

# THE HINDU

TODAY FARM NEWS

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## **Conference on computer communication**

Sri Shakthi Institute of Engineering and Technology will host the third edition of the International Conference on “Computer Communication and Informatics (ICCCI 2013)” from January 4 – 6.

According to a release, the conference is aimed to provide a platform for fusion of ideas in the domain of computer, communication and informatics.

K. Ramasamy, Vice-Chancellor of Tamil Nadu Agricultural University, will inaugurate the conference.

K. Ganesan, Vice-President – HR, TCS, Chennai, will highlight the theme of the conference.

Experts from the academia belonging to institutions in India and abroad will address the participants in parallel sessions to be held following the inauguration.

*The Hindu* is the media partner for the event.

## **Workshop**

The Director of the Central Sericulture Training and Research Institute, Mysore, S.M.H. Khadri has called upon farmers to adopt new technology developed for the cultivation of mulberry in drylands to obtain high yield and profit. He was speaking after inaugurating the workshop on ‘New technology in rainfed mulberry cultivation’ organised at the Regional Sericulture Research Centre here on Wednesday.

## **Farmers protest against erratic power supply**

Farmers staged a road blockade at Mandapalli village in Dammapeta mandal on Wednesday in protest against the alleged erratic power supply to the agriculture sector.

Local businessmen downed their shutters and observed bandh in the mandal headquarters expressing solidarity with the farmers.

Hundreds of farmers from Mandapalli and various other villages laid a siege to the electric substation in the village under the aegis of the Dammapeta Rythu Sangham demanding that nine-hour uninterrupted power be supplied to agriculture pumps. The agitated farmers threatened to observe crop holiday if the authorities failed to ensure them the assured power supply.

Addressing the farmers, sangham leader G. Satyam deplored that the farmers were facing the risk of losing maize and other crops due to irregular power supply to the pump sets. He warned that the farmers would be forced to announce a crop holiday if the supply situation remained the same.

He sought the immediate intervention of APTransco officials to avert the imminent danger of crop loss.

APTransco Assistant Divisional Engineer Ramesh, after holding discussions with the protesters, promised to initiate appropriate steps at his level and conveying their grievances to the higher authorities for prompt action. The protesters withdrew the agitation following the assurance.

Mandal level leaders of the TDP, the CPI, the CPI (M), and the YSRCP extended their support to the agitation.

### **Embezzlement of funds in plantation programme alleged**

Fraud involving large amount of money meant for a programme to better the lot of Girijan farmers in Visakha Agency through cultivation of coffee plantations and silver

oak plantations was alleged and the money siphoned off was nearly 70 per cent of what should have been paid to the beneficiaries.

Out of the nearly Rs. 9.61 crore sanctioned and drawn to be paid to the beneficiaries, only Rs. 1.73 crore had reached the beneficiaries, according to a survey conducted by the CPI(M) in 156 villages falling under 21 Gram Panchayats recently during which details were taken from 4,051 beneficiaries, CPI(M) district secretary Ch. Narasinga Rao, Araku division secretary Killo Surendra, district committee members P. Appalanarsa, S. Shankuraju, B. Sannibabu and M. Burgulayya said at a press conference here on Wednesday.

The nine-year coffee plantation programme was taken up in 2009 in 10 mandals of the Agency with the government allocating Rs. 349 crore. The survey was taken up following the government's claim that Rs. 50 crore had been drawn from the banks and was distributed to the beneficiaries. "Our survey in some villages had revealed a massive fraud of 70 per cent of the money having been diverted. It was a fraud on the Girijans and probably the biggest in the State", said Mr. Narasinga Rao.

### **Records burnt**

The CPI(M) leaders alleged that officials concerned had burnt the records when an inquiry was sought into the non-payment of Rs. 3.35 crore to 1,344 beneficiaries of Bongaram, Ginnelakota, Injari, Linget and Gomangi panchayats.

The inquiry started on November 24 and after it was adjourned to November 26, the records were burnt on the night of November 25. The money was drawn from the banks by the EO and PO.

There was also a fraud in the payment of Rs.11.61 lakh meant for farmers who raised a raw material for drugs, Pippallamodi, the CPI(M) leaders alleged.

The fraud was brought to the notice of the District Collector on Tuesday, who assured to order an inquiry. The CPI(M) said a large-scale agitation would be launched if the embezzled money was not recovered and the culprits punished.

### **Tobacco caterpillar menace in groundnut**

Tobacco caterpillar appears on groundnut crop both in vegetative phase and at the time of pod formation. Eggs are in clusters and are covered with brown hairs and found on the upper surface of the leaves.

They hatch in 3-4 days. Fully grown caterpillar measures about 3-5 cm in length. The adult is pale brown in colour with broken dark brown stripes along the body.

Larvae pupate in the soil and the total life cycle is about 45-60 days. Newly hatched larvae feed on the leaves by making a scratch mark and scrape out the chlorophyll content.

The older larvae are nocturnal and are usually found in the soil around the base of plants during the day. When population is heavy, the larvae migrate from one field to another field in search of food. After December, particularly after heavy rains, the infestation will be more.

#### **Management methods:**

- Collect the larvae and destroy them as soon as the early symptoms of lace-like leaves appear on castor, cowpea and groundnut.
- Grow castor as border crop in groundnut fields to help in reducing the tobacco caterpillar menace.
- Monitor the emergence of adult moths by setting up light traps at 12 numbers per hectare.
- Set up pheromone traps at 12 numbers per hectare to attract the adult male moths.

— Spread a blue cloth in the field during evening to attract the tobacco caterpillar larvae and destroy them.

—Place poison bait in the field to attract and be eaten away by the caterpillar.

(It can be made with 12 kg rice bran, 2.5 kg jaggery, carbaryl 10 per cent dust 1.25 kg and sufficient water per hectare to make as a small round ball.)

— Spraying of ecofriendly Nucleo Polyhydro Virus (NPV) at 250LE per hectare or any one of the following: Chlorpyrifos 20 EC at 2ml/ha (or) Profenophos 50 EC 2ml/ha (or) neem seed kernel extract 5 per cent at 25 kg/ha proves effective.

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### **Arrival of sugarcane brings joy to people in Thanjavur**



While for farmers the year is likely to end on a sour note with the standing samba crop in canal-irrigated areas starving for water, people in the district have something to cheer about. With bundles of sugarcanes arriving in the markets of Kandiyur, Thiruvaiyaru, Papanasam and Kumbakonam in Thanjavur, and Mannargudi and Thiruthuraipoondi in Tiruvarur, expectations for a sweet Pongal are doing the rounds.

In Thanjavur town, canes are sold at Keelavasal, Karanthai and Marimmankoil. A bundle of 10 canes is priced at Rs.150 at Kindiyur. “The price may go up with the approach of Pongal. The same bundle of 10 canes may cost Rs.250 to 300 in the coming days. ,” a vendor at Kandiyur said.

Sugarcane is normally cultivated by farmers in registered areas for supply to sugar mills. They also cultivate chewing cane in smaller areas. In Thanjavur district, sugarcane has been raised in 10,000 acres for supply to sugar mills whereas the area of cultivation for chewing cane is 200 acres .

“But then this is sufficient to meet the demand of the people during Pongal festival,” farmers said.

The State government owned Anna Sugar Mills at Kurunkulam near Thanjavur and private sugar mills belonging to Arooran sugars ltd at Thirumandankudi near Kumbakonam purchase the registered cane from farmers.

### **Paddy farmers content as they get more than MSP**

Thanks to the paddy procurement centres established by the district administration, the farmers have benefited by the steps put in place by the government. They are able to get more than Minimum Support Price (MSP) being offered by the government from the traders.

The farmers are being offered more than Rs. 1,300 per quintal by the traders where as the MSP being extended by the government was Rs. 1,250 for general variety and Rs. 1,280 for grade-I paddy. Similarly, the preferred variety- BPT- is being procured by these centres at a price of Rs. 1,500 whereas the traders are offering between Rs. 1,800 and Rs. 1,900.

While officials attribute the reason for farmers getting more than MSP to establishment of procurement centres, the farmers' union activists say that reduction of paddy production area was one of the main reasons for that. It is informed that millers from even Andhra area are visiting here to get the paddy for milling.

Meanwhile, the district administration has been repeating the successful experiment of 'local rice for Public Distribution System (PDS) locally'. For this purpose, 8,950 metric tonnes of rice was already acquired and kept in godowns. The experiment was being

repeated in Dubbak Assembly constituency where enough godown space was available.

They feel that this would reduce the transport cost to farmers in addition to providing a chance for milling local paddy with quality. To mill the paddy, about 50 rice-mills were identified and the local tahasildars were entrusted with the job of supervising the milling and maintaining the quality.

“This will make the job easy for PDS system. In addition to creating local jobs in the process, we are able to reduce the cost of transportation. This is being experimented across the State,” Joint Collector A. Shsarth told The Hindu.

### **TN to release 1.2 tmcft water to Kerala**

Tamil Nadu will release 1.2 thousand million cubic feet of water to Kerala under the Parambikulam Aliyar Project (PAP) agreement.

The release of water from the Aliyar dam via Manacadavu weir will begin on Thursday (December 27) and will go on till January 31.

The decision was taken at an extraordinary meeting of the Joint Water Regulatory Board (JWRB) in Pollachi on Wednesday evening after three-hour-long deliberations. This was also 94th meeting of the Board. Among those who attended the meeting were K. Ranganathan - Chief Engineer of Water Resources Organisation, Tamil Nadu, and Ms. Lathika, Chief Engineer of Kerala Irrigation Department

Last week, the Kerala Cabinet decided to approach the Supreme Court to secure the quantum of water due to that State.

When the Board met last on October 16, it was decided to release 1.25 tmcft to Kerala till December 31. Members of the Board that time had agreed to hold their meeting again in January. However, owing to a dry spell and demand from farmers, Kerala

sought release of more water under the accord. It said standing crops on 20,000 acres in Chittur and Palakkad were on the verge of withering.

