

Inflation will come down to 7 per cent by March: Prime Minister

Special Correspondent

'With accumulated public stocks, prices of cereals, wheat, rice have been stabilised'

'Trying to ensure control of inflation without hurting employment opportunities'

NEW DELHI: Admitting that the government had “no control” over developments like the deteriorating world food situation and the sharp rise in oil and commodities prices in the international market, which led to inflation, Prime Minister Manmohan Singh, however, exuded confidence on Thursday that the overall inflation would come down to 7 per cent at the end of March on the back of steps being taken by the government.

“Food inflation has been a cause of concern. But recently, the situation has improved and we expect it to improve further,” Dr. Singh told the Lok Sabha while replying to the debate on the Presidential Address. “I will be the first one to admit that inflation in the last 18 months has become a problem. There were reasons beyond our control. First of all, there was the drought of 2009, and there were natural calamities which affected the production of important products such as vegetables and onions,” he said.

Dr. Singh said the government was in control of certain commodities and could handle the prices of these.

“As far as cereal prices are concerned, the fact that we have large accumulated public stocks with the Food Corporation of India and public procurement agencies, we have been able to

stabilise prices of cereals, wheat and rice,” he said. There had been problems with regard to vegetables, meat and milk, Dr. Singh said, adding that some of these items were beyond the government's control.

“The government's policy is to ensure that we control inflation but in a manner by which we do not hurt the growth of employment opportunities. If we have a ham-handed approach, we could have killed the process which is the only source of providing jobs for our youth.”

A delicate balance had to be preserved between controlling inflation and protecting employment, he added.

“I think that this sometimes gives a feeling to the ordinary people that we are not worried about inflation. That is not the case. Our government stands committed to controlling inflation, and I am hopeful that at the end of this fiscal year, the rate of inflation, at least the headline inflation, will come down to about seven per cent,” Dr. Singh said.

He said that in the long run, in a country like India where agricultural prices were “kingpin of the price structure,” the only way “we can control inflation is through increased production and increased productivity of agriculture.”

He said the Centre was committed to bringing in the National Food Security Bill, which will expand the frontiers of the government's ability to control inflation.

Accepting that there were issues in the implementation of the government's flagship programmes, Dr. Singh said these needed to be revisited to plug the leakages.

Difficult environment

In the Rajya Sabha, the Prime Minister made the same observations, and in addition mentioned the difficult global environment that was adding to economic management woes in India.

“Traditional developed economies are suffering from acute recession, if not depression, and this is compounded by rising fuel prices,” Dr. Singh said.

Food inflation inches up to 11.49 %

Special Correspondent

NEW DELHI: Halting the two-week declining trend, food inflation inched up yet again, though marginally, to 11.49 per cent for the week ended February 12 from 11.05 per cent in the previous week owing to the continuing surge in the prices of vegetables, milk and protein-based items such as eggs, meat and fish.

The U-turn in WPI (wholesale price index) food inflation data, coming as it does just a few days ahead of the Budget on February 28, is an additional cause for concern even as Prime Minister Manmohan Singh expressed confidence in the Lok Sabha that the steps taken by the government would lead to a moderation in prices and overall inflation would eventually decline to 7 per cent by the end of March. Conceding that high food prices has been a matter of concern, Dr. Singh said: "I will be the first one to admit that inflation in the last 18 months has become a problem. There were reasons beyond our control. First of all, there was the drought of 2009 and there were natural calamities which affected the production of important products such as vegetables and onions."

Planning Commission Deputy Chairman Montek Singh Ahluwalia also maintained that food inflation would ease to single digit by the end of the current fiscal while noting that the country had sufficient stocks of cereals to stem the inch-up in prices. The WPI data revealed that prices of cereals had increased a tad during the week ended February 12 with inflation in cereals at 2.07 per cent and rice at 1.65 per cent on a year-on-year basis. Alongside, however, prices of other edibles continued to soar, with eggs, meat and fish turning dearer by 14.79 per cent and milk costlier by 16.99 per cent.

During the week, prices of vegetables surged by 15.89 per cent although potatoes were cheaper by 9.72 per cent. Milk prices also went up by five per cent while mutton turned two per cent dearer.

As for fuel items, prices of furnace oil and naphtha rose by two per cent each. Global markets are anticipating a further rise owing to the ongoing political crisis in various countries in West Asia and North Africa. Already crude oil prices have touched a two-year high of \$99.10 a barrel at the New York Mercantile Exchange while Brent crude has soared to \$120 a barrel.

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Karnataka Budget gives prime place to agricultural sector

S. Rajendran

Estimated expenditure on farm and irrigation sectors is Rs. 17,857 crore

Budget highlights
Rs. 17,857 crore allocated for the agricultural sector, including Rs. 7,800 crore for the irrigation sector
Rs. 1,000 crore to help 10 lakh farmers' families to take up horticulture, fish farming, bio-fuel and organic farming under the Suvarna Bhoomi Yojana.
Cooperative farm loans at 1 per cent interest (subsidy component to cost Rs 500 crores to the State exchequer)
Rs. 1,000 crore agri-revolving fund for market intervention
Rs. 1,000 crore for rejuvenation of all minor tanks
Rs. 487 crore towards State's share for new railway lines and Rs. 478 crore for ongoing railway projects
Rs. 4,770 crore for overall development of Bangalore and a Rs. 5,000-crore business park at Devanahalli on PPP model
Rs. 300 crore for legislators' constituency development scheme
Increase in outlay for higher education to Rs. 2002 crore
New pay commission for State Government employees
Rs. 500 and Rs. 250 increase in the monthly honorarium paid to anganwadi workers and anganwadi assistants respectively
New sand mining policy
Rs. 1 crore each to set up Kannada study chairs in the universities of Voorburg, Heidelberg, Munich and Vienna
New industrial security force to be set up

Bangalore: The agricultural sector has been given prime place in the State Budget presented to the Legislative Assembly on Thursday by Chief Minister B.S. Yeddyurappa, who also holds the Finance portfolio.

Mr. Yeddyurappa's focus on agriculture is reminiscent of the Union Budget presented by the first Janata Party Government of Morarji Desai in the post-Emergency era.

The estimated expenditure on agriculture and irrigation is Rs. 17,857 crore, which is a quantum jump in allocation.

Successive State governments have dropped the interest rate on cooperative farm loans from 2004-05. This budget sees a reduction of the interest rate to 1 per cent. It is another matter that only those farmers who promptly repay loans will be eligible for the new rate, which also carries a ceiling of Rs. 3 lakh on the principal.

Presenting the Budget Estimates for 2011-12, Mr. Yeddyurappa said, "The rate of interest will continue to be 3 per cent on crop loans up to Rs. 50,000 obtained from commercial banks."

The budget estimates present a surplus of Rs. 1,278.94 crore in the revenue account and a deficit of Rs. 984.16 crore in the capital account, resulting in an overall surplus of Rs. 294.78 crore. The budget also indicates a 22.60 per cent increase in the State's annual plan size, from Rs. 31,050 crore to Rs. 38,070 crore. The fiscal deficit in the coming year is expected to be Rs. 12,482 crore, which is 2.87 per cent of the Gross State Domestic Product. The budget outlay for 2011-12 has been increased to Rs. 85,319.

Mr. Yeddyurappa has not only refrained from enhancing the tax rates but has also provided relief (Stamps and Registration) as well tax exemption on paddy, rice, wheat, pulses, etc. Value-added tax on jewellery has been raised from 1 per cent to 2 per cent and betting tax (Bangalore Turf Club) from 4 per cent to 8 per cent. A quantum jump has also been made in the budgetary allocation for Bangalore city: Rs. 4,770 crore for infrastructure apart from setting up a business park at Devanahalli through on the public-private partnership model. The Bruhat Bangalore Mahanagara Palike and the Bangalore Development Authority will also get special assistance of Rs. 350 crore and Rs. 750 crore respectively for various development projects.

The Chief Minister walked the distance to the State Secretariat from his official residence along with a group of farmers and Ministers. Soon after presenting the budget, he went to a nearby venue where farmers were present in strength.

Grape research station: a sweet dream come true

Staff Reporter

More farmers will be able to take up grape cultivation

THENI: With the identification of 25 acres of land near Shanmuganadhi reservoir at Anamalaiyanpatti village in Cumbum valley and sanctioning of funds for the grape research station, the life time dream of grape growers has become a reality as the foundation stone laying ceremony for the station will be held at Anamalaiyanpatti on Friday.

