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Market glut continues to worry paddy growers

G. Nagaraja



The Hindu A harvester at work in paddy fields near Unguturu in West Godavari district. Photo: A.V.G. Prasad

Machine-harvested produce fetching a price lower than MSP

The harvesting operations in rabi began on a sour note for the paddy growers in West Godavari district. Even as 30-40 per cent of the crop has been harvested so far, the produce, piling up in the fields, seems eagerly waiting for buyers. The paddy was raised in only half the delta area of 5.29 lakh acres in the district in the rabi while crop holiday was enforced in the remaining area due to non-availability of water in the Godavari river. The farmers are expressing satisfaction over the yield being reported at 35-40 bags per acre. Given the preliminary indications, around 8 lakh tons of paddy has been expected to be produced in the season in the district regardless of the adverse conditions.

However, the glut in the paddy market continues to stalk the growers in spite of the downsizing of the paddy area. According to information, old stocks to the extent of four lakh tons pertaining

to the last khariff remained with the farmers either in the households or in the fields. The hapless growers feel the pinch of poor market intervention by the government agencies and the glut in the market.

The peasant leaders, who spoke at a roundtable meet at Bhimavaram on Saturday, raised a hue and cry over the raw deal meted out to the growers in procurement of the produce. Mantenta Venkata Suryanarayana Raju of the Delta Parirakshana Samithi said the presence of the Indira Kranti Padham (IKP) centres was hardly felt resulting in underpricing of the produce much lower than the minimum support price by traders. The produce harvested with harvesters is reportedly priced at Rs 650-700 per 75kg bag as against the MSP of Rs 832. The presence of moisture beyond the stipulated levels is said to be cited as the reason for the poor rates.

Although the district administration has claimed to have opened 50 IKP-run paddy purchase centres for procurement during the season, most of them are yet to commence the process.

The Joint Action Committee with representatives from different peasant organizations was constituted at the round table with Mr. Suryanarayana Raju as convener to agitate for a better deal to the farmers.

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Hot chilli crop sans cold storage hardly spices up farmers' lives

J. Praveen Paul Joseph

Chilli adds spice to any food, but not so for its growers at Vilathikulam block in Tuticorin District. It has made their lives too hot., with abysmal plummeting of market value.

Normally it has considerable demand from countries abroad but its commercial value is not enterprising. Rain-fed cultivation of chilli crop is being witnessed on black cotton soil mostly in and around Vilathikulam, where it was a main occupation of farmers and also in Pudur.

V. Sithavan, a chilli farmer from Vilathikulam said on Sunday that market price of one quintal of chilly came down to Rs.4, 000 this year from Rs.10, 000 during the previous year.

“Price fluctuation in farm produce has become a common phenomenon nowadays but farmers, who solely depend on chilli cultivation, should be guided accordingly to promote its market value,” he said.

Lack of cold storage, which is essentially required to preserve dry chillies, has reduced the farmers to tears.

The long pending demand of the chilli growers to have a cold storage facility should be met at the earliest. The preserved produce could be marketed profitably with the much expected facility.

Quality suffers

“Quality of the harvested crop (red chilli) is below par whenever it attains discoloration, black patch and ultimately its pungency will also be reduced. The absence of cold storage has led to such degrading in quality. Only private players are operating such units in Tuticorin at unaffordable cost. If State owned a storage facility to preserve the produce, rental will be reasonable,” he added.

It was unfortunate that even a cold storage, which was established for preserving seafood at Tuticorin fishing harbour under the financial assistance of National Agriculture Development Programme during 2009, could not serve its purpose.

It remains closed and idle until now for nobody's use. But the chilli farmers, who had been longing for such a facility, could not enjoy such privileges, he said.

To be ready in July

When contacted, R. Gajendra Pandian, Secretary, Tirunelveli Market Committee, said the chilli farmers could avail the cold storage facility to preserve the produce from the upcoming season.

With a hundred metric tonne capacity, it was being set up at Vilathikulam regulated market at Rs.1 crore under NADP funds. It is expected to be completed by July this year.

The sowed crop in October and November would be harvested in April every year.

Apart from chillies, vegetables could also be preserved in the cold storage facility with pre cooling chamber, washing, grading and sorting chambers, he added.

Farmers demand minimum support price for turmeric

G. Sathyamoorthi

To stage massive demonstration today at Erode, one of the big markets in country



In distress:Turmeric prices have plummeted in Erode regulated market. A mad scramble for raising it in 2010-11 led to such a serious situation.— PHOTO: M. GOVARTHAN

With turmeric prices getting going down day by day, farmers want the State Government to extend the scheme of minimum support price to the crop too and procure it at Rs.10,000 a quintal.

At present, the government-supported price mechanism is in vogue for paddy and sugarcane.

In support of their basic demand, the farmers will stage a massive demonstration on Monday at Erode, one of the big markets in the country.

Explaining the rationale behind their demand, T. Subbu, State co-ordinator of the Tamilaga Vivasayigal Sangham, which is spearheading the protest, says the prices have plummeted even to the extent of Rs.2,000- 3000 a quintal during the third week of April this year, from Rs.17,000 in 2010.

