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Swaminathan sees mixed outcome for farm packages

E.M. Manoj

KALPETTA: M.S. Swaminathan, agriculture scientist, has said that the agricultural packages have not been successful in Wayanad district, where many farmers had committed suicide, unlike those in Alappuzha and Idukki.

In a recent interview with The Hindu, he said Wayanad, Kasaragod and Palakkad were first identified as agrarian-distress districts in the State and Alappuzha and Idukki were added later. Wayanad required a much more integrated planning, as the land use in the district was mainly for plantation crops. The problem with plantation crops was that their market depended on international markets and the international prices were highly volatile.

He said the only part of India where below-sea-level farming was practised was Kuttanad. That was why he wanted to set up a research centre there on below-sea-level farming. “We are trying to develop Kuttanad into a globally important agriculture heritage site, as 150 years ago, the farmers started below-sea-level farming there,” Dr. Swaminathan said. The method was developed by farmers and not by scientists and hence it was a heritage site. He said the countries such as the Maldives had shown interest in such a farming technique.

GM crops

On genetically modified crops, he said that new technologies would continue to be developed as long as the human brain worked. When making combinations which did not occur in nature, a number of precautionary principles should be kept in mind. The impact they would have on the biodiversity, the environment, the human body and the health security of the consumer should be gauged. Unfortunately, in India, the regulatory mechanism was not good.

Dr. Swaminathan said Americans were highly health conscious, but they ate a lot of genetically modified crops such as maize, soya beans and mustard oil. The reason for it was that they were confident that the regulatory mechanism in their country would have take care of any problems.

He said India needed a statutory Parliament-approved national biotechnology regulatory authority. He had suggested in a report in 2004 to set up such an authority, which should be autonomous, professional and transparent in its work.

Biotechnology was a powerful tool and it could create genetic combinations which was required particularly in the event of climate change. The controversy on it was not merely for political reasons but on the grounds of safety. Politicians should be satisfied if a technical mechanism to assess the risks and benefits in a transparent manner was introduced.

Answering a question on the use of local community knowledge and locally important crops, Dr. Swaminathan said that community knowledge was important. Biodiversity was the feed stock for climate-resilient agriculture. Indigenous wisdom and indigenous knowledge married with modern science was called eco-technology. Dr. Swaminathan said 2011 would be a critical year, as agriculture was showing a great deal of instability and price volatility globally. Natural disasters were increasing. A big flood occurred recently in Australia, followed by in Brazil. Even Andhra Pradesh had a bad experience and Pakistan also had a lot of problems. So the world wheat prices were likely to go up and hence India had to build up food security and that was why a National Food Act was being developed.

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Ocean warming, Bay of Bengal cyclones

K.S. RAJGOPAL

While global warming has resulted in increasing sea-surface temperatures and fears that there will be an increase in frequency and intensity of tropical cyclones, it has been found that atmospheric factors also play an important role. Studies have shown that apart from ocean warming, atmospheric parameters like decreasing vertical wind shear have given rise to the increasing frequency and intensity of tropical Atlantic Ocean cyclones.

As far as the Bay of Bengal is concerned, a recent study by National Institute of Oceanography, Goa, scientists led by Dr. M.R. Ramesh Kumar, Senior Scientist, Physical Oceanography Division, and published in the Indian Journal of Geo-Marine Sciences, clearly indicates that warm sea surface temperatures alone are not sufficient for the initiation of convective systems over the Bay of Bengal.

According to Dr. Ramesh Kumar, other environmental parameters, such as the low-level relative vorticity (the rotational flow of winds), the mid-tropospheric relative humidity (the troposphere extends from sea-level to an altitude of 15 Km) and the vertical wind shear (the resultant of mutually opposing winds — one, at 1.5km above sea level and the other, at 12 km above sea level), also play an equally important role in their genesis and intensification. While high values of mid-tropospheric relative humidity and low-level relative vorticity are conducive to cyclone formation, a high value of vertical wind shear has the opposite effect.

In order to focus on the effects of global warming the study period was divided into two parts — 1951-1978 (epoch I) and 1979-2007 (epoch II) and the frequency and intensity of cyclones which formed in the Bay of Bengal were examined statistically. Bay of Bengal was chosen because of the higher frequency of convective systems forming in that region.

In the study, it was found that mid-tropospheric relative humidity and relative vorticity were decreasing throughout epoch II and were therefore not conducive for cyclone formation. It was found that there is no direct relationship between the intensity of storms or severe cyclonic storms with the sea surface temperatures over the Bay of Bengal.

The frequency of storms and severe storms in the two epochs were considered. It was seen that the number of storms and severe storms have decreased largely in the second epoch over the Bay of Bengal. Though the sea surface temperatures were higher in the second epoch, the number of storms decreased in the second epoch leading Dr. Ramesh Kumar to say to this Correspondent: “Rising sea-surface temperatures alone cannot give rise to cyclones over the Bay of Bengal. If that were so, we would be having a cyclone every other day, given the present rate of global warming. The atmosphere plays an equally important role.”

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An aam aadmi sarkar fights the poor

Vidya Subrahmaniam

It is tragic that the same government that gives huge corporate concessions and loses money in corruption is fighting over minimum wages.

As India's — and by some reckoning the world's — largest rights-based rural safety net programme completes five years, here is a reality check. The National Rural Employment Guarantee Scheme (NREGS) has become the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). But in a monumental affront to the father of the nation, the UPA government has confirmed that it will not be paying minimum wages to MGNREGS workers.

On January 1, 2009, the government froze the (then) NREGS daily wages at Rs.100 and delinked it from the sacrosanct Minimum Wages Act, 1948. The poor had always been underpaid in the Indian labour market. But now, by a single diktat, they were officially condemned to subhuman status, fit not even to earn subsistence-level wages.

Had the Mahatma been living today, he would have been infinitely saddened by the use of his name to sanctify this blatant illegality. In the event, the greatest ever champion of justice for the poor is now the brand name for a programme that denies the lowest legally permissible wages to this section. But such is life and such are governments — in 2003, thanks to a predecessor regime, the Mahatma faced the ignominy of sharing space in Parliament's Central Hall with Vinayak Damodar Savarkar, once accused in his assassination.

In the current case, the hypocrisy is compounded by the paeans sung to the rural wage programme by the Congress and the UPA government in the sunshine aftermath of their May 2009 re-election. The victory was phenomenal by every yardstick. The Manmohan Singh government was the first since 1984 to have returned to office after a full first term. More amazingly, it had hit the bull's eye beating the odds brought about by crippling worldwide recession and spiralling prices. The only explanation that suggested itself was that the voting classes, made up overwhelmingly of the poorer sections, had derived at least marginal benefits from the government's welfare measures, patchy and half-hearted as the latter were. For politicians, the situation offered something to chew on: If half measures could achieve this, what would be the political dividend from a more focussed and better implemented social sector agenda? Indeed, the Mahatma Gandhi prefix to the NREGS was widely read as a thanksgiving to the aam aadmi from a grateful party and government.

The surest way of rewarding the aam aadmi and respecting the Mahatma's ideals in letter and spirit would have been for the government to withdraw the January 1, 2009 order and realign the MGNREGS to the Minimum Wages Act. Instead, in the 20 months since its victory, the government has done all it could to derail the programme. Perhaps the bigger dishonesty is the outward impression it has given of making a superhuman effort to sustain the programme — against mounting fiscal pressures and criticism that the MGNREGS had become a wasteful behemoth.

On December 31, 2010, Prime Minister Manmohan Singh wrote to National Advisory Council chairperson Sonia Gandhi, rejecting the NAC's plea for payment of statutory minimum wages to MGNREGS workers. However, he proposed a compromise: To protect MGNREGS workers from inflation, the government would index the wages to the

Consumer Price Index for agricultural labour. This clever sleight of hand was intended to serve two purposes — push the NAC and its supporters to the backfoot and divert attention from the core issue of minimum wages. Overnight, the demand for minimum wages started to look ridiculous and overstated. The debate was pitched in terms of reasonable governance versus fundamentalist social activism. Here was a government exerting its utmost for the poor, going out on a limb to bear the extra burden of indexing wages to inflation. Yet the “NAC and its cohorts” were insisting on a maximalist position on minimum wages. Maximalist position on minimum wages? The irony didn't strike those hyperventilating against the wage programme.

The question before the government was of constitutional propriety: can a duly elected government refuse to implement its own law, more so a government that swore by the aam aadmi for whom the 1948 law was designed in the first place? But rather than accept the obvious answer, the government cosmetically tinkered with the wage programme, passing it off as largesse to MGNREGS workers.

But the illegality does not end here. The UPA government is currently in contempt of the Andhra Pradesh High Court which, in July 2009, suspended the Rs. 100 wage freeze ordered on January 1, 2009 by the Union Rural Development Ministry. But the Central government took no note of the order, resulting in labour groups — which had first moved the court — filing contempt petitions against it.

At a recent seminar on MGNREGS wages, Planning Commission Vice-chairperson Montek Singh Ahluwalia dismissed the issue with the off-hand remark that the Centre would enforce minimum wages for MGNREGS workers if the courts so decreed. He was unaware that the Centre was already in contempt on this issue! When this was pointed out to Mr. Ahluwalia, he amended his position: If the minimum wage in a State was in excess of Rs. 100, the State government would pay the balance. However, for this to happen, the Mahatma Gandhi National Rural Employment Guarantee Act would have to be first amended, of which there is far from being any sign.