The Tamil Nadu Agricultural University has commenced preliminary work for the research station at this village to improve quality including uniform size, colour and taste of grapes, enhance sugar content, and convert them fit for wine production. It has already acquired the land and levelling work for construction of the research station has started.

To begin with, minimum staff, including a professor as head of the institution, an assistant professor, and field staff, have been deputed to man the research station.

This will be the first research station for grapes run by the State government in the country.

At present, one grape research station is functioning in Pune which is under the control of the Central Government.

Prevalence of an ideal climate throughout the year, good soil condition, and abundant water facility helps growers produce grapes through the year in the valley. Grapes are harvested only during a particular season in a year in all parts of the country.

But farmers in Cumbum valley harvest grapes throughout the year. Moreover, the yield is also very good. They harvest five times in two years, say horticulture officials.

With the availability of expertise and scientific assistance, more farmers will be able to take up grape cultivation and ultimately, the area under grape cultivation will also expand.

Moreover, even rare variety of grapes can be tried and new hybrid varieties can be produced, officials hope.

“This is a boon to us. Practical difficulties in cultivation, pest and irrigation management, harvesting and post harvesting technology, will be available at our doorstep,” say grape growers.

Help exports

Introduction of new hybrid varieties and post harvest management will help growers tap highly potential export market.

Ultimately, this research station will help Cumbum valley find a permanent place in the global map of grapes in future, they feel.

At present, grape is being cultivated in 2,500 hectares in the district.

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Over 38,000 farmers given power connection in less than three months

Special Correspondent

2 lakh connections to be provided by this September Half of them will have to be covered by March

CHENNAI: Over 38,000 agriculturists were given electricity connections in the last two and a half months under the State government's latest scheme aimed at covering two lakh farmers by September.

As per an announcement made by Chief Minister M. Karunanidhi in October last, two lakh applications given by farmers, which were pending as on March 31, 2000, would be given power connections by September 2011.

One half of the connections would have to be covered by March 31.

Originally, two schemes – normal and self-financing scheme (SFS) - were being followed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO), a successor entity of the Tamil Nadu Electricity Board (TNEB). Now, the authorities have merged the two schemes with the latest one. Under the old schemes, 12,060 connections were effected during the current financial year. In total, 50,315 connections were provided.

A senior official of the TANGEDCO says that of the two lakh pending applications, about 1.8 lakh applications were found eligible. Again, out of the eligible applicants, 73,912 have, so far, expressed their willingness to have connections.

The Villupuram region (covering Cuddalore, Tiruvannamalai and Villupuram districts) accounts for 9,095 connections followed by the Vellore region (Dharampuri, Kancheepuram and Vellore districts) – 8,148 connections. Tiruchi (Pudukottai, Thanjavur, Nagapattinam, Perambalur, Karur and Tiruchi) has covered 6,428 connections; Erode (Erode, Salem and Namakkal) – 6,079; Madurai (Dindigul, Madurai, Ramanathapuram, Sivaganga and Theni) – 2,366; Coimbatore (Tirupur, Coimbatore and the Nilgiris) – 2,901; Tirunelveli (Tirunelveli, Tuticorin, Virudhunagar and Kanyakumari) – 1,985; Chennai South (parts of Kancheepuram district) – 1,220 and Chennai North (parts of Tiruvallur district) - 33.

As for the other scheme of replacing old irrigation pumpsets with energy-efficient pumpsets, the official says that a formal launch function is likely to be held on Monday.

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Forest survey shows a greener TN

Special Correspondent

Increase of 1,389 sq km in green cover seen in a satellite-aided study

Coimbatore: Tamil Nadu has a denser green cover that has increased by 1,389 sq.km, a satellite-aided study by the Forest Survey of India (FSI) has shown.

The increase was noted in the scrutiny of statistics from 2003 to 2009, made available by the FSI survey that is conducted once in two years, A.S. Balanathan, Principal Chief Conservator of Forests and Head of Forest Force said here on Thursday. As per the survey, a green cover that is 40 per cent over a minimum level is seen as dense.

Speaking at the inauguration of a two-day Tree Growers Mela organised by the Institute of Forest Genetics and Tree Breeding (IFGTB), Mr. Balanathan said the increase in green cover in the country especially after Independence was due to the efforts made by the government towards afforestation.

The Government had also granted exemption to an additional 36 species, as against the initial eight, from timber transport permit conditions. This was to free tree growers from fears of legal hitch or cumbersome process in harvesting the trees grown by them. Tree growing was also encouraged to counter the depletion of natural resources, primarily brought about by the growing needs of the people.

Urging the farmers to come up with suggestions this year too, Mr. Balanathan said the suggestions and recommendations made by farmers at the previous Tree Grower's Mela had been considered. He also released a CD on tree cultivation and farm inputs.

Art of growing trees

Calling tree-growing an art and a science, Full-time Member of State Planning Commission G. Kumaravelu said farmers should use technology and researches for making tree cultivation profitable. The focus should also be on increasing the land and land-based-assets, as in the 11th Five-Year-Plan period, it was noticed that land and land-based-assets were very less, he said. While India accounted for four per cent of land and land-based assets, the States recorded poor percentages ranging from minus to two per cent.

Also, though the State accounted for seven per cent of the country's total population, its share in land and water stood only at four and three per cent respectively. Considering these state of affairs, planning would now have to focus on increasing land and land-based-assets, as well as manufacturing and trade, Mr. Kumaravelu said, adding, in TN, more than 52 lakh hectares of land, of the total 125 lakh hectares, was not utilised effectively.

V. Irulandi, chief conservator of forests—extension forestry of the State Forest Department, said that the total green cover of the State was only 21.76 as against the National Forest Policy's aim of a 33 per cent green cover. Tamil Nadu, therefore, had a task before it, of enhancing greenery by another 11 per cent, and for this, an additional 54,000 to 55,000 crore trees had to be grown, he said. If tree planting proceeds at the present pace, of 1.5 crore to 2 crore saplings per annum, it would be quite a while before the target of 33 per cent was achieved, he said.

Three crore trees

Director of Forest Academy, K.P.M. Perumahl, said in the last three years, three crore trees had been grown under the 'Trees Outside the Forest' project and this year, the plan was to invest Rs 15 crore in the scheme. Draft policy of the Union Ministry for Environment and Forests to combat climate change had listed eight projects to be implemented in the next 10 years. One of the projects was to plant saplings in 10 million hectares, of which five million hectares would be under the 'Trees Outside the Forest' scheme. The proposal was to spend Rs 46,000 crore through gram sabhas, thus benefitting the tree growers directly, he said.

IFGTB Group Co-ordinator of Research, T.P. Raghunath, institute Director, N. Krishnakumar, and its Extension Officer, K. Ravichandran, also spoke at the function.

An expo was also organised as part of the Mela, in which Forest Departments of the State and Kerala, the IFGTB and farm input manufacturers put up stalls.

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Chilling plants for palm milk

Staff Reporter

NAGAPATTINAM: Chilling plants for palm milk has been proposed to be established at Kameshwaram in Nagapattinam and Koradacherry in Thiruvarur shortly. The plant would fructify the demands by palm milk tappers for a government procurement of their produce. This was stated by Minister for Handlooms and Textiles K.K.S.S.R.Ramachandran, here at a consultative meeting with palm milk tappers at the Collectorate on Thursday.

According to the Minister, the State government has proposed to procure palm milk directly from producers at Rs.10 per liter, once the chilling plants were set up. This would also ensure value addition to the product, where excess toddy, may be packed and sold in tetra packs.

Addressing concerns over licenses for palm tapping, the Minister stated that the three-month license would be revoked if palm milk was found diverted for toddy.

Collector C.Munianathan, and Superintendent of Police, Nagapattinam, Santosh Kumar and Superintendent of Police, Thiruvarur, M.Moorthy, were present.

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Agriculture infrastructure fund to be set up

Special Correspondent

Budget earmarks Rs. 500 cr. to overcome infrastructure deficit; revolving fund corpus up to Rs. 1,000 cr.

— Photo: V. Sreenivasa Murthy



Hopeful:Farmers attend a function at Freedom Park in Bangalore on Thursday where Chief Minister B.S. Yeddyurappa distributed copies of the agriculture budget.

