THE HINDU

Published: August 25, 2011 02:13 IST | Updated: August 25, 2011 02:16 IST August 25, 2011

Farmers would quit agriculture if they had an alternative

UNCERTAIN: Climate change has made farming even more risky. Photo: G.N. Rao

Electoral politics plays with rice and wheat as gimmicks to get votes

Some years ago the National Sample Survey Organization (NSSO) reported after its study on agriculture that roughly half the farmers in the country did not wish to continue farming.

“They would rather quit if they had an alternative. This shameful reality reflects the despair farmers feel and is based on the fact that agriculture is a loss making enterprise and the farmers are unable to either feed themselves or turn a profit," says Dr. Suman Sahai, Convener, Gene campaign, New Delhi in her blog (sumansahai-blog.blogspot.com) on Why farmers don't farm.

Provides training

Dr. Sahai, a genetic scientist, served as faculty member at Universities of Chicago and Heidelberg, is convenor of the Gene Campaign, an organization dedicated to protecting farmers' rights and food and livelihood security.

It also provides training to farmers in adapting the fragile agriculture of the dryland to the growing uncertainty of global warming and climate change.

Dr. Sahai has been honoured with a number of international and national awards and including the Padmashri recently.

"Rural India is looked down upon by the well to do urban population, including the policy makers, who are seen as part of the urban elite. This discrimination strips farming and the farmer of his dignity and provides an incentive to the younger generation to move away from farming," she says.

Raised on a diet of unreal aspirations beamed on television soap operas and Bollywood films, rural youth sees neither glamour, money nor dignity in farming.

Why would they want to adopt it if there is nothing there for them?" she asks.

"Electoral politics plays with rice and wheat as gimmicks to get votes. The poor must certainly get the help of the state to overcome hunger and poverty but the way to do this should be empowerment and fostering self reliance — not creating dependency through doles," she mentions in her blog.

Only one crop

Uncertain rainfall and drought in the last three years has made farming even more risky than before. In Jharkhand, farmers can harvest only one crop in the year during the monsoon.

Because there is no irrigation, they are unable to plant a second crop in the winter as farmers in the irrigated regions of Punjab and U.P can.

Farm losses become even higher if the single crop too fails, creating a crisis of hunger for farm families.

The coping mechanism for such a situation is to abandon farming and seek work as manual labour since that brings assured income, which farming does not.

“Abandoning farming now makes economic sense to the farmer. In Jharkhand, in a family with five members, if four go out to seek manual work in mines or at construction sites, they collectively earn about Rs.300 per day at an average wage rate of Rs.75 per person which is below the minimum wage.

“And it is money that comes into their hands at the end of the day. This makes the average monthly income of the family Rs. 9,000 per month, or Rs. 1.8.000 per year,” explains Dr. Sahai.

This is several times that they can ever dream of earning from farming .

Expensive

According to her, in the farmer's calculation, agriculture is expensive, risky and requires back breaking work which does not even bring enough to eat, let alone any surplus.

On top of all this, it carries the near certain burden of debt since in order to coax his single crop out of the ground, the farmer needs to take credit to procure inputs like seed and fertilizer, sometimes even water. “In another scenario, the BPL card holder gets 35 kg of rice at Rs 1 per kg and 3 litres of kerosene oil per month for cooking. This subsidized grain lasts for fifteen days in the month, for the other fifteen days he purchases food from the market with the money the family has earned from manual labour.

“On the other hand, here is what many farmers recounted about their experience with hybrid rice cultivation. Hybrid rice is promoted aggressively by government agencies although all the hybrid rice seed is being sold by private companies and there is not a single public sector hybrid rice variety available on the market.

No investment

Farmers bought hybrid rice seed at about Rs 250 per kg, planted the nursery and at the time of transplantation, the rains failed. Since there is no investment in rainwater conservation, there are no water bodies and life saving irrigation is not available to save the crop.

“So, after investing between 3,000 to 4,000 rupees, the farmers got about 50 to 60 kg of rice from the entire kharif crop. Compare this with the 35 kg rice that they get for Rs 35, every month. Why would the farmer farm?” she asks.

Many in the younger generation are forgetting how to farm. Two more generations of this kind of youth and we may not have enough people who can grow food in this country — and then?” she asks.

Readers can contact Dr. Suman Sahai at mail@genecampaign.org, J-235/A, Lane W-15C, Sainik farms, New Delhi- 110-062, phone:011- 29556248 and 29555961.

Published: August 25, 2011 00:00 IST | Updated: August 25, 2011 04:04 IST BIJAPUR, August 25, 2011

Seminar on grape growing from September 10

The Karnataka Grape Growers' Association has organised a four-day State-level seminar on ‘Prospects of grape growing' at the Kandagal Hanumantrai Ranga Mandira here, beginning September 10.

Speaking to presspersons here on Wednesday, association president Abaykumar Nandrekar said an exhibition-cum-sale of a variety of grapes would be held at the venue.

The seminar would focus on the latest technologies, marketing facilities, problems faced by grape growers and steps to be taken to solve their problems. More than 4,000 grape growers are expected to take part in the seminar.

Chief Minister D.V. Sadananda Gowda will inaugurate the seminar. Large-and Medium-scale Industries Minister Murugesh R. Nirani, Minor Irrigation Minister Govind Karjol and other elected representatives will be the chief guests. City MLA Appasaheb Pattanshetty will preside.

