Veppanthattai in the district.

The farmers belonging to the scheduled caste community had got the land about two decades ago but none of them could take up agricultural activity due to the high alkaline content in the soil.

“The implementation of the National Agriculture Development Programme (NADP) came in handy for the Agriculture Department to take up a cultivation programme at an expenditure of Rs.9.93 lakh in the village,” says S. Sivakumar, Joint Director of Agriculture.

Joining hands with the TNPL, the department convened a meeting of the farmers and successfully persuaded them to take to cultivation of eucalyptus.

The TNPL would purchase the trees for its paper manufacturing industry in course of time. The department also set up as many as 41 farm ponds in the village.

“The trees will be harvested after four years, benefiting the farmers,” says Mr. Sivakumar.

The farm ponds helped maintain the humidity of the soil to a great extent, thereby favouring the growth of trees.

Normally, the trees would be cut after four years. But being the alkaline soil, the duration was expected to be extended by additional one-and-a-half or two years, he said.

M. Vijyakumar, District Collector, visited the field recently and inspected the trees.

He advised the Agriculture Department officials to guide the farmers with plantation protection techniques.

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<http://www.thehindu.com/2011/02/21/stories/2011022158830500.htm>

'Mechanisation of farming needed for food security'

Staff Reporter

Photo: K. K. Najeeb



HIGHER OUTPUT:A seminar on 'Mechanisation in Agriculture' being organised by the Institute of Engineers (India), in progress in Thrissur on Sunday. —

Thrissur: Mechanisation in agriculture is needed for ensuring food security, a seminar held here on Sunday observed.

Addressing the seminar, M. K. Sasikumar, Deputy General Manager of the Kerala Agro

Machinery Corporation (KAMCO), said that the need to achieve higher agricultural growth necessitated acceleration of farm mechanisation.

“Agricultural engineering inputs have played an appreciable role in improving farm productivity. Appropriate mechanisation not only saves time and labour but also cuts down crop production costs and reduces post-harvest losses. It promotes sustainable use of natural resources through machine assisted resource-conservation farming,” he said.

Efficient machinery would help in increasing productivity by about 30 per cent, he noted. “It enables the farmers to raise a second crop making farming profitable. Raising more crops with high productivity was necessary to achieve food security,” he added.

The seminar called upon agricultural engineers to accord priority to develop light-weight and low-cost power tools and machinery, to improve field operations. Availability of skilled labour to meet mechanisation of farming was also vital, it noted. Many promising technologies had been successfully tested and they need to be demonstrated extensively for the adoption by the farmers, the speakers at the seminar noted.

Referring to future challenges, the seminar called for research, development and capacity building in the area of irrigation and water management.

Students of Thrissur Government Engineering College - Anil Krishnan, Anthony Varghese, V. R. Sarath, T. N. Aravind and Arjun Kumar -demonstrated the functioning of a coconut plucking device developed by them.

“The device is safe and easy to operate. Even an unskilled person can operate it. It is relatively cheaper than the existing machines,” said Mr. Anil Krishnan.

The Institute of Engineers (India), Thrissur centre, organised the seminar.



HT Correspondent, Hindustan Times

Email Author

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FDI in retail to check prices?

Finance minister Pranab Mukherjee may signal the government's intent to open up foreign direct investment (FDI) in multi-brand retail as one of its measures to contain commodity prices.

A group of secretaries of the departments of industrial policy and promotion (DIPP), food and public distribution, food processing industries and the Planning Commission is working on specific schemes to encourage investment in supply chains and cold storages, which will be dovetailed with organised retail chains.

The aim is to ensure more efficient distribution of farm products and minimum wastage.

At present, FDI in multi-brand retail is prohibited, but the government allows 51% FDI in single brand retailing and 100% in wholesale trade.

GETTING TO THE PEOPLE

- Several government departments are pushing foreign investments in organised retail
- They argue that in the long term FDI in retail would improve distribution.
- Domestic traders and Left parties arguing that the livelihood of local retailers would be hit.
- A group of secretaries is also working to develop schemes to encourage investments in supply chains and cold storages.

The debate has gathered steam in recent weeks with many within the government espousing the view that FDI in multi-brand retail will help rein in food prices.

Last month cabinet secretary KM Chandrasekhar, the country's topmost bureaucrat, suggested in a presentation to cabinet ministers that FDI in multi-brand retail should be allowed as a medium to long-term measure to improve distribution.

Foreign investment in retail has been a politically contentious issue. Domestic traders lobby groups and Left-wing political parties have expressed concern that transnational giants offering deep discount sales in mega stores would put at risk the livelihood of neighbourhood mom-and-pop stores and street vendors.

DIPP had floated a discussion paper in July making a strong pitch for opening the retail sector to foreign direct investment (FDI) that would allow global giants such as Wal-Mart, Tesco and Carrefour to set up mega stores in India.

The Planning Commission is also in favour of opening up the retail sector to FDI.

"FDI in multi-brand retail trading should be permitted, since it will have both positive direct and indirect effects that are of value to the national economy," it has said.

The food and consumer affairs ministry has favoured opening up FDI in multi-brand retail with 49% cap.

"This (FDI in multi-brand retail) will help local enterprise to upgrade their technology and practices to face competition from MNCs," the food ministry said in its comments on the discussion paper.

<http://www.hindustantimes.com/StoryPage/Print/664872.aspx>

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Monday, Feb 21

Max Min
32.7° | 23.9°

Rain: 00 mm in 24hrs

Humidity: 75%

Wind: Normal

Sunrise: 6:29

Sunset: 18:16

Barometer: 1007.0

Tomorrow's Forecast



Cloudy

Tuesday, Feb 22

Max Min
32° | 23°

Extended Forecast for a week

Wednesday

Feb 23



30° | 24°

Cloudy

Thursday

Feb 24



30° | 22°

Partly Cloudy

Friday

Feb 25



30° | 22°

Partly Cloudy

Saturday

Feb 26



29° | 22°

Cloudy

Sunday

Feb 27



29° | 20°

Cloudy

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THE ECONOMIC TIMES

Mon, Feb 21, 2011 | Updated 07.30AM IST

21 Feb, 2011, 12.26AM IST, Bhargav Trivedi,ET Bureau

Cotton, castor seeds returns raise rural aspirations

AHMEDABAD: Jitendra Dalsaniya bought his first car, the Maruti Alto, in September 2009. It's been just more than a year since he acquired his prized possession and the 35-year-old farmer from Govindpar is ready for an upgrade.

