THE HINDU

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Tissue culture banana plants of KAU bear fruit

K. Santhosh

The Kerala Agricultural University's efforts to promote tissue culture banana farming are bearing fruit.

Since 2007, the KAU has provided 2.5 lakh tissue culture banana plants to farmers. The tissue culture facility established at KAU's Banana Research Station (BRS) at Kannara — with funding from the Department of Agriculture and Cooperation (Rs. 39 lakh), State Horticulture Mission

(Rs. 8 lakh) and the Rashtriya Krishi Vikas Yojana (Rs. 20 lakh) — has the capacity to produce around 2 lakh banana plants annually.

“The State needs 20 crore plants for banana farming in around 1 lakh hectares every year. Farmers mostly use suckers (secondary shoots produced from the base or roots of plants) for cultivation. Scarcity of quality suckers affects banana farming in the State,” says K.C. Aipe, head of BRS.

Use of suckers sometimes proves to be a banana skin to farmers as suckers run the risk of transmitting major pests and diseases.

Higher yield

“Tissue culture plants produce 20 per cent higher yield. In-vitro multiplication by direct organogenesis from ancillary buds helps mass propagation of banana cultivars. Disease-free plants can thus be distributed on a large scale,” says Rema Menon, professor in horticulture at BRS.

At BRS, in-vitro multiplication protocols have been optimised for 16 traditional and commercial cultivars. Farmers are given ready-to-plant virus-indexed material after secondary hardening. The BRS charges Rs.15 per tissue culture plant.

A virus indexing and disease diagnostic unit functions in tandem with the tissue culture facility.

“Biotechnological tools such as R-PCR, PCR and ELISA have been standardised and validated for routine testing against four viruses infecting banana, including banana streak virus, cucumber mosaic virus, banana bunchy top and banana bract mosaic virus. Farmers can get their planting material virus indexed at the unit,” says K. Anita Cherian, principal investigator at BRS' Virus Indexing and Disease Diagnostic Unit.

The BRS preserves the genetic resources of about 300 varieties of banana in the country.

Wide variety

Farmers may procure from the Research Station quality plants of the Nendran group (Nedu Nendran, Attu Nendran, Big Ebanga, Zanzibar); Cavendish group (Robusta, Grand Naine, Dwarf Cavendish, Amrit Sagar, Gros Michel, Bodles Altafort); and varieties of Kadali, Poovan, Njalipoovan, Mysore Ethan and Chenkadali.

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Free training in goat farming

Staff Reporter

The Veterinary University Training and Research Centre at Saravanampatty is conducting a free campus training programme on goat farming for farmers and entrepreneurs on December 13 and 14.

A release from the university said that goat farming is a profitable rural enterprise because of low maintenance cost and increasing demand for goat meat.

The release added that in intensive system of goat rearing, it is essential to adopt scientific technologies to improve weight gain, breeding performance and prevent diseases in goats.

The existing marketing of live goats and goat meat is not a profitable system for the producers due to too many intermediaries.

Interested persons can register their names in person with K. Sivakumar, Associate Professor and Head, Veterinary University Training and Research Centre, Saravanampatty, Coimbatore 641 035 or contact 0422-2669965.

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Erode Corporation asked details of sale of manure

Staff Reporter

The Federation of Tamil Nadu Farmers' Associations has served a legal notice to Erode Corporation, asking the civic body to give a detailed reply on the production and sale of manure over the last five years.

Federation Secretary S. Nallasamy claimed that the civic body had been collecting several tonnes of biodegradable waste from households and markets in the town everyday and converting it into manure at its compost yard.

“The civic body does not seem to be selling the manure by conducting an auction for the past several years. Earlier, the manure had been sold to the farmers and it fetched a significant income to the local body,” he said, in a statement issued to the media.

The farming community in the district spends huge amount of money for purchasing fertilisers. If the Corporation supplied the manure to farmers at nominal rates, it would have helped them to reduce their cost of cultivation.

Earlier, the night soil collected in the town was also deposited in the compost pits and later sold through auction. This practice had been discontinued years ago for reasons best known to the civic officials. “Now the night soil is let out in the storm water drains and it finally reaches the Cauvery River, which serves as the primary drinking water source for a number of towns and villages in the State,” Mr. Nallasamy said.