Published: August 25, 2011 00:00 IST | Updated: August 25, 2011 04:00 IST
COIMBATORE, August 25, 2011

Getting solutions from agro-forestry

Agro-forestry has now come of age. It is an integrative science and practice, and is now being recognised as the heart of the solution for many global and local challenges, Naresh V. Thevathasan, Adjunct Professor, Ontario Agricultural College, Canada, said here recently.

He was addressing participants at a training-cum-workshop on agro-forestry, jointly organised by the Tamil Nadu Agricultural University, and University of Guelph, Canada. The workshop was held as part of a scaling-up project on distance learning for seed technology, funded by the Canadian International Development Agency, Canada.

Mr. Thevathasan, who is also the principal investigator of the project, stressed the importance of imparting knowledge on agro-forestry at the grass root level.

“Agricultural production can be enhanced to the extent of nearly 25 per cent by use of certified seeds. Ensuring gender equality and encouraging contribution from women will also add to enhanced output of agricultural production,” he said.

P. Durairasu, Dean, Forest College and Research Institute, Mettupalayam, said that domestic forestry had metamorphosed into farm forestry and then developed into agro-forestry and had now transformed into industrial forestry.

Published: August 25, 2011 00:00 IST | Updated: August 25, 2011 04:03 IST
COIMBATORE, August 25, 2011

State to take up sustainable sugarcane initiative on 10,000 ha

Successful agricultural practices should be documented

S.K. Mitra (centre), Executive Director, National Bank for Agriculture and Rural Development (NABARD), releasing a book at a seminar on ‘Sustainable Sugarcane Initiative' organised by NABARD, Sugarcane Breeding Institute and AgSri at Tamil Nadu Agricultural University in Coimbatore on Wednesday. Chairperson of AgSri, Hyderabad, Biksham Gujja (right) and Director of the institute Vijayan Nair (left) are in the picture. Photo:M.Periasamy (Digital).

Tamil Nadu will launch the sustainable sugarcane initiative on 10,000 ha, said R. Gnanaoli, Deputy Director, Agriculture, Government of Tamil Nadu, at the ‘First National Seminar on Sustainable Sugarcane Initiative (SSI)', organised at the Tamil Nadu Agricultural University here on Wednesday.

The government had just come to know of the technology, which aimed at improving the production while reducing water consumption. Adoption of such a technology would be of great benefit to the State, which stood first in sugarcane production.

Farmers in the State cultivated the crop on 3.5 lakh ha and harvested around 325 lakh metric tonnes. The State had stood first in the country for the last 10 years. But that did not mean that all was well with regard to sugarcane cultivation.

The yield in five sugarcane cultivation districts was around 100 tonnes a hectare but in other districts it was only around 40 tonnes. This was a huge disparity, which the State Government was trying to address.

Mr. Gnanaoli also said that the government introducing the SSI was in keeping with Chief Minister Jayalalithaa's announcement to extend the SSI to one lakh ha in the next five years. The government would spend close to 25 crore to implement the initiative. He informed the gathering that the State had already done pioneering and commendable work in promoting the System of Rice Intensification and had nine lakh ha paddy. In promoting the SSI, the agriculture experts, state government departments and others should interact more often with the farmers, said S.K. Mitra, Executive Director, NABARD.

Under the Green Revolution, the scientists told farmers what to do. Now it was time for them to interact with the farmers and also receive information from them. He also suggested that successful agricultural practices in the farmers' community be documented. The same should also be translated into various languages and shared with farmers across the country.

The challenge before the Central and State governments, agriculture institutions, experts and others was huge because they would have to increase sugarcane production without increasing the area, said Vijayan Nair, Director, Sugarcane Breeding Institute, Coimbatore. The cost of production had to come up while the profitability of the farmers had to go up. The water consumption should also come down. Sugarcane was a crop known for huge fluctuation in area and production, he said and pointed out that the production went up from 12.17 million tonnes in 2004-05 to 28 million tonnes 2007. The cycle would repeat itself in the future as well. He also touched upon the impact of climate change on sugarcane cultivation. Every one degree increase in temperature was likely to bring down production by 15 to 20 per cent. He suggested use of drip, micro irrigation and fertigation to conserve water. Sharing of SSI experiences, provision of a common platform for different stakeholders to develop strategies, action plan for scaling up SSI, etc. would lead to increase in sugarcane production, said Biksham Gujja, Chairperson, AgSri, Hyderabad.Intercropping, drip irrigation and other SSI initiatives would lead to increase in production even while the area under cultivation was brought down, said D.G. Hapase, Ex-Director, Vasantdada Sugarcane Institute, Pune.

A.K. Mukhopadhyay, Chief General Manager, NRMC, NABARD, welcomed the gathering.

Published: August 25, 2011 00:00 IST | Updated: August 25, 2011 04:00 IST August 25, 2011

Sustainable sugarcane initiative

Tamil Nadu will launch the sustainable sugarcane initiative on 10,000 ha, said R. Gnanaoli, Deputy Director, Agriculture, Government of Tamil Nadu, said.

Published: August 25, 2011 00:00 IST | Updated: August 25, 2011 04:05 IST SANGAREDDY, August 25, 2011

Farmers declare crop holiday

Taking cue from farmers of East Godavari district, some farmers some farmers of Sanjeeavanraopet area in Narayanakhed mandal of the district have declared a ‘crop holiday' stating that they are unable to take up farming due to increased costs and non-availability of fertilizers in time. The farmers reportedly have about 100 acres of land.