Bipin Ramani from Latipar village in Gujarat's Jamnagar district recently traded in his Nokia handset for a Blackberry. Amarsinh Gopani from Depaliya village has booked an apartment near Rajkot's university road, considered to be a posh address.

A surge in agriculture commodity prices in the last eight months is changing rural lifestyles. Cotton has risen 125% in the last one year and is currently ruling at Rs 60,000 per candy (one candy is 356 kg). Castor seeds have hit a new high of Rs 6,000 (100 kg) and groundnuts are at Rs 2,500 up from Rs 2,000 for 100 kg.

"This has been an exceptional period for farmers," says Samrudhha Paradkar, associate economist with rating agency CARE. "Factors like bad kharif harvest, a shortage of supply in global market and the rising domestic demand have pushed prices up making farmers prosperous," she added.

The decision of drought-prone Saurashtra farmers to move beyond the traditional groundnut crop and take up cotton and castor seed has been a gamechanger. Prices have sky-rocketed and farmers are thinking big.

Dalsaniya says he would buy the three-box sedan Desire if castor seed prices stay at a higher level. The prices have risen by Rs 1,000 in one month and the farmer eyes a yield of Rs 6 lakh from the 19-bigha land he owns.

Ramani hardly uses the features but still went for a Blackberry. "I saw people using the swanky phone and I bought it because I had ready cash," he says. Ramani was hoping cotton would rise to Rs 1,200 per 20 kg from Rs 800 four months ago but the prices beat his expectations.

Now that it has risen to Rs 1,500, Ramani is planning to build a house on a village plot he bought three years ago.

In Saurashtra, even minor crops like garlic and onion are witnessing life-time highs. The price rise in onion was more erratic and unexpected. Onion prices were hovering around Rs 350 (20 kg) in October 2010 when farmers had sown the seeds. At the time of harvesting, the crop fetched Rs 800 (20 kg), a historic level. Prices rose further to Rs 1,100, before falling to Rs 150.

Onion farmers made an average Rs 2.5 lakh per bigha, almost 3 times from Rs 1 lakh what they did last season. Marketers did not miss the opportunity. "For the first time, we witnessed car loan mela at the marketing yards," says Ranabhai Seta, who worked as a secretary at Mahua APMC, the second biggest marketing yard for onions after Nashik (Maharashtra). "The market has favoured farmers like never before. I have hardly seen such golden opportunities earlier," says an official of the yard that registers an annual turnover of Rs 3,000 crore.

Gopani would sell garlic at Rs 80 per 20 kg. The 50-year-old was clueless when prices touched Rs 4,200 and finally decided to book a flat in Rajkot.

While the exceptional rise in prices has mostly led farmers to splurge, some are investing the extra money in land, a traditional investment tool. Thirty-four-year old Bhavesh Serthiya of Kalana village in Kutch bought 70 bighas and further took 70 bighas on rent to cultivate cotton.

Genetically-modified BT cotton seeds have trebled productivity levels and increased per bigha earnings from Rs 50,000 to Rs 6 lakh. The hot money is getting hotter and it is showing.

21 Feb, 2011, 12.21AM IST, Nidhi Nath Srinivas,ET Bureau

India's cooking oil market is decelerating

NEW DELHI: A major outcome of relentless food inflation is the declining share of each individual item in our grocery basket. The decline may be in dribs and drabbles. But added across 800 million households, the number is now large enough to start affecting business.

Cooking oil is a good example. Last January, a kg was available for Rs 48. This year, it's worth Rs 60. City people who buy branded packs have no choice. But what does a village family do? It is used to buying ten bucks worth loose oil daily.

Last year, that fetched a full 200-ml bottle. Now that bottle is a quarter empty. Does the family increase its cooking oil budget? It can't afford to. Not when atta, vegetables, sugar, rice and salt are all simultaneously more expensive. The family merely uses each teaspoon more carefully.

Very soon it will buy even fewer teaspoons. A good crop of soyabean, groundnut and cotton seed last summer led to ample local oil supply. What we are eating today for Rs 60 is this home-grown produce. This is also the cheapest oil will ever be this year. A good mustard seed harvest is on its way in March. That should extend local supply by another month. By May, it will run out.

Thereafter, India is back to depending on imported palm oil and soya oil. Both are at least Rs 20 more expensive than desi oil. Local prices have to match that to make import worthwhile for traders. You can expect oil to touch Rs 80 by June. That village family's bottle would then be almost half empty. This is the true meaning of inflation. Its ten bucks are worth less and less.

India's loose oil market is four times the packaged oil market. When millions of families with similar purchasing habits face the same budget constraint, the impact is immediate. Demand is slowing. Last week, wholesale prices fell by Rs 100 per quintal for two straight days for want of buyers, even though Holi and marriage season are only one month away.

Is business worried? You bet. Industry likes oil to be at Rs 40. That is when business booms.

Rising prices make the oil in corporate tanks more precious but harder to hawk. After growing 10% annually for several years, India's cooking oil market is decelerating. It grew 7% last year due to high prices. This year, industry would be lucky to see 4% growth. In case global prices start spiraling due to bad weather in producers Malaysia, Indonesia and Latin America, accelerated Chinese consumption, or the wider inflow of hot money into commodities, Indian household demand could weaken further.

The upshot of demand uncertainty is a corporate crisis of confidence. Refineries for imported crude palm oil at Mundra and Kandla owned by giant Indian and multinational companies are currently shut or running spasmodically because tanks are full. Betting on a bull run, many imported a lot of crude palm oil in October-November. Since local oil was cheaper, they lost money. Several fingers were burnt.

Logically, their business should improve in summer once local oil finishes and imported palm oil is the only supply. But how much should one import when there are few takers even at Rs 60? If everyone contracts, oversupply could lead to price undercutting and loss. If few do, spiraling prices would scare away more consumers.