The federation also asked the civic body to explain the disposal method followed for the night soil in the town currently. It also warned of legal proceedings if the civic body did not comply with the notice. It had also sent copies of the notice to District Collector and Chief Secretary of Tamil Nadu.

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Farmers seek hike in cane procurement price to Rs.3, 000 per tonne

Staff Reporter

Members of the Pugalur EID Parry Sugar Mill Cane Growers' Welfare Association in Karur district have urged Chief Minister Jayalalithaa to increase the cane procurement price to Rs.3, 000 per tonne, taking into account the rise in price of agricultural inputs. In a memorandum to the Chief Minister, the members said the current price of Rs.1, 955 per tonne for sugarcane was inadequate.

The cost of fertilizers and pesticides has gone up considerably along with the labour charge.

The cane growers have been affected by expenses incurred during harvest and post harvest transportation for which support was not forthcoming. The harvest cost comes to around Rs.400 and Rs.700 per tonne.

Though she had promised that the purchasing price for sugarcane would be hiked to Rs.2, 500 a tonne, the announcement is yet to come through.

The cane growers expected that the Chief Minister would come to the rescue of sugarcane farmers by sanctioning an ex-gratia of Rs.500 per tonne in addition to the promised Rs.2,500 per tonne to grant a total of Rs.3,000 per tonne for sugarcane purchased by the mills from farmers, the memorandum signed by association president N.K.M.Nallasamy, secretary P.Kadirvel, and treasurer K.K.Palanisamy said. Uttar Pradesh, Gujarat, and Maharashtra governments were granting Rs.2,500 per tonne and were also supporting the growers as the mills were bearing the harvest cost and cartage, the memorandum added.

In fact last year, Andhra Pradesh paid Rs.2, 100 per tonne while Puducherry paid Rs.2,300 per tonne for sugarcane.

Considering the plight of cane growers, the State should come to the rescue of farmers with increased support price and bear the harvest cost and cartage, the memorandum pleaded.

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Fertilizer samples sent for testing

Special Correspondent

The police who unearthed an illegal fertilizer-making unit at Navoor in Bantwal taluk on Friday have sent samples of the seized material for laboratory testing at Belthangady, according to Superintendent of Police Labhu Ram.

The police have arrested J. Rahim and Afsar, brothers, and Siraj, all from Jakribettu village in Bantwal taluk and were looking for the main accused Ibrahim, Mr. Ram told reporters on Sunday.

He said that the accused stole a truck load of murate of potash consignment meant for Rashtriya Chemicals and Fertilizers from their local agents Aspinwall Company here on November 30 with bags of RCF.

Organic farming in State has lost steam: Cariappa

SPECIAL CORRESPONDENT

The organic farming movement in the district has lost steam as has the Government's organic farming mission, according to Vivek Cariappa, one of the founders of the Savayava Krishikara Sangha or the Forum of Organic Farmers.

“The sangha is now facing financial problems and many have taken to contract farming, which is antithetical to organic farming,” Mr. Cariappa said.Vivek Cariappa has tendered his resignation to the mission.“There is nothing organic or sustainable about what we have done in the mission. Without strict transparency, rules and accountability public money will be wasted again. I do not wish to be a part of the organic farming mission and hence am tendering my resignation,” he said. The organic farming mission was set up by the State Government with the aim of promoting organic farming in the State.“The mission is now in shambles,” Mr. Cariappa alleged.

Another agricultural expert concurred with his opinion on condition of anonymity. “I have studied the functioning of the organic farming mission and am sorry to say that it is anything but organic,” he said.

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NE Monsoon brings excess rainfall

Tirupur region accounted for an excess of 81 per cent rain

Rainfall levels in western Tamil Nadu

Place	Normal	Current	Percentage
Coimbatore	281.5 mm	398.1 mm	41
Erode	269.4 mm	380.1 mm	41
Nilgiris	399.1 mm	478.4 mm	20
Tirupur	267.7 mm	485.3 mm	81

The North East Monsoon brought in bountiful rainfall this year, recording an average excess of 36 per cent across the State.

