THE HINDU

TODAY FARM NEWS

20.12.2012 A.M

‘FDI in multi-brand retail to play out like a lab experiment’

The Indian economy should be back to achieving 9 per cent growth in three years’ time, Chief economist of the World Bank and former Chief Economic Advisor to the Union Finance Ministry Kaushik Basu has predicted.

“Fortunately, there is a lot of activity that we are seeing in India. Growth-wise, the next two years will be difficult for India only because there is a little bit of a momentum of slowdown and more importantly the European crisis is affecting the whole world,” Dr. Basu said here on Wednesday at the inauguration of the India Finance Conference 2012.

Speaking about the introduction of foreign direct investment (FDI) in multi-brand retail, Dr. Basu said the biggest beneficiary of the initiative would be farmers while consumers would also benefit.

When asked if the autonomy given to States to decide whether or not FDI in multi-brand retail would be implemented in the respective States would give rise to disparities, he said that it was possible but the situation would be “almost a laboratory experiment.”

“I understand that different States take different views on it (FDI) and some are hesitant…In a few years we will see whether the States allowing FDI are doing well or badly. If we see that they are doing well then presumably states that were hesitant earlier will open up. If we see that they are doing badly then that would be a lesson for everyone,” he told journalists on the sidelines of the event.

Higher inflation

On being asked if the country should settle for a higher inflation rate, Dr. Basu said if the economy continued to grow at a higher rate of growth, inflation could be kept at 5 or 6 per cent.

“You can never take a policy decision that we are going to agree to live with higher inflation….But if the growth is real growth meaning that there is actually more food, more clothing, more everything being produced, you are getting a cushion against that,” he said.

Do it yourself ’ approach pays dividends to ryots

In India price of produce is decided by somebody else, not the farmer

Sellers benefit: Direct purchase from growers.-Photo: Special arrangement

More than 15 farmers in in Nalankurichi, Kadayam and Eithamkattalai villages in Tirunelveli district of Tamil Nadu are doing a little more than growing crops.

They have formed a group and are engaged in direct retail marketing of their produce. The idea mooted by Mr. David Raja Beula, Assistant Director of Horticulture, Kadayam, Tirunelveli, seems to have been received well both by the growers and the customers.

Denmark experience

“Named ‘Farmers direct involvement in retail sale,’ I conceived this idea when I happened to vist Denmark for an agriculture summit. I interacted with some Danish farmers who were practising a similar concept.

“The produce was cleaned, graded, and transported from the farm to customers homes based on order over phone. And I thought of trying a similar exercise here and this is just a pilot study which seems to benefit the farmers in the region,” says Mr. David.

Accordingly some farmers were briefed about it and Mr. David also started contacting his friends' circles to spread the word about this project. Many became interested in buying the produce since they were farm fresh.

A time frame was given to both the farmers and the customers (2-3 months) and farmers briefed about what crops to grow. Mr. David had already made a note of the requirements from customers.

Today the list of buyers and sellers has been steadily increasing and Mr. David needs to work all seven days a week in networking with both sides of the group.

Sundays are busy

Sundays are the most busy days for the farmers in the retail network as they get several visitors who buy vegetables and fruits by the dozen and place weekly orders.

Sometimes Mr. David volunteers to drive the farmers produce to customers. Each farmer in the network is advised to grow a minimum of 4-5 vegetables and fruits to cater to the demand and choice.

Some educational institutions in Tirunelveli have also been quite eager to buy the produce directly from the farmers for their students' messes.

Says farmer Mr. Susairaj, a member of the network: "I get Rs.8-10 a kg of bottlegourd which I was selling at Rs.2 a kg some months back. My customers are mostly lawyers, doctors and office going executives who place orders beforehand as to what vegetables or fruits they require the ensuing week. I pluck, grade, clean and keep it ready for them," he says.

Personal experience

Another farmer, Mariapichai, growing ladies finger in half an acre of land is able to earn a net profit of Rs. 27,000 against his normal Rs. 13,000 till three months back.

The additional net profit the farmer received was Rs. 14,400 which worked out to 110 percent additional net profit after introduction of the new marketing strategy.

“India is the only country in the world where the price of agriculture produce is determined by somebody other than the growers (farmers).

Though agriculture is supposed to be the lifeline of a nation’s development, in reality nobody seems to be bothered about it,” says Mr. David.

Two kg of paddy costs somewhere between Rs.8-10. If you mill it into rice you can get one kg of rice. The milling costs, labour etc comes to around Rs.4-5.

The cost of rice must be anywhere between Rs.20-25 but what is the cost in today’s market? One kg costs Rs.44 and goes up tol Rs.50.