Helping farmers
• Rs. 1,000 crore for Suvarna Bhoomi Yojana
• Rs. 1,000 crore for Revolving fund
• Rs. 500 crore for agri-infrastructure fund
• Rs. 200 crore for organic farming
• Rs. 125 crore to encourage bio-fuel
• Rs. 100 crore for drip irrigation subsidy
• Rs. 100 crore for construction of small harbours
• Diploma courses for agriculture related subjects

Bangalore: Making a special proviso for agriculture in the State budget for the first time, Chief Minister B.S. Yeddyurappa has earmarked Rs. 17,857 crore for agriculture, allied and irrigation sector development against Rs. 11,000 crore in 2010-11.

The 46-page Part I Budget on agriculture proposes to establish an Agriculture Infrastructure Fund of Rs. 500 crore to overcome the infrastructure deficit and an increase in the Agriculture Revolving Fund corpus to Rs 1,000 crore.

Four major factors that drove the Chief Minister to present a separate booklet on the farm sector are inadequate investment, lack of appropriate technology, processing and marketing facilities and lack partnership in the sector. A global agro-investment meet has been planned to boost the investment in the sector.

It has been proposed to set aside Rs 1,000 crore for development of 10 lakh farmer's families under the 'Suvarna Bhoomi Yojana' scheme. Under the scheme, lives of 10 lakh farmer families would be revived in 2011-12.

Under the scheme, every family with holding up to two acres would be given financial aid of Rs. 10,000 a year in two instalments.

The average holding size has declined from 3.20 hectares in 1970-71 to 1.63 hectares in 2005-06. In case of the holding less than two acres, the incentives would be given proportionately. There are 76 lakh farmer families in the State and of them 75 per cent small and marginal farmers.

The first instalment would be given before the commencement of monsoon. It would be applicable mainly to dry land farmers and would not cover command and irrigation areas, he said.

A sum of Rs. 200 crore has been allocated for organic farming and Rs. 125 crore for promotion of bio-fuels.

The budget also set aside Rs. 40 crore for extending the "Bhoo Chetana" (soil enrichment) programme to all 30 districts of the State.

The other budget highlights included Rs 40 crore provision for making available a modern mobile unit in each taluk to carry out extension work in agriculture, horticulture and animal husbandry, beside a Rs. 10 crore special grant for floriculture development.

To bring farm services offered by different departments under one roof, it proposed to set up single window system in all 5,729 gram panchayats in the State.

Diploma course

To overcome the shortage of technical hands in rural areas, it has been proposed to offer diploma and certificate courses in agriculture, horticulture, animal husbandry, and fishery subjects for agricultural graduates through agricultural, horticultural and animal husbandry universities.

Long duration of training would be provided to 1,000 students with short duration training to 3,000 students with a stipend of Rs. 1,000 per month to each student.

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Irrigation sector gets Rs. 7,800 crore

Special Correspondent

State to declare 2011-20 as 'irrigation decade' Rs. 674 crore for completion of irrigation projects

BANGALORE: Chief Minister B.S. Yeddyurappa has allocated Rs. 7,800 crore for the irrigation sector, including flood control, for 2011-12 , doubling the funds earmarked in his last budget.

The State is declaring 2011-20 as the "irrigation decade" and Mr. Yeddyurappa has announced that Rs. 50,000 crore would be spent during the period. Emphasis would be on completion of irrigation projects, improved water management and income from agriculture as well as achieving food security. The 177 tmcft of water awarded by the Krishna Water Disputes Tribunal

under Scheme B would be utilised and reports for implementing works in the Krishna valley are being prepared in collaboration with the Asian Development Bank. Mr. Yeddyurappa said Rs. 674 crore would be allocated to complete 30 large and medium irrigation projects. The works under the controversial Dandavati irrigation project in Sorab taluk would be started. The Chief Minister said 23,000 tanks under zilla panchayats would be repaired and rejuvenated by diverting water from the rivers and reservoirs at a cost of Rs.1,000 crore.

Tanks in Chamarajanagar district would get water from Kabini Reservoir at an investment of Rs. 100 crore.

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Glad tidings for fish lovers, aqua farmers

Staff Reporter

GUNTUR: A zoology research scholar of Acharya Nagarjuna University has partly succeeded in producing Omega-3 fatty acids rich in vitamins A and D in fresh water Rich rohu fish (*Labeo rohita*), commonly called 'Ragandi' in local parlance.

The research findings will gladden the hearts of fish lovers. The Omega-3 fatty acids are usually found in sea fishes. The research could pave the way for organic cultivation of fishes and give a fillip to fresh water aquaculture and inland fish production. A diet rich in Omega-3 fatty acids is generally anti-inflammatory, while natural vitamins like A and D found only in animal sources, have also been found to have good therapeutic value.

Ch. Pratibha Bharathi, who has been working under the supervision of Assistant Professor, Department of Zoology, Sumanth Kumar Kunda, has submitted her research findings to international journal, Aquaculture.

During her research carried with the assistance of Rajiv Gandhi National Fellowship (RGNF), Ms. Bharathi carried out experiments for 60 days to analyse the beneficial effects of Omega-3 fatty acids in rohu finger-lings. The experimental diet was prepared with graded levels of Omega-3 fatty acid. The results proved showed that fishes which received the feed consisting of

7 per cent of Omega acid showed significant increase in size and acid content in muscle. Trials were also conducted to analyse the Omega-3 role in combating diseases and the fishes which received generous doses of Omega-3 were found to be more resistant to bacterial attack. "The findings will be beneficial to fish consumers, aquatic animal nutritionists and aqua farmers," said Dr. Sumanth Kumar.

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'Farm budget neglects research'

Staff Correspondent

DHARWAD: It is a bold step to present a separate budget for agriculture, but the Government focussed more on the productivity side of the sector while neglecting key aspects, including marketing system reforms, research and development, and cooperative farming, speakers at a panel discussion on the budget said.

The discussion on the State Budget 2011-12 was held at the Department of Economics, Karnatak University, here on Thursday.

Economist N.G. Chachade said the farm budget was presented at a time when the sector was demanding devolution of funds. He praised the decisions to allocate funds for irrigation and provide 50 per cent subsidy on seeds and said that these would bring down the cost of production.

However, there was also need to make the market farmer-oriented rather than middlemen-oriented, he said. Farmers were now not in a position to decide the prices of their produce, he noted.

To reform the system of marketing, Mr. Chachade suggested that the Government have mobile market centres during the harvest season so that the farmers could get a fair price for their produce.

Agricultural economist P.S. Naduvinamani criticised the budget for neglecting research and development activity specific to agro zones.

No reforms

Besides, Chief Minister B.S. Yeddyurappa had not proposed reforms of agriculture cooperative societies that continue to provide credit based on the size of the farms and not according to the needs of farmers.

Economist M.C. Kodli noted that this was the first time that 47 per cent of the total planned expenditure was earmarked for agriculture.

Chairman of the Department of Economics, Karnatak University, L.D. Vaikunthe and professor B.H. Nagoor also spoke.

Vice-Chancellor H.B. Walikar and Registrar S.B. Hinchigeri were present.

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Rains destroys horticultural crops in Sangli

Correspondent

Kolhapur: Off-season rains and gusty winds in rural areas of Sangli on Wednesday destroyed crops of grapes, jawar, wheat, gram and turmeric.

Climate change

This is the second time when climate change affected the crops in this area. Farmers are perturbed by the loss they have to suffer and they are seeking timely help from the State Government to come in terms with the loss.

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Davangere farmers are sore

Staff Correspondent

There is no mention of a maize processing unit in the budget

The processing unit has been shifted to Shimoga, Chief Minister B.S. Yeddyurappa's home district

The Chief Minister has assured farmers of setting up another unit in Davangere

DAVANGERE: Farmers in Davangere feel let down by the BJP Government again, as the proposed maize processing unit has not found mention in this year's budget proposals.

Davangere is in the forefront of maize production in the State . Over 6 lakh tonnes of maize was produced in the district during 2008-09 and 7.22 tonnes in 2009-10. It is expected that the production may cross 8 lakh tonnes in 2010-2011.

Maize is grown in 1.7 hectares in the district, and there has been demand from farmers, traders and others to set up a maize processing unit here.

Subsequently, the State Government had decided to set up a maize processing unit in Davangere.

However, as per the budget proposals, the processing unit had been shifted to Shimoga, the home district of Chief Minister B.S. Yeddyurappa.

