THE HINDU

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 08:28 IST

TNAU commercialises stored grain insect management kit

Staff Reporter

Tamil Nadu Agricultural University (TNAU) has transferred technology to Melwin Engineering for commercial production and sale of a stored grain insect management kit.

A memorandum of understanding to this effect was inked here recently by P. Sivasubramanian, Director, Agri-Business Development, TNAU, and M. Amalraj, Proprietor, Melwin Engineering.

Speaking on the occasion, P. Murugesa Boopathi, Vice-Chancellor of the university, said nearly 14 million tonnes of food grain worth Rs. 7,000 crore was lost annually in storage.

"Storage losses due to insects alone accounted for nearly Rs. 1,300 crore. Granaries are generally found infested with insects as the harvested produce contains eggs, larvae or pupae because of field carryover infestation. Therefore, timely detection of field carryover infestation during storage is very important to take up appropriate control measures. The new insect management kit can be used to effectively control insects in stored grains," the Vice-Chancellor said.

Devices

E.I. Jonathan, Director, Centre for Plant Protection Studies, TNAU, said the kit comprised eight devices, viz., insect egg removal device, stack probe trap, probe trap, pitfall trap, two-in-one model trap, indicator device, automatic insect removal bin, and UV-light trap.

The insect egg removal device alone could remove 98 per cent of insect eggs from various grains.

This high efficiency device could be used by processing industries and traders to clean food grains.

Mr. Sivasubramanian said the Directorate of Agri-Business Development made an appeal to all agro companies in the country to consider opportunities of obtaining commercial licenses for the TNAU technologies.

S. Mohan, Professor (Entomology), who developed the kit, said it was one of a kind and would be a useful tool for teaching and training in agricultural colleges, home science courses, Krishi Vigyan Kendras, agricultural research stations, and by State Departments of Agriculture.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:23 IST

Continuing demand in Deepavali season pushes up egg price

Staff Reporter

Wholesale price has been revised thrice in six days

In demand: Racks of eggs at a poultry farm in Namakkal. - File Photo: P. Goutham

Increasing demand for eggs during the Deepavali season has led to its wholesale price increase for the third time in the last six days.

The price of eggs was increased by 5 paise an egg on Saturday.

The revision of egg price was decided at the rate fixation meeting of the Namakkal Zone of the National Egg Coordination Committee (NECC), which has its office in Namakkal.

Increase

Price of egg started soaring with an increase of 3 paise on Monday when it was fixed at Rs. 2.54, from its earlier price of Rs. 2.51 till last Sunday.

On Thursday the National Egg Coordination Committee (NECC) revised the price to Rs. 2.66 an egg by increasing it by 12 paise.

Chairman of the Namakkal Zone NECC Dr. P. Selvaraj said that there are chances for the price to increase further in the days to come.

This is because the demand for the product is still growing in North India.

Meanwhile the NECC has stated that demand for layer chicken – egg-laying chicken – is also good.

Saying so, the committee has advised poultry farmers not to sell their chicken for less Rs. 42 per kilogram – while the rate for the same has been fixed at Rs. 44 per kilogram.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:22 IST

Centre working to bring down food inflation

Special Correspondent

“Supply-demand imbalance needs to checked”

The Centre is concerned over the rise in food inflation to double-digit figures and is taking steps to bring it down, Union Finance Minister Pranab Mukherjee said here on Sunday.

“Food inflation of 10.6 per cent is a matter of great concern”, he told reporters here.

Though the food inflation figure had been brought down considerably after having risen to nearly 20 per cent in January, the position is unacceptable to the Centre, he said.

Mr. Mukherjee has been maintaining that supply constraints are the main reason for food inflation crossing double-digit levels. Pointing out that steps were being taken to remove the imbalance between supply and demand that was resulting in such high food inflation rates, he said that while the Centre was taking steps to remove constraints in supply, the demand factor is being addressed by the Reserve Bank of India.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:16 IST

Formulate sustainable agricultural policy: KRRS

Staff Correspondent

The Karnataka Rajya Raitha Sangha (KRRS) and Hasiru Sene have appealed to Prime Minister Manmohan Singh to formulate a sustainable agricultural policy that promotes farmers' interests.

Talking to *The Hindu* here on Friday, Chamarasa Malipatil, vice-president of the State unit of KRRS, said the sangha, which took a delegation to New Delhi on October 18, submitted a memorandum to the Prime Minister, urging him to give attention to food security and protect farmers' interests. They urged him to give priority to the development of irrigation, availability of uninterrupted power in rural feeders, and supply of fertilizer at reasonable prices.

In the memorandum, they highlighted the problems faced by farmers.

He said that cultivation costs had been on the rise, but the prices of farm produce coming down.

Fertilizer prices had been rising for the past year, adding to farmers' woes. There was no control over dealers who sold fertilizer above the MRP. He said that farmers were the backbone of the economy, but the Centre was not making efforts to fix fair prices for agricultural produce.

Acquisition of farmlands should be stopped. If at all land had to be acquired, its price must be fixed as per the demands of farmers, he said.

It also demanded that the Centre defer the proposed amendments to the Seeds Act, Land Acquisition Act, Pesticides Act, Agricultural Produce (Marketing) Control Act, and Food Security Act.

Mr. Malipatil said that paddy growers in the State were in distress for the last three years following the ban imposed on export. It urged the Prime Minister to take steps for withdrawal of the ban.

Sangha submits memorandum to the Prime Minister

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:22 IST

Rs.25 crore paid to farmers

Staff Reporter

Supplyco has paid Rs.25 crore to paddy farmers as the price of paddy procured by the corporation under the government's paddy procurement scheme.

The paddy marketing officer said here on Saturday that the remaining payment would be made soon.

The paddy was procured at a support price of Rs.15 a kg fixed by the State government. The payment was directly sent to the bank accounts of the farmers, he said.

The officer said Supplyco could procure only stipulated quality of paddy as per the guidelines issued by the Central government.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:19 IST

NGO to train students in farming

Staff Reporter

To promote the message of homestead farming, the Agri Friends Krishi Samskarika Vedi, a city-based non-governmental organisation, will train students of SN Upper Primary School, Kollayil, near Palode, in farming.