Under the PAP agreement, Tamil Nadu is to release to Kerala 7.25 tmc ft from the Aliyar dam, apart from 12.3 tmc ft from Sholayar. Kerala's total share is 19.55 tmc ft, whereas Tamil Nadu's entitlement is 28 tmc ft. Despite Tamil Nadu had been realising less water, it had been honouring its commitment to Kerala, an official said.

So far, Tamil Nadu released 3.45 tmc ft from Aliyar. Kerala's demand was that 60 per cent of the remaining 3.80 tmcft - 1.75 tmcft – be given immediately.

During the Wednesday's meeting, Tamil Nadu explained difficulties in releasing water and cited the distress situation arising out of poor rainfall during southwest and northeast monsoons.

As on date, Aliyar's storage was only 87.9 ft (full reservoir level: 120 ft). On the same day last year, the storage was 116.7 ft. It also pointed out that the inflow was only 153 cusecs and outflow was 497 cusecs.

Besides, officials of Tamil Nadu told their Kerala counterparts that 96,000 acres in Zone III of the ayacut would go without adequate water for irrigation. Normally, four lakh acres, divided in four zones, were getting irrigated with a provision of each zone getting water once in two years. The next meeting will be in February to take stock of the situation and decide on release of the remainder - 0.55 tmc ft - of water before the current water year expires on June 30, 2013.

### **Helping fill the food bowl**

PERSONALITY Noted agricultural scientist Kadambot Siddique talks to PRIYADERSHINI S. of methods to increase food production, rid the world of starvation, and of Kerala specific agrarian issues



Farming a crop Kadambot Siddique is credited with developing the chickpea industry in Australia  
Photo: Thulasi Kakkat

For agricultural scientist Professor Kadambot Siddique, food makes the world go round. It is the one and only mainstay. Love, may come a close second.

Siddique, who hails from Eriyad, a small village near Kodungallur, moved to Australia to undertake his PhD 32 years ago. This year he was nominated, among four others, for the Australian of the Year award. For his significant contribution to the field of agriculture in Australia he received the Order of Australia (AM) from the Queen of England, last year. In 2009, India honoured him for his contribution to science and technology. Sitting in his tastefully-done apartment in Kochi, the Hackett Professor of UWA (The University of Western Australia), a distinction conferred for his work, Siddique declares, “feed the world is my mantra.”

Siddique, with his vast experience in agriculture, and with an overview of the global issues regarding the subject, is an authority on food issues. He knows the current situation and the future projections. He speaks with facts and figures, of ways and means to increase food production, rid the world of starvation, limit wastage, and avert farmer suicides. He speaks of the judicious use of pesticides and the potential of GM (Genetic Modification) technology. He calls for policies that will address issues regarding production and distribution of food globally.

“Systematic agriculture has a history of 12,000 years. In 1960, the world needed to feed three billion as compared to today’s over seven billion and by 2050, close to nine billion. In this scenario the food production has to double. With resources like land remaining a constant and ground water depleting, the world faces a serious challenge,” he says. He has done high quality research in the field and has strategies to many questions facing the most important industry in the world.

Kerala, his state of origin, holds particular interest to him. Coming from an agrarian family he feels strongly about the issues facing agriculture in the state. “Kerala has to feed over 35 million in comparison to Australia’s 22.3 million. The State that once exported rice imports it today. Disappearing paddy fields and changing dietary habits necessitate a relook at the way agriculture is placed in the State.”

According to Siddique, the rice production needs to go up to a realistic 30 per cent to fill the gap. The right use of technology, holistic policies and a new generation of farmers with entrepreneurial skills should lead the change.

An average family in Kerala now consumes more eggs, eats more meat and eats out more often. The 46 rivers in the State are strongly polluted. The peasant society has turned into a consumerist society.

“Where is this food going to come from with the state facing stiff competition between urbanisation and agriculture that is riddled with water issues, soil erosion, shortage of labour and cultivable land?”

Siddique advocates the use of science and technology to counter the problems. “Don’t ban any technology without testing it properly. I am not saying that GM is the solution for all, but has a comprehensive policy and tough standards for use of pesticides. Use it within a regulatory framework.”

As a scientist, he speaks in favour of GM foods. “It is one of the tools available to us. Everything is genetically modified. If you cross two varieties of rice, the DNA is crossed.

The GM cotton is an Indian success story. Science and technology is absolutely essential for humanity and we must use that to our benefit.”

Kerala, he believes, could look at augmenting an export oriented high quality meat industry, similar to the successful fish and seafood industry that it has.

So, is organic farming a bane in this current scenario? “Organic farming is not new. If the world was completely organic we would not be able to feed the world. It is a good concept but is a more expensive alternative.”

Agrarian issues cannot be dealt in isolation as they are closely related to energy crisis and environmental issues. Hence the challenge is to address the issues simultaneously, he says. Siddique is credited with developing the 300 million dollar per annum chickpea industry in Australia. He has developed many varieties of the pulse, even naming one the Almaz Kabuli chickpea after his wife Almaz!

“These are all disease resistant and high yielding chickpea,” he says. On the burning question of Endosulfan, Siddique is clear, “It is a classic case where one could go for GM cashew. Don’t blame agriculture alone for disease. You can’t go back to the old system. It is how you trade off, balance it. There is a risk involved in everything. You need good strategies to minimise it,” he says.

Siddique who has 13 PhD students under him, two of who are from Kerala, started an Integrated Masters Programme in Climate Science and Adaptation at Kerala Agricultural University, Thrissur. He sends a faculty member from UWA each semester to tutor, and says with a smile, “these are some of the small things I can do for my country. But there is plenty to do.”

### **Haryana farmers on educational tour**

Over 400 farmers from different parts of Haryana embarked on a first-of-its-kind country-wide tour on board a special train, “Haryana Mandi Kisan-Bharat Darshan”, on Wednesday.

Flagging off the train at Delhi Cantonment railway station, Haryana Chief Minister Bhupinder Singh Hooda said the educational tour was planned for the benefit of the progressive farmers to provide them an opportunity to interact with farmers across the country. The 12-day tour would also provide them an opportunity to make contacts in the markets outside Haryana to sell their produce and fetch a better price, said Mr. Hooda.

The train would first halt at Jaipur and reach Nasik on January 4 passing through Ujjain, Dwarka and Aurangabad. On its return journey, the train would pass through Rewari, Delhi Cantonment and Ambala to reach Chandigarh on January 6.

### **Loans of farmers in Nilam-hit areas to be rescheduled**

The special District Consultative Committee, which met here on Wednesday, resolved to reschedule the farm loans obtained by farmers from various commercial banks in the Nilam cyclone affected areas in the district. The resolution provides for conversion of the crop loans into term loans, enabling more leeway for the borrowers in repayment of the dues and issue of fresh loans for the next crop.

Krupa Das, Joint Director, Agriculture Department, told the committee that enumeration by officials of his department had revealed more than 50 per cent crop damage in 270 villages falling under all the 46 mandals in the district on account of the cyclone.

Although the RBI guidelines envisage extension of relief measures by banks in their respective service areas within three months from the occurrence of any calamity, the relief failed to reach the affected farmers for want of a formal notification from the government declaring the damaged areas as flood-affected.

As an alternative arrangement, the DCC resolved to base on a certificate to be issued by district Collector G. Vanimohan with a list of affected villages for extension of relief measures.

The flood victims whose loans are to be converted into term loans will have to forego the 'pavala vaddi' for the loan up to Rs 1 lakh as there is no such provision in the guidelines of the State Level Bankers Committee. K. Nageswara Rao, district coordinator of the State Bank of India, wanted the DCC to adopt a resolution with a request to the SLBC to allow the flood-affected borrowers also to enjoy such a benefit.

Meanwhile, the DCC took serious note of the sluggish performance in the bank-linked finance for the SHG groups in the current financial year. Y. Ramakrishna, Project Director, District Rural Development Agency (DRDA), said hardly half the target Rs. 596 crore was met as on date even as December was coming to a close in the next few days. The growing non-performing assets (NPAs) in the SHGs, which reportedly stood at 4 per cent in spite of a continuous drive for recoveries launched by the official top brass, was said to be the cause for the poor show.

### **NCP wants Cashew Board in Kollam**

Thamarakulam Salim, State executive committee member of the Nationalist Congress Party, said he will petition Union Minister for Agriculture and Food Processing Industries Sharad Pawar on the need to establish a Cashew Board based in Kollam. The petition in this connection will be submitted to Mr. Pawar when he visits Kochi on December 30, Mr. Salim said. A copy of the petition will also be given to Union Minister for Heavy Industries and Public Enterprises Praful Patel, who will accompany Mr. Pawar. The petition will request to the Minister to exert pressure on the Union Ministry of Commerce for the purpose. Mr. Praful Patel will also be petitioned about the need to revive the National Textile Corporation-managed Parvathy Mills in Kollam.

### **Flower show**

Cochin Flower Show 2013 will begin on Friday at the Ernakulam Temple ground. Among the flower varieties at the show, there will be about a thousand dendrobium orchids from Thailand, over five hundred Pot variety anthuriums from Holland, bonsais from China.

## **Find solution to elephant menace, say farmers**

Farmers and residents of several villages near the Chikkadevammabetta area in Heggadadevanakote taluk of the district have threatened to move the court over the alleged “callousness” of the State government in not taking steps to curb the elephant menace for years.

Kallambalu Sundar, convener of the Pragatipara Horata Samiti, a committee formed to tackle the issue, said in a statement here on Wednesday that if the elephant menace was not curbed within 15 days, farmers and residents of villages would stage protests outside the offices of the Forest Department. The worst-affected villages were those situated in the eastern side of Chikkadevammabetta, including Kallambalu, Mullur, Halasur, Chamalapura, Kundur Dadadahalli, Nanjipura, Kattehunsur, Rajur, Unagalli, Kadabur and Manuganahalli.