Similarly take the case of vegetables. If you buy them at the farmers’ gate in the fields the cost is nearly 6-7 times lower than in supermarkets or shops.

Who benefits?

“The difference in price (from paying to farmers and the price customers give at the local shop) is nearly Rs20-25. Who gets this money? Not the farmers or the buyers, but the middlemen who control everything from transport vehicles to cold storages to fixing the commodity price.

“This retail direct selling concept should break this strong hold middlemen have over marketing”, he hopes.

Through this direct selling method the farmer need not depend on any middlemen. The farmer himself weighs the produce and sells it to customers at a good price. Both seem to be happy as customers get fresh products and farmers get a good price.

But people have to remember that this is just a small pilot project and needs to be scaled up in future, according to Mr. David.

For more details those interested can talk to Mr. David at 09486285704 or email microeconomicsdavid @yahoo.co.in

Farmers to burn effigy at 1,000 centres on Dec. 27

Tamil Nadu Vivasayigal Sangam affiliated to Communist Party of India (CPI) and other farmers associations will organise an effigy burning agitation at nearly 1,000 centres in the delta districts on December 27 to protest the alleged indifference of the Central government to the Cauvery issue.

Durai Manickam, general secretary, Tamil Nadu Vivasayigal Sangam, told presspersons that the Centre could intervene in the Cauvery water issue and direct Karnataka to release water under the provisions of the Interstate River Water Disputes Act 1956. The Centre should have taken steps to implement the interim and final awards of Cauvery River Water Disputes Tribunal. Karnataka had not respected the tribunal and the directions of Supreme Court. It had also not obeyed the orders of Cauvery River Authority. Samba crop in nearly 11.50 lakh acres in the delta districts are on the verge of withering for want of water. Under normal circumstances farmers would have reaped at least four tonnes of yield per hectare, but now they are looking at enormous production loss. The Central government should compensate this loss by giving Rs.20,000 per acre as relief.

The agitation would be held in Nagapattinam, Tiruvarur, Thanjavur, Cuddalore, Tiruchi, and Pudukottai. Mr. Manickam said that the decision to burn the effigy was taken at a meeting of the representatives of the association from the delta districts.

P.R.Pandian, State Council member of Tamil Nadu Vivasayigal Sangam, T.S.Masilamani, State secretary, Panneerselvam, Thanjavur district secretary, participated.

'Productivity of sugarcane to be increased'

The present focus of Indian Council of Agricultural Research (ICAR) and its institutions such as the Sugarcane Breeding Institute here was on increasing productivity and combating climate change, according to ICAR Director General S. Ayyapan.

While the average production of sugarcane in India stood at 70 tonnes a hectare, the target was to reach 100 tonnes a hectare.

At 345 million tonnes, India stood second in the world in sugarcane production.

He was here on Tuesday to attend the valedictory of centenary celebrations of the institute, which was one of the 99 institutes and 53 agriculture universities coming under ICAR, the apex body for coordinating, guiding, and managing research and education in agriculture.

"Research is also on to increase the recovery rate of sugar from sugarcane to 13 per cent from the 10 per cent now. While the present level of sugar production stood at 23 million tonnes, the target is to attain 33 million tonnes in a decade's time."

While the country was importing pulses and oilseeds, sugar was being exported. The institute played a major role in attaining this feat. To combat climate change, research was on to develop disease-resistant seed varieties.

Dr. Ayyapan said that investment would be made in improving the facilities at the institute during the 12th Five Year Plan to enable it to focus on emerging areas such as bio-technology and genomics. The next ten years would be a "big period" for the institute. The success of the institute, he said, could be gauged from the interest it evoked aboard in Caribbean and East African countries.

Traders flay raids on rice shops

Raids on rice shops have sparked sharp reactions from the Malabar Chamber of Commerce which has alleged that the government is trying to hide its failure to check price rise by creating a false impression that merchants are responsible for it.

Agriculture sector facing challenges with rising demand for food items'

Plea to invest one per cent of agricultural GDP in research

Kanchan Mishra who received the Chief Minister J. Jayalalithaa Award for Best B. Sc (Agri) girl student and four other awards at the 33rd convocation of Tamil Nadu Agricultural University in Coimbatore on Wednesday.—PHOTO: S. SIVA SARAVANAN

“The Indian Council of Agricultural Research (ICAR) is asking the Government to invest one per cent of the total agricultural Gross Domestic Product in agricultural research for the XII Five Year Plan,” S. Ayyappan, Director General of ICAR, said here on Wednesday.

Delivering the convocation address of the Tamil Nadu Agricultural University, he pointed out that the agricultural research system at the national level was so strong that it was able to provide for the 122 crore population.