The organisation plans to initiate homestead farming in the houses of all 1,100 students of the school, which is celebrating its golden jubilee this year.

Towards launching the project and introducing the concept of homestead farming, 50 students who are members of the Krishi Patiom Club were taken on a visit to the homestead farm of M.G. Sudarshan, farmer, at Kollayi recently.

Mr. Sudarshan's son Adarsh, is a seventh standard student of the school and member of club.

"Homestead farming is part of traditional farming in Kerala, in which the residential property of the farmer is converted into an extended farm, where indigenous varieties of crops are cultivated using traditional methods. The students were also introduced to agro-forestry, as homestead farming with its integrated farming approach is also of agro-forestry," Agri Friends coordinator S. Jayakumar said.

Besides produce ranging from coconut to plantain, Mr. Sudarshan's 60-cent farm has a dairy farm with eight cows and eight calves and poultry. Its features include a bio-fence and a biogas plant.

The trip to the farm has been filmed into a documentary, titled *Adarshinte Karshikalokam* , by Arunesh Shankar, a three-time award winner at State Institute of Educational Technology film festivals. On Saturday, the documentary was screened at Kendriya Vidyalaya, Pattom, where Agri Friends organised a class on soil preparation.

Agri Friends is implementing the State Horticulture Mission's pilot project on school-level farming. Thirty schools in and around the city have been identified for the project.

"The focal theme of the third Bala Krishi Shasthra Congress that we will be jointly organising with the Centre for Innovation in Social and Social Action in January is traditional farming. So we will take up more school-level projects and activities focussing on traditional farming, which includes homestead farming," Mr. Jayakumar said.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:24 IST

'Improve working of TTD Dairy Farm'

Special Correspondent

Barely within two days of the TTD Trust Board Chairman, K. Bapi Raju reportedly showering praises on the working of the TTD Dairy Farm after a visit to the sprawling complex, its working has come in for a sharp attack from the Chittoor District President of the 'Rythu Sanghala Samakhya', Mangati Gopal Reddy.

Reddy who is known for his close and critical scan of all the TTD activities has in a signed representation addressed to the Board Chairman sought to expose the various 'chinks' in the functioning of the TTD 'Go Shala', especially on the dwindling size of its bovine population', size of its campus and the poor upkeep of milk-yielding cows which he alleged does not even have a proper shelter nor a spacious grazing field, as compared to the past.

He also expressed strong reservations over the TTD reportedly spending Rs. 5 crore per anum on the dairy farm with a total strength of just 1,100 bovines.

Gopal Reddy also charged that the staff in the farm are using mechanised system to milk the cows which he alleged is a violation of the Rule 11, 35 and 38 of the Indian Animal Protection Act and section 429 of the IPC.

He also wanted to know the fate of the camel which was donated to the TTD about four years ago by a devotee to be used as part of the temple paraphernalia during the procession of the deities.

He urged the TTD Board Chairman to have a thorough re-look at the working of the 'Go Shala'.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:24 IST

'Sugar factories owe Rs.100 cr. to cane growers'

Special Correspondent

They are allegedly ignoring Collector's directive

Leaders of the farming community have expressed their frustration and surprise over the ‘scant respect' which the six sugar factories operating in the Chittoor district are showing even to the orders issued by the district Collector, fixing a minimum support price (MSP) of Rs.2,100 for a ton of sugarcane supplied to the factories.

They alleged that ignoring the MSP fixed by the Collector, the factory managements are paying the farmers their own rates which are far below the MSP announced.

Farmers who held a dharna in this connection at Srikalahasti on Sunday under the banner of the Farmers Wing of the YSR Congress Party alleged that the six sugar factories, two of them functioning under the government's cooperative sector (Chittoor and Renigunta) owe between them to the farmers in all a whopping sum of Rs.100 crore for this season alone and regretted that when all others in the district would be celebrating the ensuing Deepavali with fun and frolic, the sugarcane farmers would be forced to wallow in despair and poverty.

Demonstrations

District convener of the YSR Congress Farmers Cell, T. Adikesavulu Reddy, honorary district president of Rythu Seva Samstha, K. Chandrasekhar Reddy, and others who led the demonstrations have in a statement later condemned the continued ‘adament attitude' of the sugar factory managements despite a specific G.O. which said that if the factories fail to make payments to farmers within 15 days of their supply, they (factories) are liable to pay them the amount with an 8 per cent interest.

They said that what further compounded their problem was the alleged ban imposed by the district authorities on the sale of ‘black jaggery' on the ground that it is going into the ‘clandestine production' of illicit brew and liquor.

The farm leaders threatened to lay siege to all the sugar factories in the district, if their managements fail to pay before October 30 the entire arrears due to farmers. Other YSR Party leaders who participated in the demonstration were D. Gunasekhar Naidu, Biyyapu Madhushdhan Reddy (Srikalahasti) and P.V. Gayathri Devi.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:22 IST

Bharatpur farmers take to a new cash crop

Special Correspondent

Chicory farming spreading rapidly thanks to its good yield and remunerative prices

Chicory farming is becoming popular in Rajasthan's Bharatpur district. Chicory powder is largely used in the manufacture of coffee. - Photo: Rohit Jain Paras

Farmers growing chicory on a large scale in Weir tehsil of Bharatpur district in Rajasthan are earning profits by supplying their produce to coffee manufacturers across the country under prior agreements, thanks to support from the corporate social responsibility wing of a pharmaceutical major.

From modest beginnings in Bhutauli and Mangren villages, chicory farming is rapidly spreading to the surrounding areas with the agriculturists in half-a-dozen villages adopting it because of its good yield and remunerative prices, popularising it as a cash crop. The farming began in 1996 following an initiative by Lupin Human Welfare & Research Foundation.

Though chicory is a perennial plant chiefly grown in northern Europe, its farming is gaining popularity in India and in African countries. Each part of the plant is used thanks to its many health benefits. Indian chicory powder is used to protect the skin, boost the immune system and reduce indigestion and gastroenteritis problems.

Instant chicory powder is used as an additive in coffee to cut down the caffeine content without making much difference to the taste of the beverage. Finely-roasted chicory powder or cubes have a very strong flavour, and its rich taste and health benefits have made it popular among coffee connoisseurs.