### **Fear**

More than 80 elephants from the Nagarahole National Park and Bandipur were camping in and around Chikkadevammabetta area, and had destroyed crops in the villages, Mr. Sundar alleged.

Residents of the villages were afraid to venture out in the evenings.

In spite of repeated complaints lodged with the Forest Department, it had turned a blind eye to the plight of farmers, he said.

Farmers were losing crops due to elephant depredations every year, and this had put their families into difficulty.

Mr. Sundar stated that farmers had urged the government to come out with a permanent solution to the elephant menace, provide a sum of Rs. 1 lakh as compensation for loss of crops in one hectare area, a sum of Rs. 1.5 lakh for the loss of commercial crops in over a hectare, provide Rs. 5 lakh as compensation to families of

persons who were killed by elephants apart, and provide employment to a member from each family.

Farmers and residents of the villages would also urge R. Dhruvanarayan, Chamarajanagar MP, and B. Chikkanna, H.D. Kote MLA, to take up the issue with the government, Mr. Sundar said.

### **Farmer complains against windmill firm**

A farmer in Kukudwad in Satara district has lodged a complaint against eight workers of a windmill company for trying to encroach upon his farm. Prakash Katkar in his complaint said the workers of the company threatened him and his family with dire consequences if he did not let them use the land for setting up their unit. According to the police, personnel of the Region Power Tech allegedly barged into his farm and started installing the windmill unit without any valid permission. However, the workers had lodged a counter complaint against the farmer for obstructing their work despite they being in possession of valid documents.

— Correspondent

### **'Policeman' arrested**

A 28-year-old man who allegedly tried to force a girl into marriage by posing as a policeman has been arrested here on Monday. Sumit Mahajan has since been produced before the local court and remanded in police custody for seven days. According to the police, Mahajan used to wear police uniform during his meetings with the girl. Upset by the harassment, the girl approached the police and filed a complaint.

— Correspondent

### **Woman robbed of gold bangles**

A 70-year-old woman residing at Pokhale in Kolhapur was deceived by two fraudsters who fled away with two gold bangles estimated at Rs. 1.2 lakh. The motorcycle-borne youths approached Laxmibai Patil when she was standing near a bus stand with a promise of securing her a government benefit. They asked her to come to a bank at nearby Warananager. They told her that since the scheme was meant for the poor, it would be better if she removed her bangles. Even before she removed the bangles, they took them and asked her to get revenue stamps from the nearby counter. When she went to the get the stamps, the duo fled with the bangles. — Correspondent

### **UAS-B to take minor millets into urban food basket**

Foundation laid for Centre of Excellence for Processing and Value Addition of Small Millets



Novel ideas: Entrepreneurs displaying their products at an exhibition held as part of the foundation stone laying of the Centre of Excellence for Processing and Value Addition of Small Millets in Bangalore on Wednesday.— Photo: K. GOPINATHAN

How about having pasta, vermicelli, flakes, doughnuts, cup cakes, 'muruku' and bread made of minor millets such as ragi, foxtail (navane), pearl millet (sajje), little millet (saame) and sorghum?

Well, these products developed by the University of Agricultural Sciences-Bangalore as 'health food' are already in huge demand in the market though they are still being produced in a very small way by some handful of entrepreneurs.

Gone are the days when urban residents looked down upon minor millets such as ragi, navane, etc.

Their high-nutritional value, positive impact on health and the fact that they are drought-resistant crops have made agricultural scientists and policy makers in the country to draw up big plans to bring these under-utilised crops back into the food baskets of people, especially urban residents.

In a strategic manner, they are now trying to offer these high-nutrient millets in the form of foods which are popular in urban areas such as pasta, flakes and vermicelli in a bid to attract young people, rather than the conventional rural foods being made from these millets for ages.

In fact, the Union Department of Agriculture and Co-operation is keen on promoting these minor millets — which are mostly grown in parts of southern India — across the country.

It has drawn up a Rs. 300-crore scheme to popularise these ‘nutri-cereals’ as well as their value-addition.

The UAS-B will play a key role in this exercise as the above scheme has provided a Centre of Excellence for Processing and Value Addition of Small Millets to it.

While the Centre has already commenced its work, a foundation stone was laid for providing a separate building to it on the university campus on Wednesday by Atanu Purkayastha, Joint Secretary, Union Department of Agriculture and Co-operation.

A two-day workshop on millets too has been organised on the occasion to highlight the importance of minor millets as food crops.

Mr. Purkayastha said the production of minor millets had increased by about 20 per cent in the regions where the above scheme to popularise them had been taken up.

UAS-B Vice-Chancellor K. Narayana Gowda said that it had become inevitable for the country to tap the potential of minor millets as foodgrains in the wake of the production of the country's major food crops of rice and wheat reaching a plateau at a crucial time when the demand for food was shooting up.

He stressed the need for value addition of minor millets. Mr. Gowda suggested that rural women should be encouraged to take up the processing, value addition and marketing of the produce made of minor millets.

The Centre for Excellence Principal scientist V. Palanimuthu told *The Hindu* that the Centre would focus on development of farm machinery, refinement of existing technologies, entrepreneurship development, training and facilitation of market linkages between processors and producers.

### **Farmers seek expeditious decision on bypass road**

Amidst continuing stalemate over identifying an alternative alignment for the new bypass road that is to link Tiruchi-Madurai, Tiruchi-Dindigul and Tiruchi-Karur national highways on the outskirts, farmer representatives from the region have demanded that a decision on the issue be taken expeditiously to pave the way for laying the road at the earliest.

The bypass road was sanctioned as part of the widening of the NH 67 being executed on a Build Operate and Transfer (BOT) basis. While widening of the Karur highway is nearing completion, the fate of the bypass road hangs in balance.

The project was brought to halt after Madurai Bench of Madras High Court struck down the plan to lay the road across three irrigation tanks based on a petition filed by local farmers opposed to laying the road across the Kothamangalam, Kallikudi and Punganur tanks.

The farmers alleged that laying the road across the tanks would affect irrigation and their livelihood.

A public hearing was held in December 2011 to elicit the views of locals on the possible alternative alignments for the road, but the National Highways Authority of India is yet to arrive at a decision. Farmers who took the matter to the court have demanded that a decision be taken expeditiously.

In a memorandum submitted to the Collector recently, representatives of various farmers organisations suggested that the road be laid along the western banks of the three tanks as an elevated structure without affecting the water sources.

Before that all encroachments on the tanks should be removed, they demanded.

M.P.Chinnadurai, district president, Tamizhaga Vivasayigal Sangam, who has been spearheading the farmers' agitation on the issue and one of the signatories to the memorandum, said their primary concern was to protect the water sources and it was not their intention to stall the project.

"The previous alignment ran across the middle of the tanks, which is why we objected to it. The road can be built as an elevated structure along the banks of the tank on the western side without affecting the irrigation sources," Mr.Chinnadurai said.

The memorandum was signed by representatives from C.Masilamani, district secretary of CPI (M) affiliated Tamil Nadu Vivasayigal Sangam, G.K.Murali from the Congress, P.Ayyakannu from Bharathiya Kisan Sangam, K.S.Ondimuthu from BJP Farmers Wing, and representatives from Punganur Eri Pasana Ayakattudarar Sangam and Unorganised Sector Workers Movement.

When contacted, NHAI sources conceded that no decision has been taken yet on the alternative alignment. Whatever alignment was chosen the NHAI would have to obtain environment clearance from the Centre.

Before that the NHAI headquarters has to approve the revised alignment

Given the procedures involved, indications are that it could take more than six months to finalise the alternative alignment for the road.

### **Distraught farmers urge State to ensure water flow into KHLC**

'Prevent illegal tapping of water using lift irrigation pumps'



Sympathetic ear:Collector S. Jayandhi speaking at the farmers' grievances day meeting in Karur on Wednesday.

: Distraught farmers who have raised samba in Cauvery irrigated areas in Kullithalai and Krishnarayapuram regions of Karur district have urged the State government to ensure adequate water is fed in the Kattalai High Level Channel to save the withering samba crop.

Raising the issue at the farmers grievances day meet here on Wednesday, Cauvery Delta Farmers' Welfare Association deputy secretary Kavandampatti R. Subramanian said the tail end areas of KHLC including Nachalur, Thayanur, Ettarai, Posampatti, Kavandampatti, Puliur and Viyazhanmedu require water for saving the samba crop raised in more than 10,000 acres.

Noting that most of the areas served by the KHLC fell in Chief Minister Jayalithaa's Srirangam constituency, Mr. Subramanian wanted the CM to look into the requirement of her constituency's farmers on a priority basis.

Not just samba paddy crop but also various floriculture crops raised in the region were withering for want of adequate water. Since there was no adequate water flow down Cauvery, efforts must be taken to save the crops with available water, he noted.

Preventing illegal tapping of water from the river bed using lift irrigation pumps by unscrupulous elements when there was no flow from Mettur must be resorted to expeditiously, he added.

Another farmer K.R. Raju of Keezhaveliyur wanted officials to enlighten farmers on crop insurance as drought and power scarcity have taken a toll on the crops.

Officials replied that once the State government decided on the issue, the details would be made known to farmers.

A farmer, V.K. Thangavel of Taragampatti, urged the government to announce remunerative support price for various crops and produces, while M. Veeramalai of Mettumardur claimed that adequate stock of complex fertilizer were not available with certain primary agricultural cooperative societies in the district.

Members of Anna Herbal Plant Growers Association, Perakkampalayam, wanted adequate compensation to be granted to farmers whose fields were affected by peacocks that graze the areas. Forest Department officials said Agriculture Department officials must certify the damage and along with other concerned departments assess the damage to crops following which proposals on compensation would be forwarded to the government.

