

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:22 IST

We must view farmers as 'agripreneurs', says President

Gargi Parsai

Recognising the impact of schemes such as the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), President Pratibha Patil on Thursday called for their further utilisation in the agriculture sector in the emerging scenario of “farm labour shortage and food security.”

The President's comments are significant in the context of Union Agriculture Minister Sharad Pawar's recent letter to Prime Minister Manmohan Singh urging him to suspend the MGNREGS during crop harvesting seasons as farmers were facing labour shortage and this could impact the sector.

The MGNREG Act guarantees 100 days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.

Addressing the Committee of Governors on Farmers-Industry Partnership at the Rashtrapati Bhavan here, Ms. Patil said the MGNREGS had made a major impact on rural India. It had opened up many opportunities for work and employment, which was very important and its further utilisation for agriculture needed to be looked at “in a deeper way.”

Calling for a change in approach to view a farmer as an “agripreneur,” who was eager to look at new forms of engagement with other stakeholders to enhance productivity and profitability, she said linking industry and farmer was a “viable option.”

“Much like the industrial entrepreneur, the farmer takes risks, sows seeds and puts in tremendous effort in manning it. The farmer today requires inputs of knowledge and scientific research, access to markets, credit support and insurance coverage and management techniques for effective utilisation of various resources. These are very much the inputs for running a successful business operation. So linking industry and the farmer is very much a viable option.”

Outlining her views on the farmer-industry partnership, she said it could include crop-specific and region-specific models by making farmers' associations, shareholders or cooperatives or organising farmers into primary producer bodies, or any other desirable and viable model. These agreements should, on one hand, safeguard the ownership of farmer's land and, and on the other, ensure tenure security during the agreement period for the industrial establishment. "This would create a conducive environment for the establishment of a viable industry-farmer partnership." Observing that a growing nation like India required constant review and renewal of commitments, Ms. Patil said for agriculture, "it was time for another great leap forward."

The Committee of Governors met to examine measures to enhance productivity, profitability, sustainability and competitiveness of the farm sector with special reference to rain-fed farming.

The meeting was attended by Governors of Punjab, Maharashtra, Goa, Jammu and Kashmir, Meghalaya, Karnataka, Bihar, Uttarakhand, Nagaland, Assam, Chhattisgarh, Tamil Nadu and Mizoram and the Lt. Governor of Andaman and Nicobar Islands.

-
- *"Linking industry and the farmer is very much a viable option"*
 - *"For agriculture, it is time for another great leap forward"*
-

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:19 IST

Gnanadesikan urges people to shun violence over Mullaperiyar issue

Staff Reporter

TNCC will work for protection of the rights of Tamil Nadu in the issue

President of the Tamil Nadu Congress Committee (TNCC) B.S. Gnanadesikan has called upon the people of Tamil Nadu and Kerala to shun violence and await a solution to the Mullaperiyar issue.

Protection

He also told presspersons here on Friday that the TNCC would work for the protection of the rights of Tamil Nadu in the Mullaperiyar issue.

Congress MPs and Ministers from Tamil Nadu have already met Prime Minister Manmohan Singh twice on this issue and submitted petitions to him for a solution to the problem, he said.

As the Supreme Court's engineering expert committee would inspect the dam by the end of this month, the people of Tamil Nadu and Kerala should shun violence and maintain peace at the border.

Mr. Gnanadesikan said he also spoke to his counterpart in the Kerala Pradesh Congress Committee (KPCC) Ramesh Chennithala on the issue.

On the Kudankulam Nuclear Power Project (KNPP), Mr. Gnanadesikan said operating the plant would be the best solution to the power problem and also light up villages that did not have electricity so far.

The State Government could hand over to the TNCC a list of development projects and funds needed for their implementation.

Assistance

“We will take it to the Union Government to get the required assistance,” he said.

“We will not stop the Centre's money from reaching the State,” said Mr. Gnanadesikan, who was here to address Dalit office-bearers of the Youth Congress at a two-day leadership development training camp.

Senior Congress leader EVKS Elangovan and State Youth Congress President M. Yuvaraj were present.

'Tamil Nadu and Kerala should shun violence and maintain peace at the border'

Pest and disease forecast for crops by TNAU

STAFF REPORTER

[SHARE](#) · [PRINT](#) · [T+](#)

Tamil Nadu Agricultural University has made certain forecasts based on the incidence of pests and disease in crops in various districts of the State.

In Pudukottai, Ramanathapuram, Sivagangai, Thanjavur, Theni, Thiruvavur, Namakkal, Tirunelveli, and Villupuram districts, incidence of leaf fodder and stem borer pests were found in paddy. Farmers are asked to spray neem seed kernel extract 5 per cent and set up light traps to monitor the pest population or spray chlorpyrifos 2.5 per ml / litre of water or profenophos 2 ml / litre of water or release trichogramma egg parasitoid at 6 cc per acre.

Bacterial leaf blight disease was found in paddy in Thiruvavur. Proper plant protection measures may be undertaken and copper hydroxide at 2.5 g / litre may be sprayed.

In Theni, sucking pests like jassids and thrips were noticed.

