

## Withered crops and hopes



Farmers exhibiting withered crops at a grievance day meeting in Cuddalore on Friday. Photo: C. Venkatachalapathy

Farmers of the tail-end delta region in Cuddalore district are the worst hit by the failure of monsoon and water scarcity. As the paddy and other crops are withering, they are facing the imminent threat of hefty loss.

At a grievance day meeting here on Friday by Collector R.Kirlosh Kumar, some farmers exhibited withered maize and cotton crops and related their tales of woes.

According to P. Ravindhiran of the Pasimuthan Odai Paasana Vivasayigal Sangam, the prospects of maize on 27,000 acres, cotton on 11,000 acre, sugarcane on 900 acres and cereals on 1,800 acres in the district were in jeopardy. Mr Ravindhiran opined that 60 per cent of the crops could be saved by enhancing the quantum of water release from the Lower Anicut. He said it was customary that Cuddalore district was entitled to get 10 per cent of water realisation at the Lower Anicut. As of now, the Lower Anicut was getting 8,500 cusecs of water from the Stanley Reservoir at Mettur.

As per the norms, Cuddalore district should have got 850 cusecs of water, but till December 15, it had received only 500 cusecs. The shortfall in water release had aggravated problems of the farmers.

Therefore, it was the fervent plea of the aggrieved farmers that to retrieve the situation the discharge water release from the Lower Anicut ought to be increased to 2,000 cusecs for the next one week.

Mr. Ravindhiran pointed out that Cuddalore district was facing periodical droughts and during such traumatic period, it used to incur crop losses amounting to Rs. 60 crore a year. This year also the situation was grim, he said.

### **Crops fail, clamour for 'drought-hit' tag gains**

Poor rainfall and severe power shortage hit paddy, maize, cotton, sugarcane



On the edge: Women demanding restoration of land at the farmers' grievances day meeting in Ariyalur on Friday.— PHOTO:R.M. RAJARATHINAM.

Farmers of Ariyalur have demanded that the district be declared "drought-hit" as most of the important crops such as maize and cotton have failed totally. At the agriculturists' grievances' meeting here on Friday, chaired by District Collector P.Senthilkumar, Joint Director of Agriculture (in charge) J.Sekar admitted that the district had suffered a substantial shortfall in rainfall. As against the normal annual rainfall of 954 mm, the district had so far recorded only about 678 mm. Northeast monsoon's bounty this year had been 292 mm less than that of last year. Last year the total annual rainfall was 962 mm, he pointed out.

This had led to a situation wherein paddy could be raised only on 14,700 hectares as against the normal area of 25,000 hectares. Last year, it touched 27,400 hectares thanks to copious

rains. So is the case with many other crops (with normal area in brackets): millets 16,930 hectares (normal area 19,400 hectares), pulses 2,700 hectares (4,100 hectares), cotton 8,100 hectares (9,200 hectares), sugarcane 8,015 hectares (8,900 hectares), and oil seeds 6,460 hectares (17,620 hectares).

A number of farmer leaders including P.Viswanathan, State president, Eri Matrum Aatrupasana Vivasayigal Sangham, N.Sengamuthu, district president, Sugarcane Growers' Association, Anbhazhagan, Tamil Nadu Vivasayigal Sangham, Jayachandran, cashew farmer, and Ambedkar, farmer, lamented that while the situation had become distressing due to poor rainfall, extremely poor supply of power had rendered it more difficult even to save the standing paddy crop. As against the promise of six-hour of three-phase power supply both during day and night, "all that we are able to get is only three-hour supply at the most," they alleged.

According to them, there is discrimination between the urban areas such as Ariyalur and other rural areas. "While we in the rural areas should get better power supply to tend our crops, it is unfortunate that Ariyalur town gets better supply," they added.

Though Thirumanur and T.Palur panchayat unions are considered a part of delta, the concessions and incentives and compensation announced for the delta region are not available for these two blocks, they lamented. They urged the district collector to take it up with the State government immediately and remedy the situation.

They also demanded that the State government grant the farmers compensation of at least Rs.20,000 per acre as most of them have lost their livelihood and many of those who have gone in for cultivation have burnt their fingers. They estimated that 75 per cent of the maize and more than 85 per cent of cotton had already withered.

There was also a demand for Rs.3, 000 as the procurement price for a tonne of sugarcane. They urged the private sugar mill here to give "continuous cutting order" so that the farmers need not spend too much on cutting and loading charges. "The mill management should understand that we have got to shell out as much as Rs.600 for cutting a tonne of sugarcane and Rs.300 as transport charges for a tonne," they submitted.

**Groundwater resources polluted, say farmers**

Farmers from different parts of Vellore district participating in the monthly agriculturists' grievances day meeting at the Collectorate here on Friday complained of unabated pollution of the groundwater resources of the Palar river and other waterbodies owing to the discharge of tannery effluents.