Collector S. Jayandhi, District Revenue Officer T. Christhuraj, Joint Director of Agriculture M. Deivendran, and a host of farmers participated in the deliberations.

**Farmers' interests will be protected: Chandy**

Chief Minister Oommen Chandy said here on Wednesday that the 12th Five-Year Plan gave emphasis to the farm sector and it is with this aim that an effective crop insurance scheme and steps to ensure fair price to farm crops was taken.

Inaugurating a five-day agriculture fair organised by the Gandhiji Study Circle at the Newman College grounds, Mr. Chandy said effective intervention was needed to protect farmers.

“The crop insurance scheme and price stability fund will help farmers during natural calamities,” Mr. Chandy said.

The Chief Minister said two issues affecting farmers were the fear psychosis created by the report of Madhav Gadgil and the increase in instances of man-animal conflicts. Farmers in the border areas of forests were keeping land fallow out of fear of raids by wild animals.

Mr. Chandy said a discussion would be held in the Assembly on implementation of the Madhav Gadgil report. The government would not support any anti-farmer suggestion, he said.

### **Kodaikanal park getting set for annual flower show**

Bryant Park, one of the most attractive tourist spots on the hill station, is getting ready for the proposed 52nd flower show and summer festival as planting new flower plants, creating rose beds and giving facelift to other parts of the park is in full swing.

Raising of flower beds, developing of plants and improving glass house, taking protection measures for prophylactic plant for full blooming of flowers are under way. Development of spectral colour-oriented flower plants in the Spectral Garden is also in progress.

The Department of Horticulture had airlifted Hybrid Dahlia plants with different colours from Kolkata on Monday to plant them in the park. The planting of these plants is being done.

Equal importance is given for developing miniature garden and arboretum (collection of trees). Development works in these gardens are also under progress says, S. Raja Mohamed, Deputy Director of Horticulture.

“We have plans to plant 3.5 lakh flower plants with 150 varieties of flowers in different colours including 25 types like Salvia, Andrenum, Holy Cock, Astromelia, Daisey, Elphinium, Sweet Lillium and Bird of Paradise, in both the Bryant Park and the Chettiyar park, another big park meant for children, near Bryant Park.

Daffodil and Ranunculus imported from New Delhi, Begonia, Primula, Fibrose, Begonia Rex, Ficus Elastica, ornamental cabbage, Dracaena, Alminiam plant, Febromia, Pittonia and Opuntia will decorate the glass house.

### **Tamil Nadu agrees to release more water to Kerala**

Tamil Nadu will release 1.2 thousand million cubic feet of water to Kerala under the Parambikulam Aliyar Project (PAP) agreement.

The release of water from the Aliyar dam via Manacadavu weir will begin on Thursday (December 27) and will go on till January 31.

The decision was taken at an extraordinary meeting of the Joint Water Regulatory Board (JWRB) in Pollachi on Wednesday evening after three-hour-long deliberations. This was also 94th meeting of the Board.

Among those who attended the meeting were K. Ranganathan, Chief Engineer of Water Resources Organisation, Tamil Nadu, and Ms. Lathika, Chief Engineer of Kerala Irrigation Department

Last week, the Kerala Cabinet decided to approach the Supreme Court to secure the quantum of water due to that State.

When the Board met last on October 16, it was decided to release 1.25 tmcft to Kerala till December 31. Members of the Board that time had agreed to hold their meeting again in January.

However, owing to a dry spell and demand from farmers, Kerala sought release of more water under the accord.

It said standing crops on 20,000 acres in Chittur and Palakkad were on the verge of withering.

### **Wheat support price fixed at Rs. 1,350 per quintal**

After two months into the rabi sowing season, the Cabinet Committee on Economic Affairs (CCEA) on Wednesday approved a hike of Rs. 65 per quintal in the minimum support price (MSP) of wheat and allowed an additional 2.5 million tonnes of wheat export from its godowns to liquidate stocks. Wheat MSP will now be Rs. 1,350 per quintal.

The declaration of MSP of wheat has been delayed by approximately two months, impacting the area sown under wheat, which is lower than last year in the corresponding period.

The Commission for Agricultural Costs and Prices (CACP) had earlier recommended a freeze on wheat MSP, and said that stocks should be reduced to create space for the new harvest. After it was asked to review its decision by the Union Cabinet, it suggested a bonus of Rs. 40 per quintal, but in a fresh view, the Agriculture Ministry proposed a hike of Rs. 100 per quintal, which, however, was approved at Rs. 65 per quintal.

“The CCEA has decided to keep wheat MSP at Rs. 1350 per quintal for the 2013-14 marketing year, which is higher by Rs. 65 than last year,” Finance Minister P. Chidambaram told journalists after the meeting of the Union Cabinet.

It is learnt that the Finance Ministry wasn't in favour of a steep hike, as it would fuel inflation, as well as enhance the food subsidy bill.

On exports, Mr. Chidambaram said the CCEA approved export of an additional 2.5 million tonnes of wheat from Food Corporation of India stocks, subject to floor price of \$300 per tonne. “The export would clear space for new crop,” he said.

The CCEA also gave its approval for an additional allocation of 16200 tonnes of discounted wheat, and 9600 tonnes of rice, for the forthcoming *kumbh mela* in Uttar Pradesh early next year.

## weather

Chennai

### Chennai - INDIA

#### Today's Weather



Partly Cloudy

**Thursday, Dec 27**

**Max Min**

29.7° | 23.3°

**Rain:** 0

**Humidity:** 79

**Wind:** normal

**Sunrise:** 06:29

**Sunset:** 05:51

**Barometer:** 1011

#### Tomorrow's Forecast



Cloudy

**Friday, Dec 28**

**Max Min**

30° | 24°

#### Extended Forecast for a week

Saturday Dec 29	Sunday Dec 30	Monday Dec 31	Tuesday Jan 1	Wednesday Jan 2
29°   23° Cloudy	26°   25° Overcast	27°   25° Cloudy	26°   25° Overcast	26°   24° Cloudy

#### Airport Weather

Delhi  **Delhi**

**Rain:** 0

**Humidity:** 100

**Wind:** normal

**Sunrise:** 07:12

**Sunset:** 05:32

**Barometer:** 1018



# THE HINDU Business Line

TODAY FARM NEWS

27.12.2012 A.M

26<sup>th</sup> dec 2012

## **Maharashtra to implement National Mission on Food Processing**

The Maharashtra Government has decided to implement the National Mission on Food Processing. The mission will enhance the standard of small food processing units in the State.

For the current fiscal, the State Government has made a provision of Rs 5.5 crore for the mission, while the Centre would be providing Rs 16.5 crore.

The mission, which is a Centrally-sponsored programme, will provide micro credit, facilitate technology transfer and handhold the units in building capacity. It will also undertake skill upgradation through institutional training, so as to ensure sustainable employment opportunities to the people.

The programme also aims to reduce the gap in requirement and availability of skilled manpower in the food processing sector.

Sectors in food processing such as fruits and vegetables, milk products, meat, poultry, fishery, oilseeds products, rice milling, pulse processing and other agri-horticultural sectors such as food flavours and colours, oleoresins (plant extracts) and spices would be covered under the programme.

On Wednesday, the State Cabinet approved the programme and appointed Maharashtra Agro Industries Development Corporation as the nodal body for implementing it.

A press statement issued by the State Government said that the programme would also provide assistance to small self-help groups involved in food processing, so that they attain the scale of a small industrial unit. It will also raise the standards of food safety and hygiene to globally accepted norms, the statement said.

The chief secretary of Maharashtra would be overseeing the programme implantation in the state.

### **Training in rubber-based products**

Kitco will conduct a technology-based entrepreneurship development programme on rubber-based industries at Kanjirappally in Kottayam during January-February.

The programme will be held under the aegis of National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology.

The duration of the programme is six weeks. Graduates in science or engineering /diploma aged between 18 and 35 can apply.

The total number of seats is 30 and no fee is charged from participants. Interested candidates may appear for an interview with bio-data at St Dominic's College, Kanjirapally, on January 3 at 11 am.

### **Pepper falls on circular trading**

The pepper market fell on circular trading and bearish activities despite an increase in open interest on Wednesday. Consequently, all active contracts closed much below the previous day's closing.

February opened on a firm note and moved up to 34,950 a quintal in the opening session and then traded with high volatility. In the closing hour, it fell sharply to Rs 33,915, down by Rs 1,035 a quintal, the lowest price of the day. Then it recovered

marginally to the last traded price of Rs 34,045 a quintal. However, the closing price has been given as Rs 34,080 a quintal.

March contract also witnessed similar activity.

Surprisingly, the market fell at a time when the arrival of new crop has not picked up as expected because of the cloudy weather in the growing areas while the demand from the domestic market continued show an upward trend with more buyers for the spot material, trade sources claimed.

February contract on the NCDEX decreased by Rs 840 a quintal to close at Rs 34,080 while March and April fell by Rs 685 and 575 respectively to close at Rs 33,860 and 34,035 a quintal.

### **Turnover**

Total turnover surged by 1,022 tonnes to close at 1,914 tonnes indicating good circular trading. Total open interest increased by 295 tonnes to close at 3,307 tonnes.

February open interest went up by 239 tonnes to 2,569 tonnes while that of March and April moved up by 53 tonnes and 5 tonnes respectively to close at 609 tonnes and 109 tonnes.

Spot prices in tandem with the futures market trend dropped by Rs 300 a quintal to close at Rs 36,500 (ungarbled) and 38,000 (MG 1) a quintal despite good demand amid limited availability of physical pepper.

Indian parity in the international market at spot prices was at \$7,200 a tonne (c&f) while at Feb futures prices it would come to \$6,450 a tonne (c&f). But, nobody has the courage to quote as they do not know whether they would get the material, they added.

### **Crude oil futures up on overseas cues**

Crude oil futures rose by 0.16 per cent to Rs 4,916 a barrel today as speculators created fresh positions amid a firm trend in Asia.