Farmers are asked to set up yellow sticky traps to monitor the pest population. Bollworms were found below the Economic Threshold Level. Hence, farmers are advised to set up pheromone traps to kill adults.

In Namakkal district, leaf miner incidence was recorded. Farmers are asked to monitor leaf miner adults using light traps and if needed farmers can spray neem seed kernel extract at 5 per cent.

Tapioca, papaya and mulberry farmers are advised to watch out for incidence of papaya mealy bug.

For details, contact Head, Department of Agricultural Entomology, TNAU, on 0422-6611214, or Head, Department of Plant Pathology, TNAU, on 0422-6611226.

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 05:31 IST

Madurai farmers sore over high fertilizer price

Special Correspondent

Collector stresses on value-addition of agricultural produce



PATIENT HEARING: Collector U. Sagayam addressing a meeting in the city on Friday. —

Photo: R. Ashok

While farmers thanked the Tamil Nadu government for its resolve to be tough with Kerala on the Mullaperiyar reservoir row in getting the due share of water, they pointed out the government's

failure to contain the rise in fertilizer price at a farmers' grievance day meeting chaired by Collector U. Sagayam here on Friday.

They said that every year the price of paddy dipped. Only on rare occasions it rose, that too marginally. On the other hand, the fertilizer prices had shot up so much so that it was very tough to carry on agriculture operations.

Further, the shortage of labourers had compounded their woes. Though the agriculture department insisted on using machines as an alternative to men, the non-availability of the equipment had added to the hardships.

There is a problem at every stage and hence urged the district administration to help them.

Mr. Sagayam, who heard their grievances patiently, offered to give training for preparing value-added products. From tomatoes, juice and pickles could be prepared. "We have people to give free training," he said. With regard to high rise in fertilizer prices, he assured to take it to the government's attention.

The farmers, who were hesitant to take up training in value addition programme, however, were convinced over the Collector's assuring words.

He narrated the success story of a youngster who had taken his advice. "Today, the youngster is a proud employer. He produces pickle from vaazhai poo (banana flower). He employs over 50 workers. Where there is a will, there is a way," he said and appealed to the farmers to tell youngsters to be optimistic and take up innovative ventures.

The Collector released a booklet authored by V. Madhavan of Thaniyamangalam who had traced the features of Mullaperiyar dam and its chief architect Penniquick. He handed over farm equipment to beneficiaries at the meeting, a press release said.

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:27 IST

Training for farmers

Special Correspondent

A day-long training on folio nutrition in mango will be imparted to farmers at the Krishi Vigyan Kendra in Vamban on December 20.

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:25 IST

Farmers dump onion, tomato

Staff Correspondent

Shocked by the sudden fall in the prices of onion and tomato, farmers, who had brought a large quantity of their produce from different places, dumped them in front of the Deputy Commissioner's office here on Friday, and returned to their villages with empty bags.

Hundreds of farmers from Jagalur in Davangere ditrict; Ranebennur (Haveri district); and Koodligi (Bellary district), and other places, had brought onion to the wholesale market here, which is considered to be the second largest market in the State, after Bangalore. The farmers were expecting a minimum price of Rs. 500 a quintal of onion. The traders are offering only Rs. 120 to Rs. 150 a quintal.

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:22 IST

Drought-hit farmers continue agitation

Correspondent

Farmers in Jat, Atpadi, and Kavathe Mahankal villages in Sangli district have resorted to agitation for the last 11 days demanding compensation and other amenities as they were drought affected. But as none of the State Government authorities had responded to the demand, the agitation had continued with the support of ex-MLAs and other leaders in the area.

Ex-MLA Ajit Ghorapade along with Vilasrao Jagtap and Rajendra Deshmukh visited the spot of the agitation and extended their full support.

Mr. Ghorpade said the State Government had offered 8 p.c. dearness allowance to its employees even though there was no demand or any agitation but the same Government had been denying farmers the legitimate demand of compensation.

Referring to the urgent need of water and fodder, Bharat Patankar said that the Government has not provided relief for water and fodder even though the agitation has continued for 11 days. If it fails to respond within five days, the aggrieved farmers would resort to indefinite fast at Atpadi village, Mr. Patankar said.

Land sought

Meanwhile, industrialists at Sangli in southern Maharashtra have demanded space and other infrastructure in and around Sangli so that they will not have to move to Karnataka.

According to the chief of Sangli Chamber of Commerce Manohar Sarada, if the State Government and the Department of Industries failed to provide space and other facilities, then moving to the neighbouring State would be the only alternative.

Hearing this, Industries Minister Narayan Rane appealed to the industrialists that the Sangli unit of Maharashtra industries Development Corporation (MIDC) would provide the necessary facilities of space with the Government's funds of Rs. 25 crore. But nothing materialised so far.

The Sangli MIDC had acquired land at Kavalapur near Sangli for aerodrome .

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:18 IST

Farmers in Raichur district unwilling to sell paddy to procurement centres

Staff Correspondent

They prefer selling produce in the open market through APMC as it fetches a better price



SO MUCH FOR THAT: A paddy procurement centre in Raichur looks deserted as farmers choose to sell their produce in the open market.