In reality, the Andhra Pradesh High Court was only taking forward a position made over and over by the Supreme Court. As former Chief Justice of the Delhi High Court A.P. Shah pointed out at the wages seminar, the Supreme Court, through a series of judgments, had elevated the right to minimum wages “from a statutory to Constitutional status.” The Supreme Court ruled that any remuneration which was less than the minimum wage was “forced labour” or what is commonly understood as bonded labour. The court explained why: “… the first principle is that there is a minimum wage which, in any event must be paid, irrespective of the extent of profits, the financial condition of the establishment or the availability of workmen in lower wages. The minimum wage is independent of the kind of industry and applies to all alike, big or small. It sets the lowest limit below which wages cannot be allowed to sink in all humanity ...”

Clearly, it is inhuman and degrading even to argue against minimum wages — doubly so in a country where 92 per cent of the working population is in the unorganised sector, where exploitation of labour and poor enforcement of laws are a given. According to a report of the National Commission for Enterprises in the Unorganised Sector (NCEUS), in 2004-05, 90.7 per cent of agricultural labourers, 64.5 per cent of rural workers and 52.3 per cent of casual non-agricultural workers received wages below the daily national minimum wage of Rs. 66 designated by the Central government.

It is to rectify this dismal situation that Parliament, in 2008, passed The Unorganised Sector Workers Social Security Bill. The law set minimum conditions of work, including an eight-hour work day and payment of statutory minimum wages. But what use is any law if the government wilfully flouts it? In a recent paper, Jayati Ghosh and C.P. Chandrashekhar have shown that even with patchy implementation, the MGNREGS had pushed up wages, especially for women, who form over half of the MGNREGS workforce. One has only to look at the transformative social impact of the mid-day meal scheme in Tamil Nadu to appreciate the long-term effect of this kind of female empowerment on rural families.

Talking to journalists ahead of the 2009 general election, Rahul Gandhi had proudly noted the effect of the rural wage scheme in elevating wage levels across the country. Mr. Gandhi is not a social activist; if anything he has a market vision. So he typically understood the wage scheme from a market perspective: Increased rural spending had to be good for growth.

Tragically, this very factor has today become a reason to fight the programme. The newest argument against the MGNREGS is that rising rural wages is causing inflation and raising the costs of cultivation, rendering the economy uncompetitive. Ms Ghosh and Mr. Chandrashekhar have strongly disputed this argument in their paper. In any case, this is a viciously circular argument coming from a growth-obsessed government. Economic growth is necessary to uplift the poor. But when the poor get just a little money to spend, the economy starts hurting.

In successive budgets, this government has handed huge concessions to corporates. Between 2007 and 2009, tax revenue foregone on account of exemptions under corporate income tax amounted to over Rs.1,31, 000 crore (Venkatesh Athreya, Frontline). Experts have placed the size of the Black Money Economy at anything between 40 per cent and 50 per cent of the GDP. The 2G scam alone has very conservatively cost the exchequer Rs. 50,000 crore. By contrast the 2009-2010 budget allocated Rs. 39,000 crore or about 0.66 per cent of the GDP to MGNREGS. That the government is quibbling over the payment of minimum wages to the poorest of the poor is a shame.

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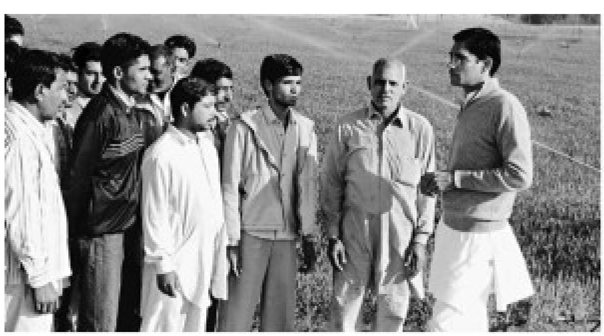
FARMER'S NOTEBOOK

Changes in policy can curb price rise to some extent

M.J. PRABU

Should traders be allowed to control the destiny of farmers?



Hopeful:Ajay Jakhar (extreme right) at an interaction with farmers.

Historian W H Moreland wrote on the agrarian system of Mughal India: “The peasant is the last person to benefit from price rise while he is the first to suffer from a fall.”

“It holds true even today. In spite of government initiatives, the prices for the consumers continue to rise and the farmers' share in the consumer price keeps falling. Sometime back in April last year when the price of onion cost Rs.4 a kg, no political party raised concern for the farmers.

“When the price suddently shot up to Rs.70 a kg, the media and political parties went berserk cancelling exports and import duty, conveniently forgetting the farmers,” says Mr. Ajay Vir Jakhar, Chairman, Bharat Krishak Samaj, New Delhi.

Members

Nearly one lakh famers are members of the Samaj spread across the country and maintain regular contact through meetings, conventions, seminars, training camps, fairs, farmers exchange programmes, and exhibitions.

A monthly journal called ‘Krishak samachar' in English and Hindi and a monthly magazine called “Farmers forum” on subscription, are also published for the benefit of farmers.

“Government should not import onions,” stresses Mr. Ajay. “Abolition of duty and symbolic gestures of imports may suffice for now as the new crop, delayed by the unseasonal rains, is starting to arrive,” he adds.

“Historically, governments always overreact to crises. An abrupt rise in commodity prices leads to banning of exports. This happens for rice, wheat, sugarcane and now onions in a bid to reduce food prices. But it does not help in reducing the rate of inflation.

“The farmer is always subsidizing the urban consumer. Nobody seems to consider that being the largest section of the country, farmers are naturally also the largest consumers themselves.”

Decreasing yields

Decreasing yields increases the production cost of any crop. The price of the commodity is bound to rise, but beyond reasonable limits, it is unacceptable to society.

It is possible through correct interventions that both consumer and farmer benefits. Various changes in policy can reduce the volatility to acceptable limits.

Why is the volatility in food prices so high?

It is a fact that volatility of price is inversely proportional to the market size. At the world market, the volatility is minimum and maximum at smaller markets.

One market

“Allow one country to maintain one market; remove artificial boundaries restricting movement of food across states boundaries; stop taxing fruits and vegetables at the Mandi and elsewhere; compensate the States for loss of revenue - the meagre share of revenue to the States from the mandi tax is approximately six per cent of total produce,” he explains.

“The difference in selling price on the farm and the purchase price of the same by a consumer in the city in India, is the highest in the world. It is difficult to judge as to who is the greater beneficiary - the wholesale trader or the street vendor?

In my opinion both work in tandem to deny the farmer his fair share and the consumer his or her savings.” “Why should traders in sabzimandis be allowed to control the destiny of farmers, consumers, and even governments?” he asks.

“Their power stems from the fact that access to new players is controlled by obsolete regulations.”

There is opposition to futures market, but we need to understand that even though beliefs are important, so is science. Standing up for scientific evidence is crucial.

Redressal system

“The Government must set up a redressal system, sort of a single window registration and compulsorily use information technology for transparency and efficiency to benefit both the farmers and consumers.”

For more details contact Mr. Ajay Vir Jakhar, Chairman, Bharat Krishak Samaj, A-1 Nizamuddin West, New Delhi-110013, email:aj@bks.org.in, phones: 0 11 – 46121708 and 65650384.

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Integrated pest and disease management for mango

Mango trees are affected by a number of pests of which the hopper is a major and serious threat during the flowering season. If uncontrolled they can cause severe damage. Theses insect pest also damage the crop by secreting a sweet sticky substance called honey dew.

Life cycle

Shade and high humidity conditions favor its multiplication. Such conditions prevail in old, neglected and closely planted orchards. The female lays 100- 200 eggs on the mid rib of tender leaves, buds and inflorescences. The life cycle of the pests is 12 to 17 days.

Apart from the hopper- sooty mould complex, powdery mildew and anthracnose diseases are also damaging..

The symptoms of the powdery mildew can be noticed on the inflorescence, stalk of the inflorescence and leaves forming a white superficial powdery growth on these parts.

Brown spots

Anthraconse can be observed on leaves, petioles, twigs and blossoms. Oval to irregular brown spots of various sizes can be observed scattered all over the leaf surface.

In almost all the districts mango growers have started spraying chemicals. Farmers are cautioned not to use these chemicals which will create pest resurgence in the later phase of the growth. It is advisable to include one fungicide along with the pesticides for effective management .

Mangement

The following strategies will help

— Keep orchards clean. Prune overcrowding and over lapping branches during August-September.

— Collect and destroy affected inflorescence or sticky inflorescence

— Install light traps at 1 trap/hectare. At the time of flower initiation spraying of Imidacloprid 17.8 Sl @ 0.4 ml/litre + wettable Sulphur at 2 g/litre will be effective.

— After 50 per cent flowering spray Phosalone 35 EC at 1.5 ml/lit + wettable Sulphur at 2 g/litre of water.

— If the incidence of pests is observed again, then it is recommended to spray carbaryl 50 WP @ 2g/litre + wettable sulphur at 2 g/litre of water

—Two sprays of Carbendazim @ 1 g/lit at 15 Days interval is recommended to control leaf and blossom infection of anthracnose if noticed.

M. Selvarajan B. Usha Rani & A.Vijayasamundeeswari

Department of Fruit CropsHorticultural College and Research InstituteTNAU, Periyakulam

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Farm Queries

Cement bee hives

Is it true that bee hives can be made from cement? Whom should I contact for information on the same?