Besides, it might push the government into imposing stock control limits. When net profit margins are 2%, credit limits are tight, break-even a fantasy and crude palm oil is worth \$1300 a tonne, the risk becomes exceptional.

Brands are more insulated from demand volatility, being urban and middle class. But they are a fraction of the total. In a \$16-billion edible oil market, they are worth only \$4 billion. Already margins are squeezed by rising costs, advertising expenditure and competition. Sales promotions will further reduce profit. There have been seasons when we tolerated branded sunflower oil for Rs 100. Today, with everything more expensive, it pinches. We will switch to something cheaper.

Cooking oil shows the grim aftermath of general price rise. Free trade has brought ample oil and fair prices. Inflation has driven away buyers. Instead of supply-side constraints, it faces a demand slowdown. Instead of moving up the value chain to brands, India will regress to more loose oil. For stretched Indian families, it is the only way left to still buy some.



Farmers to get loan at 1% from April 1

February 21, 2011 12:11:56 PM

Staff Reporter | Bhopal

The State Government is running many schemes for the welfare of common people. In an effort to make the agrarian sector a profitable business, the State Government has decided to provide agricultural loan at the rate of one per cent to the farmers from next fiscal, that is, April 1, 2011.

Public Health Engineering and Cooperative Minister Gaurishankar Bisen informed this at the foundation stone-laying of a high school and dedication of water tap project ceremony at Bisoni village. The Chief Minister had announced this water tap project during his Jandharshan at the demand of villagers of Bisoni village.

Addressing the gathering, Bisen said the State Government was making all efforts to expand infrastructural development of schools in order to reach required standard of education. It was very difficult job to ensure high school at Bisoni village. In this budget of the State Government, permissions were accorded to open 200 new high schools, and Bisoni is one of them. A sum of Rs 58 lakh has been sanctioned for the construction of high school building, which will be ready in a year.

Bisen said the Lanji area would not be deprived of benefits of development. A bridge will be erected over Bagh River on Lanji-Amgaon road. No one had thought that Kadta-Sarra Road would complete. But it became possible, due to will power of the State Government.

Talking about water tap project, the Minister said the Gram Panchayat should extend help in smooth functioning of this project. Besides, villagers should also participate in development. It should be ensured that the electricity bills and water cess are paid on time so as to maintain this project.

The Minister advised the villagers to provide water tap connection to each houses and water cess should be recovered by forming a committee of women members of the villages. Madhya Pradesh is the only State in the country where agricultural loan is being provided at one per cent rate. Earlier, farmers were being given loan at the rate of three per cent. As from the next financial year, the State Government will provide loan at the lowest rate. The farmers who pay Kharif loan till March 15 and Rabi loan till June 15 will be provided loan at the rate of one per cent from next year.

Referring to electricity crisis, the Minister said power generation is being increased in the State. The State Government will be able to ensure 20 hours electricity to the farmers till 2013. The work for feeder diversification between village and agriculture land for maximum power to farmers is on war-footing. A total of Rs 5,500 crore is being spent for this project. The Minister assured the farmers of making efforts at administrative level to ensure power at least 10 hours in Lanji area.

A sum of Rs 19.50 lakh has been sanctioned for water tap connection project at Bisoni village. A water tank of one lakh 20 litres capacity to the tune of Rs 11.25 lakh has been constructed at the village. Now, water will be supplied to each and every house by laying water pipelines.

Cong to fight for farmers' interest

February 21, 2011 12:11:59 PM

PNS | Gwalior

The Congress has announced to fight for the interest of the farmers. This declaration was jointly made by district Congress president Prakash Khandelwal and farmer's leader Sahab Singh.

They said the farmers are worried due to the frost and non-availability of power, but the administration is not ready to listen to them. Khandelwal said the crop of seven villages of Benhat circle were totally destroyed due to frost, but the Government and administration neither conducted any survey of the villages nor provided compensation, alleged the leaders. This shows that the Government is anti-farmer.

On the occasion, Sahab Singh said that the farmers are worried due to shortage of power in rural areas. Most of the villages of Morar are engulfed by darkness. Singh said that villagers of Lakhapura, Pusavali, Bendipura, Benhat circle have lost their crops totally. He said a memorandum would be submitted to the Chief Minister. If that brings no relief to the farmers, the Congress would chalk out further strategy to launch struggle for farmers.

In another statement, the Congress leader Munnalal Goyal said the BJP had promised to give fearless administration to the people in its manifesto, but in the BJP rule, the traders' fraternity is living under fear due to use of bulldozer to demolish their properties.

Goyal said the Congress also wants beautification and development of Gwalior, but terrorising the traders and making the poor homeless would be opposed. He called on the traders to get united and oppose the terror activities of the administration. He said 10 people of Gwalior elected to the municipal corporation council. The council has the right to make a plan for development of the city, but at the behest of the BJP Government Collector Akash Tripathi and

Municipal Commissioner NBS Rajput are flouting the procedures of municipal council and are demolishing the properties of the public, alleged Goyal.

RVSA Univ students to conduct research on five crops

February 21, 2011 12:12:03 PM

PNS | Gwalior

Students of the Rajmata Vijayaraje Scindia Agriculture University would get an opportunity to conduct research with noted agriculture scientists. The university has executed a contract with international crop research institute for the semi-arid topics in which the students would conduct research connected with five crops. The expenditure of the students would be borne by the International Crop Research Institute for Semi Arid Topics. The students pursuing Phd at the Agriculture University would be sent to this institute to conduct research on pulse, gram, millet, groundnut and barley. The headquarters of ICRISAT is in Patancheru, Andhra Pradesh. The institute works in the field of agriculture research on non-profit basis. With the execution of this contract, the agriculture students would also get an opportunity to visit foreign countries.

Business Standard

Monday, Feb 21, 2011

Castor oil prices may see correction: experts

BS Reporter / Ahmedabad February 21, 2011, 0:23 IST

Castor oil prices may soon see a correction on improved crop prospects, maintained the international and domestic experts at the Global Castor Conference 2011, held here on Saturday. The experts anticipate a marginal dip in the prices also due to a slowdown in demand

at the peak price levels. The prices, which had touched a peak of \$2800 per tonne, are expected to come down to \$2000-2200 per tonne in coming months.