With cultivation cost working out to Rs.1.25 lakh per acre, the 22 quintals that could be produced will help meet only 50 per cent of the total expenditure.

He admits that it was due to the mad scramble for raising turmeric in 2010-11 that led to such a serious situation.

K.V. Ravishankar, president of the Erode District Turmeric Traders and Godown Owners' Association, finds no light at the end of the tunnel.

“Distress sale looks inevitable, not only now but even next year,” he adds.

He points out that turmeric is a “cyclical crop” which sees a high in price for three to five years, slumps and then recovers. As this crop is not industry-based like sugarcane but only dependent on domestic usage and export market, it is only the market forces that rule. Since 1950, the highest it saw was Rs.4,000 per quintal in 2009.

“On an average, each Indian consumes at least one to two grams of turmeric every day and that is our major market. It was because of supply and demand situation that the prices skyrocketed to Rs.13,000 by 2009 end and to Rs.17,000 next year.

Then started the mad scramble for raising turmeric, the total area under cultivation shot up doubling production, which brought this decline.

By 2011 end, when farmers were anticipating a bumper crop, the prices slumped to Rs.8,000. By January this year, they further declined to Rs.4,000. As on date, it fetches Rs.32-33 a kilogram (Rs.3200-3300 a quintal),” he explains.

Mr. Ravishankar says the total national production this year is estimated at 100 lakh bags (each weighing 85 kg). There is expected to be a “carry forward” of 50 lakh bags this year end.”

“Next year, even if the area slumps by 50 per cent , still the availability will be 100 lakh bags which is enough both for domestic consumption and also for export which is around 25,000-30,000 tonnes a year. Hence, there is absolutely no possibility of the prices going up even next year.”

Official sources wonder how it would be possible for the government to procure without proper storage facility. The Erode market alone used to get 60 lakh bags every year and at least 70 per cent of that is dependent on private godowns.

Mr. Subbu, who points out that Karnataka has started procuring even “unclean turmeric” at Rs.4,800 a quintal to save the turmeric farmers there, pleads that the Tamil Nadu Government too should announce a minimum support price immediately.

It could also extend an “interest free hypothecation loan” accepting the turmeric as the collateral.

“On selling the produce, the government could collect its principal disbursing the rest to the farmer,” he adds.

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Pokkali rice farmers bag national award

Special Correspondent

Conservation of genetic resources of economic plants



Fruitful experiment: Pokkali farmers have developed a unique system of organic farming which involves growing rice crop in the low-lying coastal saline area where agriculture is difficult.

: Pokkali rice farmers of Kerala have been selected for the Plant Genome Saviour Community National Award instituted by the Protection of Plant Variety and Farmers Rights (PPV and FR) Authority of the Union government. The award carries a cash amount of Rs.10 lakh and a citation.

The Plant Genome Saviour Community National award has been instituted for rural farmer communities engaged in conservation, improvement and preservation of genetic resources of economic plants.

Pokkali farming was nominated for the award by the Kerala Agricultural University (KAU). The university protects Intellectual Property Rights of farmers under the plant variety protection system in India. The award will be presented in New Delhi on May 21.

T .R. Gopalakrishnan, Director of Research, KAU, said the national award is a reward for the collective efforts of Pokkali farmers and the university in the conservation and sustainable use of

Pokkali germplasm and the registration and protection of Pokkali rice as a Geographical Indication.

“The professional competence of scientists at the Rice Research Station, Vytilla, and the IPR Cell of the KAU and the perseverance of the Pokkali farming community paved the way for this recognition,” he said.

Prize money

The prize money will be deposited in the account of a registered farmers' society. Interest on the deposit will be used for promotion of Pokkali rice cultivation. The best five 'Padasekarams' (fields) will be given cash awards. An organic food festival will be conducted to popularise Pokkali rice and its products.

The KAU said that marketing of organic rice should be revitalised. Landraces from the Pokkali region will be preserved in a museum and farm tourism will be promoted in the Pokkali fields.

Traditional practices

The Pokkali tract is a low-lying coastal saline area where agriculture is difficult. Pokkali farmers have developed some traditional practices to overcome these difficulties along with using saline tolerant Pokkali rice varieties.

The farmers have developed a unique system of organic farming. It involves growing a rice crop in the low saline phase during April/May and September/October, and traditional prawn filtration during the high saline phase that extends up to mid-April.

Traditional Pokkali varieties are tall statured with medium bold red rice varieties with a grain yield of 2.0 to 3.0 tonnes a hectare under organic farming. Pokkali varieties possess great medicinal properties due to the high content of iron, zinc, potassium and antioxidants (oryzanol, tocopherol and tocotrienoletc).

The most common varieties cultivated and conserved in the Pokkali tract include Pokkali, Chootupokkali, Chettivirippu, Cheruvirippu, Kuruka, Ponkuruka, Karuthakuruka, Anakondan, Eruvapandy, Bali, Orkayama and Orpandy.

Rice germplasm

Many institutions in the country and abroad have been sourcing rice germplasm from the Pokkali region.