“Though India ranks high in production of certain commodities, the agriculture sector is facing many challenges with rising demand for food items and relatively slower supply response. The technological breakthroughs achieved in the 1960s are gradually waning. The agricultural scenario in Tamil Nadu too faces similar challenges even though its contribution to the agricultural development of the country is enormous,” Mr. Ayyappan said.

Tamil Nadu contributed to the country’s seven per cent of rice, five per cent of coarse cereals, nine per cent of maize, four per cent of oil seeds, and nearly 12 per cent of sugarcane. It produces 13 per cent of the country’s bananas, 25 per cent of loose flowers, five per cent of milk, and 18 per cent of eggs. Namakkal was the egg basket of the country. The main challenges the State faced included holding a large chunk of rainfed area, erratic monsoons, and the only State to have faced the tsunami. The Director General added that the ICAR was planning to set up a Centre for Disaster Management in the State. The Government was investing Rs. 10 lakh on a graduate, Rs. 15 lakh on a postgraduate, and Rs. 25 lakh on a Ph.D. scholar. Hence, the role of agricultural graduates was very vital to agriculture and the farmers.

Elaborating the way ahead for ICAR, the Director General said it would be a five-pronged approach: enhancing input use efficiency and reducing production costs, building resilient agriculture, overcoming abiotic and biotic stresses, promoting farm mechanisation, and improving post-harvest management.

New PG diploma in agriculture management

A one year post graduate diploma in technology management in agriculture (PGD-TMA) through distance education is presently being offered by the National Academy of Agricultural Research (NAARM), Hyderabad jointly with University of Hyderabad.

Naarm was established by the Indian Council of Agricultural Research (ICAR) to fulfill the important need for an institution on agriculture management.

The academy currently offers a two year residential PG diploma course on the same subject.

Eligibility

According to the Dr. R. Kalpana Sastry, Head of the research management programme the one year distance programme is open to all PG students of agriculture and related fields.

The intake of students at present is limited to only 100 excluding the sponsored students.

However the decision to increase the numbers rests with the management.

The programme according to her, offers an excellent opportunity for the students to systematically study technology management in agriculture and understand the intricacies of building and managing intellectual property.

Aim

The aim of the course is to build and upgrade the skills of IP and technology transfer practitioners as professionals to enable them to handle successfully intellectual property and management assignments in this area.

“The course is deigned to create a 'bridge professional' for innovation management who can identify, develop and manage IP assets for leveraging them for effective technology transfer and commercialization in agriculture and related industries,” she explains.

Students graduating from PGD-TMA will have opportunity to enroll for membership in Society for Technology Management (STEM) an organisation that facilitates and promotes successful technology tranfer processes and best practices in the country.

Website

Those interested can browse the website at www.naarm.ernet.in

(R. Kalpana Sastry, Head, NAARM, email: kalpana@naarm.ernet.in, phone: 040- 24581304, RAjendranagar, HYderabad: 500407, Andhra Pradesh.)

When women start climbing coconut trees

Women have taken over a traditionally male-dominated occupation: coconut tree climbing. A week-long training camp organised by the Coconut Development Board at Kamatchipuram near Chinnamanur block provided free training for women in coconut tree climbing and distributed tree climbing equipment worth Rs.3,000.

Many young and middle-aged women climbed 50 to 60 feet tall trees during the training. Besides SHG members, women from small farmer families took part in the session. The district is one of biggest coconut production centres in the state , with around 12,000 hectares under coconut cultivation.

Traditionally, Bodinayakkanur, Cumbum, Kombai and Periyakulam supplied coconut climbers to farms. But their numbers have dwindled in recent years owing to migration to less strenuous alternative occupations.

“Dress code is not necessary. We can climb coconut trees wearing saris,” says P. Vanitha, a trainee from Erasakkanaickanur.

Use water judiciously, farmers told

Minister for Major Irrigation P. Sudarshan Reddy on Wednesday said the Ramadugu medium irrigation project in Darpally mandal was complete and it would provide water for irrigation to over 4,000 acres once the project was full with water.

Releasing water in its right canal today, the Minister appealed to the farmers to use the water judiciously for the rabi crop under the ayacut. He said for canal lining works Rs.8 crore was spent and another Rs.1.20 crore would be released for the completion of remaining lining work by March end.

Mr. Reddy asked members of the Water Users’ Associations to educate farmers on using water judiciously. He directed the engineers to take steps for immediate payment of compensation to farmers who had lost lands during the project construction.

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GAIL begins reassessment of compensation to farmers

The Gas Authority of India Limited (GAIL) has commenced reassessment of compensation to around 650 farmers in Tirupur district through whose land it would be laying underground pipeline to take liquefied natural gas from Kochi to Bangalore.