Jamuna Thyagarajan, president of the Palar Future Group, said that Palar is being continuously polluted by tannery effluents for the last four decades. The Water Act and the Environment Protection Act have been seriously violated despite the 1996 Supreme Court verdict in the Tamil Nadu Tannery Pollution Case. In more than a month, discharge of tannery effluents into the Palar is going on unabated, thus contaminating groundwater. "It would not be a problem for the district administration to find suitable solution to the problem, considering the fact that Chief Minister Jayalalithaa is interested in providing a good governance in the State," she said.

Ms. Thyagarajan appealed to Health Minister V.S. Vijay to devote special attention to the health needs of the people living in the tannery pollution-affected areas. She urged him to initiate action to conduct a comprehensive health check-up for the people living in those areas. She urged Collector P. Sankar to persuade the tanneries to take earnest steps to reverse the damaged ecology in the pollution-affected areas by way of discharging their corporate social responsibility.

"The Collector must constitute a committee comprising environmentalists to find solution to environmental issues affecting the district," she said.

A.C. Venkatesan, member of the Udayendram Town Panchayat, pleaded for the immediate commencement of work on the linking of Thenpennai and Palar rivers in view of the recent announcement by the Central Ground Water Board that the drilling of new borewells or deepening existing wells and the digging of new open wells and deepening of existing wells for the purpose of drawing water using electric motors in the Gudiyatham, Jolarpet, Pernambut and Tirupattur blocks have been banned.

K. Loganathan of Pernambut said that pipes conveying tannery effluents to the common effluent treatment plant (CETP) in Pernambut have broken at several places, as a result of which raw effluents were getting directly discharged into the Malattar river, polluting groundwater as well as the nearby irrigation tanks. He wanted the polluted irrigation tanks to be either cleaned or

closed. Groundwater in the Palar river from Ambur to Vaniyambadi has been polluted by the continued discharge of effluents, he said, and pleaded for action against the polluters.

The Collector, who presided over the meeting, directed the District Environmental Engineer of the Tamil Nadu Pollution Control Board to make surprise inspections of the polluted waterbodies and take action against erring tanneries.

Murugesan of Pallikonda said the National Highways Authority of India did not keep its promise of constructing alternative supply channels in lieu of the PWD supply channels which were closed in the process of widening of Chennai-Bangalore National Highway into a four-lane highway about eight years ago. Under these circumstances, the L & T, which is currently undertaking the widening of the highway into a six-lane NH, has closed many channels, resulting in the flooding of agricultural fields during the recently floods. He wanted the Collector to take steps to urge the NHAI dig to construct supply channels to replace the closed ones.

The Collector directed the PWD to talk to the contractors and ensure that they first dig alternative supply channels before closing existing channels in the process of widening the highway. Otherwise, they are bound to neglect their duty of constructing alternative supply channels if allowed to close the existing channels first, ultimately affecting the farmers, he said.

### **Farmers seek compensation for crop failure due to monsoon**



A group of farmers from Sankarankovil submitted petition to Collector C. Samayamurthy on Friday seeking compensation for crop failure. They said that they had raised maize, black gram, green gram etc. after the district experienced widespread rain during October. Though this rain was beneficial for the germination of seeds, the dry spell since November had resulted in the wilting of the young plants.

“Since the farmers, who had borrowed money from various financial institutions and local moneylenders have suffered huge loss this year, the district administration should recommend compensation to the farmers,” said R. Durai Selvan, one of the farmers, who submitted the petition to the Collector.

To support their appeal, the farmers had also attached photographs showing the wilted crops along with the petition.

### **Now, farmers face threat from wild animals**

Deer, wild boar and elephant herds cause damage to standing crops



**TAKING STOCK:**Tirunelveli Collector C. Samayamurthy addressing farmers at the grievance day meeting held on Friday.— Photo: A. Shaikmohideen

At a time when farmers in the district are fearing a fourth successive crop failure during ‘pisanam’ paddy season, the invasion of wild animals in cultivated land situated close to the Western Ghats has forced the already harried agriculturists to send an SOS to the district administration and the forest department officials.

Though farmers possessing land adjoining reserve forest areas of the Western Ghats have to bear with wild animal invading throughout the year, the problem this time has increased manifold with deer, wild boar and elephant herds causing damage to the standing crops, mainly paddy and plantain.

### **Plantain groves hit**

Raising the issue at the farmers’ grievance day meet held here on Friday, P. Perumbadaiyar of Communist Party of India said the farmers across the district, especially who had cultivated

plantain in their farms between Cheranmahadevi and Thirukkurunkudi, the 'Banana Basket' of the district, had suffered huge loss owing to the wild animals.