V. Lavanya,Maharashtra

Mr. Ravishankar from Karnataka has developed cement hive boxes. Cement hives makes it less prone to theft and is better adapted to vagaries of weather. The boxes cost less than wooden boxes and are long lasting. Bees readily occupy the hives. They are easy to handle and cost Rs.250 per box, according to him. For more information contact Mr. Ravishankar, Amadula house, Madyanthyaru post, Belthangady Taluka, Dakshin Kannada, Karnataka, mobile: 9972715411, phone: 08256-279390.

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Hotels increase food prices in city

M. Soundariya Preetha

Cost of production has shot up during the last one year

Raw material prices, especially that of vegetables, fuel and milk have increased

Taxes paid by the hotels to the corporation have gone up by nearly 300 per cent

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File Photo: K. Ananthan

Hard to Stomach: Unable to manage the high cost of production, hotels in the city are going in for an increase in the price of food items. –

Increase in prices

January 2010 - January 2011

Commodity	% of increase
Sunflower oil	35
Groundnut oil	15
Pulses	10
Garlic	100
Coconut	50
Fuel	15
Milk	10
Other grocery items	20 - 25

COIMBATORE: Eating out has become slightly expensive in the city as hotels have increased the prices of food items by nearly eight per cent

According to a source at the Tamil Nadu Hotels' Association, almost all hotels and restaurants in the city will implement the price increase as cost of production has shot up during the last one year.

Raw material prices, especially that of vegetables, fuel and milk, have increased manifold.

The taxes paid by the hotels to the corporation under various heads have increased by nearly 300 per cent and fuel prices are up by 15 per cent. In addition to this, vegetable prices have also shot up during the last two months.

Besides this, labour costs have also increased, it has been pointed out. All these have resulted in a higher cost of production.

There is no indication of the prices coming down.

And, hotels cannot compromise on quality.

Hence, they are forced to increase the prices for most of the basic items, according to the source.

The hotels are also cutting down on the number of items that are onion-based or milk-based.

Revision

Usually, hotels revise the prices of the food they sell, once in two or three years depending on the raw material prices.

Even the public know that the raw material prices have shot up now and there is a fear that prices may increase further.

The prices have been revised now for most of the basic food items.

The increase is higher for milk-based food items and those that consume more fuel.

The hotels will continue to offer the economic meal pack on request.

In cities such as Chennai, the rentals and labour costs are higher than Coimbatore and hence food prices are also more in these cities, the source added.

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Minister assures irrigation canal from Cauvery

Special Correspondent

Nehru distributes free TV sets, gas connections at Thuraiyur and Thathiyengarpet

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TIRUCHI: Steps would be taken to build a new irrigation canal from the Cauvery near Mayanur to Thathiyengarpet, said K.N.Nehru, Transport Minister, here on Wednesday.

Drought-prone

Speaking at functions to distribute free television sets and free gas connections at Thuraiyur and Thathiyengarpet, Mr.Nehru observed this was a long felt need of the people of the drought prone area.

Mr.Nehru said 1.23 lakh television sets have been allotted for the district and all eligible families would get the same.

In Thuraiyur, he distributed free television sets to 4,374 beneficiaries. Already, 2,425 television sets have been distributed in Thuraiyur Municipal limits. Another 1,400 families would get the same in the town in the next phase.

At Thathiyengarpet, the Minister distributed free TVs to 995 families and free gas connections with LPG stoves to 611 families.

R.Rani and M.Rajasekaran, MLAs, were present on the occasion.

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Rajasthan sets up 15 marketing cooperative societies for farmers

Special Correspondent

Would buy produce from farmers both at support prices and commercial rates

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JAIPUR: The Rajasthan Government has established 15 new marketing cooperative societies across the State to provide better marketing services to farmers at the mandi level. Each of the societies has been allocated Rs.5 lakh as share money and Rs.1 lakh as managerial grant.

According to Cooperative Societies Registrar P. S. Mehra, the new societies would purchase agricultural produce from farmers both on support prices and commercial rates and supply seeds, fertilisers, pesticides and consumer goods in rural areas.

Mr. Mehra said the 175 existing marketing cooperative societies as well as the 15 new ones in the State would provide agricultural marketing services worth Rs.269.64 crore to the farmers during the current financial year. The new societies have been established in Dungarpur, Barmer, Rajsamand, Alwar, Sawai Madhopur, Banswara, Udaipur and Ajmer districts.

Mr. Mehra expressed hope that the widening network of cooperative societies would enable the farmers to augment their crop yield during both rabi and kharif seasons and get remunerative prices for their agricultural produce.

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‘FDI in agro-processing fine, but not in farming'

Gargi Parsai

Sharad Pawar

NEW DELHI: Even as the Centre is mulling over allowing Foreign Direct Investment (FDI) in the retail sector, Union Agriculture and Food Processing Minister Sharad Pawar on Wednesday categorically ruled out the possibility of FDI in farming.

"FDI in agriculture is not required. We have about 82-86 per cent farmers whose land-holding is below two hectares. In this type of a situation where the land-holding is small, we should not think of encouraging FDI in the agriculture sector," Mr. Pawar told journalists after inaugurating the annual general meeting of the Indian Council of Agricultural Research (ICAR) Society, of which he is the president. Mr. Pawar asserted that FDI in the agriculture sector was not welcome. "I can understand FDI in agro-processing. We will welcome FDI in cold chains and in agro-processing, but not in farming."

Earlier, addressing the ICAR meeting, which included State Agriculture Ministers, Mr. Pawar said the challenges of food production, malnutrition, poverty, population growth, and environment were more acute in present times. The national agriculture research system, through its cutting-edge technologies and human resource, gave confidence to the nation to meet these challenges.

Addressing farm scientists, Human Resource Development and IT Minister Kapil Sibal emphasised the need for the synergy of the ICAR, science and technology, and biotechnology with the university system to meet the challenge of feeding a growing world population. For this, he urged Mr. Pawar to convene a conference of vice-chancellors of universities with the ICAR.

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Eco-friendly way to protect mango blooms

Staff Reporter

KOLLAM: As part of the initiatives for increasing food production in the State, the Agriculture Department has come out with a gadget to lure and trap fruit flies (Bactrocera dorsalis) that are responsible for the loss of over 50 per cent of the mango crop in the State.

Displaying the gadget to presspersons here on Wednesday, the standing committee chairperson of the district panchayat, S. Jayamohan, and principal agricultural officer S. Mohanachandran said the lure in the trap was Methyl Eugenol, to which the male flies had a strong liking.

The lure is set in a plastic jar as bait and the jar has an opening to let in the flies. Once inside the jar, there is no escape for the flies. The department is selling them at Rs.65 each. A jar will be sufficient for 25 cents of land—irrespective of the number of mango trees in it—and a jar will be effective for 30 days.

It is the larvae of these flies that are seen as white worms in mangoes when they come into season. This happens because the female flies lay eggs in these mangoes. Most of them soon decay and fall off the tree. Even if they remain on trees, such mangoes cannot be marketed, hence bring about huge losses for mango farmers. Use of the gadget helps to avoid the use of insecticides. Insecticides will destroy not only the fruit flies but also other insects that are friends of the farmer, according to the officials.Mr. Mohanachandran said the trap was eco-friendly.

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Multi-lender group warns of looming food crisis

Narayan Lakshman

The ECG report identifies six areas where the multilateral development banks and developing countries can take action

WASHINGTON: Another food crisis for developing countries looms on the horizon with food prices reaching a record high in December for sugar, grain and oilseeds, a network of independent evaluation groups across major multilateral development banks (MDB) warned this week.

The multi-lender Evaluation Cooperation Group (ECG) on Monday released a synthesis study on MDB assistance to agriculture and agribusiness, in which it argued that "The overarching message in this context concerns the urgency to raise productivity all along the agricultural value chain," a goal that had been served in India by public investment in agricultural research.

Lauding India for positive developments in this context the ECG said that public investment in agricultural research accounted for nearly 30 per cent of the sector's growth, with international institutions playing an essential part in facilitating better outcomes from research and extension. For such investments in research to be effective, appropriate technology must reach farmers and be adopted for use within the different farming systems, it added. In the macro context, the ECG report cautioned that growth in agricultural productivity had suffered a slowdown following a sharp drop in investments by developing countries and donors.

"Bilateral and multilateral assistance alone to the sector fell by some 40 per cent by early 2000s from its peak in the mid-1980s," the ECG paper noted, adding that the recent increase in official development assistance, to over $8 billion in 2008 from around $3.5-$4.5 billion a year between 1998 and 2004, would not assure results on the ground unless "accompanied by polices that will result in improvements in productivity."

Pressing for a multi-faceted approach to raising productivity, the ECG report identified six areas where the MDBs and developing countries could take action, including research and extension, access to water, access to credit, access to land and land rights, roads and policies, markets and agribusiness.

The ECG report also had positive assessments of India relating, for example, to irrigation investments in Andhra Pradesh that had increased the demand for labour, particularly for women, and made it possible an additional one million hectares of farmland to be irrigated over four years.