Lupin Foundation executive director Sita Ram Gupta said here on Sunday that the chicory powder manufacturers also supply chicory products to the medical industry, besides the huge demand from coffee manufacturers.

With chicory manufacturing becoming a big business in the country, the foundation has taken the lead in training farmers and helping them understand the cultivation process of the plant as well as ways to scale up productivity to meet the growing demand.

Farmers usually enter into written agreements with coffee manufacturers before taking up cultivation. Mr. Gupta pointed out that while chicory farming started in Bharatpur district in 1996, it was discontinued for some time following termination of contracts between agriculturists and manufacturers. However, farmers in Bhutauli and Mangren have been selling the produce mainly to the traders and manufacturers in Gujarat on a regular basis. The crop's annual value in the district is estimated to be between Rs.1.50 crore and Rs. 2 crore.

Chicory requires heavy sand and temperatures ranging from 10 degree Celsius to 25 degree Celsius.

The seeds are imported from the U.S. and France, and big manufacturers such as Nestle, Hindustan Lever and Tata Tea have made them available to farmers. Separate contracts are signed for purchase of dry and moist crops at different prices.

Mr. Gupta said the sowing generally begins in the second week of October and the crop is ready by March-end or by the first week of April. For one bigha of land, 150g to 200g of seed is required, while fertilisers are added to the soil in accordance with the requirement.

The roots of plants are the main product utilised for a variety of purposes. The leaves, rich in vitamins C and B, are used for medicinal applications, while the roots are dried and ground into a fine powder.

With the demand for chicory increasing across the country, its farming is being promoted in Punjab, Gujarat, Haryana and Himachal Pradesh, where loans on easy terms are provided to farmers.

The Gujarat Government has even started giving subsidy to promote chicory farming.

Mr. Gupta suggested State Governments join hands with organisations like Lupin Foundation to encourage farmers by purchasing the produce themselves, which can yield bigger profits, and expand the area under farming through technological applications. In addition to Bharatpur, chicory farming can be taken up in several eastern and southern districts in the State.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:24 IST

Mettur level

The water level in the Mettur Dam stood at 83.92 feet on Sunday, against its full level of 120 feet. The inflow was 9,596 cusecs and the discharge, 8,000 cusecs.

Published: October 24, 2011 00:00 IST | Updated: October 24, 2011 04:23 IST

Environmental awareness programme

The Botany Department of Kanchi Mamunivar Centre for Postgraduate Studies (Autonomous) is organising an environmental awareness programme on biodiversity conservation on Monday at Thiagi KR Subramanya Padayachi Government Higher Secondary School, Koravalimedu.

The event has been sponsored by the University Grants Commission, sources said.

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express buzz

By Express News Service

24 Oct 2011 12:03:00 AM IST

Organic farming to be promoted in city

THIRUVANANTHAPURAM: The city is poised to become an example for the other districts in organic farming. The Kerala State Horticulture Mission has plans to promote organic farming in Thiruvananthapuram district by forming
farmer groups, Agriculture Minister K P Mohanan has said. The idea is to promote farming of 'poison-free, safe vegetables' on rooftops in the city where, otherwise, space is unavailable for farming.

'Pachchakkari Samriddhi Naadinum Nagarathinum,' as the project is christened, is estimated to cost Rs 15.91 crore.Of this, the State Government expects a Central assistance of Rs 10.48

crore. The scheme incorporates a large number of sub-schemes under it, production of high-quality vegetable seeds and saplings in the public and private sectors, production of compost, establishment of organic vegetable farms in schools, promotion of vegetable farming on rooftops and available spaces, establishment of retail sales outlets, conduct of exhibitions and rolling out mobile agro-clinic and sales outlets. "This scheme is aimed at encouraging city residents to cultivate vegetables on their rooftops so that pesticide-free vegetables are available for consumption," K P Mohanan said in a written reply to the Assembly the other day. The State Government has taken steps to ensure that farmers are supplied with saplings conducive to the state's climatic conditions, he added.

An integrated pest and disease control project also has been incorporated into this scheme. The State Government also plans to extend the scheme to other districts in the years ahead, the Minister said.

24 Oct 2011 01:56:25 AM IST

Food Security Bill in a soup

NEW DELHI: With no major food-producing states like Tamil Nadu, Punjab, Uttar Pradesh or Andhra Pradesh bothering to respond to the Food Security Bill, the Food Ministry is stuck with the proposed legislation, hailed as the NREGA of UPA II.

Desperate to pass the Bill in the coming session of Parliament, the Ministry has written again to all states demanding a speedy feedback. Only 12 states have sent their suggestions so far on the Bill. In the South, but for Kerala, no other states have responded.

The Food Security Bill seeks to provide 75 per cent of rural households and 50 per cent of urban households monthly entitlement of 7-kg foodgrain per person at `3 per kg (rice), `2 per kg (wheat) and `1 per kg (grains).

“Food-producing states like Tamil Nadu, Andhra, Madhya Pradesh, Punjab and Uttar Pradesh are yet to give feedback despite repeated requests from our side. So the Minister decided to write directly. We need the responses at the earliest,’’ a Ministry official said.

The panicky mood in the Food Ministry is quite understandable as Congress party president Sonia Gandhi has asked Food Minister K V Thomas to be prepared with the Bill for introduction in the next session itself. The Congress is keen to use the Bill in the coming state elections, especially in Uttar Pradesh. The Food Bill was one of the promises made in the Congress Party manifesto during the 2009 elections.

The Food Minister has requested Prime Minister Manmohan Singh to convene a meeting of state Food Ministers at the earliest. The meeting is likely to take place in the next month.
What is more worrisome for the Ministry is that most of the states are critical of the Bill. They have raised doubts on the Bill's fixation on "targeting'' the recipients. The states feel that targeting would weaken the existing public distribution system.
Even the Kerala Government, the only Congress Government to have responded so far, has said that the Ministry's Food Bill is far inferior to the National Advisory Council's version. The worst criticism has been from the Bihar Government. Bihar Chief Minister Nitish Kumar in his letter has questioned the "very purpose of the legislation".