The paddy procurement centres in Raichur, Manvi and Sindhanur, which have been functioning since December 3, have become defunct. The centres have not procured a single bag of paddy till date, as farmers have no interest in selling their produce there.

The farmers choose to sell their produce in the open market through the Agricultural Produce Marketing Committee (APMC) rather than approach paddy procurement centres, as the price of

the commodity in the open market is a little higher than the minimum support price (MSP) announced by the Union Government.

The Union Government had announced the minimum support price of Rs. 1,100 for a quintal of first grade (sona masuri variety) paddy and Rs. 1,080 a quintal for other varieties. However, the prevailing price of paddy in the open market is between Rs. 989 and Rs. 1,409 for a quintal of first grade paddy, and between Rs. 958 and Rs. 1,098 a quintal for other varieties.

The cumbersome procedures followed by the procurement centres while assessing the quality of paddy, and the non-payment of additional compensative price of Rs. 100 a quintal of paddy announced by the State Government, has discouraged paddy growers from approaching the procurement centres.

Sources at the Department of Food and Civil Supplies here said the department had prepared to procure paddy from the farmers through its procurement centres according to the guidelines issued by the Government and release payments to farmers according to the MSP announced. However, it had not been able to release the additional compensative price of Rs.100 as the department had not received any additional funds so far.

'MSP too low'

Chamarasa Malipatil, vice-president of the State unit of the Karnataka Rajya Raitha Sangha, said the farmers had incurred heavy expenditure on seeds, fertilizer and labour while cultivating paddy. The growers would incur heavy losses if they sold their produce at the MSP announced by the Union Government. The sangha had been demanding that the Government increase the MSP on a scientific basis to safeguard the interests of the farmers, and had recently submitted several memorandums to the Government, demanding that an MSP of Rs. 2,500 for a quintal of first grade paddy and Rs. 2,000 for other varieties. But there had been no response, Mr. Malipatil said.

He said that apart from facing cumbersome procedures in order to sell their produce at the paddy procurement centres, paddy growers had to wait for weeks for payment. Moreover, the department concerned had refused to release the additional compensative price that was announced by the State Government.

-
- *MSP for a quintal of sona masuri is Rs. 1,100*
 - *In the open market, farmers get between Rs. 989 and Rs. 1,409 for it*
-

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:23 IST

Fertilizer monitoring system to become operational from Jan. 1

Staff Reporter

Additional Joint Collector M.V. Seshagiri Babu on Friday informed that the mobile fertilizer monitoring system would become operational in the district from January 1 next.

Awareness programme

Speaking at an awareness programme for officials from the Agriculture Department and fertilizer dealers here, he said the system was aimed at streamlining the fertilizer distribution system by ensuring transparency online and checking hoarding and artificial scarcity.

He said the fertilizer dealers were required to register their details with the official website of the monitoring system.

Those who failed to comply with the guidelines in this regard would not receive fertilizer stocks for distribution, he added.

Mr. Seshagiri Babu appealed to the farmers to go in for irrigated dry crops as a substitute to paddy in parts of the delta where the government had declared crop holiday in the rabi for want of sufficient water in the Godavari river.

Seed would be supplied to such farmers with subsidized prices, he said.

Seshagiri Babu appealed to the farmers to go in for irrigated dry crops as a substitute to paddy

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:23 IST

Milch cattle given to farmers

Staff Reporter

Initiative taken by NABARD in association with Vijaya Bank and Milk Producers Union



Helping Hand: High breed Haryana buffalo given to a woman by dairy chairman Ch. Srinivasa Rao along with Vijaya Bank Chief General Manager Raviraj Hegde in Ongole on Friday.

In a big relief to ryots reeling under drought in Prakasam district, high-breed buffaloes specially procured from Haryana were given to farmers by the public sector Vijaya Bank jointly with the Prakasam District Cooperative Milk Producers Union under a NABARD initiative.

As many as 2,000 farmers were given milch cattle during a mela at the dairy by Vijaya Bank Chief General Manager Raviraj Hegde and Dairy Chairman Ch. Srinivasa Rao to boost the dairy's milk production by 10 million litres per day.

Another 2,000 milch cattle would be distributed after six months, Mr. Hegde said.

The dairy produced over 67 million litres of milk per day now and the NABARD's initiative would go a long way in augmenting milk production in the district, the main occupation of farmers next only to agriculture, Mr. Rao added.

The farmers got a subsidy of Rs. 25,000 under refinance scheme of NABARD and got the rest of the amount as loan from the Vijaya Bank.

Published: December 17, 2011 00:00 IST | Updated: December 17, 2011 04:22 IST

Special session sought to discuss farmers' suicides

Gargi Parsai

"Agrarian crisis perpetuated by indifferent government, media"

Expressing concern over the agrarian crisis leading to farmers' suicides in the country, Rajya Sabha members sought a special seven-day session to discuss the issue in depth.

Initiating a short-duration discussion on the agrarian crisis in the country, BJP leader M. Venkaiah Naidu sought the special session to discuss the situation and find solutions. Mr. Naidu

said that while the economy was growing at 7-8 percent, the farm growth was only around 2 per cent.

“While 2.15 lakh farmers have committed suicide in the last ten years, Parliament, political parties, Planning Commission and media are biased and indifferent to the agriculture sector. Farmers have begun to declare crop holiday—this is a disturbing trend.”