The invaluable source of genome has been recognised by the Union government through a Geographical Indications certificate. Geographical indications (GIs) identify products as agricultural goods, natural goods or manufactured goods as originating or manufactured in the territory of a country or a region or locality in that territory where a given quality, reputation or other characteristics of such goods is essentially attributable to its geographical origin.

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Farmers can use tractors, implements at lower rent

Special Correspondent



wheels of growth:Collector Darez Ahmed giving away tractor to a cooperative society official in Perambalur.

Farmers in the district will hereafter be able to get tractors and agricultural implements at a lower rent than what they have been paying so far. The State government has sanctioned tractors along with agricultural implements to 47 primary agricultural cooperative credit and thrift societies in the district to be let out to the needy farmers at a lower rent.

Darez Ahmed, Collector, gave away the tractors to the secretaries of these societies. He said the tractors along with equipment had been sanctioned at an expenditure of Rs.3.08 crore, including a subsidy of Rs.1.43 crore and a loan of about Rs.1.65 crore released through the Tiruchi district central cooperative bank.

Pointing out that the State government's efforts aimed at increasing agricultural productivity, he appealed to the farmers to extend their cooperation towards this goal.

The per hour rental rate for a tractor with rotavator implement would be Rs.600, with disc plough, Rs. 500, and with cultivator Rs.400.

The Collector said the district accounted for 53 societies and tractor and implements would be given to other six societies shortly. Ramamurthy, Joint Registrar of Cooperative Societies, said farm loans totalling Rs.40 crore had been disbursed during 2011-12.

NELLORE, April 23, 2012

Food security a legal right: Swaminathan



FOOD ISSUES:Agricultural scientist M. S. Swaminathan arriving at Vikrama Simhapuri University in Nellore on Sunday.Photo: K. RAVI KUMAR

Stating that people have a right to food, eminent agricultural scientist M.S. Swaminathan said there were various aspects to ensuring food security and necessary measures need to be looked at in the process of achieving this.

He termed food security as a legal right and briefly talked about the issues involved in the implementation of recommendations made by the National Farmers' Commission, of which he is chairman, for the farmers' welfare.

Prof. Swaminathan was speaking to reporters on Sunday after releasing the brochure of an international symposium on 'Environmental impacts, health implications and therapeutic approaches' to be organised by Vikrama Simhapuri University here. T. Ramasami, secretary, Department of Science and Technology, Gol, released the newsletter of the VSU.

Replying to a question, Prof. Swaminathan said that the suggestion made by the Commission regarding low-interest loans was being implemented in the country. There are certain issues being raised in respect of other recommendations relating to assured price to produce, cost of cultivation, monsoon and market conditions, he added.

Earlier, addressing the meeting, Prof. Swaminathan said in the international symposium, the university chose to focus right attention on the important issues of health and environment. Today being the Earth Day, it was important to address health associated problems caused by pollution, contamination and degradation, he added. M.S. Swaminathan Research Foundation ED Ajay Parida was present.

BANGALORE, April 23, 2012

Kudachi to have grape processing plant

It will have facilities for storage, packing and grading

The State government will set up a processing plant for grapes at Kudachi in Raibag taluk of Belgaum at an estimated cost of Rs. 8.6 crore.

Officials of Karnataka State Agricultural Produce Processing and Export Corporation (KAPPEC) Ltd. told *The Hindu* that the plant to be set up by the corporation would come up on a three-acre plot.

Society to get control

Agricultural and Processing Export Development Authority (APEDA) has granted funds to KAPPEC to construct the plant, which will be handed over to the Raibag Taluk Grape Growers and Exporters Co-operative Society Ltd. in a year.

The plant would have facilities for storage, packing, grading, pre-cooling, battery-operated lifts, automatic storage and retrieval system, hydraulic machines for movement of commodities and a cold storage with a capacity of 5,000 tonnes, the officials said.

Limited shelf life

The society submitted a proposal to KAPPEC seeking funds for the plant in view of the limited shelf life of fresh horticultural produce.

KAPPEC, in turn, submitted the proposal to APEDA and obtained funds to build the plant, the officials said.

They said that APEDA would grant funds to farmers' cooperative societies which export commodities. According to APEDA, nearly 30 per cent of the horticultural produce in Karnataka and other States is lost annually due to lack of adequate infrastructure and the minimal use of modern post-harvest technologies.

KAPPEC officials said that the “processing plant is essential not only for food preservation and protection but also for safe transportation of products during storage and handling.”

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- *It will be set up by Karnataka State Agricultural Produce Processing and Export Corporation*
 - *The plant will come up on a three-acre plot*
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RAICHUR, April 23, 2012

'Use advanced technology to increase foodgrains production'

Output is far lower compared to Punjab, Haryana, Gujarat: expert



State of affairs:Gurbachan Singh, Chairman of the Agricultural Scientists Recruitment Board, speaking at the second annual convocation of the University of Agricultural Sciences, Raichur on Sunday.

Gurbachan Singh, Chairman of the Agricultural Scientists Recruitment Board, has said there is a need for Karnataka to increase production of foodgrains with the use of advanced technology and scientific management of natural resources.