THE ECONOMIC TIMES
Mon, Oct 24, 2011 | Updated 09.17AM IST
24 OCT, 2011, 04.51AM IST, NIDHI NATH SRINIVAS,ET BUREAU

Basmati industry displays detail how promoters got carried away by 2008 commodity bull run

In a languid world economy with drippy demand, the big question for commodity companies is how to account for stocks lying in godowns that are losing value day by day. For some, it can mean the difference between going bust and living to tell the tale.

Let's follow the bread crumbs in basmati. In 2007-08, life was good. Basmati prices in the world market were high, middle-class demand was buoyant and credit freely available. Three private banks (no names, please) were delighted to help companies stuff godowns with more than the usual quantity of paddy in the name of warehouse financing. Even companies considered iffy by their own bank consortium got loans.

At the end of the marketing year in September, generally companies keep enough to sell for four to six months. With money available on a handshake, this time they bought enough to several more months. This frenetic buying further pulled up paddy prices. Balance sheets ballooned on the back of increasingly precious paddy sacks. This party lasted till fiscal 2009-10. Like wine, old basmati gains value because aging makes it more fragrant. That's why banks are willing to finance such a working capital-intensive business.

But few know how the market actually prices old basmati. It works like this. For most varieties, the basmati harvested in October 2009 would be considered aged six months later or May 2010. It continues to command a premium over the new paddy that arrives in October 2010. But now this premium becomes a function of the new crop's prices. If the new crop is cheaper, it pulls down the intrinsic value of 2009 basmati. By May 2011, the paddy of 2010 is also considered aged. Both 2009 and 2010 crops now fetch the same price.

In short, it is hara-kiri to hold a crop beyond six months. After that, it becomes an expensive and dangerous gamble on new crop prices all the while knowing the premium will eventually become zero. This is exactly what basmati companies did till 2010.

In October 2010, the unique cycle of farm commodities caught up. India harvested a larger crop as more farmers opted for basmati. Prices started to cool and the squeeze began. Companies had to maximize sales and show significant topline growth to keep banks and shareholders at bay. But margins were eroded by high carrying cost of old stocks.

To stay above water, some rotated money through trading in the domestic market. Others shifted basmati to associates on extended and open credit terms in Dubai and declared them sold. Had promoters revealed the current value of their old stocks and booked a loss in fiscal 2010, they would have been hurt but not irreparably. However, like the Big Kahunas on Wall Street, they didn't.

This cowardice proved devastating. This year, the basmati crop is still larger. Pusa basmati paddy, sold for Rs 20 per kilo last year, is now available for Rs 16. There are 7 lakh tonnes of popular variety Pusa 1121 lying unsold from last year. This season, its harvest will exceed Pusa basmati. Consumers, meanwhile, are down trading. Demand for world's most expensive rice was among the first to be hit by the recession in main markets Europe, UK and USA. Foreign buyers are also negotiating harder to compensate for the dollar at Rs 50.

The upshot is that there are few takers for Rs 1,500-crore-worth old paddy with industry. Companies are boosting cash flows through more debt. Most are spending from an empty pocket. Booking mark-to-market losses this fiscal is inevitable. Expect blood on the balance sheets.

No doubt basmati companies are hardly alone in their reluctance to tell the bad news. The meltdown in Greece, the global banking crisis and the printing of currency notes by governments all arise from similar chicken-heartedness.

If anything, the basmati industry is a microcosm that displays in fine detail how promoters got carried away by the commodity bull run in 2008, expecting price and demand to rise indefinitely. Risk management, hedging and providing for any downside was for wimps. Banks equally viewed the world through rose-coloured glasses. Stress tests on balance sheets were boring. Infected by the general market excitement and promoter frenzy, they turned Santa Claus.

Eventually, basmati industry's functional bankruptcy will affect farmers, shareholders and consumers. As Occupy Wall Street shows, ultimately such gambles put at stake millions of livelihoods. Double a¦or nothing is a dangerous game best left to Diwali card parties.

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24 OCT, 2011, 04.24AM IST, PTI

Tea exports to Iran have fallen by nearly 25%

KOLKATA: Tea exports to Iran, a major importer, have fallen by nearly 25%to 10 million kg in January-August as traders are clueless about the mode of payment to that country, an official of Indian Tea Association said.

"We have come to know from the media that the Iran payments crisis is resolved. Subsequently, we have written to the Finance ministry 15 days ago seeking confirmation and the modalities involved. So far, no response has come from the government," the official said.

The official said that Iran is a major importer of the high quality orthodox tea.

He said exporters are stuck with the consignments of orthodox tea, since they are not sure whether they would get payment for shipments.

While payments for exports were made in US dollars earlier, this mechanism has been stopped by the Reserve Bank of India following pressure from the American government.

India exports nearly 15 million kg of tea to Iran. Following the payments crisis, exports were down by 4 million kg between January and August this year.

"The industry is very concerned and a meeting has been called to discuss the issue," he said. The tea industry has sounded a warning about the deepening crisis stemming out of the payments issue, which has the potential to cause the vital Iranian orthodox market to slip out of the Indian exporters' grasp. The industry has worked hard to develop the market, the size of which is approximately 100 million kg and in which India's share is 15 million kg.

Unless the problem is solved, then other countries like Sri Lanka would increase penetration in the Iranian market at the cost of Indian exporters.

Following the imposition of US sanctions on Iran, dollar and euro-based transactions with the Middle East country have been stopped, leading to a crisis over the payment.

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the pioneer

Kharif paddy procurement preparations at final stage

SUNDAY, 23 OCTOBER 2011 23:52

The preparations for procurement of paddy and coarse cereals on support pricing during kharif season 2011-12 are at the last stage.

The three-month procurement will commence from November 1 and end on January 31, 2012. A target has been fixed for procurement of a total of five lakh 65 thousand metric tonnes of paddy and coarse cereals like jwar, bajra and maize.

It may be mentioned that Chief Minister Shivraj Singh Chouhan has announced a bonus of `50 per quintal on paddy procurement consecutively for third year.

The responsibilities of procuring paddy and coarse cereals have been entrusted to two agencies. Paddy will be procured jointly by State Cooperative Marketing Federation and State Civil Supply Corporation.

Cereals including jwar, bajra and maize will be procured only by State Civil Supplies Corporation in the state. Paddy will be procured in Sagar, Rewa and Shahdol divisions and Katni, Narsinghpur, Chhindwara and Mandla districts of Jabalpur divisions while it will be undertaken in rest of the districts by State Cooperative Marketing Federation.