At the Multi-Commodity Exchange, crude oil for delivery in January gained Rs 8, or 0.16 per cent, to Rs 4,916 per barrel, with a business turnover of 3,376 lots.

The oil for February delivery moved up by Rs 7, or 0.14 per cent, to Rs 4,969 per barrel, with a business volume of 229 lots.

Marketmen said the rise in crude oil futures was largely in tandem with a firming trend in Asia.

Meanwhile, crude oil for January delivery advanced by 46 cents to \$89.07 a barrel on the New York Mercantile Exchange.

### **Traders begin stocking turmeric**



With North Indian orders for quality turmeric pouring in, stockists purchased huge stock of turmeric. “Traders preferred quality turmeric as they received some orders. So they quoted a higher price for the hybrid variety. Stockists with an intention to store the turmeric have purchased more than 1,500 bags,” said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said in the Regulated Market Committee, due to quality only 420 bags of turmeric were sold against arrival of 725 bags.

Similarly for the hybrid variety, traders quoted Rs 300 more than Monday's price and it fetched Rs 6,559 a quintal on Wednesday. In the other markets at Erode and Nizamabad, prices were stable and the yellow spice was sold at Rs 5,900.

Traders said the same price trend is likely to continue till mid-January after which prices may decline on account of new crop arrival.

At the Erode Turmeric Merchants Association, the finger variety was sold at Rs 4,199-5,989 a quintal; the root variety Rs 4,199-5,569.

**Salem Hybrid Crop:** The finger variety fetched Rs 5,589-6,559; the root variety Rs 5,469-5,617.

At the Regulated Market Committee, the finger variety fetched Rs 4,519-5,699; the root variety Rs 4,691-5,439. Of the 725 bags that arrived, 420 were sold.

At the Erode Cooperative Marketing Society, the finger variety quoted Rs 4,899-6,000; the root variety Rs 4,311-5,699. All the 325 bags found takers.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was traded at Rs 4,169-5,939 a quintal and the root variety Rs 3,569-5,379. All the 130 bags were sold.

### **Stockists begin to cut sugar inventories**

Sugar prices were mixed on Wednesday. On the Vashi wholesale spot market, M-grade recovered marginally by Rs 10 for a quintal, while S-grade ruled steady.

Naka and mill tender rates were unchanged on routine business at retail and mill-level.

Stockists and mills seem to be selling old stocks to reduce the burden. The sentiment was dull due to month-end, said traders.

Sources said: "There were no fresh tenders from mills due to holidays. Very few producers have offered the commodity but slack demand at all levels kept overall volume low with producers.

Vashi market currently carries stocks of about 110-120 truckloads and hence stockists are not very keen to build up more."

Sugar prices in Uttar Pradesh dropped by Rs 20-30 on Wednesday in absence of fresh buying inquiry.

Bearish trend also prevailed in other main producing States. In Maharashtra, lack of demand from neighbouring States since long forced millers to sell in local markets.

Due to their continuous selling, tender rates have already dropped by Rs 100-150 till now.

Free sale quota of 70 lakh tonnes for December-March is sufficient.

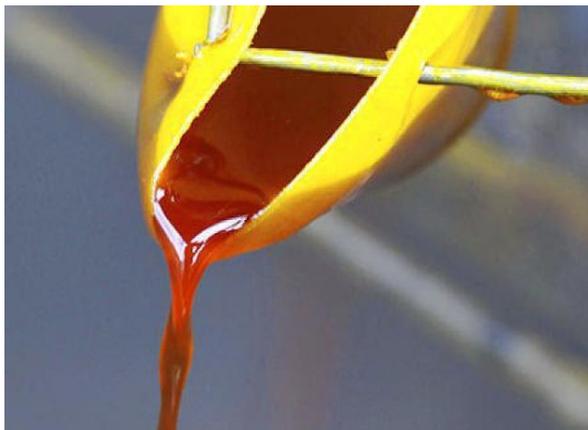
In Vashi market, arrivals were 61-62 truckloads (each of 100 bags) while dispatches were 60-62 loads.

On Tuesday, merely 4-5 mills offered tenders and sold 8,000-10,000 (each of 100 kg) bags to the local traders at price of Rs 3,150-3,220 (Rs 3,150-3,220) for S-grade and Rs 3,230-3,340 (Rs 3,230-3,340) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,282-3,376 (Rs 3,386-3,371) and M-grade Rs 3,362-3,541 (Rs 3,352-3,541).

**Naka delivery rates were:** S-grade Rs 3,235-3,270 (Rs 3,235-3,270) and M-grade Rs 3,330-3,430 (Rs 3,330-3,430).

## Palmolein gains; indigenous oils slip



Palmolein continued its uptrend rising by Rs 4 for 10 kg in the edible oils market, tracking firm Malaysian cues on Wednesday. Malaysian palm oil futures settled at one-month-high with investors turning their focus to seasonal rain that could trigger floods and curb supply.

Indigenous oils such as soyabean, sunflower and rapeseed oil declined by Rs 5, Rs 5 and Rs 2 each. Cotton refined oil dropped by Rs 8 on bearish reports from producing centres. Groundnut oil was unchanged.

According to traders' estimate, Liberty sold about 100-150 tonnes of super palmolein at Rs 545, Ruchi sold about 450-500 tonnes of palmolein at Rs 485 JNPT. Gujarat-based Adani sold some quantity of palmolein at Rs 485. Resellers offloaded about 80-100 tonnes at Rs 488-492.

In Saurashtra – Rajkot, groundnut oil prices were down sharply by Rs 65 to Rs 1,955 for *telia* tin and by Rs 35 to Rs 1,275 for loose (10 kg). In Mumbai, Liberty was quoting palmolein at Rs 495-497 for Jan and Rs 507-509 for Feb, super palmolein at Rs 545 for Dec – Jan., soya refined oil Rs 675 and sunflower refined oil Rs 780 up to Jan.

Ruchi quoted palmolein at Rs 495 for Jan and Rs 507 for Feb, soyabean refined oil at Rs 671 up to Jan and sunflower refined oil Rs 771 up to Jan. Allana's rate for palmolein was Rs 493 and super palmolein Rs 543.

On the National Commodities and Derivatives Exchange, soyabean refined oil January contract was up by Rs 3.40 to Rs 697.40 , February was higher by Rs 1.40 to Rs 684.45 and March at Rs 678.70 (Rs 679.40).

**Malaysia's crude palm oil's** January contracts settled higher at MYR 2,308 (MYR 2,299), February was MYR 2,386 (MYR 2,378) and March edged up to MYR 2,430 (MYR 2,428) a tonne.

**The Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 1,275 (1,275), soya refined oil 671 (676), sunflower exp. ref. 710 (710), sunflower ref. 775 (780), rapeseed ref. oil 818 (820), rapeseed expeller ref. 788(790) cottonseed ref. oil 623 (631) and palmolein 489 (485).

**Vikram Global Commodities** quoted Rs 560 for 10 kg ex-Chennai for Malaysian super palmolein.

### **Slack export buying crushes castorseed**



Castorseed prices continued to decline on Wednesday as export demand mainly from China and Europe was very poor. According to market sources, prices may decrease further for short term.

On the Rajkot Commodity Exchange, castorseed March contract was down by Rs 119 to Rs 3,849 a quintal. RCX spot castor decreased Rs 142 to Rs 3,635.

On the National Commodity and Derivatives Exchange (NCDEX), castor January contract traded down by Rs 145 or 3.87 per cent at Rs 3,597 with an open interest of 86,650 lots. February series declined by Rs 144 to Rs 3,690 with an open interest of 71,690 lots.

About 17,000-18,000 bags of castorseed arrived in Gujarat and price was Rs 720-725 for 20 kg and 2,800-3,000 bags arrived in Saurashtra quoting Rs 695-727.

Market analysts said that increased supply and reduced offtake in spot markets mainly influenced the trading sentiments.

A Rajkot-based castor trader said: "Low demand by China and Europe has led to a bearish trend in castor seed prices. Futures too were weak with an expectation of higher supplies to spot markets."

### **Global black tea production down 2.27%**

The November tea production data of Malawi and Indonesia have just come out.

Accordingly, the global black tea production till this period has fallen by 2.27 per cent over the corresponding period of last year, reveals our analysis of the latest data available with producers and traders' organisations.

In the 11 months of the current calendar, Malawi had lost 4.80 million kg (mkg) to total 37.80 mkg. Indonesia lost 7.50 mkg to total 48.80 mkg.

"According to our compilation, global black tea production for the latest period of current calendar has fallen to 1,539.85 mkg from 1,575.63 mkg last year", Rajesh Gupta, Publisher of 'Global Tea Digest 2012', told *Business Line*.

This reduction of 35.78 mkg marks a decline of 2.27 per cent.

India's official data on tea production is confined to September. An international tea market observer has noted that internal demand has kept Indian prices hardy and its exports are lower again – hardly surprising.

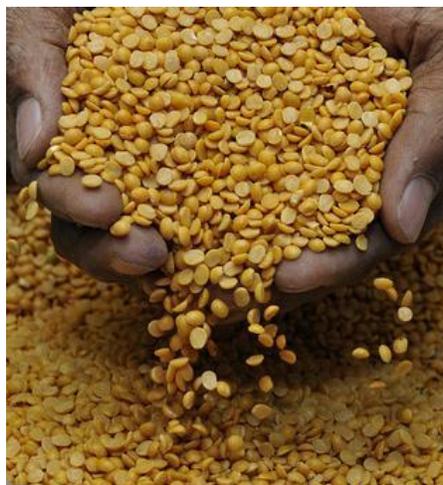
Market for majority offerings has closed for the current calendar in India, Sri Lanka, China and Vietnam.

Argentina and Malawi are continuing trade with some offerings.

Meteorological predictions indicate dry weather in Sri Lanka and Kenya with auctioneers expecting lower offerings till April 2013. However, most countries expect the present volume offering and price trend to prevail when the auctions re-open in January after Christmas-New Year holidays.