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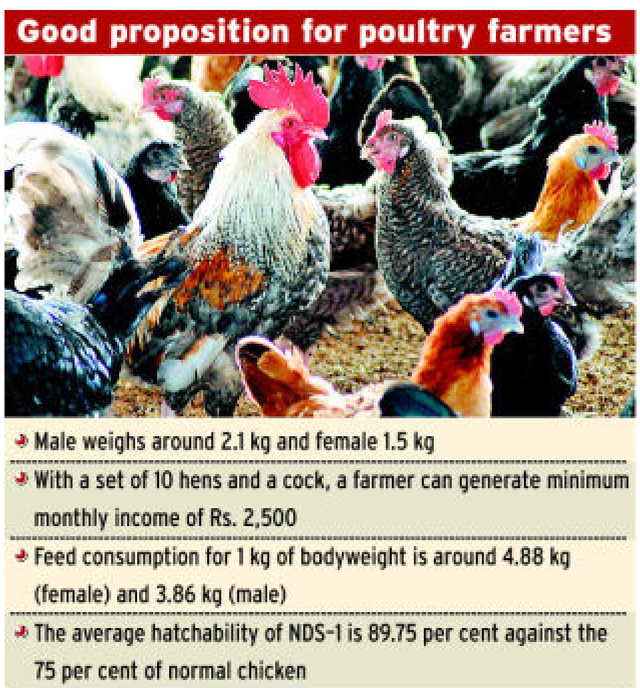
Now, hybrid desi chicken

M.K. Ananth

Developed by VC&RI, it can lay up to 240 eggs a year



Namakkal: To help rural poultry farmers with poor infrastructure to earn a descent income the Veterinary College and Research Institute (VC&RI) here that is part of the Tamil Nadu Veterinary and Animal Science University (TNVASU) has developed a hybrid variety desi chicken.

Named as Namakkal Desi Chicken - 1 (NDS-1) the hybrid variety can lay up to four times more eggs annually compared to normal desi chicken, says VCRI Dean Dr. C. Chandrahasan. He told The Hindu that this chicken also has high disease resistance and requires only one vaccine annually against the 12 to 14 required by normal country chicken.

NDS-1 is a 25 per cent combination of four breeds of chicken that includes two Indian native birds – Naked Neck and Kadaknath – and two American and English cross varieties – White Leghorn and Rhode Island Red. These birds were handpicked after carefully studying their unique characteristics and traits, he said.

White Leghorn for maximum egg laying capacity of close to 320 a year, Rhode Island Red for colour of the bird and brown colour to egg shell, Naked Neck for maximum heat tolerance and Kadaknath for its high disease resistance.The new breed was arrived after three levels of multiple and planned crossing. A male White Leghorn and female Rhode Island Red were crossed while a male Rhode Island Red and female White Leghorn were simultaneously crossed in the first level. In the second generation a male Kadaknath was crossed with a female White Rhodo while a male Naked Neck was crossed with a female Rhodo White.The third and final level of crossing was between a Kadaknath White Rhodo and female Naked Neck Rhodo White that resulted in NDS–1. The reasons why normal desi chicken stop with around 60 to 65 eggs a year is because they start brooding (sitting on eggs to hatch them by warmth of the body). NDS–1 can lay up to 240 eggs a year because it possesses the traits of White Leghorn, which lays eggs and never cares to brood.Dr. Chandrahasan said that the fowl was developed by the Department of Poultry Science about three years ago and has been long tested. It is now awaiting approval from the Technology Releasing Committee functioning under the TNVASU for a formal release. The bird has been distributed to farmers on a trial basis and is now in high demand because of its high productivity, department sources said.

Date:03/02/2011 URL:

http://www.thehindu.com/2011/02/03/stories/2011020361770300.htm

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Annul pact with Monstanto, demand farmers' groups

JAIPUR: Farmer groups here on Wednesday called upon an expert committee appointed by the Rajasthan Government to recommend annulment of a controversial agreement signed with the US-based multinational biotechnology company Monstanto in July last year for assistance in agricultural research and promotion of genetically modified (GM) seeds on the pretext of supply of hybrid seeds to farmers in the State.

The committee, comprising agricultural economists and biotechnology experts, was appointed here recently for examining various provisions of the agreement following a public outcry. The State Government has asked the panel to submit its report by February 15.

Kisan Seva Samiti Mahasangh, Sajha Manch and the Centre for Community Economics and Development Consultants' Society said in a joint statement here that if Monsanto was allowed to enter the State, conditions “similar to those in the Vidarbha region” would gradually emerge here, creating enormous difficulties for farmers and putting the entire agriculture sector to a great risk.

The three groups pointed out that Monsanto has had a controversial history in India forcing the farmers into a “mounting debt trap” after their failed trials of the GM seeds, which led to the poor crop yields, increased need for pesticides and the compulsion to use seeds sold by the multinational giant at very high prices. Monsanto provides technology in 90 per cent of the world's genetically engineered seeds.

Track record

“The agreement signed between Monsanto and the Rajasthan Government in a clandestine manner in July 2010 will destroy agriculture in the desert State and obliterate economic security of farmers. What is the justification for handing over farm research and extension services to Monsanto, which is known for promoting its GM seed technology in poor countries?” asked KSSM secretary Bhagwan S. Dadhich.

The statement regretted that State Agriculture Minister Harjiram Burdak had failed to take into account the track record of Monsanto in States such as Maharashtra and Gujarat where the transition to using the pest-resistant seeds and the necessary herbicides had had “disastrous consequences”. Thousands of farmers across the country have committed suicide due to mounting debt after the use of GM seeds.

Ashok Mathur of Sajha Manch said the Rajasthan Government's “unwarranted haste” in signing the agreement was inexplicable even as the multinational company's controversial activities and seed commercialisation practices were making headlines.

The groups took exception to the agreement giving unfettered rights of research, production and distribution of seeds to Monsanto and making it obligatory for agricultural universities and research centres in the State to provide their resources and infrastructure to the company. “Yet another paradox is that Monsanto would charge the government departments for developing seeds and techniques.”

Alok Vyas of the Centre for Community Economics said the agreement would pave the way for “monopolistic practices” by Monsanto, which would promote its hybrid seeds irrespective of the fact that they consume more water and are not suitable for Rajasthan: “In the absence of any provision for a regulating agency, the farmers would not be compensated for the loss of crops and damage to productivity of their land.”

The statement demanded that the expert committee look into all aspects of the contentious pact and draw the State Government's attention to its “long-term destructive fallout”, while recommending its immediate termination.

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Special Correspondent

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http://www.thehindu.com/2011/02/03/stories/2011020360010200.htm

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Research project on ‘amla'

TIRUNELVELI: Board of Research in Nuclear Sciences of the Department of Atomic Energy has granted a research project, at a cost of Rs. 16 lakh, on preservation and safety evaluation of amla through microtron irradiation technique to A.G. Murugesan, Professor of Sri Paramakalyani Centre of Excellence in Environmental Sciences, Alwarkurichi, a satellite centre of Manonmaniam Sundaranar University.The project will be completed in 3 years in view of the emerging importance of amla cultivation in southern Tamil Nadu, and to increase its export potential.Three export varieties of Amla – Banarsi, Chakaiya, and Francis – known as Indian gooseberry are cultivated across the country. In Tamil Nadu, amla cultivation has gained momentum following the introduction of ‘National Horticulture Mission,' and more than 10,000 hectares of land have been brought under amla cultivation. Subsequently, annual amla production in the State has increased to 75, 000 tonnes with Salem, Tirunelveli, Kanyakumari, Dindigul, and Villupuram as major ‘production centres.'A rich source of vitamin C, this fruit is highly nutritious because each 100 gm of fresh amla contains 500mg protein, 58 kilo calories of rgy, 151 IU vitamin A, 9mg carotene, 600 mg vitamin C (ascorbic acid), 50 mg calcium, 1.2 mg iron, 20 mg phosphorus, and 3.4gms fibre.Amla is effective in the treatment of peptic ulcer, dyspepsia, diabetics, diarrhoea, dysentery, cough, asthma, skin diseases, etc., Apart from fresh amla fruits, value-added products such as candy, pickle, squash, are also available in the market.

hindustantimes
Thu,03 Feb 2011

Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
Partly Cloudy	**Thursday, Feb 3** Max Min 31.6° | 21.7°	Cloudy	**Friday, Feb 4** Max Min 31° | 22°
Rain: 00 mm in 24hrs	Sunrise: 6:35		
Humidity: 74%	Sunset: 18:10		
Wind: Normal	Barometer: 1013.0		

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday

Published on Deccan Chronicle (http://www.deccanchronicle.com)

Farmers to get aid, Pachouri ends fast

By LALIT SHASTRI

Feb 03 2011

Madhya Pradesh Congress president Suresh Pachouri broke his five-day-long fast here on Wednesday night after Union minister of state in the Prime Minister's Office V. Narayanasami announced immediate relief of `424.60 crores for the hail-affected farmers.

This includes a special financial package of `200 crores and a second instalment of `224.60 crores under the Calamity Relief Fund specially sanctioned by Prime Minister Manmohan Singh.

Mr Narayanasami airdashed to the state capital as Prime Minister's special emissary, along with AICC general secretary and in-charge Madhya Pradesh B.K. Hariprasad. Both the leaders appealed to Mr Pachouri to give up his fast on behalf of Dr Manmohan Singh and UPA chairperson and Congress president Sonia Gandhi.

While breaking his fast at the Madhya Pradesh Congress headquarters in the presence of thousands of Congress workers and farmers, Mr Pachouri thanked the PM and Mrs Gandhi. He said that both of them are worried about the farmers' plight. He particularly said that the Gandhi-Nehru family has always been fully sensitive and concerned about the farmers' welfare.

Mr Narayanasami said that the state chief minister had met and given a letter to the Prime Minister seeking a special package of `2,400 crores on Tuesday. The breakup of this includes a demand for `900 crores for distribution of compensation to the farmers; and `500 crores for employment generation in the rural areas, he said, adding that these demands have been forwarded by the PM to the finance ministry and the rural development ministry and the government of India has already started processing the request.