In all, 5.50 lakh metric tonnes of paddy will be procured out of which Civil Supplies Corporation will procure 1.70 metric tonnes and 3.80 lakh metric tonnes will be procured by State Cooperative Marketing Federation. In coarse cereals, State Civil Supplies Corporation will procure 10 thousand metric tonnes of maize, 2,500 metric tonnes of bajra and 2,500 metric tonnes of jwar.

The agencies have been instructed to arrange gunny bags, credit limits and staff at procurement centre in consonance with above quantity.

Districts have been instructed to fix targets as per their total quantity.

The Union Government has decided to procure common variety of paddy at the rate of `1,080 per quintal and Grade-A variety at `1,110.

The State Government will give a bonus of `50 per quintal on the procurement of paddy only. The Union Government has fixed `980 per quintal as procurement rate of coarse cereals, maize, jwar and bajra.

Cong demands help to farmers for rabi crops

SUNDAY, 23 OCTOBER 2011 23:16

Even as the farmers affected by the 2010 unseasonal rains received any assistance till now, in 2011 kharif season 19 districts have been affected by severe droughts and 21 districts have been hit by devastating floods, which has completely destroyed 20 per cent of the crops.

At many places, crops have been damaged due to sand. Due to which the backbone of the farmers have been broken. Even though the State Government in 2010 received Central assistance of `815 crore, but due to the lackadaisical attitude of the administration, wrong decisions and corruption, the farmers have been deprived of compensation. Now the climate is suitable for Rabi season and it is October end but the State Government is yet to awake from deep slumber.

The farmers are yet to be informed what assistance would be provided for the Rabi crops. President of State Pradesh Congress Committee Niranjan Patnaik demanded that the State Government should immediately provide all types of assistance to the farmers for Rabi crops. In wake of this on October 25, a memorandum with 11 point charter of demands will be submitted to the Governor through the district Collectors. The programme would be organised by Kissan Khet Mazdoor Congress supervised by president Amiya Kumar Patnaik.

Jharkhand foodgrain output on despite drought

SUNDAY, 23 OCTOBER 2011 23:29

Acontinued spate of drought failed to hamper the foodgrain production in Jharkhand during the last five years. In fact, Jharkhand has joined the race of high yielding States like Maharashtra, Rajasthan and Karnataka that have shown remarkable improvement in foodgrain production in the last five years. With this, the chances for the State to contribute to the national food basket has also increased.

The State has shown 40 per cent growth in foodgrain output in 2007-2011, compared to the previous five-year period that was from 2002-2006. Going by the figures provided by the State Agriculture Department the production rate (annual average) during 2002-2006 was 2.28 million tone. It increased to 3.20 million tone during 2007-2011.

State Agriculture Minister, Satyanand Jha 'Batul' confirmed that in Jharkhand, productivity of paddy increased 2023 kg/ha in 2008-09 from 1581 kg/ha of 2006-07. foodgrain production also increased to 41.47 lakh MT in 2008-09 from 32.72 lakh MT of 2001-02. Agricultural Technology Management Agencies (ATMA) have been strengthened in 24 districts of the State to make the farmers aware of agriculture technology. Coverage area under pulses and oilseeds has increased from 2.70 lakh ha in 2001-2002 to 4.11 lakh ha in 2008-09.

Growth years happened to be the most challenging years for the State as Jharkhand had continuously been under the spate of draught like conditions due to untimely monsoon coupled with less rain.

The growth registered by the States along with Jharkhand like Rajasthan, Karnataka, Maharashtra drew attention of the PHD Chamber Research Bureau in New Delhi. Appreciating the technical efforts put up in Jharkhand during the draught like situations, it concluded that Jharkhand has every potential in becoming one of the leading States in adding to the annual national foodgrain production.

In comparison to Jharkhand, Rajasthan recorded a foodgrain production growth of 21.84 per cent over the same period. While Karnataka's growth rate was 24.09, in Maharashtra foodgrain production growth rate was put up at 22.3 per cent, reflects the study.

THE HINDU Business Line

The quality of inflation

T.C.A. SRINIVASA RAGHAVAN

Costs are bound to increase when loosely sold items get packaged and investments are made in supply chains

If what you buy today is better than what you were buying in the past, the cost of that improvement in quality has to get reflected in prices.

October 23, 2011:

There has been much debate on, around and about inflation in India because, since early 2008, it has been soldiering on at about 10 per cent per year. The Reserve Bank of India, after having shot its monetary bolt, now says it is because of shortages. The Government says it is because of high prices of energy and other commodities. The Left says it is because of speculation by international investors. The economists say it is because of the high fiscal deficit. And many others say it is because of growth.

All these explanations are true but there is one other reason that no one is talking about. It was pointed out to me by the former editor of this paper. He says it is also because of better quality. That is, if what you buy today is better than what you were buying in the past, the cost of that improvement in quality has to get reflected in prices.

Costs are bound to increase when loosely sold items get packaged, when investments are made in supply chains, when manufacturers start building in energy efficiency, and so on.

I posed the question to two people who should know: the chief statistician and the chief economic advisor.Both said that at present there is no way of assigning the cost of improvements in product quality and, therefore, no way of knowing how much of the inflation is being caused by it.

But think about it: the reason you don't mind paying more for the “same thing” today could well be because it is better than what that thing was in the past.

The good, the bad and the undeserving

Sometimes, you tend to look back and wonder about this and that. My time has been largely misspent in the company of economists who, I have concluded, are of three types: the good, the bad and the undeserving.

The best amongst the good ones speak in murmurs, the bad ones do regressions and the ugly ones preen like a brigade of frogs at a beauty parade. I write this because recently I had to put up with some very self-congratulatory talk.

My own view, after having studied the matter in depth, and at close range, is that the worst of the last group are the ones who served as chief economic advisors (CEAs) between 1982 and 2002.

During this period there were five and a half, the half being a “chief consultant”. He was the best by far and therefore ousted after 15 months. In the 1980s, one left after two years and another after about a year and half.