Calling for a separate agriculture budget, Mr. Naidu said all the key recommendations of the Swaminathan Commission and Hooda Committee must be implemented. Farm credit should be made cheaper, crop insurance scheme should be made into agriculture income scheme, the minimum support price should be fixed at the weighted average cost of production plus 50 per cent as profit to farmers. “There is a need to look at the rural-urban divide and for larger investment in agriculture.”

Sharing the MPs concerns, Mani Shankar Aiyar (nominated member) said there was a link between the suicides, particularly in Maharashtra, Andhra Pradesh, Madhya Pradesh and Chhattisgarh, and the cash crops, specifically those of cotton.

Assailing foreign seeds companies, he said seeds of multinational corporations like Monsanto had only a 60-per-cent germination rate. “So, an average farmer, if he buys 100 bags, knows that only 60 of them are actually going to produce a crop... Is it fair, reasonable that the world's biggest seed companies, like Monsanto, should be allowed to get away with this?” he said.

Urging the government to change its farm policy, MP and Communist Party of India (Marxist) State Committee member Moinul Hassan said farmers were not getting enough fertilisers and seeds in time.

Shivanand Tiwari, of the Janata Dal (United), criticised the lack of official patronage for coarse cereals and said the government had, in recent years, started following the diktats of the World Bank, the International Monetary Fund and MNCs to the detriment of Indian Agriculture. “If you cannot improve the situation for farmers, you should quit,” he told Agriculture Minister Sharad Pawar.

Samajwadi Party leader Ram Gopal Yadav sought pension for farmers “who age before their time” after they cross 65 years.

“The major cause for farmers' suicide is indebtedness. Farmers live in debt, die in debt and leave their heirs in debt,” said D. Raja of the CPI, mentioning that P. Sainath of *The Hindu* had been highlighting farmers' suicides.

“You cannot make farmers grow more and more by giving them less and less price for their produce,” said Congress MP M.S. Gill.

Describing the suicides as “unfortunate”, Akali Dal leader S.S. Dhindsa said there had been several in Bhatinda in the last one year because agriculture was getting to be non-remunerative.

Several MPs urged the government to suspend the Mahatma Gandhi Rural Guarantee Programme during sowing and harvesting seasons as lack of labour was hitting farming hard. Others asked the government not to discriminate against non-UPA States in providing timely farming equipment and help during natural calamities.

-
- *Foreign seed companies give poor germination rates, says Mani Shankar Aiyar*
 - *Need to look at rural-urban divide, larger investment in agriculture, says Naidu*
-

© The Hindu

hindustantimes

Monday, December 19, 2011

[HT Correspondent](#), Hindustan Times

New Delhi, December 16, 2011

✉ [Email to Author](#)

First Published: 21:23 IST(16/12/2011)

Last Updated: 02:12 IST(17/12/2011)

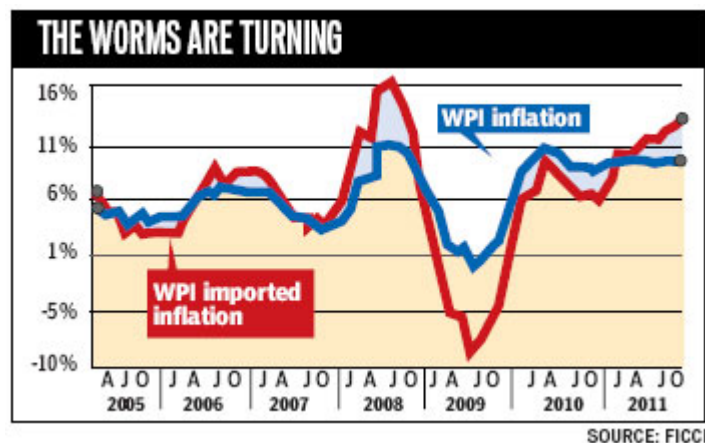
Inflation at the crossroads: rupee bites, seasonal factor aids

Headline inflation based on the Wholesale Price Index may have started to ease a bit, fuelling hopes that it will remain benign through 2012. But the depreciating rupee could well undo all the

gains by pushing up the so-called 'imported component' of inflation. Imported inflation (inflation due to an increase in the price of imports) has risen to 46% in the last six months from 35% due to the depreciating rupee.

The fall of the rupee has significantly pushed up import costs in the last few months. The global crude oil price (brent), for example, at above \$100 per barrel, has put on an additional Rs 1,000 per barrel in this period due to the plummeting rupee.

The seasonal impact and favourable base effect – the level of inflation in the corresponding period of the previous year — have led to softening prices.



Food inflation for the week ended

December 3, declined to 4.35% against 6.6% in the previous week. Headline inflation too showed signs of easing though it remained high at 9.11%. "If inflation continues to show a declining trend, then perhaps the Reserve Bank of India will start reversing its policy," C Rangarajan, chairman, Prime Minister's Economic Advisory Council said on Friday. "Therefore, it is predicated only on one assumption and that is the inflation going down.