According to Agricultural Department sources, the 36 per cent excess rainfall i.e., 477.4 mm as against the average of 352 mm, was for a period of 60 days from October 1. It was not a staggered and steady rainfall and on many days, it was a torrential downpour resulting in most of the water draining off without any scope for conservation. The only benefit that the excess rainfall gave was recharge of aquifers.

Along the Western Ghats, the rainfall, especially the excess, helped in improving the storage in reservoirs that catered to the irrigation needs and those that served the drinking water purposes.

The storage would certainly help the authorities to tide over the situation till the onset of South West monsoon, expected sometime in the end of May next year.

The monsoon began on October 1 as expected. However, it never remained a continuous rainy season for all the 60 days. Whenever it rained, it was a downpour.

However, in Western Tamil Nadu, Tirupur region accounted for an excess of 81 per cent rain. As against the district's average rainfall of 267.7 mm, the realisation this year was 485.3. This resulted in flooding of many of the Noyyal tributaries and the downpour and the resultant flooding on one night claimed as many as nine lives and left several hundreds homeless.

Interestingly, the benefit of North East monsoon had been more for rain shadow districts or non-coastal districts.

While the coastal districts either recorded an average or slightly above average rainfall, many rain shadow or non-coastal districts recorded the highest surplus rainfall.

Next to Tirupur, Karur recorded the next highest of 70 per cent excess rainfall followed by Dindigul with 69 per cent. Madurai had 61 per cent. Interestingly, districts such as Dharmapuri recorded 16 per cent, while Kanyakumari and Perambalur recorded only seven per cent. Tiruvallur recorded an 18 per cent excess rainfall.

Eight districts of Tamil Nadu recorded less than 20 per cent excess rainfall while four districts recorded more than 60 per cent.

The remaining districts had an average of 20 to 60 per cent excess rainfall.

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PAP farmers oppose move to release water to Uppar

Special Correspondent

The Parambikulam – Aliyar Project – Thirumurthy Water Storage Planning Committee has opposed the proposed move to release water from PAP to Uppar.

In a memorandum to Chief Minister Jayalalithaa, the Committee president ‘Medical' K. Paramasivam, said that the PAP scheme was based on collection of rainwater in the Western Ghats, especially at Mel Niraru, Keel Nirary, Sholayar, Parambikulam, Thoonakadavu, Peruvaripallam and then after letting the water through Sircarpathy for power generation, it is taken through a 49 km contour canal and stored at Thirumurthy dam.

The stored water is released for irrigating a total of four lakh acres under the PAP ayacut. Each ayacut has one lakh litres. Water was released for two ayacuts in a year and every ayacut would get water once in two years. The contour canal, constructed about 50 years, owing to vagaries of nature and owing to damage caused by miscreants, was in a dilapidated condition resulting in a loss of 450 cusecs of water at the point of realisation i.e., Thirumurthy. Owing to frequent struggle and representation, works for renovating the canal began at a cost of Rs 185 crore.

Works began only with the understanding that water would be released for six months and the remaining six dry months would be used for renovation of the canal.

Even when there was enough storage, considering the requirements, the PAP farmers took water in three turns as against the normal four on a rotation basis for the second, third and fourth zone ayacut.

Water release was due for the first zone on December 10 and the proposals for the same for a Government Order had already been sent to the Government.

Under such circumstances, Thirumurthy reservoir with a full storage level of 60 ft, had only 46 ft storage. In order to improve the groundwater level to tide over the shortfall from the PAP ayacut, the farmers pleaded for release of water into tanks, lakes and ponds. But citing the setback that could be caused to the canal renovation works, the plea was rejected. Farmers also accepted the refusal with a heavy heart.

Under such circumstances, there was an “oral instruction” from the Ministers hailing from western Tamil Nadu to the PWD authorities to send proposals to release water for the Uppar dam in Tirupur district. Uppar was in no way connected to PAP scheme.It was reliably learnt that the officials were also acting on the instructions of the Ministers and were in the process of finalising the proposal, Mr.Paramasivam said.PAP farmers had to forego the fourth round of water release in each zone, despite the scheme being meant for them and water release for lakes, tanks and ponds was denied, citing constraints. Under such circumstances, the move to release water for Uppar was highly objectionable and it was a pity that the planning committee was not taken into confidence while taking such crucial decisions, Mr.Paramasivam added.