In the domestic markets, the castor oil prices have hit Rs 8850 per quintal, and are expected to come down to Rs 6000 per quintal gradually. The fall in the prices is expected on the robust crop outlook in the current year.

According to the latest survey by the Nielsen India, India's estimated total castor seed production for the year 2010-11 is expected to rise by 22 per cent over last year to 1.19 million tonnes. The crop acreage for castor in the country has also increased by 14 per cent against last year to 8.59 lakh hectares.

The experts from across the country as well as from overseas discussed about the need for innovation in the castor farming and processing industry, besides discussing the issues related to production and prices. "Having achieved significant progress in castor seed productivity it is essential to apply scientific innovativeness to value addition of castor oil," said Sushil Goenka, president, Solvent Extractors' Association of India (SEA).

India currently exports castor oil and derivatives worth about Rs 3000 crore (\$ 650 million) per annum, while the country holds around 90 per cent share in the total castor oil and derivatives exports in the world. India exports around 360,000 tonnes of castor oil and derivatives annually.

BC Khatua chairman, FMC informed that the intermediation process in the commodities market needed to be made more cost effective and efficient. "There needs efficiency in intermediation in the commodities market to make it a win-win situation for all, exporter, trader and the farmer. Exploitation of farmers by procuring cheap commodities and selling at premium is highly condemnable," he said.

The commodities market regulator further informed that there was a need to improve physical market rather than blaming futures market for price rise. "The current physical has poor logistics, warehousing, lack of scientific management of stocks, weak transportation, which needs to be improved. Also, the current tax structure on the commodity market is divisive and destructive, to which GST is a solution. That will make the economy a single market in true sense," Khatua added.

The record high castor oil prices had raised concerns among the importing countries. "Global consumption of castor oil is expected to rise marginally in the range of 630,000-640,000 tonnes in the year 2010-11. The growth of consumption is moderate in the US and falling in Japan and South Korea. The castor production is estimated to rise to 1.5 - 1.6 million tonnes in the current year, against 1.35 million tonnes in 2009-10. The prices are artificially high and they can't stay at these high levels," said Thomas Mielke, executive director, ISTA Mielke GmbH, Germany in a video address.

Further, industry participants from India informed that castor oil prices may drop in a phased manner through next few quarters. "The prices may drop by around \$ 200 per tonne every quarter till the Q4 of the current year. This may bring prices to the level of around \$ 2000-2200 per tonne," said Nimish Patel, chairman of NK Industries and one of the panelists.

Gujarat tops the castor production in India with estimated production of castor seed for the current year at 8.60 lakh tonnes showing a rise of around 17 per cent over previous year. The crop is sown on 4.83 lakh hectares in the state, which is followed by Rajasthan and Andhra Pradesh.

THE HINDU Business Line

Pepper market declines



Business Line Black pepper kept for sale at an retail outlet near Kochi, Kerala. (File photo) K K Mustafah

Kochi, Feb. 20:

Pepper market appeared to be confusing during the week. Surprisingly, despite switching over to next delivery and buyers having decided to go for delivery, the market fell sharply during the week. At the same time, Indian parity remained in line with Indonesia and Vietnam at \$5,400 a tonne (C&F), Europe and \$5,500 a tonne for USA. And yet, the market showed a bearish sentiment here.

Buyers are confused and in a dilemma as many find it difficult to make out to which direction the market is moving, High price for white pepper is likely to compel Vietnam to convert its bold black pepper into white at comparatively much lower cost.

Vietnam double washed white pepper is being sold at \$7,400 a tonne, while Muntok white pepper has been quoted at \$8,000 a tonne, thus availability of Asta grade pepper in the world market is expected to remain squeezed, keeping prices firm in the coming days.

However lower grade black pepper from Vietnam at low prices might influence importers to buy it. If it finds its way into the Indian domestic market that may result in depressing domestic prices further, market sources told *Business Line*. In India, availability of black pepper continued to remain squeezed probably because of the poor crop.

Direct buying by the up country dealers from the primary markets has also shrunk the arrivals at the terminal market. During the week, expert processors were buying from the primary market dealers farm grade pepper and processing it into MG1 and depositing in selected warehouses.

A total of 2,537 tonnes of black pepper matured into delivery. Of this 2,529 tonnes are on the exchange platform, while 8 tonnes are between customers and brokers.

During the week all the contracts fell sharply, March, April and May fell by Rs 1,518, Rs 1,381 and Rs 1,439 respectively to close at Rs 23,535, Rs 23,735 and Rs 24,046 a quintal. Total turnover dropped by 34,483 tonnes to close at 85,173 tonnes on Saturday.

Total open interest fell by 4,086 tonnes to close at 14,395 tonnes. Spot prices fell by Rs 800 during the week to close at Rs 22,400 (ungarbled) and Rs.23,200 (MG1) a quintal. The spot market also declined during the week in tandem with the futures market trend despite good covering by upcountry directly from the primary markets evading taxes.

An overseas report from the US today quoted prices for black pepper of different origins in dollar/tonne c&f New York were MG 1 Asta - 5,450-5,550; Lampong asta – 5,475-5,575; Brazil B2 500G/L – 4,800 FOB; Brazil B1 550G/L – 4,900 FOB; Brazil B asta – 5,000-5,100 FOB (reportedly 4,850-4,900 fob recently traded); Vietnam 500G/L – 4,650 FOB; Vietnam asta – 5,300-5,350; MLV Asta – 5,450 EX warehouse New York / New Jersey.

White pepper prices quoted per tonne in dollar c&f were Muntok – 8,250-8,300; Vietnam (double washed)-7,400 and Chinese-7,400-7,450.

Tea production in Assam's Brahmaputra Valley drops



Business Line Women workers with their baskets on their way to the factory after plucking tea leaves in the outskirts of Guwahati, Assam. (File photo): Ritu Raj Konwar
Kolkata, Feb. 20:

Tea production in Assam's Brahmaputra Valley (i.e. excluding Barak Valley) recorded a drop of 16 million kg (mkg) in 2010 at 429 mkg as compared with to 445 mkg in 2009, according to Mr R.K. Gogoi, Chairman of Assam Branch of Indian Tea Association (ABITA).