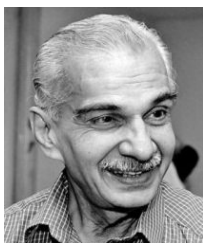
When the elected representatives of the district met the Chief Minister in this regard, Mr. Yeddyurappa reportedly assured them of setting up another maize processing unit in Davangere.

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Areca growers left in the lurch

Staff Correspondent

They want assistance to take up alternative crop



Manchi Srinivas Achar and K. Narasimha Nayak



MANGALORE: The first agriculture budget for 2011-12 presented by Chief Minister B. S. Yeddyurappa on Thursday has left arecanut growers, whose plantations have been affected by yellow leaf disease in Sullia taluk, in the lurch.

The disease has affected plantations in Aranthodu, Sampaje, Todikana and Markanja villages in the taluk. Plantations in Madappady, Ubaradkka and Mittur villages have been affected partially.

The budget document said that of the 2.13 lakh hectares under arecanut cultivation in the State, the disease had affected palms on 10,400 hectares. "A provision of Rs. 2 crore has been made to control this disease," it said.

Taking objection to this, Vasanth Rao of Todikana, whose plantation has been affected by the disease, said: "The disease has ruined many plantations. There is no permanent cure for this."

Mr. Rao said that growers, whose plantations had been affected by the disease in the taluk, had been demanding that the Government provide financial support to take up an alternative crop. "We have been let down now."

"We expected financial support for replacing arecanut palms with other crops and not for continuing research on controlling the disease," Mr. Rao, who has been fighting for the cause of farmers, said. Keshav Prasad from the same village said: "Even after so many years of research, the Central Plantation Crops Research Institute (CPCRI) has not been able to find a

solution to the disease."Manchi Srinivasa Achar, president, All India Areca Growers' Association, said that the budget had not made any provision to guarantee income of farmers. It appeared that there was no proper mechanism for paying subsidy and incentives directly to farmers.K. Narasimha Nayak, vice-president, Malnad Areca Marketing Cooperative Society (MAMCOS), Shimoga, said that the Government should have earmarked Rs. 100 crore to procure arecanut from farmers under market intervention scheme by paying minimum support price.Amrut Malla, Ayurveda doctor from Moodbidri, said that the budget should have announced an insurance scheme for agriculture workers and health card facility for them.

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Prospects seem tall with new farming practices

K. Raju

Farmer gets nine-foot-tall cane with bright colour and uniform size



Fruits of toil:A farmer showing fully grown sugarcane at Vayalpatti in Theni district on Thursday.

THENI: Adoption of good agriculture practices, introduction of drip irrigation system, and minimum use of fertilizers including organic ones at the appropriate time, make sugarcane cultivation a profitable avenue for a farmer at Vayalpatti village in Theni district.

The 2.4-acre sugarcane field at Vayalpatti owned by farmer B. Suruli Nathan alias Rajan, has over nine-foot-tall sugarcane with bright colour and uniform size.

He has been cultivating sugarcane for one-and-half decade now and is a registered farmer for the sugar mill in Andipatti.

“Normally, I get around 40 tonnes of cane from my field. Peak production in my 15 years of cultivation was around 52 tonnes. With poor rainfall and frequent changes in the climate, production slumped to 35 tonnes. Change in cultivation method, partial adoption of natural or organic farming, and minimising the use of chemical-based fertilizers has helped not only in increasing production but has also scaled down costs this year,” he said.

Leaving dry leaves of sugarcane in the field itself controlled weeds and application of bio-agents turned dry leaves into organic manure. Such measures enriched the soil and fed necessary nutrients to the standing crop, he added.

Now, the weight of a single sugarcane in my field is around 3 to 3.5 kg and the height is over nine feet. Size and colour of the cane is also uniform.

At the same time, drip irrigation controlled weed growth, minimised water use, scaled down labour costs, and played a crucial role in increasing the yield, Mr. Rajan informed.

He expects around 70 to 80 tonnes this season. Rat menace is the only problem in the field.

Like hundreds of farmers in the district, Mr. Rajan has also been waiting for the cutting order from the mill to harvest sugarcane.



HT Correspondent, Hindustan Times

February 24, 2011

First Published: 23:25 IST(24/2/2011)

Last Updated: 23:34 IST(24/2/2011)

Food inflation up at 11.49%, PM eyes 7% by Mar

Food inflation inched up to 11.49% even as Prime Minister Manmohan Singh told Parliament that inflation will come down to a manageable 7% by the end of next month. "I will be the first one to admit that inflation in the last 18 months has become a problem. There were reasons beyond our control. First, there was the drought of 2009 and there were natural calamities which affected the production of important products such as vegetables and onions," Singh said. The food inflation had dropped to 11.05% in the first week of February from 13.07% in the previous week. "The government's function is to ensure that we control inflation but in a manner which we do not hurt the growth of employment opportunities," Singh said. "The only way we can control inflation is through increased production and increased productivity of agriculture," he said.

<http://www.hindustantimes.com/StoryPage/Print/666416.aspx>

New Delhi, February 24, 2011

First Published: 12:03 IST(24/2/2011)

Last Updated: 12:35 IST(24/2/2011)

Food inflation at an alarming 11.49%

Food inflation rose to 11.49% for the week ended February 12 from 11.05% in the previous week, driven by rising prices of milk, egg, meat and vegetables. The marginal rise in food inflation for the seven day period ended February 12 snaps a fortnight of consecutive decline during the weeks ended January 29 and February 5. Food inflation stood at 21.82% in the corresponding year ago period. As per the wholesale price index (WPI) data released on Thursday, prices of eggs, meat and fish rose by 14.79% in the week ended February 12. Similarly, milk prices rose by about 17%. Vegetable prices rose by 15.89% in the week under

review, despite a 9.72% decline in potato prices. Wheat and pulses prices also dipped by 1.01% and 5.62%, respectively, during the week under review. Cereal and rice prices rose by 2.07% and 1.65%, respectively, during the week ended February 12. As per the WPI data, inflation in primary articles was 15.77% for the week ended February 12, down from 21.82 % in the year ago period. Inflation in the non-food articles segment stood at 31.58% in the week ended February 12, as against 13.94 % in the same period last year.

<http://www.hindustantimes.com/StoryPage/Print/666149.aspx>

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Friday, Feb 25

Max Min
30.3° | 23.5°

Rain: TRACE

Humidity: 79%

Wind: Normal

Sunrise: 6:27

Sunset: 18:16

Barometer: 1011.0

Tomorrow's Forecast



Rainy

Saturday, Feb 26

Max Min
31° | 22°

Extended Forecast for a week

Sunday Feb 27	Monday Feb 28	Tuesday Mar 1	Wednesday Mar 2	Thursday Mar 3
29° 22° Partly Cloudy	28° 21° Cloudy	30° 22° Cloudy	30° 23° Rainy	30° 23° Partly Cloudy

Food inflation up, PM still hopeful

Feb 25 2011

Feb. 24: Food inflation — which measures the rise in prices of food products accelerated marginally — rising to 11.49 per cent for week ended on February 12. Food inflation has been in double digits since December 23, 2010.

The Prime Minister, Dr Manmohan Singh on Thursday said in the Parliament that “I will be the first one to admit that inflation in the last 18 months has become a problem. There were reasons beyond our control. First of all, there was the drought of 2009, there were natural calamities which affected the production of vegetables such as onions.” He also blamed global factors such as the deteriorating world food situation for the rise in inflation.

Economists see inflation coming down to single digit in one or two months due to softening of vegetable prices in the retail market.

“Food inflation should come down to single digit by March,” said Crisil, chief economist, Mr D.K. Joshi. He said that high world food prices could effect the inflation rate in case the prices of edible oil remains high in the international arena and if we need to import it.

The RBI is expected to increase the interest rates in coming month due to high inflation, “RBI will have to show that it is acting otherwise it will send a wrong signal and there would also be political pressure,” said Mr Jagannadham Thunug-untla, SMC Capital. According to economists, the government’s budgetary allocation on food will rise due to increase in the minimum support prices announced before the rabi crop. To encourage cultivation of pulses, Centre had hiked minimum support prices in June 2010 up to 33 per cent.