"This exercise is taken up only with the aim to enhance the compensation scale as many farmers have been complaining that the amounts initially fixed for laying the underground pipeline through their fields was inadequate to offset the cost of crops displaced to facilitate digging of earth," GAIL officials told *The Hindu* .

The fresh valuation process would increase the compensation on two parameters namely 'land' and 'standing crops' in areas through which the pipeline would run.

A senior official of GAIL said that as per the revised norms, the new guideline value for the respective plots that came into effect this fiscal would be obtained in the case of all 650 farmers to calculate the compensation afresh on the 'land component.'

"The earlier plan was to give an indemnity to the tune of 10 per cent of the old guideline value, as the initial survey been taken prior to the current financial year, and it will now become 13 per cent of the 'new guideline' value of the respective plots, meaning that the net hike will be around eight times the previously fixed compensation," he added.

Moreover, the reassessment exercise would take a fresh look into the status of 'standing crops' on the area based on which the compensation would be worked out for that component.

GAIL officials had once again clarified that only 'Right of Use' of land provision would be exercised during the laying of gas pipelines, which means that the ownership of land will remain with the farmer and farming activities will get disturbed only for the brief period when the pipeline laying works are under way.

Farmer attempts suicide

A farmer belonging to the ST community attempted suicide in the district courts complex on GT Road in Nellore on Wednesday afternoon following an alleged move by irrigation authorities to acquire his land for the widening an irrigation tank at VVR Peta, in Kaluvai mandal, in Nellore district.

Advocates found Venkata Ramanaiah crying in pain as he took some pesticide and immediately shifted him to DSR Government General Hospital, where his condition is reported to be serious.

The farmer had a note in his hand that cited the attempt to snatch away 35 acres of land belonging to 200 ST families as the main reason for his extreme step.

The farmer’s complaint was that the irrigation authorities were trying to take away their lands.

Crop destruction by animals: plan to double compensation

The government is considering a proposal to double the compensation for crops destroyed by animals, Forest Minister K.B. Ganesh Kumar has said.

Responding to calling attention motion by Sunny Joseph (Congress) in the Assembly on Wednesday, the Minister said the proposal was now before the Finance Department. Once cleared by the department, the compensation would become double. The Forest Department had also approached the Finance Department for clearance to confirm tribal forest watchers who had served for more than 10 years, he said.

Mr. Ganesh Kumar admitted that animal attacks on crops and people were on the rise in the State following massive increase in the number of animals in the Kerala forests. By latest estimates, there were more than 7,000 elephants in the forests. There were also widespread reports of attack by wild boars. The government order for capture and killing of wild boars had been kept in abeyance as it was difficult to implement. The officials concerned had been told to review it, he said.

The Minister said the government had decided to go in for electric fencing at an estimated outlay of Rs. 12.75 crore.

The Kerala Forest Development Corporation (KFDC) would lay the electric fences and maintain them for five years. A proposal for constructing walls around forest areas was also under consideration. Trenches would be dug around forest areas at an estimated outlay of Rs.80 crore.

The government had released Rs.4 crore to the Kannur District Collector for constructing pathways for elephants. The department had already acquired 29.5 hectares out of the 36.5 hectares required for the purpose, he said.

Forest watchers

Later, replying to a submission by E.S. Bijimol (CPI), the Minister said the government decision to confirm the services of tribal forest watchers would benefit around 700 watchers who had put in more than 10 years of service. There were even some who had put in as many as 25 years of service. The government would also consider increasing their honorarium, he said.

Cotton prices firm up

Cotton prices are moving up steadily as demand picks up in the domestic and export markets.

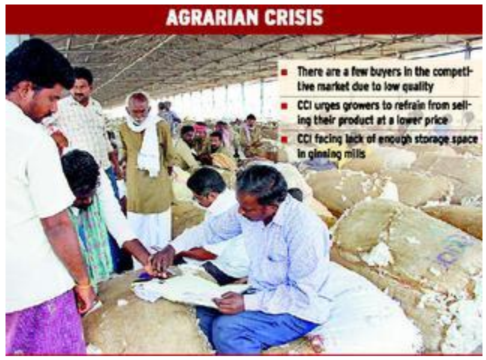
The price of Shankar-6 variety of cotton was at Rs. 34,000 a candy on Monday. It was about Rs. 400 less last week.

According to the Southern India Mills' Association, cotton prices are moving up because of steady export orders. Further, domestic textile mills in the country were also doing well, except those in Tamil Nadu and Andhra Pradesh which suffered from power shortage. Demand for coarse count yarn was high in China and many mills were exporting yarn to that country. Another reason for the strengthening of cotton prices was the expected shortfall in production this year.