Addressing the 121st annual general meeting of ABITA held at Dibrugarh on Saturday, Mr Gogoi attributed the drop to heavy rain in early plucking season resulting in pest manifestation particularly in Upper Assam.

The lower availability of exportable crop also contributed to the decline in exports through the Amingaon inland container depot (ICD) — 21 mkg in 2010 as compared with 25 mkg in the previous year, he said.

However, there was a record average price realisation of Rs 113 a kg at Guwahati tea auction during the period, he said.

Emphasising the need for reducing the cost of production at the grass-root level, Mr Gogoi urged the State Government to do something to reduce the social cost estimated at Rs 9 per kg of tea produced in the State, which was eroding the competitiveness of Assam tea in the international market.

He, however, conceded that National Rural Health Mission and Sarva Sikhsha Abhiyan Partnership supported by the State Government had partially helped the tea industry in this regard.

The climate change and the shortage of labour were other challenges facing tea growers in Assam, he said.

With a total production of 480 mkg, out of a total of 977 mkg (2010), Assam accounted for nearly 50 per cent of the country's total production and the State's 170-year old tea industry employed over one million people, with around 50 per cent of the workforce being women, he added.

Air Marshal P.K. Barbora (Retd), Chief Guest at the AGM, gave away the ABITA Family Welfare Awards to the best performing tea estate hospitals in three zones under ABITA. Mr A.K. Bhargava, Additional Vice-Chairman of ITA and also Managing Director of Apeejay Tea, as well as members of the planting community and all sister associations of Assam Valley CCPA (Consultative Committee of Plantation Associations) were present.

Rising demand, decreasing output push up groundnut prices



Need of the hour: India needs to develop varieties that are high yielding and promising in less-fertile and moisture-stress condition.

February 20, 2011:

Groundnut also known as peanut (*Arachis hypogaea*) is an important oilseed crops worldwide due to its nutritional values and trade significance. Groundnut is believed to have originated in the South American continent, primarily in the tropical areas of Peru, but domestication of the crop was done in Paraguay. It was introduced into India during the first half of the sixteenth century from Pacific islands of China.

Groundnut is an annual plant herb belonging to pea family or Fabaceae. The crop is suitable for cultivation in tropical areas of the world. It prospers well in a light, sandy loam soil. However, it is also known for its ability to survive in less favourable agro-climatic conditions. The pod needs duration of 4-5 months to ripen.

Contents

Groundnut contains high quality edible oil (50 per cent), easily digestible protein (25 per cent) and carbohydrates (20 per cent). It is also a valuable source of vitamin E, K and B. Groundnut oil is primarily used as a cooking agent but it also has industrial uses for manufacture of paint,

varnish, lubricating oil, soap, furniture polish etc. The oil cake meal is used as an animal fodder and fertiliser. With proper processing, oil cake is also used to make biscuits and baby foods.

Global output

In 2009, global groundnut production was about 34.5 million tonnes with China leading the production at 14.3 mt, followed by India at 7.17 mt. Other regions where groundnut is produced includes sub-Saharan African countries and central and southern America. While India has the largest acreage of groundnut in the world, the US leads in productivity with a yield of 3.54 tonnes/hectare.

World exports

The leading groundnut exporting countries are the US, Argentina, Sudan, Senegal, and Brazil accounting for 71 per cent of the world exports. Recently, the US has become leading exporter of groundnut surpassing Argentina. The major groundnut importing countries are the European Union and Japan accounting for 78 per cent of the world imports.

Producing states

In India, groundnut is most important oilseed followed by mustard and soyabean. It contributes to nearly 45 per cent of total oil seed production in the country and most of the crop is cultivated as kharif. Gujarat, Andhra Pradesh, Tamil Nadu, Rajasthan and Karnataka are the leading producers accounting for 86 per cent of the total domestic output. However, area under groundnut cultivation in the country has gradually decreased from 6.7 million hectares in 2005-06 to estimated 4.9 mha in 2010-11. Total production has also declined from 8.0 mt in 2005-06 to estimated 5.6 mt in 2010-11.

In spite of being the second largest producer of groundnut in the world, India does not feature as a dominant player in global trade since domestic demand accounts for 30 per cent of the world's total groundnut consumption. Further, decreasing production coupled with rising demand has shot up the prices of groundnut in the country. This has resulted in ban on exports of major edible oils including groundnut till September 30.

Trade centres

Domestically, the major trading centres of groundnut and its derivatives are Rajkot, Ahmedabad, Gondal, Junagarh, Mumbai, Indore, Delhi and Adoni.

It is also traded in major national commodity exchanges such as NCDEX, NMCE, MCX, Rajkot Seeds oil and Bullion Merchants' Association Ltd and Bombay Commodity Exchange Ltd. While the acreage of groundnut in India is huge, productivity (at 1.2 tonnes/ha) is one of the lowest in the world.

Therefore, there needs to be a major thrust on developing varieties which are high yielding and promising in less-fertile regions and moisture stress conditions.

Advanced high yielding technologies such as introduction of transgenic groundnut (containing gusA gene) designed to tolerate dry weather and salinity need to be fast tracked so as to improve productivity of the crop in India.

Tea prices to remain firm: ICRA



The Hindu A tea garden near Coonoor (file photo). D. Radhakrishnan

Mumbai, Feb. 20:

The recent increase in tea prices may sustain in the medium-term on the back of expected gap between demand and supply in India and shortage of carry-forward stocks at the beginning of the 2010 season globally, according to study by rating agency ICRA. Tea produced in the Northern region may fetch a better price for its quality compared with southern states, it said.

However, the upside in prices would continue to be influenced by the tea growers' ability to maintain their export competitiveness, a critical component of the domestic demand-supply equation, the rating agency said.

The buoyancy in tea prices has led to a considerable improvement in the profitability and credit profiles of bulk tea players from the northern regions such as Assam valley, Cachar, Darjeeling, Dooars and Terai, given that almost two-third of their costs are rigid in nature.

In the first nine months of 2010, production of tea in North India suffered on account of adverse weather and pest attacks in tea gardens. Notwithstanding a sizeable increase in output during September, production for the nine months was down by about 10 million kg, with the shortfall encouraging tea prices to firm up further.