What did the two longest serving ones achieve? After all, one served through most of the 1980s and the other through most of the 1990s? The first, because of his political astuteness, became finance secretary in December 1989 and, thanks to his nervous cautiousness, watched helplessly as the economy wrecked itself in 1990; the second simply played fourth fiddle to the Manmohan Singh, Montek Ahluwalia and C. Rangarajan trio that oversaw the liberalisation of the economy in the early 1990s.

In the last 10 years there have been four CEAs. All have had excellent technical skills but, as their short tenures show, not political skills. As a result, they have not tried to anticipate what the Prime Minister wants to hear and tailor their reports accordingly. They have served their ministry, not the PM. This has stood the country in good stead.

The current incumbent's term will end soon. I have just the person in mind for the job.

Modi's legacy

What will happen to Gujarat if Narendra Modi comes away to Delhi as Prime Minister or is defeated in the next Assembly election? This question was posed to me a few days ago by a very concerned young lady from the State. Why do you worry, I asked.

Because, I was told, almost everything he has done to make Gujarat what it is reversible. After all, it was pointed out, a knave or a fool can always succeed him.

So what systems has he put in place that will ensure good governance after he ceases to be chief minister? The answer also came from the questioner: E-governance, stamp duties, two separate feeders for domestic and industrial sectors etc will last. But what about the rest?

The question is of fundamental importance. V. P. Singh in UP, Ramakrisha Hegde in Karnataka, Karunanidhi in Tamil Nadu, Rajasekhara Reddy in Andhra, and, of course Laloo in Bihar, provide good examples.

So Mr Modi will not be the only CM whose legacy has been destroyed by the successor. He therefore needs to make sure that all the good he has done, especially in the matter of getting government employees to work for the people, and not themselves, survives him.

Indeed, that would be his last frontier in Gujarat. And if I may make so bold, here's a solution: let him find a way of sacking government employees. Nothing else will work. Like a nuclear weapon, it is a deterrent of very significant proportions.

Our apple's future

VIPUL MITTAL

Scientific packaging can transport the fruits across long distances with minimal damage.

Apple imports have brought home the realisation that the domestic market is full of opportunities.

An apple a day keeps the doctor away. Even if 10 per cent of India's 1.2 billion people were to subscribe to this adage, it would require a quantity of over 6.5 million tonnes (m.t.), taking an average apple weighing 150 grams. That's a whopping 4.7 m.t. more than the 1.8 m.t. produced annually by the country.

This 4.7 m..t gap is a big opportunity we somehow seem to be missing, even while the world is not. During the last five years, our apple production has remained almost constant and nothing appears to be changing on this front. Compare this with China, which has raised its output by 5 m.t. over this period, despite being the world's largest apple producer at 32 m.t..

That the world is not unaware of India's potential as a major apple market – with consumption growing on the back of rising population and affluence – is borne out by imports.

During the 2010-11 season (September-August), the country imported an estimated 140,000 tonnes of apples, which, at an average $25 for a box of 20 kg (cost & freight price), would have been worth some $175 million.

More than half of the apples India imports today come from Washington State in the US – so much so that these grew by more than 140 per cent last season.

In the process, the country has ended up becoming the largest importer of Washington apples.

BENEFITS OF IMPORTS

The question to ask is: How can this growing market be converted into an opportunity for the Indian grower? Do we want to be the largest producer or the largest importer of apples? The latter is, obviously, easier to achieve.

This is, however, not to dismiss the imported apples' journey, which has actually been a great learning experience for our own industry.

What growers and traders alike have realised from imports, first of all, is that the customer is ready to pay a price for good, consistent quality.

Two, it has shown that scientific packaging — the tray-packed telescopic cartons - can transport material across seas and shores with minimal damage to the fruit and negligible wastage.

Three, if properly sorted, graded and packed material is sold, price volatility is considerably reduced. The prices of apples can then be fixed the way it is done for branded consumer products, as against normal agri-commodities that are auctioned in the mandis on a daily basis.

Four, the consumer is willing to eat an apple every day, irrespective of the season, provided it is made conveniently available. That makes modern controlled-atmosphere or controlled atmosphere (CA) storage technology a viable option in India as well.

But what needs to be done now is to leverage these valuable lessons to convert the 4.7 m.t.-gap into an opportunity for our own growers.

NECESSARY STEPS

In all the big apple growing and exporting countries, the growers are organised in a fashion as to protect their interests that includes securing their future through global trade.

Take, for example, the Washington Apple Commission, which undertakes advertising, promotion, education and market development activities across 30 countries for the fresh apples produced by growers of the State.

In addition, there are groups of growers that invest heavily in R&D and developing specialised ‘club varieties' differentiated from and commanding a premium over the normal Red Delicious, Royal or Richa Red apples. A case in point is the ‘Pink Lady' brand of Cripps Pink variety apples promoted by APAL, a body representing apple and pear growers of Australia.

What we need to concentrate is on the following:

Planting new cultivars & varieties to improve productivity & quality;

Scientific post-harvest practices to ensure regular and increased production;

Providing assured market to growers to incentivise them to produce more;

Investing in complete marketing programmes, including brand development, to compete effectively against global competition; and

Developing a proper packaging and supply chain infrastructure to deliver the desired quality to the consumer.

HPMC'S FAILINGS

But how about organisations such as HP Horticultural Produce Marketing & Processing Corporation (HPMC) created for this very purpose? HPMC's failure, one would argue, is not having a vision to keep pace with time. There can be no better indicator of this than the fact that HPMC today does not have a single CA storage facility to store fresh apples over long periods, thereby helping growers realise a better value for their produce.

On the other hand, the likes of Adani, Suri Agro Fresh, and Indraprastha Ice & Cold Storage or even the Government-owned Concor have in the recent past put up many such storage facilities.

How can one expect HPMC give remunerative prices to the grower, if it does not have the holding capacity to effectively intervene in the market?

Let us compare HPMC with the National Dairy Development Board (NDDB). Organised dairying in the country picked up only after the setting up of NDDB, with its unique autonomous structure under the able and visionary leadership of a professional like Dr Verghese Kurien.

The latter created models to collect milk from various small producers, which he converted into a strength rather than a limitation through the now well-known ‘Anand pattern' of dairy cooperatives.

The apple industry, too, needs to figure out similar viable models of organising apple growers.