Those who had sustained huge loss should be adequately compensated, he said.

"While nature has let the farmers down for the fourth successive year, they have raised the crop with a lot of difficulty with the hope of having sizable revenue during the forthcoming Pongal season.

However, the wild animals have dashed their hopes. Hence, the district administration should bail the farmers out," Mr. Perumpadaiyar appealed.

Collector C. Samayamurthy, who was chairing the meeting, assured that the problem would be looked into.

### **More meetings**

"Besides conducting the grievance day meeting once a month at the Collectorate, revenue division-wise meetings will also be conducted so as to find effective and early solution to the farmers' problems. Moreover, farmers can submit their petitions during the grievance redressal meetings being organized in the nearby villages," Mr. Samayamurthy said.

### **Compensation**

Kasamuthu of the CPI said farmers, who had suffered crop loss during the current 'pisanam' season, should be given a compensation of Rs. 10,000 an acre.

When a section of the farmers urged the Collector to ensure maximum retail price for the fertilisers being sold through the stockists, Joint Director of Agriculture K. Soundararajan assured the farmers that punitive measures would be taken against the traders who sold fertilisers at a price over and above the MRP printed on the bags.

### **Cotton ryots victims of exploitation: Kodela**

Senior TDP leader Kodela Sivaprasada Rao said cotton farmers were being exploited by a syndicate comprising middlemen and corrupt officers who were acting in collusion with some people in the ruling party.

The government had backtracked from its own recommendation that cotton should be purchased at Rs. 5,500 per quintal.

Instead, the Minimum Support Price has been fixed at Rs. 3,900 but the prevailing price is just about Rs. 3,000.

At the procurement centres of Cotton Corporation of India (CCI), moisture content is shown as the excuse for rejecting the commodity brought for sale and the waiting middlemen strike a deal for Rs. 3,000 by making the farmers believe that their produce would not fetch higher returns.

The purchases are shown on record as made by the CCI for Rs. 3,900. The price difference (Rs. 900) is shared by members of the syndicate.

In this way, farmers are set to lose up to Rs. 50 crore at the rate of Rs. 1,000 per quintal.

Addressing a press conference at the district party office here on Friday, Mr. Sivaprasada Rao said 90 per cent of the farmers were forced to sell their produce at prices far below the MSP in the absence of effective market intervention by the government. Five ministers from the district including Union Minister of State for Petroleum and Natural Gas Panabaka Lakshmi remained mute spectators to the plight of cotton farmers.

Agriculture sector has in general been destroyed by the government. Costs have gone up by 300 per cent compared to a mealy rise in income of 10 per cent.

The kharif that passed by was rare in the sense that both drought and torrential rains hit the farmers hard in the same season.

The government has so far not come up with rabi action plan that would help farmers in mitigating the crisis.



Srisailem and Nagarjuna Sagar (NSP) dams were brimming with water levels touching 867 feet and 523 feet respectively but not a single drop is reaching the fields in Krishna Western Delta (KWD).

The TDP is ready to show evidence of the government's claims to releasing water for irrigated dry crops falling short of rhetoric.

### **Assessment of drought-hit paddy fields from January 1**



Assessment of drought-affected areas and losses to paddy crops, following failure of northeast monsoon, would begin on January 1, said Collector K. Nanathakumar, while responding to farmers' demand for compensation at the farmers' grievance day here on Friday.

When a farmer displayed a bunch of withered crop brought from his field, the Collector said he was aware of the situation and assured to do the needful after an assessment of affected areas. About one lakh farmers had insured their crops this season, the maximum in the district after 2008, the Collector said and ruled out extension of date for payment of premium for non-loanee farmers beyond December 15. They could pay the premium till December 31, he said.

He announced that for non loanee farmers engaged in chilli cultivation, the last date for paying premium would be January 15 and for loanee farmers, March 31. For small and marginal farmers, the premium would be Rs. 571 per hectare (non loanee) and Rs. 635 per hectare (for loanee). For big farmers, the premium would be Rs. 635 per hectare (for both loanee and non-loanees).

Referring to the delay in payment of compensation for insured crops last year, he said that it was due to non disbursement of funds by the National Agriculture Insurance Company in time.

When this problem was brought to the notice of the Chief Minister in the recent Collectors' conference in Chennai, the Chief Minister agreed to consider a suggestion to establish a State corpus fund for the purpose of providing compensation to farmers. The Centre's fund could be diverted to the corpus once it was released to avoid the delay, he said.

On disbursement of farm loans by commercial banks, he said that after provisionally sanctioning loans to 20,000 farmers, the bank staff, in coordination with officials, had inspected the fields of 11,500 farmers and found only 6,000 eligible for loan.