Dr. Singh, who was the chief guest, was speaking at the second annual convocation of the University of Agricultural Sciences (UAS), Raichur, here on Sunday.

He said the State had achieved self-sufficiency in foodgrains production, but it was far less compared with Punjab, Haryana and Gujarat.

Dr. Singh said that as far as production of cereals was concerned, the State had achieved self-sufficiency.

However, the shortage of pulses continued to be the same at the State- and national-level.

He said that preference for high-value crops was expected to increase due to income growth and urbanisation.

The north-eastern Karnataka region had potential for increasing production of pulses and oilseeds apart from scope of diversification towards high-value crops such as fruits and vegetables.

The Raichur UAS should make efforts to conduct research and development in accordance with the available potentiality in the region.

Soil salinity

Expressing concern over the increasing soil salinity in the command areas of the region, Dr. Singh said that repeated cultivation of paddy in violation of the cropping system in the command areas of the Tungabhadra and Upper Krishna projects in the north-eastern region of the State was upsetting the equitable distribution of water and environment in the region.

Due to unscientific application of water, the water table was increasing at an alarming rate of 13 to 14 cm per year resulting in waterlogged saline lands. It was estimated that about 90,000 hectares of land in the command areas of the Tungabhadra and 50,000 hectares of land in the command areas of the UKP had become saline.

There was a need for the government to invest heavily and take up large-scale reclamation work using subsurface drainage.

However, on the other hand, many farmers in the tail-end command areas were yet to receive water.

The inherent effects of monocropping were well known, especially when cultivating paddy.

As paddy needs more water and farmers tend to use excess water, nutrients and spray agro-chemicals excessively, soil and water becomes polluted.

He said that the UAS had to take up research works immediately and suggest diversification of cropping system to farmers and identify suitable cropping modules.

'Set up labs'

The university should establish quality control laboratories and initiate research on environmental-friendly, safe and cost-effective biocontrol measures so as to protect the environment and maintain the quality of produce.

B.V. Patil, Vice-Chancellor, faculty, and UAS officials were present.

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- *'Preference for high-value crops expected to increase due to income growth, urbanisation'*
 - *Make efforts to conduct R&D in accordance with available potentiality in region, Raichur*
UAS told
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BANGALORE, April 23, 2012

Experts to pass on farm updates on mobile

Agricultural extension communication is set for rapid change in the country during the 12th Plan period with the Indian Council of Agricultural Research (ICAR) planning to implement a system enabling farmers to receive voice messages from agricultural experts.

Disclosing this to *The Hindu* on the sidelines of a workshop on 'Mobile technologies for food security, agriculture and rural development', organised by the Food and Agriculture Organisation in Bangkok recently, ICAR's Zonal Project Directorate-Kanpur Director A.K. Singh said the system was being implemented on a pilot basis in 80 districts in the country for the last one year.

The ICAR would now extend it to 550 Krishi Vigyan Kendras (KVK), of the 630 in the country, in the next plan period.

BANGALORE, April 23, 2012

Mission to increase reach of agricultural extension services

One of its highlights will be promotion of custom hiring of farm machinery

In a bid to provide thrust to agricultural extension services as well as farm technologies, the Union Ministry of Agriculture is set to launch an Agricultural Extension and Technology Mission in the 12th Plan period that aims to increase the reach of extension services.

Disclosing this to *The Hindu* on the sidelines of a regional workshop on 'Mobile technologies for food security, agriculture and rural development' organised by the Food and Agriculture Organisation in Bangkok recently, Director of Extension Management Unit in the Ministry of Agriculture R.K. Tripathi said the mission's size was expected to be bigger than Rs. 10,000 crore.

Terming it as a comprehensive effort, he said the proposed mission would focus on agricultural extension services, farm mechanisation, farm technologies and inputs such as seeds among other things.

Custom hiring

According to him, one of the highlights of the mission is the promotion of custom hiring of high-cost farm machinery in a bid to ensure that all farmers get access to them as part of the efforts to overcome labour shortage. "There is a dire shortage of farm labourers and that has increased the need for farm mechanisation. But small and marginal farmers are unable to own farm machinery owing to their high cost. Hence we are trying to promote entrepreneurship among those from either farming background or having a degree in agricultural sciences. These entrepreneurs will be helped by the Ministry to get loans that will have subsidy component to buy farm machinery, which can in turn be hired by farmers," Mr. Tripathi said. Of course, the focus was not just on custom hiring of farm machinery as these entrepreneurs would also be used as agriculture extension guides to provide extension services to their farmer customers as part of the effort to rope in the private sector in a big way to play a supplementary role in agricultural extension services, he said. In fact, the subsidy for their enterprise would be given on a condition that they provide extension services.

Training

In addition to these people, the Ministry would also target agriculture input dealers and train them on extension services. A yearlong diploma course too had been commenced for input dealers in extension service with the involvement of Hyderabad-based National Institute of Agricultural Extension Management. The classes would be held only once a week.