Just as dairying today has become the largest output as well as employment-generating component within Indian agriculture, apple production could create sustainable employment for a large number of youth in Jammu & Kashmir, Himachal, Uttarakhand and the North-East region. This would not only improve their income generation prospects, but would also help solve social and other related problems.

It is time that policy makers examined this ‘apple-a-day' opportunity and create an institutional framework to increase India's productivity as well as competitiveness in the global apple trade.

(The author is a horticulture marketing professional.)

(This article was published on October 23, 2011)

Coffee Board says global production shortfall will continue

Anil Urs

Coonoor, Oct. 23:

The Coffee Board says the shortfall in global coffee production to continue this year as well.

Speaking at the 118th Upasi annual meet on commodity outlook for coffee, Mr M. Chandrasekar, Secretary, Coffee Board, said: “South America is yet to recover and the shortfall for crop year 2011-12 is expected to be around 3.10 million bags.”

Global arabica output is expected to be down by 6 per cent at 78.76 million bags and robusta up by 1.7 per cent at 50.71 million bags.

Major production gain is seen in Columbia 10 million bags (10 per cent) Uganda 3.2 million bags (14 per cent). Shortfall is seen in Brazil 43.15 million bags (10 per cent), Vietnam 20-22 million bags (10 per cent) Indonesia 6.7 million bags (27 per cent).

Coffee prices witnessed downward correction in September, but is still relatively firm, particularly in arabica. The decline is mainly caused due to disinvestment in commodities in response to anxieties the world economy is going through.

“Low stock in exporting countries and buoyant world consumption mean that the supply/demand balance remains tight,” Mr Chandrasekar explained.

He further added that growth of niche markets in traditional consuming countries and the arrival of new consumers in emerging markets and exporting countries indicate promising prospects for coffee.

Major issues

Despite good remunerative prices, issues facing Indian coffee sector are augmenting production to retain export share and meet domestic demand. Declining productivity is another area of concern; it is affecting cost competitiveness especially due to rise in labour costs.

Shifting monsoon patterns, heavy and unseasonal rains during harvesting phase, drought during blossom, has impacted Indian coffee production.

LIGHT BREW

- ***Global arabica outputis expected to be down by 6 per cent at 78.76 million bags.***
- ***Low stock inexporting countries and buoyant consumption to keep supply/demand balance tight.***

(This article was published in the Business Line print edition dated October 24, 2011)

Nearly 81% tea sold at Coonoor auctions

P.S. Sundar

Coonoor, Oct. 23:

Nearly 81 per cent of the three-week low volume of 13.32 lakh kg offered at Sale No: 42 of Coonoor Tea Trade Association auctions was sold with prices easing Rs 2 a kg.

“Medium and plainer CTC leaf grades suffered from low demand and could be sold only when prices were slashed up to Rs 3 a kg. Better liquoring sorts, however, managed to get Rs 2-4 more. Orthodox leaf market was irregular with prices fluctuating up and down Rs 1-2 over the previous week. High-priced CTC dusts eased Rs 2-5, better mediums Rs 2-4 and plainers could not be sold unless prices dropped up to Rs 4. Cleaner blacker bolder dusts had fair demand”, an auctioneer told *Business Line*.

Among CTC teas, Homedale Estate, auctioned by Global Tea Brokers, topped at Rs 146. Vigneshwar Estate got Rs 135, Shanthi Supreme Rs 129, Hittakkal Estate and Professor Rs 128 each and Sree Tea Supreme Rs 125. In all, 82 marks got Rs 100 and more.

Among orthodox teas from corporate sector, Chamraj got Rs 185, Curzon Rs 159, Quinshola clonal Rs 156, Kairbetta Rs 155 and Havukal Rs 154. In all, 33 marks got Rs 100 and more.

On the export front, Pakistan bought in wide range – Rs 51-101 a kg and the CIS Rs 53-98.

Quotations held by brokers indicated bids ranging Rs 45-54 a kg for plain leaf grades and Rs 80-123 for brighter liquoring sorts. They ranged Rs 46-52 for plain dusts and Rs 85-135 for brighter liquoring dusts.

(This article was published in the Business Line print edition dated October 24, 2011)

Pepper slips despite being competitive in global market

G.K. Nair
Kochi, Oct. 23:

Pepper market in India last week was under the influence of bearish sentiments spread by overseas reports and that was used as a tool by bear operators here to pull the prices down even at a time when the Indian parity continued to remain competitive in the international market.

All the origins were reportedly above the Indian parity, probably with the exception of Brazil. Leading European dealers were reportedly telling the buyers overseas that if they could afford to wait till the new crop arrival in India then they would be able to cover at lower prices.

The growers here may pluck and sell immature pepper provided they are offered good price. If they harvested immature pepper so as to cater to the requirement of the industry that might in turn further reduce the availability of black pepper during the current season, the trade claimed.

Already, the total production in India is estimated at somewhere between 48,000 tonnes and 55,000 tonnes, as the output in Karnataka is claimed to be better than that of the previous season.

Upward trend

However, the overall exportable surplus in the country is unlikely to be much given the huge domestic demand. Since the price has been ruling above Rs 330 a kg for ungarbled and over Rs 350 a kg for MG 1 many of the farmers and dealers might have sold much of their stocks. Only those strong hands which can afford to hold for long might only be holding the commodity.

Availability at present is, reportedly, in Brazil and India and what is available here is on the exchange platform. In the spot market supplies continued to remain limited so far. The new crop arrival is to begin normally from November and that would by and large depend on the northeast monsoon.

Futures volatile

Last week witnessed sharp fall in all the contracts. Nov, Dec and Jan fell by Rs 1,315, Rs 1,500 and Rs1,590 respectively to close at Rs 35,525, Rs 35,825 and Rs 36,190 a quintal.Total turn over fell by 4,340 tonnes to 32,942 tonnes showing limited activities. Open interest moved up by 350 tonnes during last week, indicating additional purchases.Spot prices fell by Rs 400 in tandem with the futures market trend last week and closed at Rs 33,800 (ungarbled) and Rs 35,300 (MG 1) a quintal on Saturday.