The banks would complete inspection in the remaining areas by the month-end during which time farmers who were sanctioned loans could insure their crops.

Earlier, Pamaiyan, a Madurai-based farmer, practicing organic farming successfully, spoke on his experience in cultivating vegetables without using pesticides and fertilizers and offered to train farmers in the district. The Collector said that the Horticulture Department would organise a training programme for interested farmers in Pogalur and Nainarkoil areas.

### **Banana-rich, but yet to reap profits**



Despite being one of the largest producers of bananas in the world, India loses out in the global export market.

“The demand for fruits and vegetables in the country and abroad is growing at a phenomenal rate. But here, the post-harvest handling of produce is poor,” said Salil Singhal, co-chairman of the National Agriculture Council.

In Europe and the United States, 85 per cent of all fruits and vegetables produced go through a controlled handling process — a chain that ensures proper packaging, transportation and storage to deliver the fruit from the farmer to the consumer.

In India though, only 2 per cent of the produce undergoes controlled handling. “The cold chain has to be an integral part of the supply chain to ensure good quality, and it is essential for us to set up state-of-the-art cold chain infrastructure in the country,” Mr. Singhal said.

He was speaking at the Tamil Nadu Banana Festival 2012, which began on Friday. Organised by the Confederation of Indian Industry (CII) in association with the Tamil Nadu government, the objective of the two-day festival was to explore ways to make Tamil Nadu a global leader in banana cultivation and supply chain.

R. Dinesh, chairman, CII Tamil Nadu State Council, said around 25 per cent of India’s banana production was concentrated in Tamil Nadu, but around 30 per cent of the produce went to waste due to a lacuna in infrastructure.

This included a lack of quality consciousness among farmers, inadequate facilities for cold storage and transportation and no well-developed marketing strategies.

The cold chain industry, Mr. Singhal said, was expected to grow at a rate of 28.7 per cent over the next five years, and would be worth about \$ 11.6 billion. “We need private players to come into this industry in order to make it grow,” he said.

Santhosh Babu, commissioner of horticulture and plantation crops, said, the State government would invest Rs. 40,000 crore over the next 10 years, in horticulture and agriculture.

“We also have several innovative projects coming up. For instance, an Indo-Israel project for vegetables is in the works,” he said. A feasibility report for setting up an integrated cold chain for bananas in TN was also released on the occasion.

B. Thiagarajan, convenor, agriculture and food processing panel, CII (TN), and Purushothaman Ravichandran, chairman of the festival, also participated in the programme.

**1.70 lakh enrol under insurance scheme**

A total of 1.70 lakh non-loanee farmers have enrolled their names under crop insurance scheme in the district. While loanee farmers are normally covered under the crop insurance scheme, non-loanee farmers are included this time in the scheme under the samba package announced by the government.

As per the scheme, the entire premium of Rs.176 an acre will be paid by the State government and farmer will get Rs.8,962 an acre as compensation in case of loss. Besides, the government has announced Rs.5,000 an acre as relief from the Chief Minister's relief fund. In total, a farmer will get Rs.13,962 an acre.

The government's announcement and steps taken by Collector K.Baskaran to enrol farmers has brought almost all the farmers under crop insurance cover in the district. With a view to help the farmers, chitta, adangal documents were supplied to them by Primary Agriculture Cooperative Credit Societies in the district. Farmers have to enrol themselves by signing the application forms. Village Administrative officers were asked to provide computer chittas and hand-written chittas to PACCS. The drive started on December 9 and concluded on December 15.

Spraying of chemical solutions using mobile sprinklers, boom sprayers and rain guns have been taken up in the entire district .

### **ICAR to set up planters' home at Madikeri**

While agreeing with popular belief that agriculture "is risky business", Director-General of the Indian Council of Agricultural Research (ICAR) S. Ayyappan said on Thursday that, however, farmers in places such as Kodagu had shown how farming could be profitable.

He was inaugurating the golden jubilee of the Cardamom Research Centre (CRC) at Kodagu, an Indian Institute of Spices Research (IISR) release here said.

The cardamom centre at Kodagu comes under the purview of the IISR. Dr. Ayyappan said the ICAR would also set up a planters' home at Madikeri to offer training to farmers in the region.

### **Diversification**

“Agriculture being probably one of the riskiest businesses, for it to be profitable, we have to give importance to diversification of crops and specialty agriculture,” Dr. Ayyappan, who is also the Secretary in the Department of Agricultural Research & Education (DARE), said.

He was all praise for planters for their success in spices cultivation. He said that spice plantations at Kodagu were model farms for farmers from the other States. “They have proved that farming is a profitable venture. The productivity of black pepper in these plantations is far above that of Vietnam,” he said.