K.N. Viswanathan, vice-president of Indian Cotton Federation, said cotton arrivals increased on Monday and Tuesday. This was expected to touch two lakh by the end of this month.

Cotton growers a worried lot

Agitations by farmers a common sight at all procurement centres



A sense of disquiet prevails among the cotton growers of the district. The untimely rain in the first week of November resulted in discolouring of the cotton. The low quality discoloured cotton has a few buyers in the competitive market. The Cotton Corporation of India is also going slow on purchases in view of low quality.

Agitations by cotton farmers have become common at all procurement centres in the region spanning Guntur, Khammam, and Warangal. On Wednesday, CCI officials had to face an angry group of farmers at the procurement centre in Sattenapalli.

The CCI is bracing for similar agitations in Guntur where procurement is expected to begin on Thursday. With signs of distress sale by farmers appearing imminent, the CCI has gone on air to instil confidence in farmers. The CCI has released advertisements in print media assuring the farmers that it would remain in market till the last stock was purchased and advised the farmers to refrain from selling at a lower price.

“The CCI is ready to procure 50 per cent of estimated stock of 5-6 lakh quintals in Andhra Pradesh. The farmers need not worry,” CCI General Manager S.K Panigrahi told *The Hindu* on Wednesday.

The CCI is also facing a problem of lack of enough storage space in the ginning mills. “We have already commenced operation in 120 ginning mills including 55 mills operated on Total Automated Machinery. But we still have problem of storage,” Mr. Panigrahi said.

Average price

The average price of a quintal of cotton is hovering about Rs.3,700 in the open market. With the quality expected to improve in the late arrivals, the price is expected to push up. With the monsoon playing truant, farmers in the district particularly in uplands have delayed the sowing till the end of August. Just when the crop is ready to be harvested, the floods unleashed in the first week of November dashing the hopes of the farmers.

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Nuziveedu Seeds bags award

Nuziveedu Seeds Ltd has been conferred with BioAgri company of the year Award 2012 at the 10th Annual Biospectrum-ABLE Awards. Ramesh Viswanathan, Chief Operating Officer, Nuziveedu Seeds, received the award in Bangalore. This is the fourth time Nuziveedu Seeds has won this award consecutively for the third time. The company offers more than 340 hybrid seeds and varieties of 30 field crops and vegetables through its sales and distribution network in 17 States across India.

ea volume hits 21-week high at Coonoor tea sale

The auctions of Coonoor Tea Trade Association for the current calendar will end with Sale No: 51 to be held on Thursday and Friday as the market will close for Christmas and New Year. The first sale for 2013 will be held on Jan 3.

A volume of 14.98 lakh kg has been catalogued for this calendar's last auction, reveals an analysis of brokers' listing.

This is the highest volume in 21 weeks. It is about 77,000 kg more than last week's offer and as much as 2.50 lakh kg more than the offer this time last year.

Of the 14.98 lakh kg on offer, 10.73 lakh kg belongs to the leaf grades and 4.25 lakh kg belongs to the dust grades.

As much as 13.96 lakh kg belongs to CTC variety and only 1.02 lakh kg, orthodox variety.

The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.59 lakh kg belongs to orthodox while 10.14 lakh kg, CTC.

Among the dusts, only 0.43 lakh kg belongs to orthodox while 3.82 lakh kg, CTC.

Fresh tea accounts for 14.04 lakh kg while about 94,000 kg comprises teas which had remained unsold in previous auctions.

Rubber turns weak on buyer resistance

Physical rubber prices surrendered gains on Wednesday. The market remained under pressure on buyer resistance following sharp declines in domestic futures.

Major consuming industries continued to stay back though growers preferred to hold their stocks since the international rates ruled much above the local digits.

“We expect the commodity to recover at least partially during the weekend sessions on covering purchases at lower levels as the inflow of the raw material is extremely poor” an observer said.

Sheet rubber weakened to Rs 161.00 (Rs 162.00) a kg according to traders. The grade dropped to Rs 162.00 (Rs 162.50) both at Kottayam and Kochi as quoted by the Rubber Board.

The January series declined to Rs 162.00 (Rs 165.64); February Rs 164.40 (Rs 167.95); March Rs 166.77 (Rs 170.48) and June Rs 176.10 (Rs 180.42) for RSS 4 while the April and May series remained inactive on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) improved to Rs 173.82 (Rs 172.17) at Bangkok.

The December futures slipped to ¥270.0 (Rs 174.36) from ¥271.1 during the day session but then remained inactive in the night session on Tokyo Commodity Exchange (TOCOM).