Source URL:
http://www.deccanchronicle.com/national/farmers-get-aid-pachouri-ends-fast-786

THE ECONOMIC TIMES

Thu, Feb 03, 2011 | Updated 09.31AM IST

3 Feb, 2011, 01.43AM IST, S Sanandakumar,ET Bureau

Lower local prices boost rubber exports

KOCHI: Export prospects have opened up for natural rubber with domestic prices ruling substantially lower than the international prices. Though shipments started picking up only by November 2010, total exports are likely to catch up with the last financial year's level.

At a time when the rubber-based industry is busy trying to contract imports, rubber producers in the market are flooded with export orders. “We are getting good export enquiries,” said KK Abraham, president of the Palai Marketing Cooperative Society. The Society is likely to end the year with an export of 5,000 tonne.

Domestic rubber prices are ruling at around Rs 223.50 per kg against international prices which are Rs 265.21 per kg. “The difference of around Rs 40 per kg has resulted in higher exports in the past few months,” said Biju John, CPM Spices Corporation .

He said that exports started picking up from November when domestic prices fell below the international prices. Exports stood at 11,678 tonne during the April-January period against

12,912 tonne during the same period of the previous year. Rubber Board officials said exports would be more or less same as the last year’s 25,090 tonne.

Speaking to ET, Abraham pointed out that rubber producers prefer to sell in the local market as payments are realised faster.

Meanwhile, 31 players have applied to DGFT make use of the special scheme to import 40,000 tonne before March 31 at 7.5% duty. “The industry is going in for imports at a higher price when it can buy rubber here at prices that are lesser by almost Rs 40 per kg,” Biju John said.

The Palai-based Kavanar Latex has exported 8 containers of Indian standard natural rubber. Vijayakumar, the managing director of the company, said orders were pending for another 6 containers. The company will be exporting 500 tonne this year.

The shortage of rubber in the international market has increased the demand for the Indian variety.

3 Feb, 2011, 01.32AM IST, Sutanuka Ghosal,ET Bureau

Banks return to invest in tea cos after 8 years

KOLKATA: Leading banks of the country have started taking exposure to the tea sector after almost a gap of eight years. Banks, which once used to shy away from the sector on fears of accounts turning sticky, are now open to provide working capital as well to meet additional fund requirements of the tea companies.

A few banks which have already started taking exposure to tea companies are State Bank of India , Uco Bank, HDFC Bank, Axis Bank , and ICICIBank .

Talking to ET, Indian Tea Association chairman CS Bedi said: “It is good for the industry that banks which had once turned away from the sector are now taking interest once again. Better price realisation in the last two seasons has helped tea companies to bring down their debt level. A strong balancesheet will attract bank investments. What is noticeable is that there is a visible positive sentiment among the banks about the tea sector.”

Bedi, the managing director of Rossell Tea , said his company has got constant support from HDFC Bank and Axis Bank, two of the countries largest private sector banks.

Sanjay Bansal, chairman of the Ambootia Group, added that banks’ outlook towards the tea sector has changed not only for the big players but also for the small players as well.

“However, tea companies which are based in north Bengal are facing a problem in getting banks’ assistance as the issue of tea estate rental has not yet been solved by the West Bengal government. Therefore, tea companies cannot submit all the documents to banks for getting loans. In these cases, collaterals and personal guarantee by the company directors play a crucial role. We are getting working capital and additional funding from Uco Bank,” he said.

Bank officials think that the worst days for the tea sector seem to be over. A senior Uco Bank official said: “There is no such restriction now on the tea industry as the sector has shown growth in the past couple of years. We can give loans in an unrestricted way to viable units. Price realisation in the sector has improved and tea prices are expected to remain firm in the next season as well due to a global shortage.” Banks are happy as better returns improve the prospects of loan growth in the tea sector.

DP Maheshwari, managing director of BK Birla-controlled Jay Shree Tea & Industries, said: “Though tea is a plantation crop, it is not included in priority sector lending. This is a reason why funding in the sector dried up. But since the tea sector is now in a healthy shape, banks are finding it conducive to invest in this sector. At Jay Shree, we never had any problem with bank funding. SBI is our lead banker."

the pioneer

Dhumal dedicates diagnostic lab to farmers

February 03, 2011 11:09:49 AM

Chander Shekhar Sharma | Dharamshala

Himachal Chief Minister Prem Kumar Dhumal on Wednesday dedicated to the farmers of the State a diagnostic laboratory-cum-exhibition unit of Chaudhary Sarvan Kumar Krishi Vishavavidyalaya, Palampur, in collaboration with the Indian Council of Agriculture Research (ICAR).

Speaking on occasion, Dhumal said that the mobile unit would solve the problems of the farmers at their door steps and provide them expertise advice of all issues related to the problems of the farmers. He said that the Unit would be of immense use to the farmers of remote and far flung areas of the state.

He said that the State Government was making concerted efforts to diversify the traditional farming practices so that agriculture could emerge a viable, income and employment generating activity to the farmers of the state.

He said that Pandit Deen Dayal Kisaan Baagwan Samridhi Yojna was one of the ambitious schemes of the State Government which was providing subsidy benefits up to 90 percent to the beneficiaries. He said that the farmers needed to take benefit of the scheme to find ample employment and self-employment activities at their door steps.

He congratulated the University Scientists for the noble effort they made to deliver farmers diagnostic and testing facilities at their door steps. He underlined the need to extend the services to the entire state and also update the farmers of the latest trends in the diversified farming practices.

Badal SOS to Centre on procurement of grain

February 03, 2011   11:10:00 AM

PNS | Chandigarh

Punjab Chief Minister Parkash Singh Badal on Wednesday called for direct and immediate intervention of Prime Minister Manmohan Singh for putting in place an effective institutional mechanism for smooth procurement of foodgrains by the Centre. Responding favourably to the issues raised by the Chief Minister, PM assured for speedy action.

Badal, accompanied by Punjab Food Supplies Minister Adesh Partap Singh Kairon and his Principal Secretary DS Guru, met PM to brought forth the serious problems being faced by the State Government on the procurement and storage of foodgrains.

He told him that Punjab procures 110 lakh MT of wheat and 140 lakh MT of paddy in the State every year and there is an acute shortage of storage space for these essential commodities.

Further, Badal pointed out that the State Government was executing a pilot project for construction of silos for storage of wheat and the same has been sent to the Union Ministry of Food for approval.

Badal demanded that the Centre must reimburse silo storage charges of `1,365 per tonne per annum to the State Government. He further stressed that adequate storage space needs to be created for storage of rice and also pointed out the urgency of rapid movement of rice from Punjab to other States.

Badal also told Manmohan Singh that incidental charges amounting to `4,000 crore are to be reimbursed to the State since 2003-04 and the case is pending with the Central Government.

Prime Minister sharing his concern on these vital issues of national interest agreed that he will speak to the Union Food Minister to find practical solution after discussion and the State

Food Supplies Minister may meet him for follow up of the matter.

Badal also impressed upon the Prime Minister for expediting the proposal of Amritsar-Tarn Taran railway line for which the Punjab Government had already approached the Railway Ministry.

Garden of Palms at Rs 311 lakh to promote bicycle tourism

February 03, 2011   11:10:11 AM

PNS | Chandigarh

The city administration is promoting Sector 42 in southern end of the city, as a hub of tourism with the development of Garden of Palms at a cost of Rs 311 lakh, adjacent to the lake which is already attracting a lot of visitors.

A special cycling track is being laid on an adventurous terrain including mound and undulated areas is being laid to promote bicycle tourism. Another added attraction will be a tourist reception centre in a saucer's shape, which would be constructed in the Garden of Palms for the convenience of tourists blending with the green environs.

Tourist facilities would include palms shaped tourist huts for seating area demarcated for the tourists within the garden of palms. The visitors can come to this tourist spots during the evening hours as the garden and the walk ways will be illuminated with special light effects.

In a specially carved section of the garden, various colourful tourism multi-play systems will be installed to meet the needs of youngsters or children accompanied by visitors or tourists. Over 50 varied species of palms have already been planted in the garden, which would make this garden a special attraction for tourists on the Vikas Marg linking both the garden of palms and garden of spring.

According to Tourism secretary, Ram Niwas, the administration is also planning to create a new infrastructure within the Beant Singh memorial adjacent to the lake in Sector 42. A large convention hall is also being planned in this area so that large national and international conferences and exhibitions can be held in Chandigarh.

Business Standard

Thursday, Feb 03, 2011

World food prices seen at record high in Jan

Press Trust of India / Milan February 3, 2011, 8:48 IST

Surging food prices are on Thursday expected to push the United Nations' food price index to a record high in January for a second straight month, further above the levels which prompted food riots in 2007/2008.

The Food Price Index of the UN's Food and Agriculture Organisation (FAO), which measures monthly price changes for a food basket of cereals, oilseeds, dairy, meat and sugar, hit a record in December, above a previous high set in June 2008 during the food crisis.

A mix of high oil and fuel prices, growing use of biofuels, bad weather and soaring futures markets pushed up prices of food in 2007/08, sparking violent protests in countries including Egypt, Cameroon and Haiti.

The Rome-based agency has warned food prices could climb even higher, expressing concern about global weather patterns.

Severe drought in the Black Sea last year, heavy rains in Australia and dry weather in Argentina and anticipation of a spike in demand after unrest in north Africa and the Middle East has helped power grain prices to multi-year highs.

The worst winter storm for decades in the US grain belt kept up pressure on wheat futures on Wednesday.

Surging food prices have come back into the spotlight after they helped fuelled protests that toppled Tunisia's president in January and have spilled over to Egypt and Jordan, raising speculation other countries in the region would secure grain stocks to reassure their populations.