Source URL:

<http://www.deccanchronicle.com/business/food-inflation-pm-still-hopeful-603>



By PTI

24 Feb 2011 12:25:05 PM IST

Food inflation up marginally to 11.49%

NEW DELHI: Food inflation rose marginally to 11.49 per cent for the week ended February 12 from 11.05 per cent in the previous week, driven by rising prices of milk, egg, meat and vegetables.

The marginal rise in food inflation for the seven-day period ended February 12 snaps a fortnight of consecutive decline during the weeks ended January 29 and February 5.

Food inflation stood at 21.82 per cent in the corresponding year-ago period.

As per wholesale price index (WPI) data released today, prices of eggs, meat and fish rose by 14.79 per cent in the week ended February 12.

Similarly, milk prices rose by about 17 per cent.

Vegetable prices rose by 15.89 per cent in the week under review, despite a 9.72 per cent decline in potato prices.

Wheat and pulses prices also dipped by 1.01 per cent and 5.62 per cent, respectively, during the week under review.

Cereal and rice prices rose by 2.07 per cent and 1.65 per cent, respectively, during the week ended February 12.

As per the WPI data, inflation in primary articles was 15.77 per cent for the week ended February 12, down from 21.82 per cent in the year-ago period.

Inflation in the non-food articles segment stood at 31.58 per cent in the week ended February 12, as against 13.94 per cent in the same period last year.

Printed from

THE TIMES OF INDIA

Food inflation up marginally to 11.49% for week ended Feb 12

PTI, Feb 24, 2011, 12.30pm IST



Food inflation at 11.49% on February 12

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THE ECONOMIC TIMES

Fri, Feb 25, 2011 | Updated 05.24AM IST

25 Feb, 2011, 04.45AM IST, Prabha Jagannathan, ET Bureau

'India, developing countries grew 43% biotech crops in 2010'

It could engender renewed debate, in the thick of high food prices that analysts and food sector think tanks including the FAO say are here to stay, over the urgent need to adopt new crop technology and boost production to feed the world's burgeoning population.

The annual report of the ISAAA (International Service for the Acquisition of Agri-biotech Applications) released here today said that India and other developing countries grew close to 43% of the biotech crops in 2010 and would exceed acreage in industrialised nations by 2015. While biotech sector stakeholders may be frustrated over the fact that the moratorium on Bt Brinjal (last week was the first anniversary of the moratorium), India's first biotech food crop, persists and blocks the road to other feed and food GM crops, India had in the meantime grown self sufficient in cotton thanks to large scale adoption of Bt cotton, the report emphasized. "Clearly, the countries of Asia and Latin America will drive the most dramatic increases in global hectares planted to biotech crops during the remainder of the technology's second decade of

commercialization.”

The five principal developing countries growing biotech crops – China, India, Brazil, Argentina and South Africa – planted 63 million hectares of biotech crops in 2010, equivalent to 43 per cent of the global total. All told, 19 of the 29 countries that have adopted biotech crops are developing nations, which grew at a rate of 17% or 10.2 million hectares over 2009 compared to only 5 per cent growth or 3.8 million hectares in industrialized countries.

Compared to India, Brazil is perceived as the driving force for agri biotech crop investment in the future. The Latin American nation expedited approvals of biotech crops (a total of 27, and 8 in 2010 alone) and secured export trade agreements. It now plants 17% of the world’s biotech crops, according to Dr. Anderson Galvao Gomes , director of Brazilian-based Celeres and contributor to the ISAAA report. The report contends that productivity increases attributed to biotech crops helped fuel Brazil’s ability to double its annual grain production since 1990 while increasing cropland by only 27%.

James contends that more than 90% of biotech crop growers are small-scale farmers. Of the 15.4 million farmers using the technology in 2010, 14.4 million were small-scale, resource-poor farmers in developing countries mainly China and

India, contributing to poverty alleviation. 6.5 million Chinese and 6.3 million Indian farmers planted biotech crop seed, the report says. Pointing to the nutrition and hunger alleviating aspects of biotech food crop, the author notes that more than 1 billion people throughout Asia, who are members of the 250 million small-scale rice-producing households cultivating about one-half hectare, are potential beneficiaries from the expected commercialisation of insect-resistant Bt rice expected to be introduced before 2015.

“This is important progress,” said James. “Up to 6,000 deaths a day can be prevented with Golden Rice for Vitamin A deficient populations, which is expected to be available for planting in

the Philippines by 2013 followed by Bangladesh, Indonesia, India and Vietnam.”

According to Clive James , author of the report, in just over 15 years after commercialisation, biotech crops world over exceeded 1 billion hectares in 2010. That, he contends, is a milestone that signifies biotech crops too are here to stay . With an unprecedented 87-fold increase between 1996 and 2010, biotech crops are the fastest-adopted crop technology in the history of modern agriculture, according to James, chairman and founder of ISAAA. “Growth remains strong, with biotech hectarage increasing 14 million hectares -- or 10 per cent – between 2009 and 2010,” said James. “That’s the second highest annual hectare growth ever – bringing 2010 global plantings to 148 million hectares.” For the first time, in 2010, the report says, the ten largest biotech crop growing countries all had more than 1 million hectares in production, providing a broad and stable base for future growth. In hectarage rank order, they include: USA (66.8 million), Brazil (25.4 million), Argentina (22.9 million), India (9.4 million), Canada (8.8 million), China (3.5 million), Paraguay (2.6 million), Pakistan (2.4 million), South Africa (2.2 million) and Uruguay (1.1 million). The ISAAA is a not-for-profit organization with an international network of centers designed to contribute to the alleviation of hunger and poverty by sharing knowledge and crop biotechnology applications. The report, it says, was entirely funded by two European philanthropic organizations.



Fish farming in 12 big reservoirs

February 25, 2011 11:01:57 AM

Fish farming is being done at 12 big reservoirs by the Cooperative Societies constituted by Fisheries Federation in the state. A fish hatchery unit is being constructed at Devlond Bansagar

in Shahdol district with an aim to increase production of fish. Fisheries Minister Ajay Vishnoi will lay foundation stone for hatchery on February 25 at 11 am.

After the installation of hatchery unit at Bansagar, production of fish seeds can be increased. Fish seeds can also be provided for other farmers of vicinity area to farm fish in their local ponds. Around 10 'Pokhar' are also being constructed near hatchery. Fish like Katla, Rahu will be farmed in these 'Pokhar'. Presently, 24 fisheries cooperative societies are working. Around 1,100 fishermen of cooperative committees are engaged in the work.

MoU for seed production, quality enhancement

February 25, 2011 11:05:00 AM

The Uttarakhand Seeds and Tarai Development Corporation and multinational seeds company Syngenta recently discussed the possibility of signing an MoU in order to facilitate collaboration on different aspects including seed production, marketing, security and other issues.

Addressing company officials at a meet held in the Uttarakhand Seed and Tarai Development Corporation, general manager Dr Prabha Shankar Shukla informed them in detail about the quality standards, production level and marketing process in the corporation. Seeds are tested at different levels before being marketed, which is one of the factors enabling the corporation to make an important contribution in the cultivation of foodgrains in the nation.

Shukla stressed that by coordinating efforts of different companies in the field, it is possible to achieve positive developments in seed research and development and other facets which will provide a new direction to the seeds industry. The signing of a MoU between the corporation and Syngenta could help in increasing the benefit to farmers, he added. The Syngenta global serial head Christian Yufer informed the corporation officials about the various activities of the company.

Business Standard

Friday, Feb 25, 2011

Processors resort to high-cost cashew imports

Mahesh Kulkarni / Bangalore February 25, 2011, 0:33 IST

Delayed harvest of raw cashew nut (RCN) in the country this year has impacted the margins of domestic processors, as they are forced to import at record high prices. The processing units are importing RCN at \$1,450-\$1,750 a tonne, a 40 per cent rise as compared to the last year.

Processors are likely to have low margins if domestic prices of RCN rule above Rs 70 a kg. For the current crop year, the harvest has been delayed by over a month in both India and Vietnam, mainly due to unseasonal rain in November last year. Cashew crop in India is spread over seven states — Kerala, Karnataka, Goa, Maharashtra on the west coast and Tamil Nadu, Andhra Pradesh and Orissa on the east coast. The trend and progress starts from lower latitudes. Cashew takes over 60 days for harvest from the first completed fruiting.



Towards mid-February, only small arrivals started and prices were at peak. Price was Rs 85 a kg, as against Rs 60 a kg in the same period last year, a rise of 41 per cent.