Convergence

Such schemes were already in practice in bits and pieces. But the Ministry was now trying to bring about convergence among such schemes, Mr. Tripathi pointed out. In the last seven to eight years, the efforts to promote agriculture entrepreneurship in rural areas had resulted in establishment of nearly 10,000 agriculture ventures in the country dealing with 36 areas, including marketing, floriculture, horticulture and organic farming, he said while referring to the potential for using them as extension guides.

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- *Agricultural Extension and Technology Mission to be launched in the 12th Plan period*
 - *Private sector to be roped in to play a supplementary role in extension services*
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23 APR, 2012, 05.29AM IST,

Declare tea as national drink, says Montek Singh Ahluwalia

JORHAT (ASSAM): [Planning Commission](#) deputy chairman [Montek Singh Ahluwalia](#) has said the panel will support the industry's move to declare tea as the national drink of India.

Ahluwalia, who was in Jorhat to attend the celebration marking 75 years of Assam Tea Planters' Association (ATPA), told ET, "I am going to write to [Union commerce minister Anand Sharma](#) if tea can declared a national drink. This also has historical connection as the first indigenous tea planter Maniram Dewan was hanged by the Britishers in 1857. So tea has its roots in the freedom struggle."

He added the tag will definitely help in brand-building. Tea is now grown and consumed across the country and its consumption is much larger than that of coffee. "However, we need to thoroughly look into it".

Ahluwalia said the twelfth Five-Year Plan will focus on secondary agriculture and tea will be one of the focus areas.

"Demand for tea is going to rise tremendously - both domestically and internationally. We will ensure that we will overcome the problems in production and cater to the increasing demand and make foray in new markets internationally."

23 APR, 2012, 05.03AM IST, REUTERS

Early corn harvest prospects allay supply fears in US

CHICAGO: Prospects of an early [corn harvest](#) in the United States is allaying fears that supplies held over from last year will tighten considerably over the next few months.

The relief was reflected by the premium of the [Chicago Board of Trade](#) July futures contract over December shrinking last week, especially on Wednesday when the measure of prices for old- and new-crop corn fell to the lowest level in about three months and almost matched it on Friday.

The spread rallied to a high of \$1.07-1/2 per bushel on April 3 on bets that carry-over supplies of corn from last year's harvest will dwindle ahead of this year's autumn harvest, before collapsing to a low of 65-1/4 cents on Wednesday and 65-1/2 cents on Friday.

US corn stocks will indeed tighten in the coming months, to the smallest in 16 years by the end of August as projected by the [US Department of Agriculture](#). But some analysts feel it could dip below the USDA's forecast of 801 million bushels. But there are expectations for farmers in the US Midwest to begin their harvest two to three weeks earlier than usual this year, which will help bolster supplies in the pipeline even before the current 2011-12 marketing year runs out on August 31.

"The corn market seems to think that we have adequate supplies to get to the harvest," said agricultural economist [Darrel Good](#) of the [University of Illinois](#) in Urbana-Champaign.

"The so-called rationing has been completed," he said, of the need for prices to rally and blunt demand to ensure that there is no shortage of supplies for use by key industries.

hindustantimes

Mon, 23 Apr 2012

weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Monday, Apr 23

Max Min

37° | 27.5°

Rain: 00 mm in 24hrs

Sunrise: 6:35

Humidity: 63%

Sunset: 18:03

Wind: Normal

Barometer: 1007

Tomorrow's Forecast








Cloudy

Tuesday, Apr 24

Max Min

35° | 25°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Apr 25	Apr 26	Apr 27	Apr 28	Apr 29
				
34° 26°	34° 25°	35° 26°	36° 28°	37° 28°
Cloudy	Rainy	Rainy	Rainy	Rainy



India's veg oil imports may rise to 9.7 mn tonnes

Agencies Posted online: Sun Apr 22 2012, 12:09 hrs

New Delhi : The country's vegetable oils imports are likely to grow by two per cent to 9.7 million tonnes in the 2012-13 marketing year starting October on account of widening demand-supply gap, according to a latest report.

India is estimated to import 9.5 million tonnes of vegetable oils in this marketing year (October-September). Of this, 3.4 million tonnes have already been purchased in the first five months of 2011-12.

"Given the widening gap between domestic consumption and production of vegetable oils, imports in 2012-13 will increase to 9.7 million tonnes," the US Department of Agriculture (USDA) said in its latest report.

The import forecast includes 7.6 million tonnes of palm oil, 1.1 million tonnes of soyabean oil, 1 million tonnes of sunflower oil and 10,000 tonnes of other edible oils, it said.

India imports vegetable oil from Indonesia, Malaysia and other countries.

According to the USDA, India's demand for imported oils, particularly refined edible oils, has not come down despite strong international prices and with tariff remaining unchanged since September, 2006.

While the import duty remains officially at 7.5 per cent ad-valorem, the current zero tariff on crude edible oils is encouraging traders to continue building stocks, it said.

USDA further said that domestic vegetable oil consumption is forecast to rise by 6,93,000 tonnes to 17.1 million tonnes in 2012-13 on rising population and increasing income levels.