Algeria on January 26 confirmed it had bought almost a million tonnes of wheat, bringing its bread wheat purchases to at least 1.75 million since the start of January, and ordered an urgent speeding up of grain imports, a move aimed at building stocks.

World leaders at the World Economic Forum in Davos last week warned rising food prices could stoke more unrest and even war. French President Nicolas Sarkozy reiterated calls for regulation to rein in speculation and volatility.

Multi-year highs for grain and sugar futures in January helped push higher spot and physical prices which the FAO uses to calculate the index.

WB chief urges action on rising food prices

Reuters / Washington February 03, 2011, 9:39 IST

The world faces a broader trend of increasing food and commodity prices and more countries should wake up to the need to curb price volatility, World Bank President Robert Zoellick said on Wednesday.

In a phone interview from Berlin, Zoellick called on G20 global leaders to "put food first" to tackle the surge in prices and increased volatility threatening the poor and driving up inflation in developing countries, mainly in Asia.

"We are going to be facing a broader trend of increasing commodity prices, including food commodity prices," Zoellick told Reuters.

"This can put pressure but also create opportunities," he added, noting that developing nations could boost revenues by increasing food production to meet rising global demand.

He said increased consumer demand, especially for sugar and meat, in fast-growing emerging economies was a major factor pushing prices higher compared with the 2007-2008 crisis.

A mix of high oil and fuel prices, growing use of biofuels, bad weather and soaring futures markets pushed prices to record levels in 2007 and 2008, sparking violent protests in Africa.

Zoellick said the Food Price Index of the UN Food and Agriculture Organization, or FAO, which measures monthly prices changes for a food basket of cereals, oilseeds, dairy, meat and sugar, showed food prices surging to above 2007-08 levels.

Higher food prices are set to push the index on Thursday to a record high in January for a second straight month.

The higher prices, together with political repression and growing inequality between the rich and poor, have fanned protests across the Middle East, including Egypt, Tunisia, Yemen, Algeria and Jordan.

In the run-up to the 2007-2008 food price crisis, the World Bank estimated that some 870 million people in developing countries were hungry or malnourished. The FAO estimates that number has increased to 900 million.

"We believe that while there are differences from the 2008 period, one core policy issue that is the same is that it looks like it will be a very tough year for the chronically malnourished," Zoellick added.

GLOBAL SOLUTIONS NEEDED

The higher food and energy prices have stoked inflation in Asia, including Indonesia, South Korea and Thailand.

With French President Nicolas Sarkozy making commodity price volatility and reforms of the international monetary system his priorities for France's presidency of the G20 group of leading economies this year, Zoellick said it was important to come up with practical solutions to ensure people have access to nutritious food.

"2008 should have been a wake-up call, but I'm not yet sure all the countries in the world that we need to support this have woken up to it," Zoellick said.

While calling for tougher regulation to head off the risk of food riots or slower economic growth, Sarkozy has also focused on improving physical market data.

Zoellick wants the G20 to recognize a larger role for development banks, such as the World Bank, in changes dealing not only with the immediate needs of poor countries faced with higher food prices, but in improving agricultural productivity.

He said politicians in rich countries did not always recognize the political and economic challenges higher food prices posed to developing countries.

More expensive food can be disastrous to the poor because three-quarters of their income is spent on basic foodstuffs.

Food prices also typically account for about one-third to one-half of a consumer price index in developing countries. In developed countries, food makes up a small portion of the CPI.

Zoellick said the World Bank had reactivated its emergency financing facility for poorer countries dealing with the effects of higher food prices, although the impact on African countries of the latest increase has not been as severe.

He said concerns among African governments would grow if oil prices rose enough above their current levels to affect the cost of food transportation and fertilizers.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Tuesday, February 01, 2011

Date:01/02/2011 URL: http://www.thehindubusinessline.com/2011/02/01/stories/2011020151522000.htm

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Back **Cotton export policy requires a new spin**

Indiscriminate issue of quotas will be counter-productive over time.

Sticky policy

Most of the export contracts are at least 20 per cent lower than international prices.

Quantitative restriction and quota allocation have done more harm than good.

Changes in tariff in accordance with world market prices will keep exporters alive to evolving market conditions.

G. Chandrashekhar

Mumbai, Jan. 31

The cotton export quota allocation policy followed by the Directorate-General of Foreign Trade (DGFT) may be consistent with the country's liberalised trade policy of recent years, but it is doing nothing to advance the brand building exercise that was started by traditional exporters some time ago.

If anything, the liberalised policy of seeking applications from all and sundry, and indiscriminate issue of quotas to many with no track record is likely to prove counterproductive over time.

Steep discount

Two issues are worth noting. One is the steep discount at which India cotton has been traded or, some say, thrown away.

According to trade representatives, most of the export contracts are at least 20 per cent (equivalent to about 30 cents a pound) lower than international price.

While overseas buyers may only be too happy to receive goods at discounted prices, such sales are not going to enhance the image of Indian cotton.

Buyers are obviously not going to complain about the quality of cotton shipments from India this season simply because of the cheap price at which goods have been sold.

“If we wish to pitch our cotton in the premium segment, then it should be sold at a price commensurate with its quality,” commented a traditional exporter. It is in this context that the DGFT could be faulted for ignoring global cotton market conditions while formulating its policy that some traders sarcastically described as ‘grand clearance sale'.

What prevented the Government and indeed the Ministry of Commerce from ensuring higher unit value realisation at a time of record global prices remains a mystery. There are ways and means by which the country can realise higher unit value for goods in line with global market conditions.

Why not MEP?

Imposition of Minimum Export Price (MEP) is one such. Basmati rice export is a good example to follow.

While rice (non-basmati) exports are banned, basmati (an aromatic premium rice variety) is exportable without quantitative limits subject to a specified MEP. The system is said to be working well.

To those genuinely keen to promote Indian cotton, valuable lessons are available in this year's cotton export policy and performance.

The very idea of releasing a limited ceiling and quota allocation deserves to be reviewed. Quantitative restriction and quota allocation have done more harm than good to Indian cotton, going by this season's experience.

Without tinkering with the export policy in terms of imposing quantitative controls, it may be possible to allow exports under open general license and, yet, monitor and moderate exports through a system tariffication, depending on exigencies of the situation.

Work in coordination

The Central Government and, in particular, the Commerce and Finance Ministries should work in close coordination to ensure that the tariff mechanism is used effectively to regulate export shipments. Changes in tariff in accordance with world market prices will keep exporters alert and alive to evolving market conditions. Windfall gains would be eliminated.

Tariff changes (especially a hike in Customs duty) hanging like Damocles Sword is the answer to invoice manipulation.

The Government has already lost revenue following unimaginative procedural changes and poor implementation of cotton export quotas. One hopes these are not repeated.

Date:01/02/2011 URL:

http://www.thehindubusinessline.com/2011/02/01/stories/2011020151692200.htm

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Back **Record domestic cotton prices lower than global rates**

Small, medium mills may face problems as they carry low stocks.

M.R. Subramani

Chennai, Jan.31

While cotton prices have run up to a record Rs 50,000 a candy (of 356 kg), they are still lower than the rates in the global market for the comparable quality produce.

And, with small and medium mills having stocks that can last not more than a month, prices could come under further pressure.

On Monday, raw cotton in Rajkot was quoted at Rs 5,375 a quintal, down Rs 575 in the last two sessions on higher arrivals.

“Cotton prices, after touching Rs 51,000 a candy for Shankar-6 in Gujarat, have now dropped to below Rs 50,000. In comparison, global prices are higher,” said Mr A. Ramani, cotton analyst.

While Shankar-6 is quoted at 155-160 cents c&f for exports, comparable cotton from other destinations is quoted at 180-200 cents.

Former Cotton Corporation of India's Chairman-cum-Managing Director, Mr M.B. Lal, said domestic cotton prices are lower by Rs 15,000 a candy compared with global prices.

“Domestic prices have eased in the last two days as arrivals have picked up,” he said.

“People are talking about higher cotton prices in the domestic market. But are farmers paid price on par with global prices?” asked Mr Manickam Ramaswami, Managing Director of Loyal Textiles.

“The problem for spinning mills is that they are not able to procure cotton at these prices. Small and medium mills have stocks that can last between 15 days and a month. Big mills may have stocks that can last them two months," said Dr K. Selvaraju, Director-General of Southern India Mills Association.

Arrivals lower than CAB estimates

A short calculation on the arrivals, carryover stocks and exports shows that mills could, on an average, have stocks that can last them two-and-a-half months. However, it is likely that well-to-do mills could have higher stocks, leaving others with a hand-to-mouth situation, said trade sources.

According to sources, cotton arrivals till last weekend are estimated at 185 lakh bales.

Usually, 62-65 per cent of the crop arrives by January 31 and going by the Cotton Advisory Board (CAB) revised production estimate of 329 lakh bales (of 170 kg each), at least 210 lakh bales should have arrived by now.

"The crop is lower than CAB estimates. I see it around 323 lakh bales," said Mr Lal.

"The crop could be around 310 lakh bales," said Mr Ramani, while Dr Selvaraju also pegged it around this level.

"Unseasonal rain has affected the crop in Maharashtra, Gujarat and Andhra Pradesh," said Mr Ramani.

"Maharashtra crop could be around 80 lakh bales only against CAB estimates of 92 lakh bales," said Dr Selvaraju.

Andhra Pradesh crop is being seen around 48 lakh bales against CAB estimates of 55 lakh bales, while Gujarat crop is also seen around 95-98 lakh bales against estimates of 103 lakh bales.