At present, kernel prices are hovering at around Rs 425 plus taxes (ex-Mumbai), as against Rs 370 a kg in May last year — an increase of 15 per cent. It touched an all-time high of Rs 500 and subsided rapidly in the new year.

The industry is eagerly looking forward to the domestic crop this year — its size and quality — as it plays a major role in both Indian and international supplies. Most Indian crop is sold domestically.

Food ministry seeks pulses, edible oil subsidy extension

Anindita Dey / Mumbai February 25, 2011, 0:30 IST

Both subsidy schemes expire on March 31.

The ministry of food and consumer affairs has recommended for extending the pulses and edible oil subsidy post March 31, 2011.



Besides, for edible oil, the central government also proposes to impose stock limits for states under Essential Commodities Act, said an highly placed official.

“While the initial estimates of pulses production have been good, but this is to combat any unwanted blips resulting into high prices and continue with the scheme for public distribution system (PDS),” said an official. The scheme, proposed in 2008-09 is meant for uninterrupted supply of these essential commodities under PDS irrespective of ruling market prices or prices at which these are imported. Both these subsidy schemes for pulses and edible oil expire on March 31, 2011.

Incidentally, India is a net importer of edible oil especially palm oil and soyoil.

The food ministry has been subsidizing pulses and edible oil distribution under PDS by states to the extent of Rs 10 a kg and Rs 15 a litre, respectively.

Incidentally, the agriculture ministry had indicated a record output for 2010-11 according to the second advance estimate for wheat and pulses.

“Since the estimates have been good for pulses, the finance ministry is yet to agree to this move. The food ministry has been insisting for continuing these subsidies for atleast three to six months post expiry to take care of any eventuality in price situation,” sources said.

Since edible oil imports are affected by current high international prices, the food ministry has also urged to continue with zero import duty for crude edible oil and 7.5 per cent duty for importing processed edible palm oil.

According to the second advance estimates of crop output for 2010-11, released by the agriculture ministry, pulses output is likely to touch 16.51 million tonnes.

However, the food ministry has not submitted any proposal for continuing with the subsidy given to trading corporation for importing pulses and distributing it in the open market at a price less than the imported price. Under the subsidy, this loss is compensated to the extent of 15 per cent of difference of local and global prices.

Under PDS, in FY10, the government had increased the amount of pulses to be distributed under PDS from 300,000 tonnes to 600,000 tonnes.

Last year, in order to check pulses prices, the ministry had recommended against raising the minimum support price (MSP) for pulses. MSP acts as a benchmark for the market prices and currently MSP for pulses is the highest. It had also recommended continuation of the ban on export of pulses and duty-free imports. The ban on export of pulses, barring kabuli chana, has already been extended till March 31, 2011.

Wheat output in M.P. likely to cross 84 lt

Bhopal, Feb 25:

Despite frost and cold wave conditions which affected the earlier sown crops in Madhya Pradesh, wheat production is likely to cross the last year's yield of 84 lakh tonnes.

Farmers had sown wheat crop earlier and when it reached the flowering stage, frost affected it. Despite that, the State will have a bumper production this year also, the State Agriculture Minister, Mr Ramkrishna Kusumaria, told PTI.

"Before frost, we had estimated 90 lakh tonnes wheat production in the State. Though it has affected the earlier sown crop, it has not affected the wheat crop sown later and the total production is likely to be around or more than 84 lakh tonnes," the Director of Agriculture, Dr D.N. Sharma, said. However, tuar, gram and masoor crops have been badly hit and the farmers have suffered a major loss. But, the State will have a bumper production of soyabean this year also, the Minister said. Mr Kusumaria said for the first time the State has amended the rules for distribution of relief to the frost-hit farmers.

Demand pushes up egg, chicken prices



Chennai, Feb. 24:

After ruling flat at Rs 2.15 a piece for almost a week, eggs are again becoming expensive as demand increases.

The National Egg Coordination Committee's Namakkal zone has decided to increase the prices of eggs by five paise to Rs 2.20. "Prices will move up by 5-10 paise in the coming days," according to Mr P. Selvaraj, Chairman of NECC's Namakkal zone. After hitting a record Rs 3.02 last month, egg prices dropped around 40 per cent to reach Rs 2.15.

"Accumulation of stock, buyer resistance and seasonal uncertainties led to a sudden fall in the egg prices. As a result, margins of small poultry farmers were affected a bit," Mr Selvaraj said. The Namakkal region produces three crore eggs a day.

Rising feed

NECC has raised the prices of layer birds to Rs 25/kg (Rs 23) while the Palladam-based Broiler Coordination Committee has increased the prices of cull birds to Rs 60/kg (Rs 54). "Prices are likely to go up during end-March when demand for animal protein usually is on the rise during summer and it outpaces supply in a lean season. Industry sources attribute the rise in prices to escalating feed prices. "A year ago, feed cost was Rs 400/bag and now it has increased to Rs 1,100. To cope up with this huge jump, we are forced to pass on part of the price rise to consumers," said a poultry owner.

On the export front, with the doors of West Asia still closed to Indian poultry products, trade is now focusing more on the neighbouring Sri Lanka as the country has decided to import eggs from India until the shortage is met there and domestic prices stabilise. Earlier, India used to export 100 containers (of 4.75 lakh eggs each) every month to West Asia and 50 containers to Africa. But now these have dropped to negligible quantities. India, since mid-December, has exported around 18 lakh eggs to Sri Lanka.

What the readers want - V



Sanjay Kaul, MD &CEO, NCMSL.

February 24, 2011:

Farm infrastructure requires focus

It is unfortunate that despite fervent pleas by industry the agri-warehousing and cold chain sector has not been granted “infrastructure status”. There is an estimated 32 million shortage in storage capacity, and even conservative estimates put the immediate investment requirement at Rs 10,000 crore. The Finance Minister had amended section 35 AD of the Income Tax Act to permit full depreciation to be charged in the year of investment. This concession has proved inadequate as it amounts only to a tax deferral and provided no tangible tax relief. It is only the grant of infrastructure status that will provide a major fillip for investment in this vital sector.

Agri-warehousing currently receives a marginal subsidy through a NABARD implemented scheme. This minuscule subsidy has not helped make investment in warehousing viable. In addition, NABARD under a new window of direct financing should provide direct loans at lower rate of interest to the private sector for warehousing, integrated supply/ cold chain and allied infrastructure development activities in the rural areas, under RIDF funds.

Mere refinancing and state loans does not comply fully with NABARD's mandate or purpose for which it was created. There is also need to eliminate the need for different VAT registration numbers across states for entities and individuals license by the newly set up Warehouse Development and Regulatory Authority (WDRA). In fact, VAT/CST should apply only when physical transfer of agriculture produce takes place. This will encourage free movement and trade and serve to stabilise prices of agricultural commodities across the country.

Sanjay Kaul

MD &CEO, NCMSL.

IT sector seeks IP-based incentives

The Government should consider extending the tax holiday for IT exporters by another year, now that the Direct Tax Code will come into force only from 2012. The refunds for input service tax are not benefitting exporters of service, as most refunds are pending. Our suggestion is the Government should at least end the reverse charge on services for 100 per cent exporters.

The Finance Minister should reiterate that all sovereign tax treaties entered into with India should be honoured. This would boost the confidence of MNCs who have business in India. Currently, our Intellectual Property (IP)-based incentives depend on specific approvals from Government.

The grant of more IP-based incentives, similar to those in Singapore, will spur IT companies to relocate their R&D centres to India, turning it into an IP hub. Rather than depend on work permits or visas, we should give IT companies incentives to migrate IP to India. Indian IT companies need not fear the US Government's moves to protect jobs for its citizens, as our GDP growth at nearly 10 per cent can help absorb such irritants.

Indraneel R Chaudhury

Executive Director, Tax & Regulatory Service, PwC India.

Give agriculture research a boost

We hope the forthcoming budget would give due importance to the agriculture sector, and help it to overcome the key challenges to fulfil our food-security requirements. It is imperative to provide incentives to bridge the gap between actual and potential yield and leverage technology to improve productivity.

The industry seeks the Government's support for creating a productive and enabling environment for agri-business to produce newer crop technologies, and environment- and farmer-friendly products. The budgetary incentives should also extend to building agri-support

infrastructure, creating non-farm jobs for farmers with small land-holdings to ensure inclusive growth.