The spot rubber rates Rs/kg were: RSS-4: 161.00 (162.00); RSS-5: 155.00 (156.00); Ungraded: 149.00 (151.50); ISNR 20: 150.00 (152.00) and Latex 60%: 105.00 (106.00).

Cloves lose flavour on demand, supply mismatch

Cloves prices in the international and domestic markets are, of late, heading south on increased availability.

Prices in Madagascar, one of the major producers of the commodity, have reportedly turned easy due to devaluation of its currency. Hence, Madagascar was currently offering at $8,000 a tonne, market sources told *Business Line*.

Thus, the cloves market witnesses a consistent decline in prices. Colombo cloves are currently trading at $7,500 a tonne with the import cost touching at Rs 400 a kg". Those holding stocks of the old crop were selling at the current import prices as the colour of the material has faded, they said. "In fact, the future is going to be very bad," they said.

The new Indonesian crop will come in March and it is said to be a big one, Brazil cloves crop is also likely to start soon.

In January, Colombo's new crop is expected to arrive in full swing. All these factors point towards a further weak market, they claimed.

Currently, in the domestic market, cloves from Colombo is being offered at Rs 480-500 a kg, Madagascar at Rs 610-620, they said. But, there are no buyers. Cigar industry buyers also are staying away.

However, the tug of war between both bull and bear operators in the market has drawn different pictures of the markets.

A section of trade has made projections for the new crop as Madagascar -15,000 tonnes; Brazil – 6,000 tonnes, Zanzibar 3,000 tonnes, Colombo 6,000 tonnes.

According to these projections, there is a likely mismatch in demand and supply with the latter outstripping the former.

Another section of the trade maintained that Indonesian crop is at 60,000 tonnes and received 55,000 tonnes with no more arrivals, totally harvested and sold out next crop in June 2013. Comoros 1,500 tonnes harvested in June 2012 and 90 per cent sold out; Zanzibar 2,500 tonnes but harvesting delayed to October-November instead of Aug 2012 with crop presumption to be lower to 1,500-2,000 tonnes, government not offering due to fear of low crop and farmers expecting higher price due to high demand.

Madagaskar expected 8,000-10,000 tonnes and harvesting to be sometime in November-December while Brazil expected 1,800-2,000 tonnes with harvesting in Jan.-Feb 2013. Sri Lanka expecting 3,000 tonnes and harvesting is in December-January 2012-13.

The group has put the total world production at 74,000 tonnes against a world consumption demand of 1,28,000 tonnes, they said.

Anyway, the market will behave according to the fundamentals, trade sources said.

When the prices were ruling above $15,000 a tonne, many Indian dealers who were holding stocks imported at lower rates and shipped out them at higher prices. Then the depleted inventory was replenished with material bought later at comparatively higher prices.

“Last year from January markets climbed up from $4,000 a tonne to $21,000 following failure of the June 2011 crop in Indonesia.

But, the December 2011 crop turned out to be good and that, in turn, started pulling down the prices, they added.

Indian production of cloves continued to remain at around 1,500 tonnes as against a national demand of over 15,000 tonnes.

India imported 12,175 tonnes of cloves valued at Rs 440.82 crore in the fiscal, 2011-12 as against 7,000 tonnes valued at Rs 153.37 crore in 2010-11, according to official sources.

‘Indigenous Bt cotton can no more be used for cultivation’

An indigenous Bt cotton variety Bt Bikaneri Narma developed through a collaborative effort can no more be used for cultivation.

A probe conducted by a five-member team, headed by Jawaharlal Nehru University Vice-Chancellor S.K. Sopory has termed the development of the strain ‘invalid’.

The indigenous cotton variety was jointly developed by the National Research Centre on Plant Biotechnology, New Delhi; the Central Institute for Cotton Research, Nagpur and the University of Agricultural Sciences, Dharwad.

Its commercial cultivation began in 2009 on 8,400 hectares. However, farmers and government seed agencies companies complained that its performance and yield did not match expectations. Following this, the Indian Council for Agricultural Research stopped seed multiplication and commercialisation before ordering a probe.

All data obtained from bio-safety studies and field trials of the indigenous Bt cotton, termed BNBt, appear to have been conducted with material that contained an impure genetic material.

The problem was that the genetic material obtained from a Canadian research scientist I. Altosaar of Ottawa got contaminated with genetic materials, particularly that of MON531.

Therefore, new trials would have to conducted and regulatory process should be gone through afresh if ICAR need to commericialise the indigenous cotton, the probe panel said.

According to official sources, the genetic material could no longer be used after the panel’s finding. The National Research Centre on Plant Biotechnology has no control over the gene and it would be unethical to continue using it.