Thirumurthy dam required another 10 days to fill up with 16 ft more to go for the FRL. Whereas, the Uppar dam with a capacity of 576 cft has storage of 283 cft.The storage was more than half and the inflow into the reservoir was 443 cusecs. Hence, water scarcity in Uppar dam served areas was a “concocted story”, Mr. Paramasivam charged.Any utilisation of water from the PAP scheme should be only by compliance to the rules and regulations that governed the scheme. Any move to release water for Uppar without consulting the planning committee would only result in opposition and the PAP farmers would not hesitate to agitate.

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hindustantimes

Monday, December 05, 2011

Press Trust Of India

Chandigarh , December 04, 2011

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Punjab farmers to venture into vegetables retail

Amid a raging debate over the benefits of 51% FDI in multi-brand retail for growers, farmers in Punjab have proposed to foray into the vegetable retail business by launching their own retail operations to fetch remunerative returns. A clutch of farmers have stepped on cooperative movement by setting up a Global Healthy Vegetables Marketing Cooperative Society, which would undertake vegetable farming through net house cultivation technology on large scale in certain pockets and carry out retailing of produce.

“Our main motive of setting up the society is to put more money into the hands of farmers and offer quality produce to consumers at cheaper rates,” said J S Sangha, MD, Global Healthy Vegetables Marketing Cooperative Society. “And it is possible by eliminating intermediaries in supply chain.”

In first of its type in Punjab, the society has been set up with a seed capital of R10 lakh each by 10 farmers.

Currently, the society is examining three retail options to find out which is the best one. “We are discussing whether we open our own outlets or put hawkers or carts into service,” said Sangha. “We are also in talks with Indian Oil for starting our retail at its fuel outlets.”

In the initial phase, the society would start its retail service at Jalandhar, Ludhiana and Chandigarh. “In second phase we will look at whole Punjab and Delhi for selling our crop,” Sangha said.

According to society, farmers could earn Rs 1 lakh per acre from growing and retailing vegetables against income of Rs 20,000-25,000 per acre from traditional crops like paddy, wheat.

http://www.hindustantimes.com/StoryPage/Print/777877.aspx

THE ECONOMIC TIMES
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5 DEC, 2011, 05.22AM IST, BLOOMBERG

Cocoa hits 32 month low

Cocoa fell to a 32-month low on signs of rising supplies in Ivory Coast and Ghana, the world's biggest producers, reports Bloomberg from New York. Sugar and coffee also dropped on the last trading day.

For the season that started October 1, cocoa deliveries to ports in Ivory Coast, the top grower, rose 6% through November 27, a document from the industry's regulator showed. Purchases from farmers in Ghana climbed 21% in the first five weeks of the harvest, according to Kwabena

Asante Poku, the deputy chief executive officer of the Ghana Cocoa Board.

"The market is well supplied," Sterling Smith, an analyst with Country Hedging in St. Paul, Minnesota, said in a telephone interview. Cocoa is trading at a "discount in the cash market," signalling ample production, he said.

express buzz

By Cithara Paul
04 Dec 2011 02:07:00 AM IST

Mullaperiyar row: Kerala to move apex court

NEW DELHI: As Tamil Nadu Government will not be sending officials to participate in the Mullaiperiyar negotiations to be held in Delhi, Kerala government on Saturday decided to file an interim petition requesting lowering of the water level in the dam.
The interim petition, which wants the water level to be reduced to 120 feet, is to be filed on Wednesday. This decision was taken after the meeting between Water Resources Minister P J Joseph and Kerala’s legal adviser Harish Salve here.The TN Government has already moved the SC last week seeking to muzzle Kerala from spreading “canards” about safety of the British-built dam.It is learnt that Kerala will be raising only the issue related to lowering of the water level as every other matter pertaining to Mullaiperiyar is under consideration of the court. After the meeting, Joseph said that the state Government has decided to knock the SC door as Tamil Nadu is going ahead with its “negative” attitude.

Business Standard

Monday, Dec 05, 2011

India's agri output to rise 5.7% on good weather, says FAO

Dilip Kumar Jha / Mumbai Dec 04, 2011, 00:23

The Food and Agricultural Organisation (FAO) of the United Nations has forecast India's grain output to remain substantial higher because of favourable climatic condition. The agency estimates India's overall cereal output this year to rise by 5.7 per cent to 228.6 million tonnes (mt).