Officials not informed

However, agriculture officials at district headquarters have stated that they have no information about farmers declaring a ‘crop holiday'.

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Press Trust Of India

New Delhi, August 25, 2011
First Published: 01:50 IST(25/8/2011)
Last Updated: 01:51 IST(25/8/2011)

Inflation would come down to 6 pc by year-end: PM

Seeking to allay concerns over price rise, Prime Minister Manmohan Singh on Wednesday expressed confidence that inflation would come down to 6% by year-end.

"I am not an astrologer but analysts have said that by the end of this year, inflation will come down to 6%," Singh told reporters in New Delhi during Iftar hosted by him.

He was responding to a question whether inflation would come down and whether it was possible in view of the upcoming festival season.

Headline inflation in July moderated to an eight-month low of 9.22%, from 9.44% in June, but items of mass consumption, including cereals and vegetables, and manufactured products continue to remain dearer.

Food inflation also slipped to 9.03% for the week ended August 6, from 9.90% in the previous week.

"Food inflation at the level of 9% is not acceptable. I do hope the measures taken to remove supply constraints in some of the agricultural commodities and good monsoon will help to have further moderating influence on the prices of food and other essential commodities," finance minister Pranab Mukherjee had said.

The government and the Reserve Bank have taken many measures to control the inflation. RBI has increased its key policy rate 11 times since March 2010 to curb spending and tame the rate of price rise.

The RBI had projected inflation to average 9% for the first six months of 2011-12 before moderating to around 7% by March-end.

Addressing the nation on the Independence Day, Singh had said that persisting high inflation is major challenges before the Indian economy.

"We are continuously monitoring the situation (on inflation) to find out what new steps can be taken to arrest rising prices. Finding a solution to this problem will be our top-most priority in the coming months," Singh had said.

http://www.hindustantimes.com/StoryPage/Print/737254.aspx

Weather

Chennai - INDIA

Today's Weather | Tomorrow's Forecast

Cloudy	**Thursday, Aug 25** Max Min 34.8° | 25.2°	Rainy	**Friday, Aug 26** Max Min 33° | 25°
Rain: 00 mm in 24hrs Humidity: 75% Wind: Normal	Sunrise: 5:57 Sunset: 18:25 Barometer: 1006		

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday
Aug 27	**Aug 28**	**Aug 29**	**Aug 30**	**Aug 31**
30° | 26°	32° | 26°	32° | 27°	31° | 26°	31° | 26°
Rainy	Rainy	Rainy	Cloudy	Rainy

THE ECONOMIC TIMES

Thu, Aug 25, 2011 | Updated 05.45AM IST

25 Aug, 2011, 03.03AM IST, Reuters

Thailand moots big jump in rice prices

BANGKOK: Thailand's new government has promised a big increase in the price it will pay farmers for rice, starting from the next main crop in November. This has already pushed up the price of paddy on the domestic market and milled rice for export.

Since Thailand is the world's biggest exporter, there has been a knock-on effect on export prices elsewhere, notably in Vietnam, the second-biggest exporter.

Here's what will happen from November and how intervention has worked in the past.

The government that was sworn in this month says it will buy unmilled rice from farmers at 15,000 baht ($500) per tonne, almost double the current market price of 8,000 baht and above the latest intervention price of 11,000 baht.

Under the decades-old rice buying scheme, sometimes called the "rice mortgage scheme", farmers can deposit their grain at state warehouses and get a fixed price set by the government.

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25 Aug, 2011, 02.54AM IST, Madhvi Sally,ET Bureau

Cotton industry gives forward contracts a miss

AHMEDABAD: Unlike last year when forward contracts for cotton had been signed in May, this year no agreements have been entered into by ginners, millers, traders and exporters. Poor delivery and counterparty default by all players in 2010 has led to this situation.

But industry sources say this will not impact the trade as a similar situation had prevailed in 1994-95. The crop is in flowering and ball-formation stages with early harvests to begin from September in Punjab.

"Forward contracts have not been signed till date. Exports are not open and hence there is no clarity on pricing. The US, whose crop will arrive in September as in India, has sold half of its exportable surplus but we have not even begun. Pakistan, whose crop has started arriving from Punjab and Sindh, has already started selling in the international market," said Cotton Association of India president Dhiren N Sheth. He added that the confidence of exporters, traders and ginners has been shaken due to last year's price volatility.

According to an industry estimate, forward contracts for over 40 to 45 lakh bales (a bale weighs 170 kg) had been signed in the previous year till date. "In Gujarat, over 15-17 lakh bales contracts had been signed in 2010 compared to no contracts this year," said Saurashtra Ginners Association vice-president Arvind Patel. "Poor delivery, non-settlement of contracts by ginners, traders and exporters, increased moisture and waste in cotton has led to this situation," he added.

A local broker from Punjab said uncertainty in prices has ensured that companies were buying from ginners according to their requirement. Shankar 6 (29 MM) was quoted at Rs 38,000 per candy (a candy weighs 356 kg). Punjab's J-34 (25 MM) was selling at Rs 35,000 to Rs 36,000 per candy.