Stating that the project was poor planned and implemented with inappropriate distribution of work elements, the report by the panel said the Dharwad varsity, where the trials were conducted, lacked technical expertise.

The panel said that the presence of MON 531 was extensive and complete character of the desi variety was yet to be obtained fully.

Data available only showed reorganisation of the DNA of the foreign gene material and, therefore, more events with the new variety would have to be obtained.

There seemed to be an extreme hurry to come up with a public sector Bt cotton and commercial seed production procedures were not followed, the Sopory Committee charged, adding that two members of the Genetic Engineering Appraisal Committee were part of the team that developed the indigenous variety, which was inappropriate.

Also, the Canadian scientist's role in providing the gene through an agreement was not acknowledged.

The panel also found fault with various approaches of the team as well as ICAR.

A scientist, who did not want to be identified, said that though the team was not headed by a scientist came out with a fair and good report. It has represented factually what had transpired in the whole episode and has called for setting up a better system for such research projects.

Pepper futuresremain steady

The pepper market continued to rule firm amid limited supply today. Two active contracts closed above the previous day's closing while the third delivery remained unchanged.

It appears that buying and selling is done in both positions by the cartel in different names, market sources told *Business Line*. The February prices are apparently being pushed up by the cartel. The net open position has dropped drastically in recent days.

Arrivals were not picking up even at a time when there is good domestic demand. They attributed the slow arrival to cloudy weather conditions prevailing in the growing areas. The supply tightness is likely to continue for another two to three weeks, they said.

On the spot, eight tonnes of new pepper arrived and of this, six tonnes were traded.

Price gain in February is mostly in the form of short covering. Unfavourable weather conditions in Kerala coupled with farmers' resistance to sell at lower levels has created supply tightness in the near term, traders said.

The new crop started trickling in and it is expected to pick up in the coming days. The output is projected to be more than what it was last season.

December contract on the NCDEX moved up by Rs 65 a quintal to close at Rs 39,315 a quintal while February increased by Rs 100 to close at Rs 35,770 a quintal. March delivery remained unchanged at Rs 35,280 a quintal.

Turnover

Total turnover increased by 307 tonnes to 2,744 tonnes. Total open interest dropped by 162 tonnes to close at 3,349 tonnes.

December open interest decreased by 317 tonnes to close at 436 tonnes while February and March increased by 109 tonnes and 42 tonnes respectively to close at 2,258 tonnes and 548 tonnes.

Spot prices continued to remain steady at previous levels of Rs37,200 (ungarbled) and Rs38,700 (MG 1) a quintal on limited activities.

Indian parity in the international market was at about $7,500 a tonne (c&f) Europe and abut $7,800 a tonne (c&f) for the US and remained outpriced.

Overseas trend

Last week some exporters in Brazil reportedly offered pepper at the cheapest price of the year at nearly $6,000- 6,050 a tonne for December shipment and some deals were booked.

After that the sellers interest vanished and most of the exporters were closing already for the season holidays. Few exporters who were still in the market were trying prices at the level of $6,200 - $6,300 for January shipment.

Overall market is very dull and "expectations are postponed for next year", more precisely second half of January, a report said.

Castor increased on heavy export buying

Castor price was continued to gain on export demand on Wednesday. Moreover arrivals slightly declined in Gujarat. Farmers are not selling their stocks on expectation of higher return as castor sowing has decreased in India.

On Rajkot Commodity Exchange, castor March contract was increased Rs 68 to Rs 4,122 per quintal, spot castor price was gained Rs 7.50 to Rs 3,697.50 per quintal.

At National Commodity and Derivatives Exchange, castor January contract was increased Rs 60 to Rs 3,908 per quintal, with an open interest of 116,540 lots. NCDEX February contract was increased Rs 58 to Rs 3,997 per quintal with an open interest of 38,540 lots.

About 12,000-13,000 bags castor arrived in Gujarat and price was Rs 730-737 per 20 kg. About 2,900-3,000 bags castor arrived in Saurashtra and price was Rs 710-740 per 20 kg.

Till October in 2012-13, India had exported 2.79 lakh tonne of castor oil, more than 2.63 lakh tonne during the same period last year. The trade body now estimates castor seed acreage at 11.81 lakh ha, down by 11.6%, while 2012-13 castor seed output is pegged at 10.7 lakh tonne, down almost 33.9%.

According to market expert, not much downside is likely in prices as farmers will not sell at such low levels given the lower output in the coming season. But the carryover stock from last season may cap sharp gains, keeping prices in a narrow range. Keep a close watch on weather in the next month as it may impact the yield.