To usher a second green revolution and fulfil the growing food demand, we need increased investments in agricultural research. Encouraging widespread use of technologies is a must for rejuvenating agriculture and ensuring long-term food security. We need focus on initiatives that will propel agriculture as the chief contributor to economy, and a time-bound plan for diversified growth of the farm and allied sectors. **Dr Raju Barwale, Managing Director, Mahyco.**

Coir Board sees scope to tap market for control of soil erosion



Business Line Workers engaged in coir fibre making at a manufacturing unit near Kochi, Kerala (file photo). — K.K. Mustafah

Kochi, Feb 24:

The Coir Board Chairman, Mr V.S. Vijayaraghavan, has expressed confidence that coir geotextiles exports to the 40-nation International Erosion Control Association (IECA) member countries are slated to pick up, going by the encouraging enquiries at the four-day annual IECA conference and exposition at Florida, which began on February 20.

The annual conference of IECA, represented by about 3,000 members drawn from 40 countries besides 17 professional bodies, including environmentalists, contractors, importers, architects, decision makers and corporates, provides an opportunity to showcase the products,

technologies and innovations in the field of erosion control and soil stabilisation measures before the global community.

The Coir Board is a corporate member of the IECA.

However, application of coir geo-textiles accounts for hardly two per cent of the global requirements in soil erosion control measures in which synthetic alternatives continue to play a dominant role.

Even an increase of 2-3per cent in the share of coir in the global geo-textile market in the coming years can lead to a quantum jump in the export of the Indian coir geo-textiles.

New products

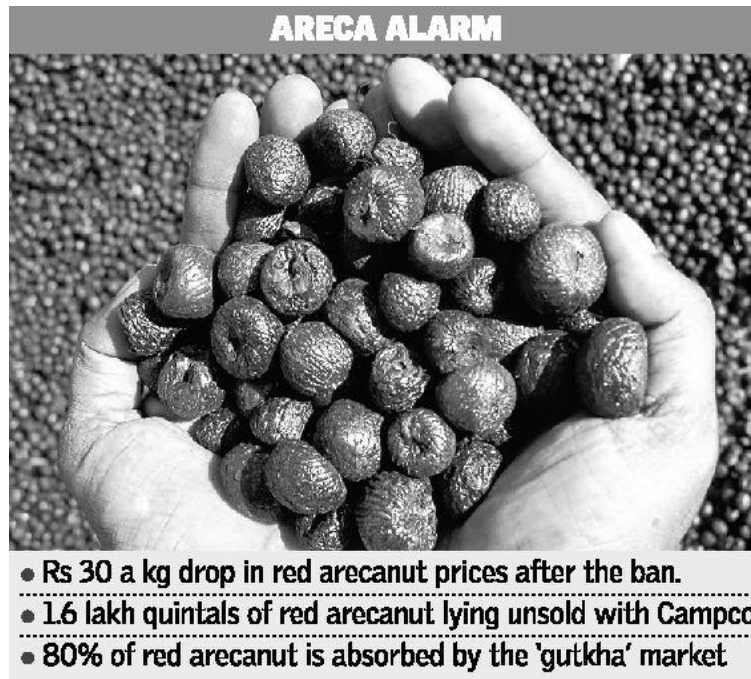
In the context of the constantly changing requirements of the erosion control industry and the erosion control products, the Coir Board is also equipping itself to meet the growing global requirements by developing new coir products to cope with the latest requirements of the end users.

Currently, Indian coir geo-textiles were being exported to 25 out of the 40 IECA member countries of which the US accounted for 41 per cent in terms of quantity and 31 per cent in value terms of the 3,754 tonnes of coir geo-textiles valued at Rs 20.23crore exported from India during 2009-10.

Export scenario

Addressing the IECA conference, Mr Vijayaraghavan said the Government had taken up as a pilot project construction of 400 km of rural roads in various states, as part of the National Rural Road Construction Projects, using the eco-friendly coir geo-textile for inner lay that saves a lot of road construction materials.

Ban on plastic gutkha sachets hits arecanut growers



Mangalore, Feb. 24:

The ban on marketing *gutkha* in plastic sachets by the Central Government has affected the prospects of red arecanut in major markets in Karnataka, causing concern among arecanut cooperatives and farmers' representatives.

Addressing presspersons here on Thursday, Mr K. Padmanabha, President of the Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd, said arecanut buying in Shimoga, Sirsi, Davangere and Tumkur markets has come to a standstill, as *gutkha* manufacturers have stopped buying arecanut. (These markets supply a major quantity of red arecanut to the manufacturers. Red arecanut and tobacco are the main ingredients of *gutkha*.)

The price of red arecanut has come down by around Rs 30 a kg after the ban, he said.

Asked about the likely quantity of red arecanut lying with arecanut cooperatives, he said nearly 1.6 lakh quintals of red arecanut are yet to be lifted by buyers from the Campco. He did not know about other cooperatives, he said.

On February 4, the Central Government had notified the rules to ban marketing tobacco products in plastic pouches. This followed a directive by the Supreme Court to the Government banning marketing tobacco products in plastic pouches by March 1 this year.

Stating that nearly 80 per cent of red arecanut produced is used to manufacture gutkha, he said the growers will be affected if manufacturers don't buy the produce.

Farmers in Chitradurga and Davangere are planning to hold agitations against the ban, he said.

Mr Padmanabha suggested that the Central Government should have delayed the notification by at least a year. This would have given *gutkha* manufactures enough time to come out with alternative packing materials.

Mr K. Narasimha Nayak, Vice-President of Malnad Arecanut Marketing Cooperative Society, Shimoga, and Mr M. Srinivasa Achar, President of All-India Arecanut Growers' Association, were present at the meet.

Boost to fisheries infrastructure



Thrust on infrastructure: To help establish small fisheries harbour and fish landing centres.

Mangalore, Feb. 24:

Development of fisheries infrastructure seems to be the main thrust area in fisheries sector in the Agri-Budget submitted by the Chief Minister, Mr B.S. Yeddyurappa, on Thursday.

The agri-budget allocated Rs 100 crore for the construction of small fishing harbours along the Karnataka coast, and Rs 5 crore for the construction of fish markets, and Rs 9 crore for the construction of houses for houseless fishermen.

Mr Nitin Kumar, Chairman of the Karnataka Fisheries Development Corporation, told *Business Line* that the Rs 100-crore plan will help establish small fisheries harbours and fish landing centres along coastal Karnataka.

Stating that Kerala has around 25 fish landing centres, he said Karnataka has around 10-12. With the allocated funds, there is scope to set up another five to six fish landing centres along the coast.

Small harbours

While placing the agri-budget, the Chief Minister stated that fishermen are facing several problems due to lack of suitable harbours in coastal areas of the State.

Considering this, he said, he proposed to construct small harbours for fishermen in the coastal areas through partnership with organisations having such experience, and made an allocation of Rs 100 crore for this purpose.

The budget also proposed a scheme to provide a well-organised market for marketing fish in urban and rural areas.

Allocating Rs 5 crore this year, Mr Yeddyurappa said that this will help establish 50 new markets. To be built under public-private partnership, each market will get an assistance of Rs 10 lakh from the State Government.

Housing for fishermen

Under the housing scheme for fishermen, the Government had made an assistance of Rs 40,000/ house till now. Nearly, 25,000 fishermen were given assistance under this scheme.

The budget proposed to increase the assistance to Rs 60,000/ house.

By allocating Rs 9 crore for this sector, the State Government proposes to construct 2,000 houses.

KCCI hails steps

Mr G.G. Mohandas Prabhu, President of Kanara Chamber of Commerce and Industry (KCCI), said that KCCI had mooted a plan to set up a fisheries harbour at Kulai-Hosabettu in Mangalore.

He hoped that the Rs 100-crore plan would help set up that harbour in Mangalore.

He said the KCCI welcomes the Government's plans to unveil an agri-business policy, and the proposals to set up warehouses and cold storage chains for agriculture produces in the state.

These measures will immensely benefit the entrepreneurs and trade and industry, he added.

Record price for Glendale estate tea

Kochi, Feb. 24:

Glendale tea estate in the Nilgiris sold two speciality teas in this week's Cochin Tea Auction held on Wednesday at record prices. One invoice, grade named Glendale TWIRL, fetched an attractive price of Rs 1,800 a kg, while the other Glendale OP SPL sold at Rs 950 a kg. These prices were the highest recorded in South Indian auctions so far this year, a press release issued here has said. The teas were auctioned by J. Thomas and Co.