(This article was published in the Business Line print edition dated October 24, 2011)

Farm varsity moots creation of food processing centres

Coimbatore, Oct. 23:

The Tamil Nadu Agricultural University has stressed the need for the establishment of food processing centres both – at the block and district-level in the State to contain waste and enhance value-addition to the farm produce.

The TNAU Vice-Chancellor, Dr P. Murugesa Boopathi, said that the farm varsity has submitted a proposal to the Central Planning Commission for establishing Food Processing Centres (under the XII Five- Year Plan) in all the 30 districts of Tamil Nadu with a budget outlay of Rs 150 crore (at the rate of Rs 5 crore per centre).

“We have also proposed for establishing such centres at the block level. A representation to this effect was made to the State Planning Commission, so farmers can use such centres for processing their produce/ value-addition,” he said and added that the university was working in collaboration with the University of Guelph for developing a nano film to control post-harvest losses.

Dr Boopathy disclosed this at the National Seminar on Emerging Technologies in Food Processing for ensuring Food Safety and Quality – Foodxplore'11.

About 20 scientists and students numbering around 150 from various institutions in Tamil Nadu, Kerala and Andhra Pradesh attended the event.

In his inaugural address, the Vice-Chancellor said while, foodgrains wastage is around 8-10 per cent of the total production (estimated at 241 million tonnes), wastage of perishables such as fruits and vegetables is around 25-30 per cent and estimated at Rs 46,000 crore.

Stating that this wastage could be minimised if there are sufficient storage facilities, he said the food processing centres would help in adding value to the farm produce

The General Manager of Reliance Retail, Hyderabad, Mr Jayatheertha Chary, said that only 30 per cent of the produce was processed in the country against 65 per cent in the US. The percentage of processed perishable food is even less at around 6 per cent compared with the world average of 70-80 per cent.

The country's share in the export of processed food is just 1.5 per cent at $3.2 billion. The food processing industry in India has been growing at 13 per cent due to increase in domestic demand. He pointed out that from simple trading activity, food retailing surpassed the dominant apparel and accessories sector.

The food and beverage segment is worth Rs 8,97,000 crore and growing at 30 per cent. The challenge at this juncture is to ensure safety, convenience, freshness, range, affordability etc. while developing the processes and products. Food Process Engineers must aim to develop small-scale technologies with low investments with a scalability option and these technologies should be eco-friendly. They should strive to provide market access to their products, Mr Chary said.

Agricultural Engineering Dean (in charge), Dr S. Chellamuthu, said the market size for processed foods is expected to increase from Rs 4,600 billion to Rs 13,500 billion by 2014-15 and the share of value-added products in processed food consumption from 3 per cent (Rs 1,800 billion) to 58 per cent (Rs 7,800 billion). “To achieve the targeted level we will have to shift to demand-driven approach, enhance financing to agriculture and food processing sectors, increase competitiveness of SMBs by facilitating access to best practices, technology, capital and marketing and by replicating successful Indian and international business models in production, processing and marketing of food products.”

(This article was published in the Business Line print edition dated October 24, 2011)

Palm oil may test resistance

Gnanasekaar .T

Malaysian palm oil futures on Bursa Malaysia Derivatives exchange ended higher on Friday, as investors waited for a weekend meeting of Euro zone leaders for signs of resolving the region's debt crisis. Markets have been see-sawing this week on conflicting reports over European governments reaching a deal to contain the crisis that could slow economic growth and commodity demand. Cargo surveyors said Malaysian palm oil exports were above 1.03 million tonnes for October 1-20 compared with the same period a month ago, meeting expectations. Energy prices have regained momentum and with seasonal demand to support, prices could rally in the coming weeks.

CPO futures are moving in line with our expectations. As mentioned in the previous update a gradual increase to 2,930-35 Malaysian ringgit (MYR) a tonne levels looks likely now with an extreme possibility of even testing 2,975 MYR/tonne. This time around it looks like a base has been formed near 2,820-25 MYR/tonne levels and we now favour a breakout higher above

2,950 MYR/tonne, which could result in a further rise towards 2,965-75 MYR/tonne also being a trend line resistance level. Once above here it could aim for 3,045 MYR/tonne levels. Only a decline below 2,805 MYR/tonne could dent our bullish view and such a move could drag prices lower towards recent lows at 2,750 MYR/tonne or even lower to 2,700 MYR/tonne levels.

We believe the impulse that began from 1,427 MYR/tonne, which hit 4,486 MYR/tonne ended and a prolonged corrective move has possibly ended at 1,335 MYR/tonne. In the big picture, a new impulse began from 1,335 MYR/tonne and the third wave with a projected objective of 3,900 MYR/tonne has been met. A corrective wave “B” has met one potential target near 3,465 MYR/tonne. A wave “C” kind of a decline looks likely with potential to test even 2,600 MYR/tonne in the bigger picture. It is unclear presently to confirm if wave “C” target has already been met at 2,755 MYR/tonne itself. RSI is in neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD are still below the zero line of the indicator indicating bearishness to be intact. Therefore, look for palm oil futures to test the resistance levels.Supports are at MYR 2,845, 2,805 and 2,745. Resistances are at MYR 2,935, 2,975 and 3,010.

Gnanasekaar .T

(The author is the Director of Commtrendz Research and also in the advisory panel of Multi Commodity Exchange of India Ltd (MCX). The views expressed in this column are his own and not that of MCX. This analysis is based on the historical price movements and there is risk of loss in trading. He can be reached at gnanasekar_thiagarajan@yahoo.com.)

(This article was published in the Business Line print edition dated October 23, 2011)

Spot rubber rules steady

Our Correspondent
Kottayam, Oct. 22:

Physical rubber prices finished unchanged on Saturday. The market failed to react in tune with the partial recovery in domestic futures probably on buyer resistance. Sheet rubber finished flat at Rs 210 a kg, according to traders.In futures, the November series improved to Rs 211.81 (209.85), December to Rs 2

12 (210.62), January to Rs 213.10 (212.20), February to Rs 215.10 (214.71) and March to Rs 218.50 (218.00) a kg on the National Multi Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 210 (210); RSS-5: 206 (206); ungraded: 198 (198); ISNR 20: 199 (199) and latex 60 per cent: 128 (128).

(This article was published in the Business Line print edition dated October 23, 2011)