Poultry feed set to rise on dearer soyameal

With the prices of soyameal and other key ingredients rising, poultry-feed products may become dearer.

Commodity expert Aditya Mishra said that feed prices were likely to increase by next week.

Soyameal improved by Rs 180 at Rs 3,010 a quintal. Trade experts see it rising further. Bajra increased by Rs 55 and sold at Rs 1,400 a quintal, while maize quoted at Rs 1,580, Rs 10 up. Di-calcium phosphate increased by 50 paisa at Rs 36.50 a kg, while meat and bone meal was unchanged at Rs 32 a kg.

Feed Prices

Poultry-feed prices were unchanged this week, despite costlier key ingredients, said Mishra.

A 50-kg bag of broiler-concentrates feed quoted at Rs 1,860, while broiler starter mash was at Rs 1,460.

A 30-kg bag of broiler pre-starter concentrate 30 per cent sold at Rs 1,600, while a 50-kg layer concentrate bag quoted at Rs 1,425.

Pre-lay mash quoted at Rs 1,030 while broiler finisher sold at Rs 1,440 for a 50-kg bag each.

Higher demand lifted broiler and chick prices. Broiler improved by Rs 14 at Rs 65 a kg, while chick prices increased by Rs 2 at Rs 10-12.

Egg was unchanged at Rs 3.15 a piece on Wednesday.

Weak futures pull down spot sugar

Weak December contracts on the National Commodity and Derivatives Exchange (NCDEX) pulled down sugar on the Vashi wholesale market terminal on Wednesday.

The contracts lost Rs 22 a quintal till noon as investors liquidated long positions. Spot prices dropped by Rs 5-15 a quintal.

Naka rates fell by Rs 10-20 after mill tender rates weakened on poor demand. Poor local demand and limited buying has weakened the market sentiment even as transport charges have risen by Rs 5-10 a bag, said a wholesaler.

Buying by retailers kept volumes steady even as mills continued to offload stocks in absence of bulk demand from neighbouring States.

Mills are struggling to find buyers at the current price. Stockists are maintaining need-based inventory. Demand from soft-drink- and ice-cream-makers is usually low in winter.

Mills hold the prices due to higher production cost but subdued demand from retail and bulk consumers force them to sell at prevailing prices. On the NCDEX, January was down to Rs 3,272 (Rs 3,277), February to Rs 3,323 (Rs 3,327) and March to Rs 3,360 (Rs 3,361) till noon.

In Vashi, 63-64 truckloads (each of 100 bags) arrived, while 62-63 truckloads were despatched.

On Tuesday evening, 14-15 mills sold 58,000-60,000 bags (each of a quintal) to local traders at Rs 3,170-3,250 (Rs 3,180-3,260) for S-grade and at Rs 3,260-3,340 (Rs 3,260-3,340) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,316-3,391 (Rs 3,322-3,411) and M-grade Rs 3,412-3,561 (Rs 3,402-3,561).

Naka **delivery rates:** S-grade Rs 3,280-3,315 (Rs 3,280-3,315) and M-grade Rs 3,350-3,480 (Rs 3,350-3,500).

N. India orders, futures drive turmeric above Rs 6,000/quintal

Higher demand from other States and strong futures lifted spot turmeric — up Rs 200 at Rs 6,011 a quintal on Wednesday — above Rs 6,000 for the first time after three months.

"Turmeric is selling at Rs 6,740 a quintal in the futures market.," said Erode Turmeric Merchants Association President R.K.V. Ravishankar.

The spice had last croseed Rs 6,000 a quintal on Spetember 13 when it fetched Rs 6,319, he said.

Prices are likely to remain high for some time, he added. Arrival of quality produce pushed up the hybrid variety by Rs 1,070 a quintal to Rs 7,509.

All the 200 bags that arrived were sold.

Msp hopes

Exporters are getting regular orders from North India and stockists have started buying huge stocks.

Farmers are hoping the Union Government will agree to their demand of a minimum support price at Rs 8,500 a quintal. Traders said that over 4,000 bags arrived, of which 70 per cent was sold.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 4,229-6,011 a quintal, the root variety at Rs 3,889-5,479.

Salem hybrid crop

The finger variety was sold at Rs 5,014-7,409, the root variety at Rs 4,899-5,799.

At the Regulated Market Committee, the finger variety was sold at Rs 4,809-6,295, the root variety at Rs 4,669-5,573.

At the Erode Cooperative Marketing Committee, the finger variety was sold at Rs 4,699-6,089, the root variety at Rs 4,590-5,699.

All the 364 bags kept for sale were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,309 -5,866, the root variety at Rs 3,579-5,599.

All the 101 bags kept for sale were sold.