'Agri-budget' cuts interest on farm loans



Priority to backward taluks: Farmers at a function where the Chief Minister, Mr B.S. Yeddyurappa, distributed copy of the State Budget on agriculture at Freedom Park. — Photo: V Sreenivasa Murthy

Bangalore, Feb 24:

The Karnataka Government, through its maiden 'agri-budget', has taken several bold steps to solve some of the problems faced by the agriculture sector by making credit available at lower rates, doling out subsidies for buying farm equipment and setting up a new agri-infrastructure fund to bring in capital through private participation.

The Chief Minister, Mr B.S. Yeddyurappa, while presenting the Budget, announced that the interest rate on agriculture crop loans has been reduced to 1 per cent from 3 per cent earlier. A new scheme – Suvarna Bhoomi Yojana – has also been introduced through which Rs 1,000 crore will be provided for development of 10 lakh farmer families.

Explaining the scheme, the Chief Minister said, "Under this scheme, every farmer family with land holding up to 2 acres will be given financial assistance amounting to Rs 10,000 in two instalments directly through banks or co-operative societies. In case of land holding less than 2 acres, the incentives will be given proportionately."

Sectoral break-up

The sectoral break-up of the 10 lakh beneficiaries is as follows: Horticulture 2.5 lakh, sericulture 50,000, bio-fuels one lakh, organic farming 2 lakh, oil seeds of high yielding varieties , pulses and Bt cotton 3 lakh, apiculture 50,000 fish farming in water logged and saline lands 50,000.

"I hope, through this scheme, the standard of living of farmers on about 15 lakh acres of land will improve," Mr Yeddyurappa said.

Farm mechanisation

A provision of Rs 100 crore has been allocated for farm mechanisation and priority will be given to backward taluks in distribution of agricultural equipment.

The Chief Minister said there is a need for more mechanised farm equipment so that farmers can undertake timely agricultural activities and reduce labour involved in farming activities. According to the requirements of the farmers, equipment such as tractor tiller, paddy harvesting machine, sugarcane harvesting machine will be made available with a subsidy of up to 50 per cent and not exceeding Rs 50,000.

An amount of Rs 100 crore is being provided as subsidy for drip irrigation and sprinkler irrigation, a similar amount for purchase of agricultural equipment. Provision of Rs 40 crore is also being made for one modern mobile unit to each taluk for extension work in agriculture, horticulture and animal husbandry.

Ashok Gulati is agri price panel chief



The Hindu Mr Ashok Gulati.

New Delhi, Feb. 24:

Dr Ashok Gulati is taking over as the Chairman of the Commission for Agricultural Costs and Prices (CACP) from March 1. Currently Director in Asia of the International Food Policy Research Institute (IFPRI), Dr Gulati is a well-known economist, who has done extensive research work on agricultural markets and trade liberalisation, development of value chains, and reforms in public irrigation and farm electricity systems.

Prior to his 10-year stint in IFPRI, Dr Gulati has been a NABARD Chair Professor at the Institute of Economic Growth and Chief Economist at the National Council of Applied Economic Research. He has also been a member of the Prime Minister's Economic Advisory Council. The CACP's main role is to recommend the minimum support prices (MSP) for 25 major crops prior

to every kharif and rabi planting seasons. The MSPs are normally fixed by the Centre based on its Price Policy reports submitted to the Agriculture Ministry.

Rising crude oil props up global agri-markets

Mumbai, Feb. 24:

Is the global agricultural market price performance overdone? Is the market readying for a sharp correction? Speculators and tactical investors in the derivatives market may have recently changed their view about further price performance, but a simmering crude market has turned supportive.

For the week ended February 15, CFTC (US commodity futures market regulator) data showed that as regards agricultural markets the view of investors has turned negative with net fund length falling across the complex, except in cocoa and cotton.

The trend was evident across grains with long liquidation that resulted in non-commercial (speculative) net fund length falling and, in some cases, addition of fresh short positions. Corn, wheat and the entire soyabean complex covering bean, meal and oil witnessed declines.

On the other hand, tactical investors held a different view on soft commodities. Non-commercial net fund length rose in cocoa and cotton. However, sugar declined on long liquidation and addition of fresh short positions.

Edging up

Yet, things may turn out to be different this week. After a somewhat weak performance last week, the grains market is beginning to edge up, ably supported by other commodity markets, especially oil. The ongoing geopolitical developments in the Middle East and North Africa region can trigger stockpiling of grains amidst political uncertainty.

Improved weather conditions in Argentina have raised hopes of an increase in soyabean crop size, albeit small; while there is expectation that China may slowdown soyabean imports in the coming months.

Weather across the globe continues to be a known unknown. Uncertain supplies imply that commodity price volatility is here to stay for some time.

Seed industry seeks stimulus package to drive research

Claims potential to become hub of seeds for South Asia, Africa

Hyderabad, Feb. 24:

The Rs 8,000-crore seed industry in the country has called for a stimulus package from the Union Government to incentivise research and development infrastructure for seed development.

The industry felt that the country has the potential to become a hub of seeds for the entire South and South-East Asia and Africa, provided it gets policy support from the Government.

Focus on modernisation

With estimates pegging the food products requirement at 850 million tonnes by 2020 from the present 440 mt, it is time the country focuses on modernising agriculture. Industry leaders argued that it is modern breeding and biotechnology initiatives that are going to help the country meet the demand.

The industry pointed out that meeting ahead of the Union Budget, the National Seed Association of India (NSAI), which is holding a two-day Seed Congress 2011, wanted the Government to repeat a stimulus package similar to that of 1988 that completely changed the course of seed industry in the country.

“The industry needs tax exemptions for their research initiatives. We expect harmonised laws across States,” according to Dr Paresh Verma of Shriram Bioseed.

Taking part in a discussion at the Seed Congress on the role of Government in seed sector, he pointed out that research and development was not happening in self-pollinated crops because there was no proper mechanism to get back returns.

Stating that the Indian industry could become a hub for the South and South-East Asian region, he said the industry was growing at 12 per cent annually against the global growth rate of less than five per cent. Mr M Prabhakar Rao, former President of NSAI and Chairman and Managing Director of Nuziveedu Seeds Ltd, wanted the Government and private players to set up a nation-wide distribution and retail network to ensure effective distribution and marketing of seeds and other inputs to farmers.

“The industry also expects the Government to establish a Seed Regulatory Commission to streamline and promote healthy competition,” he said.

The industry also felt that the country should strengthen certification and testing agencies. Most of the agencies are not aware of the latest developments in the seed industry.

Pepper futures slide on liquidation, bearish activities

Kochi, Feb. 24:

Pepper futures on Thursday remained highly volatile as usual and dropped on liquidation.

Investors liquidated validity expired stocks while some were selling at Rs 6 below the March delivery price. Good quantities were traded in several directions covered by exporters, processors and inter-State dealers.

The market opened on a high note and hit the highest price of the day and then fell sharply and touched the lowest price of the day in the mid session. Then on reports of good quantities having traded some life got into the market and it recovered and ended below the previous close.

Arrivals

Overseas buyers were reluctant to cover hoping the prices in India would drop further on good arrivals of new crop. However, there were no farmers or dealers who wanted to sell, market sources told *Business Line*. The arrivals of new crop continued to remain thin. Whatever material available at present is the validity expired stocks held by investors, they said.

March contract on NCDEX fell by Rs 217 to close at Rs 22,680 a quintal. April and May dropped by Rs 159 and Rs 173, respectively, to close at Rs 22,887 and Rs 23,132 a quintal.

Total turnover fell by 2,542 tonnes to close at 10,933 tonnes. Total open interest dropped by 230 tonnes showing good liquidation to close at 12,047 tonnes.

Open interest

March open interest fell by 635 tonnes to 9,038 tonnes while April increased by 402 tonnes to 2,508 tonnes indicating good switching over and liquidation. May moved up by 3 tonnes to 304 tonnes.

Spot prices in tandem with the futures market trend dropped by Rs 100 to close at Rs 22,000 (un-garbled) and Rs 22,800 (MG 1) a quintal.

Indian parity in the international market was at \$5,225-5,250 a tonne (c&f) and remained very much in line with other origins, they said. Some business might have also taken place at this rate as some needed the material covered, they said.

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