"After the government removed restrictions on export and permitted shipments under open general licences for the remainder of the current season (the cotton season runs from October to September), traders are expecting further exports of 15 to 20 lakh bales this season. The Cotton Advisory Board has fixed a meeting on August 30 to discuss exports," said B K Patodia, chairman and MD of GTN Textiles and past chairman of The Cotton Textiles Export Promotion Council.

By PTI

24 Aug 2011 10:53:16 PM IST

Inflation would come down by year-end: PM

NEW DELHI: Seeking to allay concerns over price rise, Prime Minister Manmohan Singh today expressed confidence that inflation would come down to 6 per cent by year-end.

"I am not an astrologer but analysts have said that by the end of this year, inflation will come down to 6 per cent," Singh told reporters here during Iftar hosted by him.

He was responding to a question whether inflation would come down and whether it was possible in view of the upcoming festival season.

Headline inflation in July moderated to an eight-month low of 9.22 per cent, from 9.44 per cent in June, but items of mass consumption, including cereals and vegetables, and manufactured products continue to remain dearer.

Food inflation also slipped to 9.03 per cent for the week ended August 6, from 9.90 per cent in the previous week.

"Food inflation at the level of 9 per cent is not acceptable. I do hope the measures taken to remove supply constraints in some of the agricultural commodities and good monsoon will help to have further moderating influence on the prices of food and other essential commodities," Finance Minister Pranab Mukherjee had said.

The government and the Reserve Bank have taken many measures to control the inflation. RBI has increased its key policy rate 11 times since March 2010 to curb spending and tame the rate of price rise.

The RBI had projected inflation to average 9 per cent for the first six months of 2011-12 before moderating to around 7 per cent by March-end.

Addressing the nation on the Independence Day, Singh had said that persisting high inflation is major challenges before the Indian economy.

"We are continuously monitoring the situation (on inflation) to find out what new steps can be taken to arrest rising prices. Finding a solution to this problem will be our top-most priority in the coming months," Singh had said.

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the pioneer

Give water, loan to farmers, K Sena tells Naveen Patnaik

August 24, 2011 11:43:46 PM

PNS | BHUBANESWAR

Worried over "looting" of water by various steel and power companies and poor track record of public sector banks in giving loans to farmers in Odisha, Kalinga Sena workers on Wednesday warned Chief Minister Naveen Patnaik, banks and companies with "dire consequence."

Thousands of Sena workers marched to the PMG Square to vent their anger over the issues. Sena chief Hemant Rath said farmers of the State are running short of water, but the Government is selling water to companies while water dues worth crores of rupees are being pending against many steel and power firms. He warned that if these companies do not pay water tax to the Government, the Sena would gherao their offices.

Rath also said that even public sector banks are not providing loans to farmers in the State. He alleged that the banks have achieved 20 per cent less from their target in providing loans. The banks are giving loans for luxurious vehicles, but they have no concern for farmers. The banks are not even providing loans for agriculture-related requirements, he further alleged.

Rath named the companies which have not paid water tax to the tune of Rs 40.96 crore till October 2010. Locals and farmers in the Keonjhar-Sundargarh, Dhenkanal-Angul-Talcher and Sambalpur-Jharsuguda belts and a few other areas are suffering due to nexus between Government officers and companies, he added. Sena secretary general Pradip Routray, vice-president Basant Behera, secretary Bijay Raj and Yuva Sena chief Priyabarat Gadanayak were among those present at the demonstration.

Business Standard

Thursday, Aug 25, 2011

Maharashtra to give guarantees for pre-seasonal loans to 18 sugar co-ops

Sanjay Jog / Mumbai August 25, 2011, 0:47 IST

Eighteen co-operative sugar mills, despite a negative net worth, will now be entitled to a pre-seasonal loan of Rs 146.83 crore, due to a guarantee provided by the state government. These mills would be able to participate in the ensuing crushing season, beginning October 1. The government guarantee was a must, according to the norms fixed by the National Bank for Agriculture & Rural Development (Nabard)for grant of pre-seasonal loans to be disbursed by the cooperative banks in the state. The state cabinet at its meeting on Wednesday, chaired by Chief Minister Prithviraj Chavan, gave its approval.

A senior minister, who did not want to be identified, told Business Standard: “The cabinet decided to provide its consent for government guarantee to bail out 18 mills who had participated in the crushing season 2010-11, but would fail to do so in season 2011-12, due to non-availability of pre seasonal. The Maharashtra State Cooperative Bank (MSCB) will disburse Rs 71.85 crore to eight mills while the balance 10 mills will get Rs 118.95 crore from the district central cooperative banks (DCCBs).”

The minister said that Maharashtra was expected to have a record sugar production of 9.3 million tonnes (mt) due to at least five per cent rise in availability in 2011-12 season. During the approaching season,the mills would have to crush 82.5 mt of sugarcane compared to 80.3 mt in 2010-11.

The minister said, 168 mills comprising 121 cooperative and 47 private ones, are expected to participate in the crushing season of 2011-12. “The 18 mills entitled for a pre-seasonal loan are part of 121 cooperative mills. However, these mills will have to strictly adhere to the loan norms of MSCB and create a separate fund to face any crisis arising out of volatility in the sugar prices,” the minister added.

As reported earlier, about Rs 1,000 crore of pre-seasonal loan is expected to be disbursed, comprising Rs 400 crore by MSCB and Rs 600 crore by DCCBs to 110 mills.