"Inflation will soften primarily due to seasonal impact and favourable base effect provided all factors remain unchanged. In case of a sudden spurt in global commodity prices, inflation could rise again," Soumya Kanti Ghosh, director and head (economics & research) Ficci said.

<http://www.hindustantimes.com/StoryPage/Print/783365.aspx>

© Copyright © 2011 HT Media Limited. All Rights Reserved.

Business Standard

Monday, Dec 17, 2011

Pepper exporters gain from rupee depreciation

George Joseph & Sharleen D`Souza / Kochi/ Mumbai December 17, 2011, 0:25 IST

The rupee fall has come to the aid of pepper exporters, as prices of Indian varieties in the international market have become more competitive. They are in a position to offer a low dollar price, at a time when their biggest competitor, Vietnam, is not in the market.

Indian pepper's benchmark price in the international market was quoted 14 per cent lower at \$7,150 a tonne from \$8,350 a tonne in October. In rupee terms, the price has fallen to Rs 3.74 lakh a tonne, as the average rate of the rupee is 52.34 against the dollar. In October, price was Rs 4.11 lakh a tonne, as the average rate of rupee against the dollar was Rs 49.25. Pepper in the domestic market was stable at Rs 370 a kg.

This has evoked good response for Indian black pepper from foreign buyers. Exporters also expect the dollar to rise further.

The problem with India is low stock. According to leading exporters, the total stock in the country is around 3,500 tonnes, which might be sold within the next couple of weeks. So, India may run out of pepper even as the rupee continues to tank against the dollar. This season, pepper production is estimated to be lower than last year due to heavy rain, which affected the spice's flowering in Kerala.

Production is estimated to be 43,000 tonnes, compared to 48,000 tonnes last year. Harvesting is yet to begin in most parts of Kerala, so the arrival to terminal markets is thin. Arrivals in the spot market are expected to trickle in by the last week of December, but heavy arrivals will only begin by January.

So, the export business may be affected badly till the new season begins. The benefits of the dollar appreciating can be enjoyed only if supply improves.

Farmers in Kerala prefer to grow rubber instead of pepper, as the returns are much better.

“Pepper has started to give better returns only this year. There have been no incentives for

farmers to cultivate pepper,”said Jojan Malayil, a Kerala-based trader.

Last year, growers received Rs 250 a kg compared to Rs 350 a kg they are receiving now. Export of pepper has picked up pace in the last month and have more than doubled to 2,250 tonnes from 1,000 tonnes the previous month, said Malayil.

Export from India has also gone up as Vietnam does not have stock to export. Exports from April to October were up 33 per cent to 20,000 tonnes, against 10,350 tonnes last year.

The weakness in the rupee, has been beneficial for exporters, but the overall demand for pepper has also been good, helping the exporters, traders said.

THE HINDU Business Line

Indigenous varieties



Farmers' delight: Paddy varieties on display at Kisan Morcha's two-day convention at Palace Grounds in Bangalore on Friday. The convention showcased over 150 indigenous varieties. Several rare varieties such as Gandhasale, red rice and scented rice are also on display. — G.R.N. Somashekar

(This article was published in the Business Line print edition dated December 17, 2011)

Farmers' forum alleges anomalies in agri lending

Our Bureau

Loan disbursements by banks' urban branches on the rise

Chennai, Dec. 16:

Direct lending to agriculture by credit institutions such as banks suffer from various anomalies, according to a farmers' forum.

The Centre has stipulated that 13.5 per cent of total loans advanced by banks have to be direct agriculture lending, "Credit institutions are, however, deliberately reporting higher disbursement of direct agriculture credit than what is actually given, possibly to the extent of 100 per cent in some cases," said Mr Ajay Jakhar, Chairman of the Bharat Krishak Samaj, in a letter addressed to the RBI Governor, Dr D. Subbarao.

The letter comes within days of the Union Finance Minister, Mr Pranab Mukherjee, telling the Chief Ministers of the East Zone that banks have achieved 50 per cent of the target set for farm credit in the first half of the current fiscal. In the Budget for the current fiscal, the Finance Minister fixed Rs 4.75 lakh crore as target for agriculture lending.

Elaborating his charges by pointing out to "information compiled from credible sources", Mr Jakhar said people living in cities such as Delhi and Chandigarh have obtained agriculture loans worth Rs 32,000 crore during 2009-10.

"Farmers in Uttar Pradesh, Bihar, West Bengal and Jharkhand received loans worth Rs 31,000 crore. This is unbelievable," he said.

Though agriculture credit has increased, it has happened through urban and metropolitan branches of banks.

"It is reported that agriculture loan disbursements from urban branches of banks have increased to more than 35 per cent of total agriculture lending," the forum chief said.

Going by the letter, 52 per cent of farm loans disbursed in 2009-10 went to only Andhra Pradesh, Maharashtra, Delhi, Haryana, Tamil Nadu and Chandigarh.

"For obvious reasons, this actually seems unlikely," Mr Jakhar said.

Just 29 per cent of the credit is extended between June and September – the main season for kharif sowing.

Another 24 per cent of loans is disbursed between February and March, a non-agricultural season but an ideal period to meet the Government target, Mr Jakhar said.