While rice output is estimated to rise by over eight per cent to surpass the benchmark 100-mt mark and settle at a record 103 mt, the extended rainfall during October and November in the major growing states in the north has brightened wheat crop prospects for the rabi season.

According to the latest estimate by the ministry of agriculture, total rice output in the country may rise to 87.10 mt this kharif season as compared to 80.65 mt in the same season last year. Kharif crop contributes around 85 per cent of India's rice output. Climatic condition is favourable for the rabi season also.

In September, India lifted the restriction on regular rice exports it had maintained for four years, initially authorising shipment of 2 mt of privately-owned rice, in addition to basmati rice. As a result, around 5 mt of world trade could be sourced from India next year, about 1.5 mt more than forecast for 2011.

Meanwhile, international rice prices have resumed an upward trend since June, reflecting first a tightening of the market and, subsequently, the announcement of a new price policy by Thailand, plus concerns about the effects of the Southeast Asia floods on export availability and shipping logistics. India's relaxation of its export ban on regular rice has contributed to dampening the upward pressure on world prices in October.

GRAIN PRODUCTION SCENARIO (million tonnes)

	2010	2011	Chg (%)
Wheat	80.8	84.3	4.3
Coarse grain	40.1	41.4	3.2
Rice	95.3	103	8.1
Oilseeds	37.5	39.4	5.1
Sugar	24.7	28.3	14.6
Milk & it's products	116.6	121.7	4.4
Oils and fats	8.7	9.1	4.6
Sorghum	6.8	7.5	10.3
Maize	20.2	20.6	2.0
Cereals	216.2	228.6	5.7

Source : Food and Agricultural Organisation

FAO estimates, therefore, wheat output to rise by 4.3 per cent to settle at 84.3 mt in 2011, as compared to 80.8 mt in the previous year. Wheat is a 100 per cent rabi crop. Since, the extended rainfall set an adequate soil moisture for rabi season, the wheat output is estimated to remain bumper this year.

Maize and oilseeds output is expected to remain higher this year at two per cent and 5.1 per cent to 20.6 mt and 39.4 mt, respectively.

Sugar output is expected to increase over the 2011-12 marketing season, mostly driven by strong growth in cane output. Record sugarcane prices in 2009 encouraged farmers to plant additional areas to sugarcane and boost input use. Being a perennial crop, the bulk of the cane harvest should be realised this season.

After being the main driver of growth in world trade in 2009-10, India imported about 1 mt in 2010-11, down by 83 per cent from 2009-10 and, because of high production expected for the new season, the country is not anticipated to require any import in 2011-12.

India's milk output is expected to witness a rise of 5 mt to 121.7 mt, FAO said. Rising domestic demand is the main engine stimulating the growth in the country, as India is largely absent from the international market for dairy products.

THE HINDU Business Line

28% tea unsold at Coonoor sale

P.S. Sundar

Coonoor, Dec. 4:

As much as 28 per cent of an 18-week high tea offer of 17.31 lakh kg, worth about Rs 2.57 crore, in Sale No: 48 of Coonoor Tea Trade Association auctions, remained unsold despite shedding Rs 2 a kg.

"Orthodox leaf lost Rs 2-3 a kg. CTC leaf market lost up to Rs 2. Orthodox dusts eased Rs 1-2 a kg. CTC dusts lost up to Rs 2," an auctioneer told *Business Line*.

Among CTC teas, Homedale Estate, auctioned by Global Tea Brokers, topped when Kalpraj Corporation bought it for Rs 140 a kg. Vigneshwar Estate got Rs 136, Hittakkal Estate and Shanthi Supreme Rs 132 each.

(This article was published in the Business Line print edition dated December 5, 2011)

Prices of leaf grades increase at Kochi tea auction

Our Bureau

Kochi, Dec. 4:

The signals were mixed at the Kochi Tea Auction with the price of dust teas inching lower while that of leaf grades moving up. Arrivals were higher with 12,38,500 kg of dust and 3,66,000 kg of leaf tea on offer. Dust CTC auction opened lower and prices fell by Rs 2-4 a kg. The price decline became more pronounced as the auction progressed and ended with heavy withdrawals.