The government’s move comes at a time when Nabard is expected to give its inspection report for the 2010-11 balance sheet of the MSCB, whose board of directors was superseded by the state government on May 7 for procedural lapses. It was on the basis of Nabard’s inspection report for 2009-10 that RBI had recommendeded to the state government that the full 44-member board of directors of MSCB be superseded.

Nabard in its inspection report had observed that MSCB had sanctioned loans to cooperative sugar mills having negative networth, short margin on pledge accounts and accumulated losses. Further, the MSCB had not monitored the end use of the amount drawn. It had allowed the cooperative mills to divert the withdrawals for making payment for cane during crushing season at rates above net statutory minimum price without waiting for finalisation of accounts.

Govt may extend stock limit on pulses, edible oil

Anindita Dey / Mumbai August 25, 2011, 0:01 IST

The government may extend stock limits on essential commodities like pulses and edible oil for one more year.

Official sources said since pulses and edible oil were both essential commodities and India depends heavily on imports for both, the stock limits might get extended to control prices and limit hoarding in the garb of bulk use. “This is especially important when production is less than sufficient to cater to the total demand and one has to import,” said a highly placed official.

Meanwhile, stock limits on sugar may be eased, owing to good harvest and production, sources said. The stock limits on all three commodities come for review by the end of this month. Imposing stock limits and monitoring these is under the purview of individual states, while the ‘in principle’ direction is given by the Centre. Stock limits are a kind of control imposed on bulk buyers of these commodities by specifying an amount per purchase to prevent hoarding.

“Pulses production is expected to touch 18-19 million tonnes (mt) in 2011-12 crop year, despite 10 per cent drop in the kharif crop and better production may result in lesser imports this time. The country is expected to import two mt of pulses in FY12 as against three mt of imports last year.

India is a net importer of edible oil, especially palm oil and soyoil. The agriculture ministry had indicated a record output for 2010-11. According to the second advance estimate, pulses output is likely to touch 16.51 mt.

Reportedly, vegetable oil imports rose for the third consecutive month in July because of low local oilseed crushing and falling palm oil prices according to data from the Solvent Extractors' Association of India.

Imports of vegetable oil during the marketing year that began November 2010 fell during the first six months due to higher local oilseeds production, but the trend has reversed in the past three months, as domestic supplies have thinned.

Palm oil constitutes nearly 80 per cent of vegetable oil demand in India and India buys it mainly from Indonesia and Malaysia, and soyoil mostly from Brazil and Argentina. Meanwhile, sugar production is estimated to be 26-26.5 mt in 2011-12, up from 24.2-24.5 mt last year. This is largely because the sugarcane crop area has increased by 4.5 per cent to 5.16 million hectares.

Assam Rubber Board to bring 12,500 hectares under plantation

Supratim Dey / Kolkata/ Guwahati August 25, 2011, 0:31 IST

The Rubber Board has indentified Assam as a" potential state" to "replicate the Tripura success story" and plans to bring 2 lakh hectares area under rubber plantation in the state in near future. It has a set a target to bring at least 12,500 hectares area under rubber plantation in Assam and 35,000 hectares in North East in the 12th five year plan.

Sustained effort from the state government and the Rubber Board had made Tripura, a left ruled state in North East, the second largest producer of natural rubber in India within a short span. The rubber success story helped the state bring down militancy drastically over the years.

If Rubber Board officials are to be believed, Assam can overtake Tripura within next 10 years or so, if a sustained effort is being made."We have seen that the agro-climatic conditions of Assam and North East are suitable for rubber plantation. What has happened in Tripura can also happen in Assam and North East. We are going to be focussed on North East in the next 4-5 years," said Sheela Thomas, Chairperson of

Rubber Board.Tripura has shown that rubber can be very remunerative employment for the people, “if there is a whole hearted effort from the government”, Thomas said.She added that “productivity wise” too Assam “huge scope” for rubber plantation.

Citing Kerala’s example, Thomas, however, cautioned that agricultural land should not be converted into rubber plantations as that would then lead to food scarcity in the state.

AK Krishna Kumar, Executive Director of Infrastructure Leasing and Financial Services (IL&FS), who has been very instrumental in helping Tripura script the rubber success story, suggested the Assam government to launch a Rubber Mission, similar to one launched in the neighbouring state, for promoting rubber plantation in a focussed way. Researches are presently underway by the Rubber Board to develop a rubber clone exclusively for the North Eastern states.

As per figures provided by the Rubber Board, Assam has 28,102 hectares of land under rubber plantation currently, against its potential of 2 lakh hectares.Tripura on the other hand, has 55,415 hectares of land under plantation as against its potential of 1 lakh hectares.The land under rubber plantation in Kerala, which is the largest rubber producing state in India, is 5,25,408 hectares.With demand for natural rubber growing fast, the deficit between availability and supply too is widening, prompting the Rubber Board to look for suitable areas for plantation.

Presently, India’s rubber industry turnover is around Rs. 4,500 crore and the demand is expected to touch 1.78 lakh MT by 2025.

THE HINDU Business Line

Sugar prices soften as transporters' stir ends

Mumbai, Aug. 24:

Sugar prices dropped sharply by Rs 45-50 a quintal in the spot market and naka delivery in Maharashtra on Wednesday. Mill tender rates declined by Rs 30-40 as freight rates weakened after transporters called off their strike on Tuesday night.