He regretted that the share of loans above Rs 25 crore had increased to 16.8 per cent from 5.7 per cent, extension of loans with a limit of Rs 25,000 had dropped to 13.3 per cent from 35.2 per cent during 2009-10.

According to the RBI data, agriculture lending by public sector and private banks dropped in share in priority sector lending during 2010-11.

Public sector banks lent Rs 4.14 lakh crore last fiscal against Rs 3.72 lakh crore in 2009-10. However, in terms of lending in the priority sector its share dropped to 16.5 per cent from 17.9 per cent during the review period.

In the case of private banks, the actual lending increased to Rs 92,136 crore (Rs 90,737 crore) but the percentage in priority sector lending dropped to 15.7 per cent from 19.4 per cent.

Mr Jakhar also pointed out to a survey by Nabard that showed that non-interest and higher transaction costs imposed on farmers added another seven per cent to the interest cost of seven per cent, thus, doubling the total loan cost to 14 per cent.

“These raise the questions of appropriateness and veracity of agri-credit lending,” Mr Jakhar said and urged the RBI to conduct an audit on banks' agriculture lending.

mrsbramani@thehindu.co.in

(This article was published in the Business Line print edition dated December 17, 2011)

Tea prices up 1.89% in Jan-Oct

P.S. Sundar

Coonoor, Dec. 16:

Tea prices increased by 1.89 per cent in the first 10 months of current calendar over last year in the different auction centres in the country, reveals an analysis of the latest market reports and data available with Tea Board.

Between January and October, auction prices averaged Rs 103.63 a kg against Rs 101.71 last year. This gain of Rs 1.92 marked a growth of 1.89 per cent. All auction centres posted gains from 11 paise a kg to Rs 3.69. North Indian prices averaged Rs 118.20 against Rs 117.68.

Kolkata continued to post the country's highest price average of Rs 130.82 (last year: Rs 130.71). Guwahati prices were the second highest at Rs 110.71 (Rs 110.56) followed by Siliguri at Rs 104.68 (Rs 103.30).

South Indian prices averaged Rs 70.18 (Rs 66.88). Kochi not only posted South India's highest price average of Rs 80.27 (Rs 76.58) but also the country's highest gain of Rs 3.69 a kg. Coimbatore auction prices averaged Rs 66.03 (Rs 62.88) and Coonoor Rs 63.70 (Rs 60.35). The Teaserve auctions posted the country's lowest price average of Rs 57.49 a kg (Rs 54.56).

(This article was published in the Business Line print edition dated December 17, 2011)

Spot rubber recovers a tad

Our Correspondent

Kottayam, Dec. 16:

Physical rubber prices made marginal recovery on Friday. The market opened steady but covering purchases, at lower levels tracking the late recovery on the National Multi Commodity Exchange (NMCE), kept the buyers comparatively active on sheet rubber during closing hours. The trend was mixed.

Sheet rubber improved to Rs 199 (198.50) a kg, according to traders. The grade closed at Rs 198.50 (198) a kg, as reported by the Rubber Board.

The January series firmed up to Rs 202.14 (199.75), February Rs 204.24 (202.06), March Rs 207.30 (205.87), April Rs 212.49 (210.48) and May Rs 212.25 (208.50) a kg for RSS-4 on the NMCE.

RSS-3 (spot) improved to Rs 181.79 (180.28) a kg at Bangkok. The December futures for the grade increased to ¥253.4 (Rs 171.89) from ¥252 a kg during the day session but then surrendered to ¥250.1 (Rs 169.63) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 199 (198.50); RSS-5: 196 (196); ungraded: 188 (188); ISNR 20: 187.50 (187) and latex 60 per cent: 110 (109).

(This article was published in the Business Line print edition dated December 17, 2011)

Sowing in pulses, oilseeds slows; wheat coverage up

Our Bureau

Area under rabi rice, coarse cereals trails



Rabi sowing so far		
	(In lakh ha)	
	2011-12	2010-11
Wheat	244.12	240.10
Oilseeds	75.56	81.52
Pulses	129.49	130.57
Coarse cereals	52.36	55.14
Rice	2.05	2.26

New Delhi, Dec. 16:

Wheat sowing in the current rabi season has gained momentum and the acreage as on December 16 was higher by about 4 lakh hectares compared with the corresponding period last year.

However, sowing of oilseeds, pulses and coarse cereals has slowed due to dry weather conditions.

Latest data from the Agriculture Ministry reveal that wheat sowing has been higher in Madhya Pradesh, Rajasthan, Jharkhand and Chhattisgarh.

However, the coverage has been lower in Maharashtra, Gujarat, Punjab and Karnataka.

Sowing of oilseeds has been rather sluggish in recent weeks, compared with the initial stages of the current season.

Rabi oilseeds

The Government has targeted an area of 104.4 lakh hectare under rabi oilseeds for 2011-12, against a normal area of 94.52 lakh hectare.

This includes a target area of 75.5 lakh hectare under rapeseed and mustard, the main rabi oilseed crop.

So far, sowing of mustard has been completed in 62.65 lakh hectare, lower than last year's 66.63 lakh hectare during the same period.

The dip in oilseeds area could be attributed to lower coverage in Rajasthan, Gujarat and Maharashtra, while States such as Jharkhand, Uttar Pradesh and Tamil Nadu have reported higher acreage.