The country's per capita edible oil consumption is however, this remains below the estimated world average of 21.6 kg, the report said, adding that palm oil will continue to be the largest consumed edible oil. After palm oil, soy, rapeseed and peanut oils are the largest edible oil segments in the Indian market. With regard to domestic oils production, the USDA said that local output may increase by three per cent to 7.3 million tonnes due to an expected increase in oilseeds production and larger crush of oilseeds. Assuming normal monsoon rains and favourable growing conditions, total oilseed production in 2012-13 marketing year is likely to grow by three percent to 36.3 million tonnes. With competition from summer planted coarse cereals and winter planted wheat, chickpea and lentils, prevailing market prices of soybean, rapeseed-mustard, and peanut in current season should encourage farmers to bring a larger area under production, it added.

THE HINDU Business Line

Pepper recovers on buying interest

G. K. Nair

Kochi, April 22:

Pepper last week witnessed recovery on good buying interest and reports of firmer markets in other origins. Availability in India and other origins is reportedly limited and that, in turn, is keeping prices firmer. There has been no selling pressure either from farmers or from primary market dealers despite prevailing moderate prices. Whatever material was available in the primary markets, especially the high range pepper, was bought by inter-State dealers from Tamil Nadu at terminal market prices on cash and carry basis and this had resulted in very thin

arrivals at the terminal markets. Last week April contract matured and 207 tonnes of pepper came up for delivery, while 346 tonnes of material were liquidated.

Industry buyers, who have been waiting for long for the prices to drop, have to cover now before the monsoon sets in. Crushing and masala industry normally cover now as the moisture content in pepper would be much less now. Domestic demand is, therefore, expected to remain buoyant and that, in turn, is likely to keep the pepper market hot, especially given the squeeze in supply, market sources told *Business Line*.

India imported 1,848 tonnes of pepper in March 2012 and has become the third country to import such large quantity after UAE and Singapore.

Vietnam reportedly exported 18,999 tonnes of pepper in March. According to the trade some 1,000 tonnes might have gone to the extraction industry while the rest is believed to have gone to the crushing sector.

All the contracts went up later in the week, showing substantial increase at the Saturday closing. May, June and July contracts increased by Rs 1,315, Rs 1,220 and Rs 1,435 respectively to the last traded price (LTP) of Rs 39,340, Rs 40,030 and Rs 40,400 a quintal. Total turnover dropped by 4,244 tonnes during the week to end at 21,686 tonnes. Total open interest moved up by 714 tonnes on additional buying.

Spot prices, also in tandem with the futures market trend and tight availability, increased by Rs 1,500 a quintal to close on Saturday at Rs 37,500 (ungarbled) and Rs 39,000 (MG 1) a quintal. Consequently, Indian parity in the international market remained above other origins, which were also firmer last week.

Overseas trend

According to overseas reports, prices of pepper have firmed in Vietnam, while the other origins showed more hesitation. Brazil has to battle its volatile currency exchange rates where a stronger 'Real' is making it difficult for exporters to source pepper in a profitable manner, the reports said.

Harvest in Vietnam has now been reportedly completed in the southern regions whereas in the northern region some 70-80 per cent has been completed.

However, since February this downward move has come to a halt and prices in Vietnam have been inching up.

Over the last couple of weeks, industry demand has picked up. Trade sources in Vietnam expected this situation to continue. Over the last two days, prices in Vietnam increased by some \$100 a tonne, they said.

Rs 40K cr needed for hiking urea output to 33.7 MT

PTI

New Delhi, April 22:

India needs to invest Rs 40,000 crore in the fertiliser sector to increase the country's urea production capacity to 33.7 million tonnes (MT) by the end of the 12th Five Year Plan, an expert group has said.

According to a report of the Working Group set up by the Planning Commission for the 12th Five Year Plan (2012-17), investment in the sector by end of 2010-11 stood at Rs 27,247 crore.

"To increase the capacity of urea by about 12 million tonnes to a total of 33.7 MT by 2016-17, India will need to invest at least Rs 40,000 crore in the sector at current capital costs," the group, which was chaired by the Fertiliser Secretary, said in its report

The indigenous capacity of the functional units for urea stood at 22.20 MT besides 1.65 MT from OMIFCO, Oman - a joint venture of Oman government and cooperative majors IFFCO and KRIBHCO, it added.

The demand of 33.7 MT of urea by 2016-17 fiscal is based on current consumption patterns.

This could change in the next five years depending on the irrigation/crop pattern and change in percentage growth in agricultural production.

However, the report said there has been almost no investment in the fertiliser sector in the past decade.

"The fertiliser sector attracted huge investments during 70's and 90's. However, there has been hardly any investment during the 10th and 11th Five Year Plan," it pointed out.

Though other sectors had high rate of return on investments due to accelerated growth in the Indian economy, the fertiliser sector has failed to attract more investment due to low returns, the report added.

Recently, a Group of Ministers (GoM) had approved a new investment policy for the urea sector, to make the nation self-sufficient in the key soil nutrient.