According to traders, the local demand was good, thanks to festival buying by retailers.

In other States, including Madhya Pradesh, Gujarat and Karnataka, prices came down but not as sharply as in Maharashtra since the transporters' strike affected them only partially. According to sources, freight rates dropped as more trucks were available at the producing centres. Further, mills continued to sell at the current market rates to exhaust their monthly quota. Arrivals in the market were lower than demand, but are expected to increase from Thursday.

Demand will also rise during the 11-day *Ganeshotsav* festival that starts on September 1. Hence, sugar prices are not expected to see a big drop.

With the transporters' strike being called off, half of the Rs 100 price gain was washed out on Wednesday alone. Still, there is room for a further Rs 40-50 decline, but that will be at a slower pace.

Once supply becomes smooth, shortage-based movement in the futures market will be curbed, sources added. On Wednesday, arrivals in the market were steady at 28-30 truckloads (each 100 bags of 100 kg) and local dispatches were38-40 truckloads. Some selling pressure may be seen at the mill level this week being the month-end. On Tuesday evening, 18-20 mills sold 65,000-70,000 bags through tender offer to local traders in the range of Rs 2,630-2,670 (Rs 2,650-2,700) for S-grade and Rs 2,690-2,750 (Rs 2,710-2,780) for M-grade.

Bombay Sugar Merchants' Association spot rates were: S-grade Rs 2,781-2,845 (Rs 2,826-2,905) and M-grade Rs 2,811-2,961 (Rs 2,846-3,031).

Naka rates: S-grade Rs 2,720-2,750 (Rs 2,760 –2,800) and M grade Rs 2,770-2,870 (Rs 2,820-2,900).

(This article was published in the Business Line print edition dated August 25, 2011)

CAG finds holes in Tea Board's schemes to raise output

‘Poor performance in implementing productivity schemes'

Chennai, Aug. 24:

The Comptroller and Auditor General (CAG) of India's performance audit of the “Role of the Tea Board in tea development in India” has found the Board performing poorly in implementing various schemes to improve productivity.

In a damning statement, the CAG has said that the Tea Board has failed to lay down enhancement in production of orthodox tea as a pre-requisite for eligibility of subsidy.

The Board has allowed subsidy despite non-submission of proper documents or without proper verification of factory records, the report said.

A scrutiny of Chapter 4 of the audit report is revealing. According to the CAG, the Tea Board set a meagre target of 5,000 hectares for replanting/replacement planting during the 10th Plan.

This is just 2.63 per cent of the 1.9 lakh hectares of commercially unproductive tea plantation at the beginning of the Plan period.

No list of beneficiaries

More interesting is the audit's finding of the Tea Board not maintaining a list of parties to whom subsidies were paid and amounts disbursed under the Tea Plantation Development Scheme.

The CAG said it could not ascertain how many gardens had availed subsidy under replanting/replacement planting.

In response to the CAG's charge, the Commerce Ministry said that since each application was processed separately for each activity, the payment made was reflected in the cash book and ledger. Hence, no separate list of parties that received subsidy was maintained.

The CAG selected a sample of 701 cases covering 309 gardens among the 2,565 cases for which replanting/replacement planting subsidy was given.

On checking the records of the 309 gardens, it found that 192 had got subsidy earlier too, and the Tea Board had not evaluated the impact of the past activities of these gardens.

The production, productivity and quality improvement of these gardens were not checked during pre-approval inspection, it said.

In the remaining gardens, the subsidy was either granted for the first time or the fact was not recorded in the application forms.

“By allowing subsidies without assessing the impact of past activities, the effectiveness of the scheme was compromised,” the audit report said.

The Commerce Ministry, responding to this, said that an assessment by AF Ferguson showed a productivity gain of between 42 and 74 per cent.

But the CAG countered it, saying AF Ferguson evaluated only 1.94 per cent of the 15,000-odd hectares covered under the scheme.

Inspection delays

The CAG found that the Tea Board gave priority to tea bushes with high productivity (up to 3,170 kg a hectare). It also found the Tea Board having delayed inspections. In 76 per cent of the cases, the delays ranged between 31 days and 1,161 days for conducting pre-approval inspections. “Further, two or more inspections were done on the same day in many cases. Delays in conducting inspections defeated the very purpose of putting in place a detailed and purposeful monitoring mechanism,” it said.

In respect of 116 tea gardens, the Board paid subsidy on the basis of statement of provident fund dues submitted by the owners without verifying it through the challans. In 11 cases, no clearance certificate was produced by the applicants.

Unregistered growers

The audit also found the Board releasing subsidy to 12 gardens that began field activities before pre-approval inspection, thereby not finding out the physical suitability of the soil through an analysis.

Stating that the scheme prescribed minimum rehabilitation period of 18 months for plains and 12 months for hills before replanting, the report said no rehabilitation was done in 14 per cent of the cases despite the fact that there was no certificate or recommendation from the Tea Research Associations.