Consequently, the cumulative average price at North Indian auctions was up by over Rs 4 a kg by September 2010. Prices at the auction centres in South India, however, witnessed a significant decline in the first nine months of 2010, by almost Rs 15 a kg, on account of an increase in production. Although prices witnessed a sizeable decline of around 18 per cent y-o-y, it was still up by about six per cent over the corresponding period in 2008.

Exports

With exports accounting for more than a third of South India's production, and given that the average quality of tea produced in this region is inferior to that produced in Sri Lanka and Kenya, the increased supplies from these two countries affected South Indian tea prices, both in the export and domestic markets, ICRA said.

Although production in Kenya and Sri Lanka witnessed a significant increase of about 119 mkg (about 29 per cent), year-on-year, prices at the global auction centres remained buoyant on the back of the large opening shortage and continued growth in demand.

Given the favourable outlook for domestic tea prices, particularly for quality North Indian teas, ICRA expects the profits and cash accruals of the large established bulk tea players in northern region India to remain healthy.

The operating profitability of companies with plantation in the northern region witnessed a significant improvement in FY'10, turning the debt coverage indicators healthier. Regular accretions to reserves and use of cash accruals to repay part of the existing debt also led to improvements in the capital structure of the bulk tea companies. Besides, the large players have used their healthy cash accruals to part fund acquisitions of small- to medium-size tea gardens abroad or to diversify their businesses by pursuing other growth opportunities, ICRA said.

Firm market for processed peanut kernels



February 20, 2011:

Bold-size hand picked selected groundnut kernels, also known as edible nut or table nut, are usually in the company of other crunchy edible nuts such as cashew, pistachio and almond. The international market for premium selected kernels is large and concentrated mainly in developed economies, although in recent years emerging markets such as China and India are also consuming this premium product increasingly. To be sure, peanuts are nutritious and protein rich. Rising affluence and evolving lifestyles influence food habits. Urban lifestyles make

snacking not only fashionable but also unavoidable. No wonder, the consumer market for edible nut has always remained solid and largely insulated from economic growth concerns.

peanut kernels

Selected peanut kernels - traditionally hand picked but now increasingly machine graded – lend themselves to value addition through processing. The simplest form of processed peanut is roasted peanut or a variant that is roasted and salted peanut. These are eternal favourites. Simple electrically- operated roasters are available in the market. The product shelf-life can be extended by gas (nitrogen) flushing of consumer packs or vacuum packing.

Coated peanuts

Coated peanuts are another category. Coating peanut kernels with different ingredients makes the snack interesting and appealing. Chocolate coating, honey coating and spice coating are popular. Peanut butter is another value-added product that has gained in popularity in the western world but is making inroads in Asian countries too. Although groundnut kernels have been traditionally used for extracting oil in India, consumption of selected and value-added kernels has been rising of late.

Gujarat is the principal State for production and consumption of processed peanut kernels. It must be free from aflatoxion (a known carcinogenic fungal infestation). Compliance with food safety and standards is critical. At the retail level, the product is priced more affordably than most other nuts which makes processed peanuts a favourite. In our country, chikki is a traditional peanut-based snack that enjoys a large market.

'Aberrant rain reducing crop yields'



Agricultural labourers transplanting paddy saplings. (file photo)

Hyderabad, Feb. 20:

The challenges and prospects before Indian agriculture, including the impact of climate change on yields and lack of research on genetic breeding, were discussed at length at a conference organised by the Andhra Pradesh chapter of Confederation of Indian Industry here on Saturday.

Food grain productivity had remained stagnant in the last decade, with a compounded annual growth rate of about one per cent during 2001-10, as against 2.4 per cent during 1991-2000. Also, share of public investment in agriculture has been falling — it has fallen from 13 per cent during the Green Revolution to six per cent now.

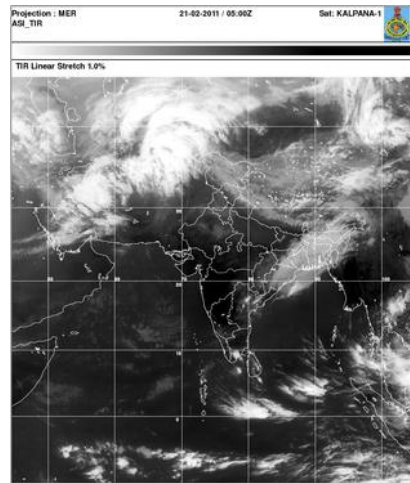
Mr V. Nagi Reddy, Principal Secretary, Department of Agriculture, Government of Andhra Pradesh, said capital was the biggest limiting factor in realising the State's potential for agricultural production. "Though [a] Malthusian crisis is looming large in the world, as far as AP is concerned, we still have some land that can be used for agricultural production," he said. He, however, expressed concern that contract farming could not make much headway in the State.

Dr Arjula Reddy, Co-Chairman of Genetic Engineering Approval Committee, felt that only genetically-modified crops could increase yields in the future.

On Bt brinjal, he said the issue was "not yet shelved", and "there is still hope". There will be meetings beginning April 2011, following which a decision will be taken on Bt brinjal, he said.

Several speakers pointed out how variable monsoon as an upshot of climate change was reducing yields in regions in India, especially in Uttar Pradesh.

String of thundershowers over east, southeast India



Thiruvananthapuram, Feb 21:

Scattered to fairly widespread snow or rainfall has been recorded during the day on Sunday as the first of the two back-to-back western disturbances enveloped the hills and the adjoining plains of northwest India.

Residual moisture over east India coupled with fresh incursion along the east coast fanned by southeasterly winds from the Bay of Bengal helped expand the footprint of the wet cover in varying intensity over east and adjoining southeast of the country.

A weather warning issued by India Meteorological Department (IMD) and valid until Tuesday (tomorrow) morning said that isolated thunder squalls or hailstorms may occur over Orissa, Chhattisgarh and north Andhra Pradesh.

Meanwhile, an IMD update on Monday morning said scattered rain or snowfall occurred over Jammu and Kashmir and isolated over Himachal Pradesh and Uttarakhand until the previous evening.

But it became fairly widespread down the slope and into the plains with rain or thundershowers being reported from adjoining Punjab and Haryana and further east to southeast over Madhya Pradesh, Chhattisgarh and Orissa.