Against the targeted area of 9.54 lakh hectare for groundnut, sowing has been completed in about 3.27 lakh hectare.

Similarly, coverage of sunflower has been lower as sowing has been completed in only 3.2 lakh hectare against the targeted 8.84 lakh hectare.

Sowing in pulses is marginally lower on account of lack of rains.

Area under gram, a dominant rabi pulse crop, has been lower at 83.55 lakh hectare against 86.36 lakh hectare in the corresponding period last year.

Chhattisgarh and Rajasthan have reported a higher area under pulses, while Maharashtra and Karnataka have reported lower areas due to dry conditions.

Coverage of coarse cereals such as bajra and ragi has been lower as also transplanting of rice.

vishwa@thehindu.co.in

Sowing of oilseeds has been rather sluggish in recent weeks, compared with the initial stages of the current season.

(This article was published in the Business Line print edition dated December 17, 2011)

Sugar turns bitter on heavy resale pressure

Our Correspondent



Mumbai, Dec. 16:

Sugar markets in the country are currently passing through a bearish phase on lack of demand and ample supply.

Sugar price on the Vashi spot market further declined by Rs 30-40 for S-grade and Rs 40-50 for M-grade on Friday, taking the total decline this month to Rs 225-250. In the absence of demand, market sentiment remained weak. Further decline cannot be ignored, said a wholesaler.

Sources said that under heavy resale pressure, naka rates dropped by Rs 40-50 a quintal as purchasers had to fulfil time-bound old purchases. In the absence of demand, sellers had to offload in the local market. On the other side, decline in mill tender rates were limited to Rs 20-25 as producers hesitate to sell at lower rates. So far this week, sugar price has come down by Rs 80-100.

As of now, the Vashi market is carrying daily inventory stock of nearly 80-100 truckloads (each 100 bags of a quintal). Hence, the stockists are not willing to add more considering weak demand.

At the Vashi market on Thursday, 17-18 mills have offered tenders and sold 35,000- 40,000 bags in the range of Rs 2,800-2,870 (Rs 2,820-2900) for S-grade and Rs 2,900-2,970 (Rs 2,920-3,010) for M-grade. Arrivals in Vashi market were lower at 46-48 truckloads and local dispatches were around 40-42 truckloads.

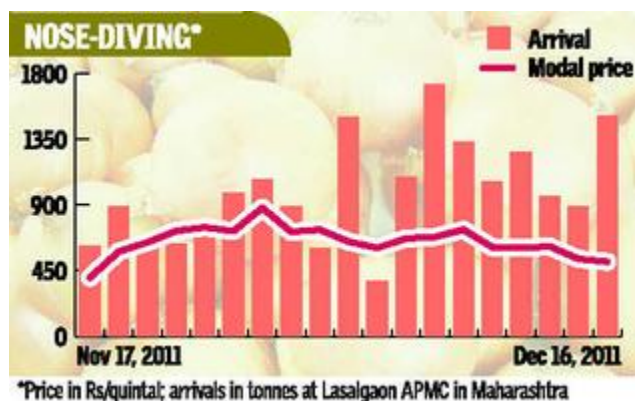
Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,961-3,011 (Rs 2,991-3,045) and M-grade Rs 3,031- 3,156 (Rs 3,076-3,182).

Naka delivery rates: S-grade Rs 2,900-2,940 (Rs 2,940 - 2,980) and M-grade Rs 3,000-3,050 (Rs 3,040-3,140).

(This article was published in the Business Line print edition dated December 17, 2011)

Onion tumbles as arrivals soar

M.R. Subramani



Chennai, Dec. 16:

Onion prices continued to head south as farmers kept clearing old stocks, while the quality of new arrivals was inferior.

“Arrivals in markets around growing centres in Maharashtra are huge. In the last three days, 25,000 tonnes have arrived in various markets,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd that exports onion.

“Even local demand is subdued, while export demand has slackened,” said Mr Madan Prakash, Director of Chennai-based Rajathi Group of companies that ships out agricultural produce. In Solapur Agricultural Produce Marketing Committee (APMC) yard in Maharashtra, over 7,000 tonnes of onions have arrived since Thursday. In Lasalgaon APMC, arrivals were around 5,000 tonnes. “Due to heavy arrivals prices are ranging between Rs 100 and Rs 600 a quintal, based on quality,” said Mr Jaju. Most of the trades were done in the Rs 400-450 range. On the other hand, exports are extremely low since the shelf life of the rabi onion is almost over, while quality of this year's kharif arrivals is not up to mark. “There is some buying from Sri Lanka and Dubai,” said Mr Jaju.

“There are enquiries from Malaysia but the unstable currency situation has made buyers abroad wary,” said Mr Prakash. “The current currency scenario is in favour of exports but we are not able to take advantage of the situation due to quality issues with arrivals,” said Mr Jaju. “Prices of Indian onions are far lower than other competing nations,” he said.

“Ultimately, onion is a food item and buyers will come back sooner than later,” said Mr Prakash. The current price trend could extend up to the New Year after which better quality arrivals of the kharif onion could lift the market sentiment, said Mr Jaju.