He said the decision to upgrade the CRC and set up the planters’ home were New Year gifts for farmers at Kodagu.

N.K. Krishnakumar, Deputy Director-General of Horticulture, who presided, wanted the IISR and the CRC to identify pockets where cultivation of cardamom and black pepper and other profitable spices could be grown on a large scale.

M. Anandaraj, IISR Director, Amrik Singh Sidhu, Director of the Indian Institute of Horticultural Research, Bangalore; George V. Thomas, Director of the Central Plantation Crops Research Institute, Kasaragod, spoke.

Publications such as *Capsule*, a souvenir of the golden jubilee celebrations, *Sadaram*, a comprehensive publication on 50 years in cardamom research, and special issues of *Spice India* and *Indian Journal of Arecanut, Spices and Medicinal Plants* published to commemorate the golden jubilee were also released at the function.

Progressive farmers from Kodagu such as S.B. Jayaraj of Murugarajendra Estate, Madapur; B.M. Mahesh Kumar of Hosathota Estate, Sakleshpur; John Thomas Ramapuram of Doona Ann Plantations, Siddapura; C.P. Pramod of Cauvery Estate, Madikeri; Duleep Nanjappa of Pakka Estate, Madikeri, and Prema Ganesh of Prema Estate, Madikeri, were honoured by Karnataka Speaker K.G. Boppiah at the programme.

**Farmers demand dropping of proposal to pump water from Penna river**

Ryots of the villages surrounding the proposed 50 MW solar power plant staged a protest under the aegis of an all-party delegation over the issue, demanding that the proposal to pump water from the Penna river bed be dropped.

Close to 250 farmers from 9 villages staged a well-organised dharna at one of the two constructed pumping sites on the river Penna close to Chitturu village of Peddavaduguru mandal of Anantapur district, and held a meeting with leaders of all the political parties, but primarily representing the Congress party, YSR Congress and the CPM.

Speaking at the meeting alongside the dharna, the CPM district secretary Obula Konda Reddy demanded that the owners of the proposed solar thermal power plant being set up near Nagalapuram village of the Peddavaduguru mandal immediately withdraw plans to pump water from the river bed using water pumps with a capacity of 30 HP, for which they had permission from the ground water department.

### **Villagers warned**

Warning the people against being convinced by the owners of the plant through money etc and predicting that most borewells in a radius of around 2 kms close to the pumps that have been drilled would go dry, he said that once they start functioning, the only option left for the farmer would be to sell his land and leave in search of livelihood.

### **Borewells dry**

“Even L&T Company (now Ultratech cements), when they established the cement factory close to Tadipatri, drilled bore wells claiming that they would draw water from the Penna river bed only for drinking purposes of the employees but, today it is clear that because of their continued use, most bore wells in a vicinity of around 2 km have gone completely dry,” Obula Konda Reddy said and warned the company – Megha Engineering and Infrastructures Limited (MEIL) – against damaging the interests of the farmers.

On the other hand, the YSR Congress MLA from Anantapur asked the company to revert from its stated need of ground water, stopping all proposals to pump water from the Penna river bed and seek the State government to allot water from the Mid Pennar dam for all their water needs.

### **Co-exist with farmers**

The ADCC bank president and senior leader of the Congress party, Tarimela Kona Reddy, argued against the existence of the industry if it was to be at the cost of the farmers and urged the company to go back on its water pumping proposals, setting the stage for a symbiotic co-existence of the company with the farmers.

Farmers, speaking at the meeting, alleged that borewells in atleast nine villages would be adversely affected and demanded that the company roll back its proposals failing which they would not hesitate to take the law into their hands.

## weather

Chennai

### Chennai - INDIA

#### Today's Weather



Sunny

**Saturday, Dec 22**

**Max Min**

29.2° | 21.8°

**Rain:** 0

**Humidity:** 88

**Wind:** normal

**Sunrise:** 06:27

**Sunset:** 05:48

**Barometer:** 1013

#### Tomorrow's Forecast



Partly Cloudy

**Sunday, Dec 23**

**Max Min**

30° | 22°

#### Extended Forecast for a week

Monday Dec 24	Tuesday Dec 25	Wednesday Dec 26	Thursday Dec 27	Friday Dec 28
30°   21° Partly Cloudy	26°   24° Overcast	25°   24° Overcast	26°   23° Overcast	25°   23° Overcast

#### Airport Weather

Delhi

Delhi

**Rain:** 0

**Sunrise:** 07:10

**Humidity:** 76 **Sunset:** 05:29

**Wind:** normal **Barometer:** 1017





# THE HINDU Business Line

TODAY FARM NEWS

22.12.2012 A.M

## Spot rubber slides

Spot rubber finished weak on Saturday. Sheet rubber dropped to Rs.169.00 (169.50) a kg both at Kottayam and Kochi according to traders and the Rubber Board. The volumes were dull.