Kenya has expressed concern that the UK has reduced its imports of Kenyan teas. However, it has received strong support from Egypt. This calendar, Pakistan, Sudan, Kazakhstan and Somalia have been active in Kenyan tea market. Afghanistan and west Asian markets have picked up lower-priced teas. Iran had remained selective but Russia had been silent mostly.

### **Sluggish offtake pounds pulses**



Sluggish demand in pulses has dragged tur prices in the past two days by Rs 100 a quintal. On Wednesday tur (Maharashtra) declined to Rs 3,850 a quintal amid slack

demand though tur (Madhya Pradesh) was steady at Rs 3,400-3,500. With prospect of domestic tur crop appearing not so very promising, dependency on imported tur is likely to increase in the coming days. In that case, tur is likely to turn bullish though arrival of new crop from Madhya Pradesh is expected to hit local mandis in the second week of January.

Slack demand has also dragged tur dal in the past one week by Rs 100 a quintal with tur dal (full) in local mandis being quoted at Rs 5,700-5,800 , tur dal (sawa no) at Rs 5,500-5,600, while tur marka ruled at Rs 6,800.

Sluggish trend also continued in moong and urad on weak demand from the millers. Moong (bold) on Wednesday declined to Rs 5,000-5,200 a quintal (down Rs 100), while moong (medium) ruled at Rs 4,400-4,500. Moong dal (medium) was at Rs 6,600-6,700, moong dal (bold) at Rs 7,000-7,200, while moong mongar ruled at Rs 7,200.

Urad also declined on Wednesday on weak demand with urad (bold) being quoted at Rs 3,450-3,500, while urad (medium) ruled at Rs 3,100. Urad dal (medium) was Rs 4,100-4,150, urad dal (best) at Rs 4,700-4,800, while urad mongar ruled at Rs 5,700-6,000 a quintal.

### **Spot rubber improves**

The rubber market gained strength on Wednesday. According to observers, there were no fresh enquires from any consuming sectors, but prices improved following a better closing in the domestic and international futures. Sheet rubber improved to Rs 160 (159) a kg at Kottayam and Kochi, according to traders and the Rubber Board. In the futures market, January contracts recovered to Rs 162.30 (160.40), February to Rs 164.73 (162.71) and March to Rs 168 (165.80) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) closed firm at Rs 175.09 (173.67) a kg at Bangkok.

The January futures increased to ₹279 (Rs 179.44) from ₹274.5 a kg on the Tokyo Commodity Exchange.

**Spot rates were (Rs/kg):** RSS-4: 160 (159); RSS-5: 154 (153); ungraded: 149 (148); ISNR 20: 150 (149) and latex 60 per cent: 105 (105).

### **EID Parry launches call centre for farmers**



Sugar manufacturer EID Parry (India) Ltd has launched a call centre for farmers.

This solution is expected to benefit around 90,000 farmers registered with EID Parry at five locations in Tamil Nadu and Puducherry.

### **cane cultivation**

Through this initiative, the farmers registered with EID Parry will get access to real-time information about land preparation, advice on soil condition and fertiliser application, cane cultivation technologies, financial details on cane payment, harvesting, labour/transport payments and other related information, said a press release from the Murugappa group company.

EID Parry hopes to reach out to farmers interested in cultivating sugarcane through this effort.

Ravindra Singhvi, Managing Director, said: “This call centre will provide critical and complete information in an easily accessible manner. This would improve the life of the farmer, as he/she need not travel to the plant to get information or clarifications.”

Farmers can call the toll free number 1800-102-2400 from anywhere in Tamil Nadu and Puducherry.

The trained personnel answering the call will connect to the online cane management system and provide appropriate responses, said the release.

In case any further support is required, the call will be escalated by an SMS to a cane agri-support officer mapped to the farmer’s village.

The caller will also get a reference SMS for further follow up, the release said.

### **Cotton body pegs output at 350 lakh bales**



Despite apprehensions over fall in acreage, the cotton output is expected to touch 350 lakh bales (of 170 kg each) this year, said Dhiren N. Sheth, President, Cotton Association of India.

Although the acreage under cotton has witnessed a three per cent decrease compared with last year, the crop looks promising due to good rains received in Andhra Pradesh and Maharashtra in the later part of the monsoon.

“The cotton production this year is expected to be 350 lakh bales while the cotton consumption is likely to be about 265 lakh bales, leaving a sizeable surplus of about 150 lakh bales,” he said recently at the 90th annual general meeting of the Association.

### **Global demand**

According to the recent International Cotton Advisory Committee, Washington data, the general outlook for cotton supply and use for 2012-13 is bleak as global cotton production and mill use are forecast at 25.9 million tonnes (mt) and 23.4 mt respectively, resulting in an oversupply of 2.4 mt.

A geographical shift in cotton mill use from China to other Asian countries is currently underway, but ICAC feels that estimating its actual extent will take time due to the lag in publication of cotton consumption figures and difficulties in obtaining these data for some countries.

Cotton yarn imports by China have increased significantly since the beginning of 2012.

The ICAC currently estimates that cotton mill use will increase in 2012-13 in India, Pakistan, Bangladesh, Uzbekistan, Indonesia, Vietnam and Thailand amongst others.

After an unexpected jump in 2011-12, global cotton trade is expected to fall by 21 per cent to 7.7 mt this season due to lower Chinese demand. However, imports by the rest of the world could rebound by 18 per cent, he said.

### **office-bearers**

The members of CAI have re-elected Sheth as President. Nayan C. Mirani has taken over as Vice-President, while Bhadresh V. Mehta will be the Additional Vice-President. Shirish R Shah has been elected as the Treasurer.

### **Govt hikes wheat MSP by Rs 65/quintal**



The Government on Wednesday hiked the minimum support price (MSP) for wheat by Rs 65 to Rs 1,350 a quintal for the 2012-13 crop year, from Rs 1,285 a year ago.

It also approved additional wheat exports of 2.5 million tonnes (mt), a move that may help liquidate surplus stocks and create storage space for the new crop.

The Cabinet Committee on Economic Affairs (CCEA) approved the higher MSP, Finance Minister P. Chidambaram said here on Wednesday.

The hike, however, is lower than the Agriculture Ministry's latest recommendation of Rs 100.

However, the quantum of MSP hike is marginally higher than the bonus of Rs 40, suggested by the Commission for Agricultural Costs and Prices (CACP) recently.

In its earlier recommendation, the CACP had favoured a freeze on wheat MSP for 2012-13 at last year's level of Rs 1,285. However, the CCEA, while approving the MSP for other rabi crops on November 1, had asked the advisory body to take a relook at wheat support price.

In its revised suggestion, the CACP is learnt to have again favoured freezing the MSP at last year's level but recommended a bonus of Rs 40 while advising liquidation of a total of 15 mt wheat from the existing stocks.

The CACP had favoured exports of 7.5 mt and suggested offloading the remaining 7.5 mt in the domestic market, sources said.

As of December 1, 2012, the Government held wheat stocks of 37.65 mt in the Central pool stocks, almost thrice the buffer norm and strategic requirement at that point in time.

Wednesday's hike in wheat MSP may prompt more farmers to plant the cereal crop. As of December 21, wheat acreage stood at 253.17 lakh hectares, marginally down from 257.15 lakh ha in the corresponding last year.

The Government is targeting a wheat output of 86 mt for the 2012-13 crop year.

In 2011-12, crop year, the country produced an all-time record of 93.9 mt.

Following the announcement of MSP, wheat futures gained marginally on Wednesday. The January 2013 contract on the NCDEX ended 0.38 per cent higher to end at Rs 1,591, while the February contracts closed higher by 0.77 per cent at Rs 1,566.

### **Nod for additional 2.5 million tonnes export**

The Government on Wednesday approved additional wheat exports of 2.5 million tonnes (mt) from the central pool stocks of Food Corporation of India (FCI).

The Cabinet Committee on Economic Affairs (CCEA), which approved the additional exports through public-sector entities such as PEC, MMTC and STC, has set a floor price of \$300 a tonne. These additional exports are to be completed by June 2013.

In July, the Government had allowed export of two million tonnes of wheat. The tendering process is complete for 1.7 mt.

Of this, the actual quantity shipped stands at over 1.1 mt, sources said.

The average price fetched by the PSEs so far stands at over \$300 a tonne – the highest being \$328, while the lowest was \$296. About 70 per cent of the wheat exported by the PSEs is destined to Far Eastern countries, while the rest has been to West Asia.

“Prices should look better early next month when the US market resumes post-Christmas and New Year holidays,” an analyst said.

The Government’s latest move to export additional quantity of 2.5 mt from central pool stocks will create more space for storage in FCI godowns, a statement said.

Since April this year, wheat exports from India have crossed two million tonnes, with equal contribution from both private and public sector entities.

### **Coconut oil prices rise for third week**

Coconut oil market continued to witness upward trend both in Kerala and Tamil Nadu markets for the third consecutive week.

The prices in Kerala were ruling at Rs 66.50 a kg (Rs 66) while in Tamil Nadu, it stood at Rs 65 (Rs 62.50).

The copra market also remained more or less the same quoting at Rs 4,700 per quintal in Kerala (Rs 4,800) and Rs 4,500 in Tamil Nadu (Rs 4,600).

Bharat N. Khona, former Board Member, COMA, pointed out that the coconut oil market is expected to stabilise at the prevailing rates in the short term as copra arrivals was weak due to off-season. With the low pricing in other edible oils such as palm oil and palm kernel oil, he said upcountry buyers and corporates are not keen in the market.

The palm oil prices are ruling at Rs 51 a kg (Rs 54) and palm kernel oil at the same rate of Rs 53 quoted last week, he said.