With demand-supply gap of urea widening, the government in 2010 decided to frame a new policy. Last year, a Committee of Secretaries (CoS), headed by Planning Commission Member Mr Soumitra Choudhary, was set up for this purpose.

According to the report, government had notified a New Investment Policy for urea sector in September 2008 based on the recommendations of the Committee headed by Planning Commission Member Mr Abhijit Sen.

“The policy resulted in increase in capacity by approx 23 lakh tonnes due to revamp of few existing plants but failed to attract any investments in the expansion, greenfield or brownfield projects in the urea sector due to uncertainty in availability and pricing of gas,” it pointed out.

Meet on fungicide use in areca plantations

Our Bureau

Mangalore, April 22:

A seminar on the use of fungicides in areca plantations will be conducted in Mangalore on April 25.

Mr K. Padmanabha, President of Campco (Central Arecanut and Cocoa Marketing and Processing Co-operative) Ltd said in a press release here that copper sulphate solution was the only fungicide available to control fruit rot disease in arecanut plantations till a few years ago. But now so many other fungicides have come into the market.

This has created confusion in the minds of arecanut growers. The seminar will make an effort to clear confusion in their minds, he said.

The seminar will also deliberate on the use of suitable fertiliser in arecanut plantations.

Apart from scientists and representatives of fungicide manufacturers, nearly 500 arecanut growers are expected to attend the seminar.

Mr Tamil Selvan, Director of Kozhikode-based Arecanut and Spices Directorate, will inaugurate the seminar.

Campco Ltd and Arecanut Research and Development Foundation, Mangalore, will jointly organise the seminar, he said.

Jersey, Holstein Friesian cross-breed cows for TN farmers

Press Trust of India

Chennai, April 22:

Dairy farmers in Tamil Nadu are to get famous high cross-breeds of Jersey and Holstein-Friesian from this fiscal under the State Government's free milch cows scheme aimed at a second 'white revolution'. Fine-tuning its breeding policy to achieve maximum result under the scheme, a pet project of the Chief Minister, Ms Jayalalithaa, the Government has decided to distribute cows from the famous cross-breeds essentially not above five years from 2012-13.

"The breeding policy of the State envisages rearing of the cross-bred Jersey cows in the plains and cross bred Holstein-Friesian cows in the hilly areas of the state, as these cows yield an average of 2.5 times the milk yield of indigenous cows," a recent order by the Animal Husbandry, Dairying and Fisheries Department said. Wanting to continue milk production uninterrupted for the next five years, the Government has also proposed to supply only lactating cows that are in their first or second lactation and the animal should not be more than five years.

Milch cows would be procured for 12,000 beneficiaries at Rs 30,000 each this fiscal. The State Government has been issuing free milch cows to the rural poor since September 15 last year, intending to cover 60,000 beneficiaries in the State in five years and to give a boost to the milk productivity of the State.

After a bad year, AP gears up for crucial kharif season

Our Bureau



Targets 88 lakh hectare acreage; agri ministry reviews preparedness

Hyderabad, April 22:

Putting a disastrous year behind, the State Agriculture Ministry is planning to cover 88.31 lakh hectares in the ensuing kharif season.

This is 8 lakh ha more than the normal area it would cover during a normal kharif. The ministry has projected a requirement of 41 lakh quintals of seeds, excepting cottonseed, for the season.

“We have set up a State-level committee consisting of research institutions and Government seed producing agencies to identify new varieties and old varieties which are still popular among farmers for implementation of three-year rolling plan as per the instructions of the Union Government. The plan will be implemented from Kharif 2012 onwards,” Mr Kanna Lakshminarayana, Minister for Agriculture, said.

Urea Buffer

The Minister held a meeting on Saturday to review preparedness for the upcoming kharif season.

The State would require 41.55 lakh tonnes of various fertilisers, including 17.50 lakh tonnes of urea and 12 lakh tonnes of complex. It has asked Government agencies to maintain a buffer of one lakh tonnes of urea.

With regard to credit, the Government has projected requirement of Rs 52,711 crore for 2012-13, including Rs 34,263 crore for kharif and the rest for the rabi season.

Last year, the Government issued 5.76 lakh cards for tenant farmers. However, only 1.97 lakh farmers could get access to bank credit. “They got Rs 393 crore in loans,” he said.

The State had begun issuing loan eligibility cards to tenant farmers last year in order to give banks and land owners a sense of security.

Arrivals fall at Kochi tea auction

Our Bureau

Kochi, April 22:

Arrivals remained low at the Kochi tea auction while prices moved up, especially at the dust tea counters. There was 10,03,500 kg of dust and 1,37,000 kg of leaf tea on offer. Good liquoring grades were well received at the CTC dust auction and fetched handsome prices. Medium and plain grades remained firm to dearer.

AVT continued to be active on good liquoring grades along with Tata Global, Kerala State Civil Supplies Corporation and Vimal Tea. Loose tea traders lent useful support. There was fair amount of demand from upcountry buyers. Good liquoring teas were also sought after by exporters. Only negligible quantities were on offer at the orthodox dust auction. Primary grades quoted higher. Firm enquiries were in evidence from upcountry buyers.