It was scattered over Vidarbha and isolated over west Rajasthan, Uttar Pradesh, west Madhya Pradesh, Jharkhand, Gangetic West Bengal, north Andhra Pradesh and Tamil Nadu, the IMD said.

Moisture incursion and convective activity (rising motion of air to form clouds) brought down the day temperatures by 2 to 6 deg Celsius over central and adjoining east India and by 2 to 4 deg Celsius over the plains of northwest and adjoining east India, Maharashtra, Karnataka and Kerala.

Satellite imagery early on Monday morning revealed the presence of convective (rain-bearing) clouds over parts of western Himalayan region. This is even as a follow-system of better endowments waited in the wings just across the northwest border with a much larger expanse of cloud cover ready to 'cream' the hills of western Himalayas.

This disturbance, categorised as class-topping 'active' in terms of strength and intensity, would affect the western Himalayan region from Tuesday (tomorrow) and the plains of northwest India mainly on Thursday and Friday, the IMD said.

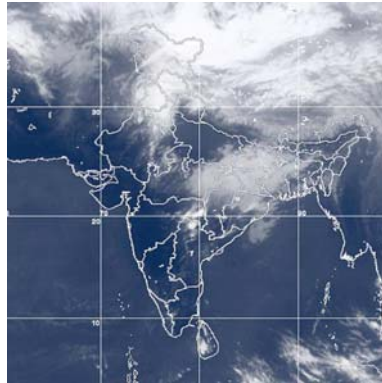
An extended forecast valid until Friday said that scattered rain or thundershowers would occur over Tamil Nadu, Kerala, Rayalaseema and south Karnataka brought about by a southward propagating thundershower regime. But fairly widespread precipitation would return to northwest India during this period with isolated thunder squalls or hailstorms over the plains in an indication of fresh western disturbance activity in the region.

A short-term forecast valid for the next two days said that isolated rain or snowfall would occur over Jammu and Kashmir until Tuesday (tomorrow) morning and increase thereafter. Isolated rain or snowfall would also occur over Himachal Pradesh and Uttarakhand and increase in phases.

Fairly widespread rain or thundershowers would occur over Orissa, south Chhattisgarh and coastal Andhra Pradesh and scattered over Telangana during until Tuesday morning. Scattered

rain or thundershowers has been forecast over Rayalaseema, south interior Karnataka, Tamil Nadu and Kerala on Tuesday and increase thereafter.

Back-to-back westerlies to trigger heavy weather



February 20, 2011:

Active weather has once again broken out over the western Himalayan region with cascading impact for the plains of northwest India and the east as back-to-back western disturbances were on their course to hit the region.

On Sunday, an incoming western disturbance dropped anchor over north Pakistan and adjoining Jammu and Kashmir and was slowly moving into further east and southeast.

'ACTIVE' SYSTEM

This will be followed close on the heels by yet another 'active' western disturbance, which will start affecting the western Himalayan region from Tuesday onwards and adjoining plains from Wednesday onwards.

A weather warning issued by India Meteorological Department (IMD) on Sunday evening said isolated thunder squalls or hailstorms may occur over Orissa, Chhattisgarh, Jharkhand, Gangetic West Bengal and north Andhra Pradesh on Sunday and Monday.

Punjab, Haryana, Delhi, north Rajasthan, west Uttar Pradesh and Vidarbha could well be among those regions to have been taken the hit through the day on Sunday itself.

RAIN BELT

Extended forecast valid until Friday spoke about the rain belt shifting entirely to the south with fairly widespread rain or thundershowers indicated for Tamil Nadu and Kerala and scattered over coastal Andhra Pradesh, Rayalaseema and south interior Karnataka.

But fresh fairly widespread rain or snow could be unleashed over western Himalayan region and scattered rain or thundershowers accompanied with isolated squalls or hailstorms over adjoining plains presumably under the influence of a fresh western disturbance.

The emerging pattern of rains had been signalled at least two weeks ahead by some international models, which have largely retained their outlook in the latest updates.

WIDESPREAD RAIN

Meanwhile, overnight on Sunday, fairly widespread rain or snowfall was reported from Jammu and Kashmir, scattered over Himachal Pradesh and isolated over Uttarakhand as the incoming westerly system sat across the northwest border.

Scattered rain or thundershowers also occurred over Orissa, Chhattisgarh, Gangetic West Bengal and Jharkhand while it was isolated over Madhya Pradesh, Andhra Pradesh, west Rajasthan, Vidarbha and Arunachal Pradesh.

Minimum temperatures were below normal by 2 to 3 deg Celsius over east Uttar Pradesh, Bihar, Punjab, sub-Himalayan West Bengal and Assam and above normal by 2 to 3 deg Celsius over Rajasthan, Orissa and Andhra Pradesh.

The lowest minimum temperature of 6 deg Celsius during the last 24 hours ending Sunday morning was recorded at Adampur in Punjab in the plains of the country.

CONVECTIVE CLOUDS

Satellite imagery on Sunday afternoon showed convective (rain-bearing) clouds over parts of Jammu and Kashmir, Himachal Pradesh and Punjab, ready to 'cream up' the hills and down the slopes in the northwest. .

A short-term outlook until Wednesday said that scattered rain or thundershowers are likely over Orissa, Chhattisgarh, Vidarbha, Gangetic West Bengal, Telangana and coastal Andhra Pradesh on Sunday and fairly widespread on Monday.

Fairly widespread rain or thundershowers would occur over Punjab, Haryana and Delhi; scattered over east Rajasthan and west Uttar Pradesh; and isolated over west Rajasthan, east Uttar Pradesh and Madhya Pradesh on Monday.

SOUTHERLY RAIN

Isolated rain or thundershowers would occur over Rayalaseema, south interior Karnataka, Tamil Nadu and Kerala on Monday before scaling up thereafter.

Minimum temperatures would fall by 2 to 3 deg Celsius over the plains of northwest and central India during next three days.