Thalath Mahamood, former President, COMA, said the copra market is witnessing a buying trend, which is the reason for coconut oil market ruling steady. Besides, there is a good demand for raw coconuts in Tamil Nadu due to bulk procurement by desiccated coconut powder companies.

It would be difficult to predict the market now since palm oil and palm kernel oil prices are ruling low. This may lead to adulteration of coconut oil with palm kernel oil, which may affect the price rally, he said.

The movement of edible copra and raw coconut in bulk to North India and Pakistan markets can also be attributed for the price rally, he added.

Production season is at the fag-end in Kerala and expected to remain low till March, he said.

Meanwhile, the Kerala Government is in the process of commencing procurement of coconuts from farmers soon. Efforts are also on to establish a network of dryers to convert the procured coconuts into copra.

The decision to procure coconuts instead of copra was taken due to the lack of facilities for drying at the local level. The processing of procured coconuts was expected to commence by January with the support from Nafed, Warehousing Corporation, cooperatives and the Agriculture department, officials said.

### **Govt okays Rs 65/quintal hike in wheat MSP; allows additional export of 2.5 mt**

The Government on Wednesday approved an increase of Rs 65 per quintal in the minimum support price (MSP) for wheat at Rs 1,350 a quintal for the 2012-13 season.

Last year, the Government had fixed the wheat MSP at Rs 1,285 a quintal.

The Cabinet Committee on Economic Affairs approved the MSP hike of Rs 65 a quintal on Wednesday. The CCEA also approved exports of an additional 2.5 mt of wheat from the Government stocks, said Finance Minister, P. Chidambaram.

The Government is having a wheat stock of 37.6 mt as of December 1, 2012, almost thrice the buffer stock requirement.

Chidambaram said the Government had earlier approved export of 2 mt of wheat, of which 1.7 mt has been contracted so far by the state agencies.

# Business Standard

TODAY FARM NEWS

27.12.2012 A.M

## Cardamom gains 1.40% as demand improves

Cardamom prices rose by Rs 14.60 to Rs 1,060 per kg in futures trade today after speculators enlarged their positions supported by good buying in the spot markets.

On the Multi Commodity Exchange, [cardamom](#) for the January contract rose by Rs 14.60, or 1.40 %, to Rs 1,060 per kg, with a trading volume of 771 lots.

The February contract moved up by Rs 7.50, or 0.69%, to Rs 1,090 per kg, with a business volume of 168 lots.

Traders said rising export and spot demand against restricted arrivals from producing regions, influenced cardamom prices at futures market.

## Crude palm oil moves up by 0.31%

Crude palm oil rose by 0.31% to Rs 408.50 per 10 kg in futures trade today as traders increased their buying positions on rising demand in the spot market.

Moreover, a firming trend in the Asian region also supported the domestic prices of CPO.

At the Multi Commodity Exchange, the December contract rose by Rs 1.30, or 0.31%, to Rs 408.50 per 10 kg with a trading volume of 319 lots.

Likewise, the January contract rose by Rs 1.20, or 0.28%, to Rs 417 per 10 kg, with a business volume of 458 lots.

Analysts said a firming trend in the spot as well as overseas markets helped [crude palm oil](#) futures prices to gain fresh ground.

Meanwhile, the crude palm oil gained 0.8% to \$ 792 a metric ton on the Malaysia Derivatives Exchange.

### Chana falls 1.64% on profit-booking

Chana prices fell by Rs 66 to Rs 3,959 per quintal in futures market today, as speculators booked profits, driven by a weak trend at the [spot market](#) on subdued demand.

Expectations of higher production this season also put pressure on the [chana](#) futures prices.

At the National Commodity and Derivative Exchange, the January contract fell by Rs 66, or 1.64%, to Rs 3,959 per quintal, with an open interest of 63,490 lots.

Similarly, the April contract lost Rs 34, or 0.93%, to Rs 3,605 per quintal, with a trade volume of 32,440 lots.

Traders said besides profit-booking by speculators, subdued demand in the spot market at existing higher levels led to the fall in chana prices at futures trade.

They said hopes of an increase in the seeded area and likelihood of higher imports

further influenced the market sentiment.

### **Castorseed falls on weak spot markets**

Castorseed prices fell by Rs.69 to Rs.3,856 per quintal in futures trade today on selling by speculators, tracking a weak physical markets sentiment.

Marketmen said increased supply and reduced off-take in spot markets mainly influenced trading sentiments.

At the National Commodity and Derivatives Exchange, the March contract fell by Rs.69, or 1.76% to Rs.3,856 per quintal, in an open interest of 14,500 lots.

The January contract also dropped by Rs.61, or 1.63% to Rs.3,681 per quintal, with an open interest of 91,200 lots.

### **Potato falls on adequate stocks, low demand**

Potato prices fell by Rs 3.60 to Rs 688.50 per quintal in futures trade today as speculators offloaded their positions due to low demand in spot markets.

The trading sentiment weakened further as a result of easy availability of potato in the spot markets following fresh arrivals from producing regions.

At the Multi Commodity Exchange, the May contract fell by Rs 3.60, or 0.52%, to Rs 688.50 per quintal, with a business volume of 11 lots.

The March contract declined by Rs 3.50, or 0.47%, to Rs 729 per quintal, with a trading volume of 19 lots.

Market experts said traders offloaded their holdings at existing higher levels, tracking a weak spot market trend on fresh supplies pulling down [potato prices](#).

### Select edible oils weaken on sluggish demand, global cues

Select [edible oils](#) declined by Rs 50 per quintal on the wholesale oils and oilseeds market today due to subdued demand amid a weak global trend.

However, non-edible oils moved in a tight range in restricted buying activity by consumers and settled around previous levels.

Sentiment in edible oils turned bearish after palm oil retreated from the highest level in a month in overseas markets as data showing gains in exports from Malaysia were countered by concerns over shipments to China, the world's biggest cooking oil buyer.

Meanwhile, the March contract was little changed at \$ 790 a metric tonne on the Malaysia Derivatives Exchange, highest since November 27.

In the national capital, soyabean refined mill delivery (Indore) and soyabean degum (Kandla) oils declined by Rs 50 each to Rs 7,150 and Rs 6,700, while crude palm oil (ex-kandla) traded lower by the same margin to Rs 7,100 per quintal.

Palmolein (RBD) and palmolein (Kandla) oils shed Rs 50 each at Rs 7,200 and Rs 6,700 per quintal respectively

### Wheat inches up on fresh buying

Wheat prices inched up by Rs 5 per quintal on the wholesale grains market today on fresh enquiries.

However, other grains including rice moved in a narrow range in limited deals and settled around previous levels.

Marketmen said fresh enquiries from stockists and flour mills helped wheat prices to trade higher.

Meanwhile, the government raised wheat MSP by Rs 65 per quintal to Rs 1,350 per quintal.

In the national capital, wheat dara (for mills) traded higher by Rs 5 to Rs 1,595-1,600 per quintal. Atta chakki delivery followed suit and went up by Rs 20 to Rs 1,600-1,605 per 90 kg.

The following are today's quotations per quintal (In Rs):

Wheat MP (deshi) 2,050-2,250

Wheat dara (for mills) 1,595-1,600

Chakki atta (delivery) 1,600-1,605

Atta Rajdhani (10 kg) 210

Shakti bhog (10 kg) 210, Roller flour mill 840-850 (50 kg)

Maida 880-890 (50 kg) and Sooji 930-950 (50kg)

Basmati rice (Lal Quila) 9,500

Shri Lal Mahal 9,500

Super Basmati Rice 9,000

Basmati common new 6,400-6,500

Rice Pusa-(1121) new 5,800-6,300

Permal raw 2,000-2,100

Permal wand 2,200-2,250

Sela 2,400-2,450 and Rice IR-8 1,550-1,650

Bajra 1,340-1,345

Jowar yellow 1,400-1,410

white 2,200-2,400

Maize 1,470-1,520

Barley 1,440-1,450

Rajasthan 1,080-1,090

### Wheat output in state likely to remain same this year

Despite lower sowing, Gujarat state agriculture department has estimated the equal output of wheat in the state. However, [Junagadh Agriculture University](#) (JAU) thinks that wheat production may decline by 25 per cent this year.

Sowing area under wheat crop in Gujarat has declined by around 17 per cent in this year, with sowing area touching around 737,300 hectares as on December 18 against 886,900 hectares last year.

[Wheat production](#) was around 4 million tonnes in 2011-12.

The state agriculture department feels that the production would be around the same level as last year's. "This year we are expecting the same production in wheat as like last year. It is a fact that sowing so far is lower compared to last year's, however there will be more areas where sowing will be done," said [B R Shah](#), director of the Department of Agriculture, Gujarat. He added that wheat production in 2012-13 is likely to touch 4 million tonnes. In contrast, research scientists at the department of agricultural economics at JAU feel that wheat production may decrease by 25 per cent this year as sowing is down in the state.

Moreover, water shortage primarily in Saurashtra region discouraged farmers from wheat sowing in the area. K H Dabhi, research scientist for wheat in JAU said, "Saurashtra area is almost dry this year because of weak monsoons. Wheat sowing was done only where farmers had water connectivity."

He added that as per data available, wheat sowing in Saurashtra region is down by almost 92 per cent to 80,900 hectares against an average of 1.2 million hectares. JAU

feels that productivity might also be low this year. "Productivity may also decline this year. Gujarat's average productivity in wheat is around 3,000 kg per hectare," Dabhi claimed.

[M G Dhandhalya](#), associate research scientist, department of agricultural economics, JAU said, "In the current year, area under wheat cultivation is expected to decrease due to low rainfall and less availability of irrigation water. Hence the production of wheat will be very low in Gujarat."

### Coffee exports dip 9% in 2012 over glut in global market

India's coffee exports have declined nine per cent in 2012 in line with the market expectations. The country exported 307,700 tonnes between January and December 21, 2012, against 337,715 tonnes in the previous year.