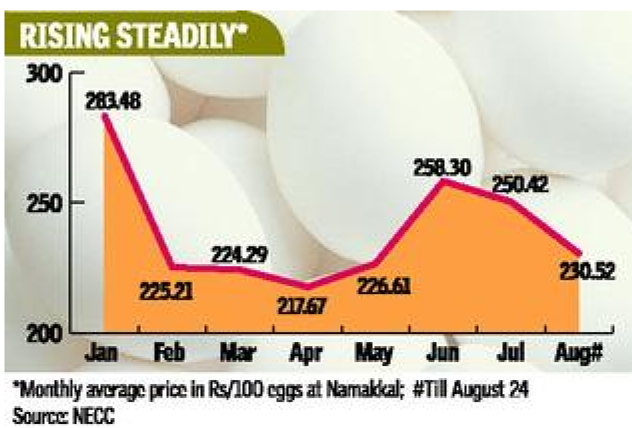
The dates of completion of rehabilitation were not recorded in 32 per cent of the cases, while the Tea Board gave subsidy to some gardens without ascertaining if they had made their soil suitable for plantations.

With regard to rejuvenations, of the 414 cases examined by it, the CAG found that the Tea Board had not checked the impact of rejuvenation on productivity in any of the cases.At the Board's Coonoor office, the CAG found the beneficiaries were small growers who were not registered with the Tea Board. “As such, the Board paid a subsidy of Rs 12 lakh to unregistered growers who were not eligible to receive subsidy,” it said.The report also found fault with the implementation of the scheme to improve irrigation facilities and the scheme to subsidise new planting.

More interesting is the audit's finding of the Tea Board not maintaining a list of parties to whom subsidies were paid and amounts disbursed under the Tea Plantation Development Scheme.

(This article was published in the Business Line print edition dated August 25, 2011)

Pricey vegetables perk up eggs



Chennai, Aug. 24:

Eggs are on the rise again owing to good demand and pricey vegetables, after ruling flat at Rs 2.37 a piece for almost a month on account of poor offtake. The Namakkal-based National Egg Coordination Committee (NECC) has increased the price of an egg to Rs 2.52.

“The lorry strike had pushed up the price of vegetables and, hence, egg was in good demand. So, we hiked the prices by 15 paise to Rs 2.52 a piece,” an NECC spokesperson told *Business Line*.

On the price trend, Mr R. Nallathambi, President of the Tamil Nadu Poultry Farmers Association, said the wholesale price of egg would not fall. “It has right now stabilised at Rs 2.52. Demand in North India is likely to be high in the coming days with the *Shravan* month getting over. The demand will also go up after *Ramzan*. So prices will increase,” he said.

NECC has also increased the price of its layer birds to Rs 40 a kg (Rs 35) while the Palladam-based Broiler Coordination Committee has increased its broiler rate to Rs 46 a kg (Rs 45).

(This article was published in the Business Line print edition dated August 25, 2011)

Castorseed dips on higher kharif sowing

Rajkot, Aug. 24:

Castorseed futures fell as demand eased. Moreover, spot markets in Gujarat were closed for *Janmashtami* festival.

September contract of castor decreased by Rs 36 to Rs 4,980 a quintal on the National Commodity and Derivatives Exchange, with an open interest of 10,950 lots. October contract slid by Rs 21 to Rs 4,969, with an open interest of 12,850 lots.

September contract of castor declined by Rs 32 to Rs 4,933 a quintal (Rs 4,965). A new December contract of castorseed that began on Wednesday opened at Rs 4,756 and closed at Rs 4,740 a quintal.

Restricted buying by traders and exporters and rising kharif sowing resulted in castorseed futures sliding, market analysts said.

According to latest data released by the Ministry of Agriculture, area sown under castorseed has risen by almost 1.87 lakh hectares to 8.54 lakh hectares as on August 19 because of higher sowing in Gujarat and Rajasthan. Acreage in Rajasthan increased 10 per cent to 1.48 lakh hectares while in Gujarat it was up 50 per cent at 4.73 lakh hectares.

(This article was published in the Business Line print edition dated August 25, 2011)

Edible oils turn weak on poor offtake

Mumbai, Aug. 24:

Edible oil prices turned weak on Wednesday evening in the absence of fresh demand. They also tracked the lower closing of the Malaysian palm oil market.

Soya refined oil and rapeseed oil declined by Rs 2 each, while palmolein rose by Rs 2 for 10 kg on resale selling pressure. Other oils remain unchanged.

Bursa Malaysia Derivatives (BMD) crude palm oil (CPO) futures slipped, though declines were limited. According to sources, at the start of the day, a leading local refinery reduced the rates for palmolein by Rs 3, tracking weakness in foreign markets. But the response from the buyers was lukewarm. Despite lowering rates, there was no direct trade with refineries.

Local demand was absent but traders expect retail demand to pick up from next week. Towards the day's close, re-sellers quoted palmolein at Rs 556-557. Liberty's rate for palmolein was Rs 562, soya oil Rs 641, and sunflower oil Rs 700.

Ruchi quoted palmolein at Rs 560, soya refined oil Rs 639, and sunflower oil Rs 700.

Allana's palmolein was Rs 560 for September. Palmolein for October delivery was quoted by refineries at Rs 557-559. In Rajkot, Saurashtra, groundnut oil ruled steady at Rs 1,500 (Rs 1,500) for Telia tin, and loose 10kg was at Rs 980 (Rs 980).

Malaysia's CPO futures: September contracts closed at MYR 3,139 (3,161) a tonne; October at 3,070 (3,104); and November 3,036 (3,068).