Leaf Auction

Quality high-grown grades were steady at the orthodox leaf auction. All other grades were irregular and quoted lower. Other than tippy grades, most medium grades tended low. Exporters to CIS countries were active. Exporters to Tunisia operated on negligible quantities. Fannings were absorbed by tea bag manufacturers and exporters. HUL lent fair amount of support. Good liquoring grades were firm to dearer at the CTC leaf auction. Clean, black and well-made fannings also fetched higher price. Most other grades gravitated lower. Upcountry buyers were active at CTC leaf counters. Smaller grades and fannings were sought after by exporters.

Top prices

Injipara SRD and RD grades fetched top price at the dust auction at Rs 145 followed by Injipara SFD at Rs 137. At the leaf auction, Pascoe's green tea fetched the top price at Rs 277 followed by Chamraj FOP at Rs 246, Chamraj OP (Rs 240) and Chamraj FP (Rs 206).

Delhi to host global grains meet



Mumbai, April 22:

An international grains conference with focus on global and national grains market outlook for 2012 will be held in New Delhi on May 1.

Dr B.C. Gupta, IAS, Secretary to the Union Ministry of Food and Public Distribution, will inaugurate the event in which key government officials from FCI, ICAR, IARI, CIAE and NIN will participate as speakers.

Expert speak

In addition to renowned experts from the Indian agribusiness sector who will share their market outlook, prominent speakers from USA (Texas Agricultural

Lifetime Leadership) and Canada (University of Saskatchewan) will share

their expertise in genomics, storage and related aspects. Rice, wheat, coarse cereals, pulses, oilseeds and sugar will be the major commodities for discussion.

With domestic production growth trailing demand growth in many grains, it is time for the policymakers to pay serious attention to raising production and productivity.

India's Twelfth Five Year Plan that has commenced from April 2012 provides an excellent opportunity to make the agricultural sector in general and foodgrains in particular more vibrant, Assocom India, the organisers, said adding the seminar intends to germinate new ideas.

Bhagalpur turning hot spot for strawberry

PTI



Business Line

Bhagalpur (Bihar), April 22:

Considered as a preserve of Jammu & Kashmir and Himachal Pradesh, strawberry has found a new home in Bhagalpur district of Bihar. The crop is gaining popularity in and around Bhagalpur due to efforts of Bihar Agricultural University.

The University scientists developed and distributed over 7,000 strawberry plants free to farmers last fiscal to popularise its cultivation in and around Bhagalpur, a horticulture scientist of the University, Ms Ruby Rani, looking after the special project in the district, told PTI.

“We have also arranged over 4,000 saplings of the fruit from the US for making them available to farmers here,” she said.

Mr Mewalal Chaudhary, the first Vice-Chancellor of the University, said the plant scientists wish to improve the financial condition of farmers and the effort to popularise strawberry is aimed at it.

“We are planning to distribute nearly 50,000 plants of strawberry to farmers in the region in the financial year 2012-13”, Ms Rani said.

Vegetable oil imports may rise to 9.7 MT in '12-13

PTI

New Delhi, April 22:

The country's vegetable oils imports are likely to grow by two per cent to 9.7 million tonnes in the 2012-13 marketing year starting October on account of widening demand-supply gap, according to a latest report.

India is estimated to import 9.5 million tonnes of vegetable oils in this marketing year (October-September). Of this, 3.4 million tonnes have already been purchased in the first five months of 2011-12.

“Given the widening gap between domestic consumption and production of vegetable oils, imports in 2012-13 will increase to 9.7 million tonnes,” the US Department of Agriculture (USDA) said in its latest report.

The import forecast includes 7.6 million tonnes of palm oil, 1.1 million tonnes of soyabean oil, 1 million tonnes of sunflower oil and 10,000 tonnes of other edible oils, it said.

India imports vegetable oil from Indonesia, Malaysia and other countries.

According to the USDA, India's demand for imported oils, particularly refined edible oils, has not come down despite strong international prices and with tariff remaining unchanged since September, 2006.

While the import duty remains officially at 7.5 per cent ad-valorem, the current zero tariff on crude edible oils is encouraging traders to continue building stocks, it said.

The USDA further said that domestic vegetable oil consumption is forecast to rise by 6,93,000 tonnes to 17.1 million tonnes in 2012-13 on rising population and increasing income levels.

The country's per capita edible oil consumption is increasing however, this remains below the estimated world average of 21.6 kg, the report said, adding that palm oil will continue to be the largest consumed edible oil.

After palm oil, soy, rapeseed and peanut oils are the largest edible oil segments in the Indian market.

With regard to domestic oils production, the USDA said that local output may increase by three per cent to 7.3 million tonnes due to an expected increase in oilseeds production and larger crush of oilseeds.

Assuming normal monsoon rains and favourable growing conditions, total oilseed production in 2012-13 marketing year is likely to grow by three percent to 36.3 million tonnes.

With competition from summer planted coarse cereals and winter planted wheat, chickpea and lentils, prevailing market prices of soybean, rapeseed-mustard, and peanut in current season should encourage farmers to bring a larger area under production, it added.