In futures, the January series slipped to Rs.158.81 (159.41), February to Rs. 161.20 (161.78) and March to Rs.164.00 (164.50) per kg while the April , May and June series remained inactive on National Multi Commodity Exchange (NMCE).

The spot rubber rates per kg follow:

RSS-4: 159.00 (159.50)

RSS-5: 153.00 (153.50)

Ungraded: 148.00 (149.00)

ISNR 20: 149.00 (149.00)

and

Latex 60%: 105.00 (105.00)

## Palm oil may consolidate before rising

Malaysian palm oil futures on BMD exchange ended sharply higher Friday posting their first weekly gain in five weeks on short-covering amid optimism for a zero export tax on crude palm oil in early 2013 to cut stocks. Export tax for January at zero percent, could see Malaysia grab more market share from top producer Indonesia with expectations that even February taxes could remain at zero. A small surprise increase in Malaysia's palm exports for the first 20 days of the month also injected cheer in the market, with cargo surveyor Societe Generale de

Surveillance reporting a slight increase of 0.5 percent in shipments for the period from a month ago. Seasonally slowing production towards the year end could also give additional support to Malaysia's palm oil prices in the coming months.

## CHART

CPO active March month futures are moving as per expectations. As mentioned in the earlier update, prices could ease towards supports at 2215 MYR/ton in the near-term and then grind higher from there. As we have been maintaining, the big picture price structures are still favourable for a push higher towards 2600 MYR/ton. Immediate resistance for March futures is at 2450-55 MYR/ton levels followed by 2625 MYR/ton. Ideally, prices could find support in 2350-65 MYR/ton zone and gradually start rising higher again. Failure to hold support here could dash our bullish hopes and such a fall could take prices to crucial support at 2300 MYR/ton or even lower, which we do not favour.

The extended correction to 2,200 MYR/ton levels materialised in the form of an extended wave "C". It looks like a possible wave "C" could have ended at 2220 MYR/ton now. Once above 2625 MYR/ton, potential exists for the impulse rally to extend to 2755-2800 MYR/ton range. Only an unexpected decline below 2,200 MYR/ton could force us to abandon our bullish view. RSI is in the neutral zone indicating that it is neither overbought nor oversold. The averages in MACD are still below the zero line of the indicator hinting at bearishness to be intact.

Therefore, look for palm oil futures to consolidate and then rise higher.

Supports are at MYR, 2385, 2325 & 2265 Resistances are at MYR 2460, 2525 & 2620.

(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](mailto:gnanasekar_thiagarajan@yahoo.com).

## **Downward trend prevails in foodgrains market**

Prices of moong dal, sugar, maida and sooji declined while urad dal moved up in the wholesale foodgrains market for the week under review.

Opening the week at Rs 5,100, urad dal maintained the same rate till Tuesday and rose by Rs 100 per quintal from Wednesday onwards and maintained it till today.

In contrast, moong dal and sugar moved down by Rs 100 per quintal to Rs 7,300 and Rs 3,300 from their previous closing rate of Rs 7,400 and Rs 3,400 respectively.

In addition, maida and sooji (both 90 kg) opened the week at Rs 2,200 and Rs 2,300 with the loss of Rs 100 from last week's closing rate of Rs 2,300 and Rs 2,400 and remained the same rates today.

Thoor dal, gram dal and wheat ruled steady throughout the week.

### **Finding solutions to farmers' woes**



To acknowledge the services of Chaudhary Charan Singh, remembered for his six-month tenure as Prime Minister, the country celebrates his birth anniversary on December 23 every year as Kisan Day or Farmer's Day. The late Charan Singh is also remembered for the one and only budget he presented in 1979. That Budget had everything a farmer could dream of in his favour. He also came out with various initiatives in favour of farmers and hence to honour his services, his birth anniversary is observed as Farmer's Day.

The occasion gives us an opportunity to look at the person who is the backbone of the Indian economy. Agriculture is the sector that provides employment for over 50 per cent of the population.

Though agriculture's contribution to the nation's GDP has dropped to 17 per cent now from a high of 55 per cent in the 1950s, it still is the key sector as regards the country's economy and

growth. The country is the leading producer or among the top two producers of at least 50 commodities. However, the high agricultural growth seen during the 1980s has slowed. In the last few years, growth has dropped to less than three per cent causing concern to planners as the population is growing and affordability is also increasing.

In this context, there is an urgent need for a second green revolution – a topic that has been flagged by Prime Minister Manmohan Singh himself. The problem with agriculture currently is dwindling availability of land as agricultural lands give way to industry and housing. Labour availability is also becoming a problem.