A balanced IPR regime - Key to promote technology-driven agriculture



February 20, 2011:

As the world moves towards a knowledge-driven economy, protection of intellectual property rights has become a key motivator for innovation. Historically, IPR was not important to agriculture – as farming was based on the premise of knowledge sharing. However, the last few decades have witnessed remarkable innovations in agriculture – such as genetically-modified plant varieties, and specialised insecticides for pest control – that have warranted a review of the IPR regime of developing nations so as to foster introduction of innovative agricultural technologies into these countries.

Protection of IPR has the potential to dramatically increase agricultural production. However, in countries such as India, IPR needs to be finely balanced so as to protect the interests of farmers and the food security needs of a billion people. Potential concerns include a number of socio-economic and environmental impacts specifically with regard to loss of bio-diversity and bio-safety. In this context, it is critical to review the IPR framework being followed in India, and develop innovative models that address a larger stakeholder paradigm.

Evolution and Impact of IPR in India

Historically, protection of plant varieties in India through IPR was banned. Until the mid 90s, the Indian Patents Act excluded the patentability of “life forms” including methods of agriculture and horticulture. Further, while allowing “process patents” for substances used as food, it rejected “product patents” for food items. This was intended to foster the availability of essential food items by keeping the prices as low as possible.

The absence of patents in agriculture resulted in low private participation in agricultural research and technology development. As a result, the public sector was the major contributor in agricultural development.

Signing TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement in 1994 triggered significant changes in the IPR related legal framework of the nation. Since then, several legislative and institutional adjustments have been made to protect the intellectual property. Some of the major changes include introduction of the following:

The Geographical Indications of Goods Act, 1999, to preclude misappropriation of traditional knowledge and patenting of products of Indian origin including ‘appellations of origin’, such as, Darjeeling Tea and basmati rice, and promoting them in international markets.

The Enactment of Protection of Plant Varieties and Farmers' Rights Act (PPV&FRA), 2001, which has established a unique system by expanding plant variety protection (PVP) to varieties registered by farmers, NGOs and public sector institutions while also protecting the rights of plant breeders.

The Amendment of Patents Act, 1970, in 2005 which has extended patents to innovative products from all industries including agrochemicals, thereby, closing the option of reverse

engineering or development of 'me-too' products thus promoting investment in cutting edge R&D. Strengthening of the IPR regime has significantly improved investment in agricultural technology development. The private sector has not only invested heavily in crop genetic improvement and farm technologies, but has also pursued legal IPR protection under various Acts. For instance, in 2008–09, 64 per cent of the 460 PVP applications received by the PPV&FR Authority were from the private sector. This is also reflected in the fact that, the number of patent applications in India has increased more than eight folds between 2005 and 2009.

Concerns and challenges

Although India has made significant strides towards harmonization of domestic IPR laws with the international system, there are several issues afflicting IPR regime in INDIA. While protection of bio-diversity and farmer rights to use owned seeds remain the greatest concerns, other key challenges for implementation of the regime include:

Legislative gaps: In the current regime, there are no provisions for protection of trade secrets which could be used to protect hybrid plant varieties and to harness the extensive gene pool of India. The amended Patents Act, does not confer data protection and exclusivity once application for patent is filed, thereby, increasing the probability of third-party infringement.

Weak enforceability of IPR: Unlike the US, Europe or Japan, the awareness and understanding of grounds of infringement and exceptions to infringements is poor and vague in India and no time frame is prescribed for legal recourse. In certain forms such as patents, recognition of encroachment as 'civil and not criminal offense' and pending legal cases are the major deterrents to sound enforceability.

Administrative and affordability issues: Due to deficiencies in the technical and supporting infrastructure, the speed at which an application is granted protection remains extremely slow. Also, the cost of obtaining and enforcing IPR, particularly patents, is high, making them unattractive for small companies, local communities as well as farmers.

Socio-economic concerns: Dominance of developed countries at the technology frontiers has stirred socio-economic concerns due to their inherent capabilities to benefit from an organised IPR system. With six multinationals holding 98 per cent of the global market for patented

genetically-modified (GM) crops, 70 per cent of global pesticide market and 63 per cent of patents on staple crops, IPR could lead to consolidation of global seed and agrochemical business, concentrating power in few hands. This could result in royalty payments and restrictive contracts which would in turn increase farm input prices. Also, expansion of GM varieties could endorse dominance of few genotypes, leading to loss of biodiversity and increased susceptibility to pests and diseases.

Misappropriation of traditional knowledge: Acts of 'bio-piracy' such as patenting of medicinal properties of turmeric and neem in the US - known for centuries in India - have aggravated concerns of misuse of IPR laws.

Solution themes to develop a balanced IPR Regime

While policy makers have efficiently balanced socio-economic concerns with international requirement of IPR till date, some of the key areas that require further improvement to facilitate seamless transfer of technology include:

1. Strengthening institutional mechanisms for protection of IPR – Regulatory, legal and administrative through

Assigning a high priority towards completion of required legislative provisions to harmonise IPR regime with international laws

Simplifying regulatory and administrative procedures for seeking IP protection and defining time frames for the same to reduce lead time

Reinforcing parallel laws supporting IPR regulation to bolster their application and enforcement. For instance, the Seeds Act needs to be fortified for effective implementation of PPV&FR Act, 2001

2. Harnessing IPR linked technical opportunities in Agriculture through -

Judicious application of various forms of IPR by linking protection to commercialisation

Augmenting traditional knowledge digital libraries (TKDL) and documentation of farmers' varieties to give legitimacy and protection to domestic knowledge systems

3. Strengthening public-private R&D interface by -

Adopting mechanisms such as an 'innovation bill' to enhance public R&D base wherein public researchers, research organisations and universities would be incentivised for commercialisation of their innovation

Competitive funding schemes to encourage links between public and propriety R&D

4. Enhancing IPR literacy by -

Disseminating IPR-related information to all relevant stakeholders – specially the farmers.

Conclusion:

To sum up, the current IPR protection framework has the potential to foster introduction of new agricultural technologies that would largely benefit growth in agricultural production. However, there is a need to improve the efficiency of the process and also balance the objective of technological progress with that of social, economic and food security concerns.

This would not only require structural and institutional adjustments in the current IPR framework but would also require development of innovative and out of box IPR protection models that go beyond the TRIPs agreement and effectively address important issues such as protection of farmer's rights and protection of traditional Indian knowledge.