AVT continued to be active on good liquoring grades while loose tea traders and Kerala State Civil Supplies Corporation lent fair amount of support. Tata Global was subdued and covered only limited quantity while Hindustan Unilever did not operate at all. Exporters operated only at lower levels. Primary grades remained steady at the orthodox dust auction while others were irregular and quoted lower. Bulk of the orthodox dust grades were absorbed by exporters.

Good, high-grown whole leaves and broken grades remained steady at last week's levels at the orthodox leaf auction. Premium grades were dearer. Prices of other grades eased as buyers pursued quality. Medium bolder broken grades remained steady while smaller broken grades were dearer. Fannings and whole leaf was firm to dearer. There was good enquiry from traditional exporters to CIS countries. Exporters to Tunisia lent useful support on medium grades. Hindustan Unilever was active on medium whole leaf grades. Good quality leaf prices fell at the CTC leaf auction. Prices of most other CTC leaf grades also tended to ease. HUL was fairly active along with exporters who operated at lower levels.

Top Prices

Pasuparai RD quoted the top price at the dust auction at Rs 124 followed by Injipara SRD at Rs 122, Injipara SFD at Rs 120 and Injipara RD at Rs 119. At leaf auction, Pascoe's green tea fetched the top price of Rs 250 followed by Chamraj FOP at Rs 222, Chamraj OP at Rs 210 and Havukal BOPF at Rs 172.

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Further cut in natural rubber import duty ruled out

Our Bureau

New Delhi, Dec. 4:

The Centre has ruled out further reduction in import duty on natural rubber. Domestic tyre manufacturers had sought full customs duty exemption on natural rubber imports.

Since April 1 this year, natural rubber attracts basic customs duty of 20 per cent ad-valorem or Rs 20 a kilogram, whichever is lower. A further concessional rate of basic customs duty of 7.5 per cent ad-valorem has been provided to imports of natural rubber up to an aggregate quantity of 40,000 tonnes during financial year 2011-12. Natural rubber imports also attract special additional duty of 4 per cent ad-valorem.

“There is no proposal to carry out a further reduction in duty (import duty on natural rubber) at this stage,” Mr S.S. Palanimanickam, Minister of State for Finance, said in a written reply to a Lok Sabha question.

ATMA request

The request for full exemption of customs duty on natural rubber had been made by the Automotive Tyre Manufacturers' Association (ATMA). Taking into account the interest of domestic growers, and the totality of factors, this request of ATMA has not been acceded to, the Minister said.

While the Centre had in July this year allowed imports of 40,000 tonnes of natural rubber at a concessional duty of 7.5 per cent for the current fiscal, a similar regime was allowed in December 2010 for last fiscal.

The move to allow imports at a lower duty followed demand from the user industry, particularly tyre manufacturers, who wanted the Centre to allow import of two lakh tonnes duty free. The Commerce Ministry had recommended allowing one-lakh tonnes duty free, but the Finance Ministry settled for 40,000 tonnes at concessional import duty of 7.5 per cent.

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Pepper market sees high level of ‘circular trading'

G.K. Nair
Kochi, Dec. 4:

Pepper market last week witnessed high level of ‘circular trading' and consequent high volatility due to the tug of war between both the bull and bear operators. Prices of futures contracts showed a mixed trend with marginal up and down, market sources told *Business Line*.

Expert analysts were, of late, spreading bearish propaganda of an easier Vietnam pepper market as its new crop is expected to hit the markets in January, while the arrival of new Indian crop is to pick up in a good way in December because of the favourable weather conditions prevailing, at present. There was also propaganda that Vietnam was offering light pepper at $6,200 a tonne and the landed cost of which would come to Rs 322 a kg. At the same time, Vietnam was offering FAQ 500 GL at $6,800 a tonne.

Sellers were limited and the availability of high bulk density pepper continued to remain tight. The domestic demand from up country, despite it being the grinding/crushing and winter season, has been slow because of the supply of pepper bought earlier at low prices by stockists in north Indian centres.

Meanwhile, overseas buyers are also confused over the high volatility here and bearish reports. Hence they are holding back anticipating that prices would decline when the Indian new crop hits the market this month and the arrival of Vietnam crop in Jan/Feb.