On the other hand, the use of machinery and equipment is handicapped by small holdings. Global warming and changing weather patterns have added to the woes of farmers. The Government has been supporting agriculture through various measures by increasing allocation for irrigation, subsidies and increasing minimum support prices. Solutions to help farmers overcome their problems include creating crop varieties that can withstand weather vagaries and yield more. The Government, on the other hand, has to devise more programmes to encourage farmers, including imposition of Customs duty in cases where imports may be undermining farmers' returns. Loans at lower rates of interest, ways of inculcating group farming practices and getting modern agricultural implements at the right price are other ways through which farmers can benefit.

# Business Standard

TODAY FARM NEWS

22.12.2012 A.M

## Crude palm oil rebounds on spot demand

Crude palm oil rebounded by Rs 5 to Rs 413 per 10 kg in futures trading today on emergence of buying by traders at existing lower levels, driven by a rise in demand in the spot market.

At the Multi Commodity Exchange, the January contract rebounded by Rs 5, or 1.23% to Rs 413 per 10 kg in business turnover of 1,033 lots.

The December contract gained Rs 3.70, or 0.92% to Rs 405.50 per 10 kg in 754 lots.

Analysts said fresh buying by traders at existing lower levels, driven by a rise in demand in the spot market mainly helped crude palm oil prices to recover at futures trade.

## Cotton yarn prices spurt on seasonal demand

Cotton yarn prices jumped 14 per cent in two weeks on a sudden spurt in demand from both the domestic as well as international markets.

The benchmark variety of cotton yarn for 30's combed, shot up to Rs 200 a kg today, from Rs 175 a kg about a fortnight ago in the spot Ludhiana market. In Mumbai's popular yarn market, the commodity was traded at Rs 195 a kg versus Rs 170 a kg about two weeks ago.

"Export of cotton yarn has been on a rise due to bulk demand coming in from India's inherent buyer, China. Also, seasonal domestic demand has started picking up. Rising demand has supported the textile raw material price to move northward," said Bharat Malkan, a Mumbai-based cotton yarn trader.

## FLYING HIGH

Registration of contracts for cotton yarn export

Month	In mn kgs
Mar	64.227
Apr	62.811
May	74.455
Jun	82.419
Jul	94.507
Aug	83.055
Sep	64.269
Oct	94.462

Source:DGFT

Generally, the demand for cotton apparel hits the roof during the summer season. To meet this surge in demand, apparel manufacturers require adequate raw material stocks at least four months in advance. In India, the summer season sets in during March and the demand for cotton textiles coincides with that. Hence, apparel manufacturers have already started preparing for the coming summer season demand.

Meanwhile, yarn manufacturers and traders found this favourable opportunity after months of downward trend. With global economies in a shaky mode, international demand for apparel was also in the doldrums till recently.

Yarn traders and exporters hope the trend will continue till the end of the current year, on uninterrupted buying from China and increased potential for imports from Bangladesh, another major buyer of Indian cotton yarn.

“We feel cotton yarn prices will move higher from these levels in the coming months, due to constant good demand from the domestic industry, as well as from China,” said Rajneesh Bhatia, COO, yarn division, Trident.

Export of cotton yarn to China is expected to continue its uptrend, as cotton in that country is priced nearly 20 cents a pound higher than in the international markets. Besides, wages are on the rise. As a result, China is now cutting on spinning activities and focusing more on value-added items.

Bangladesh is also importing cotton yarn from India in a big way. It does not produce cotton or cotton yarn and only focuses on manufacturing finished products.

The Cotton Advisory Board has pegged the target for cotton yarn export at 920 million kg for the current year. Last year, India exported 827.68 million kg, according to the Directorate General of Foreign Trade (DGFT). In October, cotton yarn export registration went up 47 per cent to 94.46 million kg compared to 64.26 million kg in September, according to DGFT.

Earlier, the textile commissioner had said cotton exports this year would stand at seven million bales, compared with 12 million bales (a bale is 170 kg) last year, as China, which accounts for about 65 per cent of India's cotton exports, was cutting imports by half.

The other reason for prices moving up is lower availability, as mills in the south are unable to operate to capacity due to lack of power.



# THE TIMES OF INDIA

TODAY FARM NEWS

22.12.2012 A.M

## **Paddy farmers continue to cry foul**

LUCKNOW: After wheat, it is [paddy](#) that is giving [Uttar Pradesh](#) farmers sleepless nights. A large number of farmers in Uttar Pradesh have been compelled to go for distress sale of paddy at prices below the minimum support price fixed by the government at Rs 1250 per quintal, all because eight designated state government agencies that should purchase the stocks are unable to do so.