Indore NBOT soya oil September contracts declined to Rs 662 (Rs 664) and October at Rs 650 (Rs 651.20).

Mumbai Commodity Exchange spot rate (Rs/10 kg): Groundnut oil 970 (970), soya refined oil 638 (640), sunflower expeller refined 660 (660); sunflower refined 705 (705); rapeseed ref. oil 693 (695); rapeseed expeller refined 663 (665); cotton refined oil 655 (655); and palmolein 560 (558).

(This article was published in the Business Line print edition dated August 25, 2011)

Grains market shut on bandh supporting Anna

Karnal, Aug. 24:

Prices of rice and wheat varieties remained unchanged on Wednesday in the absence of physical trading in the market.

In response to the Karnal Bandh called by opposition parties and social organisations in support of Anna Hazare, all markets and business establishments remained closed and there was no physical trading in the market.

However, traders took orders on phone from domestic buyers and from buyers of other cities and States as well. However, due to the bandh they did not dispatch the consignments, said market sources.

Pusa-1121(steam) ruled at Rs 4,950-5,150 a quintal, Pusa-1121(sela) was at Rs 3,850 while Pusa-1121(raw) quoted at Rs 4,300-4,350 a quintal. Pure Basmati (Raw) was ruling at Rs 5,935 a quintal while Basmati Sela quoted around Rs 3,970 a quintal.

For the brokens of Pusa1121, Tibar was at Rs 3,100-3,420, Dubar Rs 2,600-2,700 and Mongra was trading at Rs 1,900-2,225 a quintal. Sharbati (steam) ruled at Rs 2,800-2,830 while the Sharbati (Sela) was at Rs 2,720 a quintal.

Wheat traders kept shutters down on the second consecutive day. There were no arrivals of wheat from anywhere. Dara ruled flat at Rs 1,090 a quintal.

(This article was published in the Business Line print edition dated August 25, 2011)

Silver oak helps Nilgiris tea growers tide over loss

Coonoor, Aug. 24:

To tide over the loss from tea plantations, a movement to encourage small farmers to take up the cultivation of silver oak trees is catching on in the Nilgiris.

The Forest Department has invited growers to collect silver oak saplings free-of-cost from its nurseries at the rate of 500 saplings an acre. It is also distributing a subsidy of Rs 5 a plant to defray farmers' maintenance expenditure.

In low elevation interior villages, farmers have abandoned fields, unable to grow tea. Silver oak is being promoted as suitable crop in such wastelands. An experiment of planting silver oak with suitable inter-crops to give immediate revenue has added a new dimension to wasteland cultivation. In Kookal Thorai village, 10 km from Kotagiri, farmers have abandoned cultivation following their inability to bear losses from coffee, orange, vegetable and tea due to pests and diseases as also weather disadvantages. A demonstrable changes in cultivation pattern has been brought about by 36-year old S. Manoj Kumar.

“When I inherited this 12-acre land in Arangy campus, it was an abandoned bushy field. I studied the inter-cropping permutations compatible to fundamentals such as soil, weather, elevation, terrain, irrigation, micronutrients and wild animal disturbances. Now, my experiment is regarded as fit for emulation,” Mr S Manoj Kumar, hailed for his ‘Arangy Demonstration', told *Business Line*.

“With Forest Department's support, I have planted 3,200 silver oak saplings and will plant 2,000 more. At current reckoning, silver oak trees fetch Rs 2,000 a tree after 12 years of planting. I will plant Vembu trees also soon,” he said.

(This article was published in the Business Line print edition dated August 25, 2011)

Spot rubber prices gain; latex slips

Kottayam, Aug. 24:

Spot rubber improved on Wednesday. The prices gained strength possibly owing to a pull back to reduce the gap between the domestic and international futures. There was no selling pressure in the market since RSS 4 rose above the critical Rs 200-level giving hope for a recovery from the recent fall. But the improvement in weather which is expected to initiate an increase in production and arrivals limited the overall gains, an analyst said. The trend continued to be mixed as latex 60 per cent slipped further on low demand.

Sheet rubber improved to Rs 201.50 (200.50) a kg according to traders. The grade increased to Rs 202 (200) a kg both at Kottayam and Kochi according to Rubber Board.

The September series firmed up to Rs 205.51 (205.26), October to Rs 203.50 (203.30), November to Rs 203.30 (202.91), December to Rs 203.99 (202.96), January to Rs 205.99 (203.61) and February to Rs 207.40 (205.16) a kg for RSS 4 on the National Multi Commodity Exchange.

The August futures recovered marginally to ¥351.5 (Rs 211.24) from ¥349.5 a kg during the day session but then dropped to ¥346.4 (Rs 208.15) in the night session on the Tokyo Commodity Exchange. RSS 3 (spot) slipped to Rs 212.90 (213.01) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 201.50 (200.50); RSS-5: 195 (193); ungraded: 186 (184); ISNR 20: 196 (195) and latex 60 per cent: 126 (127).

(This article was published in the Business Line print edition dated August 25, 2011)

Turmeric market to resume today

Erode, Aug. 24:

Though the lorry strike was called off on Tuesday night, the turmeric market will resume only on Thursday. This is because most of the farmers could not bring their produce to the market on Wednesday morning, said Mr R. K. V. Ravishankar, President, Erode Turmeric Merchants' Association. — Our Correspondent

(This article was published in the Business Line print edition dated August 25, 2011)