Currently, availability is, by and large, confined to India and to some extent Brazil. Vietnam was offering lower grade material and prices of which were eased slightly in line with the declining trend in the Indian futures market.

And yet, Indian parity continued to remain competitive in the world market for some time now at around $7,350 a tonne (c&f) for Europe and about $7,650 a tonne (c&f) for the US. Indian parity, because of the bearish activities on the exchange pushing down the prices in the futures market coupled with the weakening of the rupee continuously, had became attractive and some orders were thus coming to India, they said.

The Dec and Jan contracts were marginally up at the weekend close while that of Feb showed a decline.

Dec and Jan moved up by Rs 300 and Rs 95 a kg respectively to close at Rs 35,150 and Rs 34,890 a quintal. Feb declined by Rs 65 to close at Rs 34,755 a quintal Saturday last.

(This article was published in the Business Line print edition dated December 5, 2011)

Amul says FDI in retail will hurt farmers

Vishwanath Kulkarni

‘Foreign retailers will squeeze margins; threaten brands with cheaper substitutes'

New Delhi, Dec. 4:

While the Government claimed farmers support on FDI in retail, the country's largest dairy cooperative and food brand Amul felt such a move will hurt the interest of both producers and retailers.

“FDI in retail is definitely not going to benefit the farmers,” said Mr R.S.Sodhi, Managing Director, Gujarat Co-operative Milk Marketing Federation Ltd, which owns the Amul brand.

Farmers get the least returns from the modern trade and the “so called efficiency” benefits only the large retailers as they constantly drive down the prices, Mr Sodhi said.

Citing the International Farm Comparison Network (IFCN) data, Mr Sodhi said milk producers in the US got only 38 per cent share of the consumer's dollar spent on milk, while the rest was earned by the processor and retailer. In the United Kingdom, the milk producers got only 36 per cent.

However, in India, the milk producer gets more than 70 per cent of the consumer's rupee on an average. Moreover, the milk producer affiliated to co-operatives get more than 80 per cent share of the consumer's rupee, Mr Sodhi said.

In the US, the farmer's share in the consumer's price has declined from 52 per cent in 1996 to 38 per cent in 2009, while in the UK it has declined from 56 per cent in 1996 to 38 per cent in 2009. “This decline clearly demonstrates that the milk producers suffer when the share of organised retail increases,” Mr Sodhi said.

Mr Sodhi questioned whether those seeking liberal FDI policy be able to maintain the farmer's share of consumer price in India. “Will they operate at 2 per cent distributor margin and 3 per cent retail margin for milk as practised by Amul and other milk brands,” he asked. From a manufacturers' perspective, Mr Sodhi said the organised retail trade tends to be monopolistic. The access to market to brands often comes at a heavy price to be paid by the producer, Mr Sodhi said citing Amul experience with large retailers in about 40 countries like the US, Japan, Australia and Singapore where it exports dairy products.

The terms of the trade dictated by many of these players are not even heard of in India such as short credit period, huge listing fees for products, reluctance to increase prices for as high as six months among others. “The retailers will effectively kill innovation, squeeze margins and always threaten the brands with cheaper substitutes, imports or finally private label store brands,” Mr Sodhi said.

For the Government, the share of taxes would remain the same irrespective of the format of retail, while on the contrary the foreign retailers will demand more and more concessions and liberal policies to earn better. Further, the labour prices of large retailers were not employee friendly and that the Government may have to deal with huge labour issues if liberal FDI policies are implemented in retail. “If largest and most reputed Indian corporate houses like Reliance, Tata and Birla have invested in retailing in India, we do not need to look to foreign investors to invest in Indian retail,” Mr Sodhi said.

The small retailers in India over the past decade have improved their outlets, presentation, service levels and consumer orientation significantly. The modern retail and their deep pockets due to foreign investment will destabilise the retail trade, which gainfully employees a very large section of our society.

“The promised employment generation in modern retail will be at the cost of unemployed shopkeepers who form the backbone of our commerce and economy,” Mr Sodhi said.

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The farmer's share in consumer price is bound to see a reduction similar to to the trend in the US and the UK – Mr R.S.Sodhi, Managing Director of Gujarat Co-operative Milk Marketing Federation Ltd.

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