Alleging most farmers were selling their paddy stocks at as low as Rs 700 per quintal because the government agencies offered reasons like shortage of gunny bags and poor quality of paddy, [Bharatiya Kisan Union](#) (BKU) leader Rakesh Tikait also said government agencies deliberately did not purchase the produce directly from farmers to promote middlemen and traders. "Later, the government agencies purchase the produce, be it rice or wheat, from traders at a higher rate to achieve their targets," he alleged.

According to statistics, this year, the paddy stocks purchased from UP's farmers are very low. As per details available with the food and civil supplies department, eight state government agencies together have been able to purchase only 4.81 lakh MT paddy so far, 20 per cent less than the total target of 25 lakh MT that should be achieved by February 28, 2013. The FCI, which had been given a target of 50,000 MT paddy, has also not started paddy purchase.

Around this time last year, the paddy purchase by government agencies was around 10 lakh MT, almost 50 per cent of the target. Paddy procurement is supposed to begin on October 1 and end on February 28 every year.



The deadlock could, however, be broken soon with the [centre](#) having relaxed the norms for purchase of paddy through FCI. In a first for UP, this year, [FCI](#) has been directed to accept upto 4% damaged paddy from farmers, keeping in mind poor rainfall, which affected the quality of paddy produce.

### **Delta farmers protest inaction of govt in the wake of drought**

TRICHY: Members of the Cauvery Rights Retrieval Council today resorted to locking up PWD offices in Trichy, Thanjavur, Tiruvarur and Chidambaram to express their anger against the state and Union governments, which, according to them, had turned a blind eye towards the burning problems of farmers. Farmers in the region are facing a major crisis with much of the samba crop almost lost in the absence of rain and water in the Cauvery.

[The office](#) of the superintending engineer in the PWD's water resources organisation in Thanjavur bore the brunt of the agitation as a group of people forced their way into the office and chased away the employees. When the police rushed to arrest them, they resisted and sat on the Vallam Road and blocked traffic for an hour. "We are not afraid of getting arrested, but when Karnataka does not arrest its agitating activists over the Cauvery issue, why should you arrest us," said P Maniarasan, general secretary of Tamil Desa Podhuvudamai Katchi, which spearheaded the agitation. Police arrested a few hundred protestors in Trichy, Tiruvarur and Chidambaram, no one was held in Thanjavur. Those arrested were let free later in the day.

Activists had in the first week of October held protests in the same places on the same issue. They are annoyed that the government has been silent though Karnataka stopped releasing water into the Cauvery on December 9. "It is a farce that the State government was moving the Supreme Court now, just two days before the court goes on vacation," Maniarasan told TOI.

The Council, supported by a lot of [fringe](#) political groups, also passed three resolutions. The first demanded that the Centre should not allot even a single unit of electricity from [Neyveli Lignite Corporation](#) to Karnataka that imperiously announced that it would not allow even a drop of

water to Tamil Nadu. The second [resolution](#) called on the [Tamil Nadu](#) government to convene a special session of the assembly to discuss the issue. The third resolution said the Centre, which failed to protect natural water resources, should be ashamed of sourcing crude from the very Cauvery delta.

The Council called on all MPs from Tamil Nadu to resign over the issue. The Council also wanted the Tamil Nadu government to announce compensation of Rs 20,000 per acre for farmers without any further delay, independent of the Centre's crop [insurance](#) scheme.

### **Low soil moisture hits rabi crop cultivation**

PUNE: [Low rainfall](#) in the last two years has restricted the total [cultivable area](#) (for [rabi crop](#)) in the district to 48%. There has been a drastic reduction in soil moisture due to which farmers are not able to sow seeds.

The low rainfall in the state for last two years has restricted the total sown area to 48% in Pune district so far. Low rainfall in 2011 and 2012 has resulted into severe reduction in soil moisture that has discouraged the farmers from undertaking sowing activity.

Crops such as jowar, groundnuts, red gram and green gram and some oil seeds will be affected, said a senior official from the district agriculture department.

Maharashtra is a major producer of pulses, particularly red gram. Apart from the demand in the local market, pulses are supplied to other parts of the country too.

This has not only affected the state government's food planning, but has also resulted in a huge stock of fertilizers being left over in the market. The state [agriculture department](#) has claimed that out of 57,896 tones of fertilizers received by the government for the district, only 38,272 tones have been sold so far. There is little possibility of them being sold further, said an official.

The remaining 19,624 tones of fertilizers are with authorized traders and cooperative societies. Either these will be stored with the government or shifted to other places as required, the officer added.

Popat Kalokhe, a farmer from Indapur, said that he has bought close to five quintals of fertilizers for his vegetable and food-grain farming, but he did not sow the entire land as there was no water supply. "I have used only one quintal of my total stock. I wonder what will I do with the rest," said Kalokhe. He said he does not have a storage facility to keep the fertilizers till next July.