This, according to trade sources, will see the crop some 24-27 lakh bales lower than CAB estimates. It also would mean that the carry-forward stocks for the next season will be much lower than CAB's projection of 44.50 lakh bales.

"Stocks may hardly last one month if our fears turn true," said a trade source.

"Even if we go by CAB estimates, scope for further exports does not exist," said Mr Lal.

It is the crop estimates that is now proving to be an issue for the industry, trade and policy makers.

January-February is the peak period for procurement by spinning mills. During this period, their buying will be to build inventories that can last them until the new crop arrives in October.

"High prices are creating problems of working capital for us," said Dr Selvaraju.

The current situation means any correction could be short-lived.

"We may witness a scenario that was enacted last June when prices began to flare upthis year too," said Mr Ramani.

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Back **Cardamom prices drop on low demand, higher supply**

G.K. Nair

Kochi, Jan 31

Cardamom prices declined last week, on bearish sentiments resulting from reports of increased availability at auctions.

"It might have dropped on correction after ruling at moderately higher levels. An artificially created over supply situation also aided the price decline," dealers in Bodinayakannur said.

Upcountry demand was low as nobody was interested to buy from the declining market, Mr P.C. Punnoose, General Manager, CPMC, told Business Line.

Declining phase

The average price at the individual auctions dropped to Rs 1,220 on Sunday from Rs 1,282 last week at the KCPMC auction, he said.

There had been gradual decline from Rs 1,352.62 on Tuesday. Severe cold wave conditions in the north Indian states coupled with unconfirmed reports of arrival of Guatemalan cardamom in the upcountry markets led to a slow down in buying activities.

The market will improve from next week as the wedding season in north India is to begin, traders said. At the same time, arrivals also declined to about one-third of it during the peak time of the season. Besides, the quality of material arriving at the market is also inferior which the trade attributed to holding back by growers hoping the prices would move up in the coming days, they said.

On account of the Republic Day, there was no CPMC auction on Wednesday, Mr Punnoose said.

Total arrivals at the KCPMC auction on Sunday stood at 42 tonnes and the entire quantity was sold out. Maximum price fetched was at Rs 1,498.50 a kg and the minimum was Rs 850 a kg. Auction average was at Rs 1,220 a kg, he said.

The high prices had reduced exports of small cardamom to 700 tonnes during April–December from 1,190 tonnes in the corresponding period a year ago.

The average unit value shot up to Rs 1,159.54 a kg against Rs 745.75 a kg in April-December 2009, according to the Spices Board sources.

“The current negative trend is only a temporary phenomenon and indications are that the average price may touch Rs 1,500 a kg,” Mr Punnoose claimed.

Prices for 8 mm green colour bold declined by Rs 50 to Rs 1,550 a kg, while bulk is being sold at Rs 1,175-1,275 a kg, Bodi trade sources said.

Arrivals at the auctions held in Vandanmettu and Bodi last week stood at 162 tonnes and of this, around 4 tonnes were withdrawn, trade sources said.

Individual auction average prices ranged between Rs 1,200 and Rs 1,350 a kg during last week from Monday to Sunday. Total arrivals during the current season from Aug 1, 2010 to Jan 30, 2011 stood at 6,689 tonnes.

Of this 6,547 tonnes were sold. Arrivals and sales in the same period of the previous season were 6,760 tonnes and 6,630 tonnes respectively.

Weighted average price as on Jan 30 was Rs 1,078 a kg, up from Rs 745 a kg same day last year. Prices for graded varieties in Rs/kg in Kumily on Monday were: AGEB 1,365-1,380; AGB 1,285-1,295; AGS 1,260-1,270 and AGS1 1,210-1,235.

Bodinayakannur open market prices in Rs/kg were: AGEB (7-8 mm) 1,350-1,375; AGB (6-7 mm) 1,275-1,300; AGS (5-6 mm)1,250- 1,260 and AGS 1 1,200-1,225.

Dry weather prevails in the growing areas for the past couple of weeks. Growers said that they were hoping for summer rains in February.

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Back **Marginal rise in pepper futures**

G. K. Nair

Kochi, Jan. 31

Pepper futures on Monday moved up marginally on buying support and bullish sentiments. Good additional buying of March was seen. The market, as usual, remained highly volatile. It opened on a weak note, moved up and down and eventually closed marginally above Saturday's close.

Leading exporters were showing interest in covering new good quality pepper at Rs 215-216 a kg.

High moisture new pepper mixed with old pepper traded at Rs 203-206 a kg. Jharkhand- and Bihar-based dealers were reportedly buying it.

Steady arrivals

Meanwhile, one to two tonnes of new pepper have been arriving almost daily at major cities in North India by rail, directly from the primary markets of Kasargode in northern Kerala and Nagarcoil in Kannyakumari district of Tamil Nadu, market sources told Business Line.

Domestic demand, however, was slow as the buyers were covering for only the minimum requirement because of the high prices. As they have not been maintaining any inventory and this being the ideal time for the grinding industry to buy, the buyers may be entering the market eventually, some of the traders felt.

Meanwhile, multinational companies with multi-origin operations were reportedly taking forward positions too. February contract increased by Rs 92 to close at Rs 22,400 a quintal. March went up by Rs 84 to close at Rs 22,775 a quintal, while April declined by Rs 32 to close at Rs 23,098 a quintal.

Higher turnover

The total turnover increased by 2,118 tonnes to 7,250 tonnes. Total open interest went up by 285 tonnes to close at 11,392 tonnes, indicating additional purchases.

February open interest declined by 29 tonnes to 8,638 tonnes while that of March increased by 279 tonnes to 2,161 tonnes indicating additional purchases. April moved up by 17 tonnes to 439 tonnes.

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http://www.thehindubusinessline.com/2011/02/01/stories/2011020151672200.htm

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Back **Old turmeric crop prices drop sharply**

Our Correspondent

Erode, Jan. 31

Old turmeric crop price dropped Rs 1,000 a quintal on Mondayon lack of demand.

“The price of new turmeric is stable, but sales improved due to demand for the new turmeric. But there is no demand for old turmeric and so the price decreased by Rs 1,000 a quintal at Erode,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “Growers are having limited stock of old turmeric and because of heavy arrivals of new turmeric, demand for the old turmeric has decreased drastically. No one is ready to buy the product at Rs 12,000-12,500 a quintal, as the new crop is available below that price”.

“We are expecting from next week huge stock of new crop, like Number 8, Mysore variety and also Erode variety will arrive heavily to the market. But limited sales would be done and the price will remain unchanged,” he said.

In Erode Turmeric Merchants Association sales yard, the finger variety (new crop) fetched Rs 9,010-11,766 a quintal, root variety Rs 8,160-10,689. Of the 1,812 bags received, 500 were sold.

The Finger variety (old crop) was sold at Rs 9,201-12,579 and the root variety Rs 9,100-12,296. Out of arrival of 277 bags 100 were sold.

In Erode Cooperative Marketing Society, the finger variety was sold at Rs 9,241-13,369, the root variety Rs 7,089-13,045. 352 bags of old and new varieties received, 260 were sold. In the Regulated Market Committee, the finger variety of the old turmeric was sold at Rs 12,467-13,249, the root variety Rs 12,467-13,215.

The finger variety of the new variety fetched Rs 9,010-11,766, the root variety Rs 8,166-10,689 a quintal.

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http://www.thehindubusinessline.com/2011/02/01/stories/2011020151712200.htm

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Back **Edible oil steady on lower offtake**

Our Correspondent

Mumbai, Jan. 31

Edible oils ruled steady on Monday due to less-than-expected demand despite report from the Malaysia's of higher closing. Poor local demand kept volumes at a bare minimum. Groundnut oil, palmolein and sunflower oil and cotton oil prices ruled steady. Soya refined oil rose marginally by Rs 2. Rapeseed oil declined by Rs 7 per 10 kg. According to market sources, in palmolein, only about 80-100 tonnes were traded in resale in the Rs 585-588. Liberty quoted palmolein at Rs 607-610. Ruchi's rates were Rs 600 for palmolein, Rs 630 for soya refined oil and Rs 715 for sunflower refined oil. In the Saurashtra-Rajkot market, groundnut oil was Rs 1,135 (Rs 1,130) for telia tin and Rs 735 (Rs 730) for 10 kg.

Total arrivals of groundnuts in Gujarat, Rajasthan, Andhra Pradesh and Karnataka were about 1.45/1.50 lakh bags. There was no demand for other indigenous oils. Brand makers are also keeping away from fresh buying.

Malaysia's crude palm oil February contracts closed at Malaysian ringgit (MYR) 3,840 (3766) and March at MYR 3,832 (3,743). Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 760 (760), soya refined oil 627 (625), sunflower exp. ref. 675 (675), sunflower ref. 730 (730), rapeseed ref. oil 645 (652), rapeseed expeller ref. 615 (622), cotton ref. oil 613 (613) and Palmolein, 585 (585).

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Back **Sugar rules steady on robust trade**

Our Correspondent

Mumbai, Jan. 31

Spot sugar prices on the Vashi wholesale market ruled steady on Monday with buying and selling remaining at nominal levels. Retail buying witnessed at the beginning of a new month lent support. The Centre on Monday declared 16.23 lakh tonnes of sugar as free sale quota for February.