(This article was published in the Business Line print edition dated December 17, 2011)

Cotton export demand seen rising next week

Our Correspondent



Rajkot, Dec. 16:

Cotton has bottomed out and export demand is expected to rise from the next week, traders and brokers here said.

The Sankar-6 variety traded at Rs 34,600-34,800 a candy of 356 kg on Friday.

Raw cotton or *kapas* sold at Rs 820-857 for a *maund* of 20 kg here and at Rs 870-885 for a *maund* for delivery to Kadi.

While about 55,000 bales of 170 kg each arrived in Gujarat, 1.6 lakh bales arrived in rest of the country. Arrivals from Maharashtra declined this week because of poor quality to around 300 trucks and sold at Rs 860-865 for a *maund*.

Kapas for April delivery gained Rs 18.60 or 2.63 per cent to Rs 725.90 for a *maund* on the National Commodity and Derivatives Exchange.

spinners to gain

On the Multi Commodity Exchange, cotton's December contract rose by Rs 120 to Rs 16,590 a bale.

Cheap cotton and depleting stocks at textile companies is likely to benefit spinning mills in the coming quarters.

Demand from producers higher up the value chain, especially makers of fabrics and garments, is expected to grow.

(This article was published in the Business Line print edition dated December 17, 2011)

Bulk buyers keep off rice market

Our Correspondent



Karnal, Dec. 16:

After falling to their lowest levels of the season earlier this week, aromatic varieties of rice managed to maintain their previous levels, while the non-basmati varieties continued to rule flat on Friday.

Bulk buyers are keeping off the market because of a continuous fall in rice prices, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company.

Market sentiment is low as traders and farmers have huge stocks with them, with hardly any buyers in the market for rice and paddy, he added.

Pusa-1121 (steam) ruled at Rs 4,150-4,200 a quintal, while Pusa-1121 (sela) was quoted at Rs 3,250 a quintal. Duplicate basmati was quoted at Rs 3,100-3,300 a quintal. Pure basmati (sela) sold at Rs 3,700-3,750 a quintal, while basmati (raw) sold at Rs 4,100 a quintal.

Among the brokens of Pusa-1121, Tibar sold at Rs 3,000, Dubar at Rs 2,600, while Mongra was trading at Rs 2,050 a quintal.

Sharbati (steam) quoted around Rs 2,800-2,900, while Sharbati (sela) was between Rs 2,750-2,770 a quintal.

PR-11 (sela) sold at Rs 2,100-2,200 a quintal, while PR-11 (raw) quoted at Rs 1,900-2,150 a quintal. Permal (sela) sold at Rs 1,800-1,925 a quintal, while Permal (raw) was around Rs 1,900-1,950 a quintal.

Paddy arrivals: around 40,000 bags of paddy varieties have arrived at the Karnal grain market terminal. Around 10,000 bags of PR arrived and sold at Rs 950-1,070. About 5,000 bags of Sharbati variety was quoted at Rs 1,330-1,375. Around 5,000 bags of DB arrived and sold at Rs 1,300-1,560.

(This article was published in the Business Line print edition dated December 17, 2011)

Turmeric plunges to near Rs 4,000 a quintal

Our Correspondent



Erode, Dec. 16:

Spot prices of all varieties of turmeric dropped by Rs 300 a quintal on Friday as arrivals continue to flood Erode markets.

“Due to the arrival of 13,000-odd bags of turmeric at the market on Friday, prices fell by Rs 200-300 a quintal. Further, during the past week, exporters have received virtually no orders from North India and other places. So bulk buyers bought limited quantity to meet existing orders,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants' Association.

He said turmeric futures fell 4 per cent on Friday, so traders quoted lower price and bought meagre stocks. About 40 per cent of the arrivals was sold. He said the farmers sold with great reluctance. “To cultivate one quintal, they spend a minimum of Rs 7,000; but they are fetching only Rs 4,500 a quintal now, leaving them with loss.” The farmers also worry they may have to sell off their stock within a month to prevent further losses.

Farmers urged the Prime Minister to allow their associations to fix turmeric price, similar to egg prices fixed the National Egg Coordination Committee. They also want 50 per cent subsidy for the construction of godowns with capacity to store at least 12 lakh tonnes of turmeric.

The minimum price for turmeric at Gobichettipalayam Cooperative Marketing Society decreased to Rs 2,739 on quality concerns. At Erode Turmeric Merchants' Association sales yard, the finger variety sold at Rs 3,400-4,066, the root Rs 3,232-3,916.

Salem crop: the finger variety quoted at Rs 3,609-5,061, the root Rs 3,409-4,250. About 2,734 bags arrived, 620 sold.

At Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold at Rs 2,739-4,137, the root Rs 2,539-4,001; 380 bags arrived, 281 sold. At Erode Cooperative Marketing Society, the finger variety fetched Rs 3,430-4,089, the root Rs 3,439-4,010; 1,732 bags arrived, 1,293 bags sold. At the Regulated Marketing Committee, the finger variety sold at Rs 3,627-4,072, the root Rs 3,539-3,989; 1,886 bags arrived, 1,544 bags sold.

(This article was published in the Business Line print edition dated December 17, 2011)