Spot sugar prices were down Rs 5 in M-grade. Naka prices due to resale selling declined Rs 10-20. The February free sale quota of 16.23 lakh tonnes includes 13 lakh tonnes as normal, 0.23

lakh tonnes as sugar processed from imported raw sugar and 3 lakh tonnes of carry forward from January. With the start of new month and expected fresh retail demand, freight rates firmed up by Rs 5 a quintal in some producing areas. On Saturday evening, about 12/14 mills floated tender offers and sold about 35,000-38,000 bags of sugar in the range of Rs 2,710-2,750 for S-grade and Rs 2,740-2,790 for M-grade a quintals. Arrivals in the markets for two days were about 48-50 truckloads (each 100 bags) and local dispatches were about 52-53 truckloads. The Bombay Sugar Merchants Association rates were: Spot S-grade Rs 2,850-2,871 (Rs 2,850-2,876) and M grade Rs 2,872-2,931 (Rs 2,886-2,931). Naka delivery rates: S-grade Rs 2,790-2,820 (Rs 2,810-2830) and M-grade was Rs 2,820-2,880 (Rs 2,850-2,880).

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Back **Soya oil subdued on limited inquiries**

Our Correspondent

Indore, Jan. 31

Notwithstanding strong global cues, demand for soya oil in the domestic market continued to remain subdued on Monday. Deriving strength from bullish palm oil futures, soya refined in the morning opened at Rs 610 for 10 kg and went up to Rs 615 but apparently weak and scattered demand from the domestic market pulled prices down and most of the trading in refined was done at Rs 610-612. Traders hope that prices of soya refined is unlikely to go below Rs 605-610. In resale, it was quoted at Rs 606-608. Soya solvent also ruled firm on subdued demand. In the spot, it was quoted at Rs 570-574 for 10 kg. According to oil traders, demand for soya oil continues to be sluggish. On the other hand, soya oil futures traded on positive note. On the NBOT, soya oil February contract , closed Rs 1.80 higher at Rs 655.80. Compared with the past few days, the gain in soya oil futures in the domesticmarket has turned out to be limited with continuing weak demand.

Soyabean ruled firm on weak arrival and comparatively weak support to soya meal in the export market. In the state mandis, soya seeds quoted Rs 10-15 up at Rs 2,270-2,325 a quintal, while in Indore mandis, it was quoted at Rs 2,260-2,335 a quintal.

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Back **Mills' buying keeps prices high**

Our Correspondent

Rajkot, Jan. 31

Aggressive demand from mills has put cotton prices at a record level and a similar trend was seen on Monday. However, compared with Friday's situation prices were ruling lower but showed an uptrend during the day.

Cotton was traded at Rs 48,000-48,500 a candy of 356 kg on Monday with a gain of Rs 500 in Gujarat. Raw cotton was also traded higher by Rs 10-20 at Rs 1,130-1,135 for 20 kg. .

A Rajkot-based broker Mr Mayurbhai said, “Overall sentiments are positive for cotton as demand continues in the market.”

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Back **Delayed data lead to additional exports**

Chennai: The Centre has been saying that it will review the cotton export cap of 55 lakh bales (of 170 kg) after February 10. But the fact is that it has already allowed 58 lakh bales of cotton for exports.

According to sources, initially the Textiles Commissioner Office had reported that of the 55 lakh bales that were to be exported by December 15.36 lakh bales had been shipped out.

Based on the Textiles Commissioner Office's data, the Directorate-General of Foreign Trade has allocated 19 lakh bales of the unutilised cotton for shipments abroad.

However, data collated now by the Government show that by December 15, 39 lakh bales were exported.

A Cotton Advisory Board source differed with the data and said 38.4 lakh bales were shipped by December 15.

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Back **Coir Board to help TN coir industry**

Our Bureau

Kochi, Jan. 31

The Coir Board will extent all possible help for the speedy mechanisation of the coir industry in the neighbouring Tamil Nadu which has helped generate more employment among the rural women, and contribute to the faster growth of the export trade.

The industry, coming under the Micro, Small and Medium Enterprises (MSME) sector, and spread over 22 districts of Tamil Nadu, provides employment to over 200,000 people, majority of whom are women. The export earnings was worth Rs 200 crore last year, Mr V.S.Vijayaraghavan, Chairman, Coir Board, has said.

Expo

Inaugurating the three-day Agri Expo-2011, organised jointly by the Pollachi Chamber of Commerce and the Coir Board at Pollachi, he exhorted the industry to concentrate more on value addition in exports, rather than confining to export of raw materials like coir fibre and yarn. In this context, strengthening a closer relationship between the coir industries of Tamil Nadu and Kerala would vastly benefit both the domestic and export market, while overcoming the raw material and labour requirements of the industry in general, he said.

About 70 stalls, showcasing the growth of the industry in the recent past, contributed by the latest technological developments, and helped by the centrally aided schemes available for the benefit of the industry, are the main attraction of the expo .

A seminar on coir and coir industry and a buyer-seller meet involving the coir yarn and fibre exporters of Tamil Nadu and Kerala's export-oriented coir sector, would also be held as part of the three-day expo.

CFC opens

The Chairman also launched the Common Facility Centre (CFC) under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) at Gudiyatham in Vellore for the five coir clusters located at Gudiyatham, Pattukottai, Salem, Cuddallore and Periyakulam.

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Back **Coonoor tea prices ease on poor demand**

P.S. Sundar

Coonoor, Jan. 31

In the CTC market of Sale No: 4 of the auctions of Coonoor Tea Trade Association, Darmona Tea Industry topped at Rs 148 a kg. “Our red dust (RD) fetched this price. In all, our six grades got Rs 106 and more,” Mr Dinesh Raju, Darmona Managing Partner, told Business Line.

Homedale Estate, auctioned by Global Tea Brokers, topped the CTC leaf market at Rs 144. “Our broken orange pekoe fannings (BOPF) got this price. Our broken pekoe (BP) and broken orange pekoe (BOP) grades got the second highest price of Rs 140 each. In all, our five grades got Rs 140 and more”, the Managing Partner, Mr Prashant Menon, said.

Vigneshwar Estate got Rs 146, Shanthi Supreme Rs 136, Hittakkal Estate Rs 134, Deepika Supreme Rs 133, Kannavarai Estate and Professor Rs 130 each. In all, 79 marks fetched Rs 100 and more.

Orthodox

Among orthodox teas from corporate sector, Curzon got Rs 173, Havukal Rs 166, Kairbetta Rs 165, Highfield Estate Rs 164, Prammas Rs 161 and Quinshola clonal Rs 160. In all, 25 marks got Rs 100 and more.

Although the volume of 8.21 lakh kg offered was the lowest in over a year, 16 per cent was withdrawn for want of buyers despite shedding Rs 3 a kg resulting in teas worth Rs 97 lakh remaining unsold.

“Orthodox leaf market eased Rs 2-4 a kg. High-priced CTC leaf lost Rs 2-5, better mediums Rs 2-4 and plainers Rs 5-7. Orthodox dusts were firm. CTC medium dusts eased Rs 3-4 and others up to Rs 4”, an auctioneer said.

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Back **Spot rubber declines further**

Aravindan

Kottayam, Jan. 31

Physical rubber prices moved down further on Monday. The market lost ground following the sharp declines in domestic futures on the National Multi Commodity Exchange. According to sources, selling from dealers kept the commodity under pressure during the day. The markets in general seemed to be moving under the grip of speculators, they said. Certain tyre companies bought RSS 4 up to Rs 225 a kg on early trades, an observer said.

Sheet rubber slid to Rs 221.50 (224.50) a kg, according to dealers. The grade moved down to Rs 223 (226) a kg, as quoted by the Rubber Board.

Futures weak

The February series for RSS 4 weakened to Rs. 217.99 (223.21), March to Rs 222.60 (228.38), April to Rs 231.36 (238.16) and May to Rs 239.25 (244.78) a kg on the NMCE.

RSS 3 (spot) improved to Rs 262.46 (261.42) a kg at Bangkok. The February futures for the grade slipped again to ¥478.7 (Rs 267.44) from ¥479.3 a kg during the day session but then remained unchanged in the night session on the Tokyo Commodity Exchange.

Spot rates were: RSS-4: 221.50 (224.50); RSS-5: 215 (216); Ungraded: 210 (213); ISNR 20: 219 (220) and latex 60 per cent: 149 (151).

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Back **Steady trend in rice market**

Our Correspondent

Karnal, Jan. 31

The rice market witnessed a steady trend, with the prices of aromatic and non-basmati rice ruling firm on the previous levels, on Monday.

The market witnessed an uptrend last week and trade inquiries are supporting the market at current levels, said Mr Amit Kumar, a rice trader. With arrivals of paddy being low, the market is likely to witness another rally soon, he said.

Pusa-1121 steam ruled at Rs 5,300-5,500 a quintal, Pusa-1121 sela at Rs 4,300-4,500 and Pusa-1121 at Rs 5,300. Pusa (sela) ruled around Rs 3,250 and Pusa (raw) around Rs 4,300. Basmati sela quoted at Rs 5,700-5,750 and basmati raw at Rs 6,750.

Duplicate Basmati ruled around Rs 4,000 a quintal. The prices of brokens of 1121 variety were: Tibar was quoted at Rs 3,000-3,400, Dubar at Rs 2,200-2,500 and Mongra at Rs 1,800-2,000. Around 2,000 bags of PR sold between Rs 1,030 and Rs 1,050. About 3,000 bags of Sugandha-999 that arrived were quoted at Rs 1,550-1,650. Around 1,200 bags of Pusa (duplicate basmati) quoted at Rs 2,000-2,150 and about 2,000 bags of pure basmati, Rs 2,200-2,600.