The drop in exports was mainly on account of subdued demand from major consuming markets in Europe, Asia and US, as a result of [global slowdown](#). Bumper crop in Brazil and Vietnam also contributed to the glut in the international market resulting in demand drop.

"In the beginning of this year we had projected around 10 per cent drop in exports. The exports have moved in line with our expectations. The continued economic slump globally contributed towards the decline in demand for coffee in almost all major consuming countries," [Ramesh Rajah](#), president, Coffee Exporters Association of India said.

COFFEE EXPORTS			
Financial year	Quantity (MT)	Value (Rs cr)	Unit value (Rs/MT)

2008-09	196,762	2,238.41	1,13,762
2009-10	196,002	2,070.68	105,645
2010-11	299,357	3,360.44	112,255
2011-12	323,656	4,537.90	140,207

*Source: [Coffee Board of India](#)*

However, there is no encouraging news in store for the exporters in 2013. Contrary to the cheerful start to 2012, when the exporters opened the year with good prices, the opening of 2013 is not encouraging for the exporters. According to the early indications, there is no positive news either, as the order book remains very thin and there are not many enquiries for the first quarter of 2013, he said.

“The global economic slowdown has turned out to be much worse than we expected. The continued slowdown and change of consumption pattern for cheap-priced coffees has resulted in demand dip for the new year,” Rajah pointed out.

According to Coffee Board of India, export of Indian coffee witnessed a drop of 9.8 per cent during the calendar year 2012 at 260,590 tonnes as against 288,958 tonnes. While the export of Arabica variety went up 8.5 per cent to 57,633 tonnes against 53,087 tonnes in the year 2011, the exports of Robusta suffered a blow. The export of Robusta variety declined 18 per cent to 156,475 tonnes as against 190,705 tonnes in 2011.

Similarly, the export of instant coffee (value-added coffee) remained flat at 93,368 tonnes against 93,643 tonnes in the year 2011.

“The coffee market is still saddled with a global glut of Arabica coffee beans this year. As a result, prices of Arabica may not see further rise from its present level of Rs 6,800 per 50 kg bag”, the Coffee Board said on its website.

Rajah said, last year the outlook was much more bullish compared to this year as we had better prices and carry over stock from the previous year. Bumper crop in Brazil and Vietnam have contributed to glut in the [global markets](#) during this year.

Crop year 2012-13 is now under way and arrival of the new crop is delayed by three weeks. It is expected to hit the market in January. The crop for the year is likely to remain more or less same as last year at 300,000 tonnes. The Coffee Board has pegged the domestic crop at 325,300 tonnes, a growth of 3.5 per cent over 2011-12.

### Bitter season awaits UP's sugar mills

The sharp increase in cane prices could lead to more losses and arrears in payments to farmers; disaster, says industry, when coupled with Centre's controls

Uttar Pradesh, the country's largest sugar producing state, has once again chosen to give politics prominence over economics in deciding the price of sugarcane for the sugar industry. The state is home to the country's top sugar firms like [Bajaj Hindusthan](#), Balrampur Chini, [Dhampur Sugar Mills](#) and Triveni Engineering, among others. The [Akhilesh Yadav](#)-led Samajwadi Party government announced an increase on December 7 of Rs 40 a quintal, or 16 per cent, in the state advised price (SAP) of sugarcane across varieties. The new price is Rs 280 and Rs 290 a quintal for normal and early varieties, respectively.

Yadav's predecessor, [Mayawati](#), had also raised sugarcane prices by Rs 40 a quintal last year as Uttar Pradesh was preparing for elections to the legislative assembly — there are close to seven million sugarcane farmers in the state. No party can afford to antagonise these farmers if it wants to rule Uttar Pradesh. The sharp increase has come at a time when sugar prices have softened considerably from this year's peak of Rs 3,600 a quintal in September to Rs 3,250 a quintal now. The industry, desperate for a profitable production season this year (crushing of sugarcane starts in October or November and ends in April) after losses in recent years, was all along anticipating a

lower increase. According to calculations at the Uttar Pradesh Sugar Mills Association, the mills are in a position to pay only in the range of Rs 238 to Rs 243 a quintal in 2012-13, assuming average sugar prices in the range of Rs 3,350-3,400 a quintal during the year. The higher price, as fixed by the government, will result in losses and more arrears in payments to sugarcane farmers. At the beginning of the season, sugar mills in Uttar Pradesh owed Rs 85 crore to farmers. ([STATE-ADVISED CANE PRICE](#))

### **Rising costs**

Abinash Verma, director general of the Indian Sugar Mills Association, says at the new sugarcane price, the cost of sugar production would be Rs 3,600-3,700 a quintal, which leaves a deficit of Rs 350-450 a quintal over the current market price of Rs 3,250 a quintal. Considering the likely output of 7.9 million tonnes this year, the industry could end the season with a loss of over Rs 3,500 crore. Share prices of sugar companies have crashed up to 20 per cent since the new sugarcane prices were announced on December 7. The industry is perplexed.

Vivek Saraogi, managing director of Balrampur Chini, the country's second-biggest sugar producer with 10 mills in Uttar Pradesh, is visibly upset with the decision. What can the mills make from sugarcane, he asks. "Nothing other than sugar, bagasse and molasses. The best global benchmarks show that a sugar mill cannot share more than two-thirds of the realisation from the three products with farmers. The remaining one-third is required for wages, interest cost and processing charges," he says.

According to Saraogi, the two governments, central and state, control the sugar sector and there is a complete lack of autonomy for the mills. The situation is made worse by elections, at one level or the other, every two or three years in the state. "The state government wants to raise sugarcane prices to appease the vote bank, while the Centre wants to control sugar prices to check inflation. This is a perfect recipe for disaster," says Saraogi. This is why the industry faces cycles where production can decline sharply from 25 million tonnes to 15 million tonnes and then go back to 25 million tonnes within a couple of years. Consequently, the shortage has to be met through

imports. Saraogi, who deals with 500,000 sugarcane growers across his 10 mills, says this system is creating inefficiencies in Uttar Pradesh. “Maharashtra and Tamil Nadu (they go with the lower fair and remunerative price for sugarcane fixed by the Commission for Agricultural Costs and Prices at the Centre) have lower sugarcane cost and are, therefore, more efficient like mills in Brazil. In Uttar Pradesh, the sugarcane cost is so high that our cost of producing sugar is higher by Rs 5 a kg. But, we all sell in the same markets at a similar price,” he says. No wonder banks have become extra cautious towards the industry and are not coming forward to lend money. They fear it will raise their non-performing assets.

### **Brewing crisis**

According to Verma, Uttar Pradesh has no alternative crop to compete with sugarcane now that SAP has been fixed at this high level. “Given this price, sugarcane acreage in the state will go down only if the farmers do not get paid in time. Otherwise, we are likely to see a further increase in the sugarcane crop, which will expand sugar output further from this year’s projection of 7.9 million tonnes,” he says. This could lead to more losses and payment arrears. Mills seldom have the option to turn back farmers from their gates. It can become a political issue.

Interestingly, this time, the Uttar Pradesh mills have not legally challenged the increase in sugarcane SAP as it had been doing often in recent years. The industry has instead pleaded with the state government to grant incentives like a waiver of the purchase tax of Rs 2 on every quintal of sugarcane, reducing the society (through which the sugarcane is routed to the mill) commission from Rs 5.1 to Rs 2.1 a quintal and elimination of the three per cent entry tax levied on sugar produced and consumed within the state.

Verma says the industry also wants the Samajwadi Party government to restore the incentives committed to the industry in its previous tenure under the 2004 Sugar Investment Policy. That policy, announced when Mulayam Singh Yadav was the chief minister and Amar Singh his right hand man, had attracted investments of close to Rs

10,000 crore, in both expansion and new capacity. The policy had provided incentives such as exemption from entry tax, trade tax on molasses, stamp duty and registration charges on purchase of land, purchase tax on cane, society commission on cane and administrative charges on molasses. It had also offered a subsidy on transport of sugar and sugarcane and a capital subsidy of 10 per cent on investment. All these were to be given for five years if a company/group invested a minimum of Rs 350 crore and for 10 years if the investments were at least Rs 500 crore. However, the policy was scrapped by Mayawati immediately after she came to power in May 2007, and most companies could not avail of the full benefits that were promised by her predecessor. No major fresh investment in the sector has been made in the past five years.

Interestingly, the Akhilesh Yadav government is working on a new sugar investment policy that promises incentives for investments in the eastern part of the state, in sugar, ethanol and bagasse-based power. Given the current state of affairs, the new policy is unlikely to draw investments anywhere close to the previous one. While the state plays spoilsport through sugarcane pricing, the Centre does its bit through regressive regulations like levy sugar and a release mechanism. Under levy, every mill in the country is mandated to sell 10 per cent of its sugar production to the government for its public distribution system at a price of Rs 1,900 a quintal, substantially lower than the production cost. The Union food ministry also fixes the amount of sugar that mills can sell in the market.

“We continue to face archaic regulations in the form of levy sugar and release mechanism. When there was a shortage in domestic production, exports were banned. Today, there is surplus situation but imports continue relentlessly at a ridiculous duty of 10 per cent, benefitting farmers in countries like Brazil and Pakistan and impacting our realisation and ability to absorb the shock of this sugarcane price. If things are not rationalised, you will soon see havoc in terms of huge payment arrears to farmers,” says Saraogi. The only way to minimise the impact of the Rs 280 sugarcane price is to ban import of sugar and remove the levy obligation immediately, he adds.

Sugar mills have other revenue streams as well, like molasses and power, but the non-sugar businesses do not account for more than 15-20 per cent of their revenues. In the molasses and extra-neutral alcohol business, most mills enter into annual contracts with liquor companies, which dictate prices. In ethanol, too, the price revision from the current Rs 27 a litre has been hanging fire for more than a year. Some believe that the recent Union Cabinet decision to make it market-linked will help in improving prices to Rs 32-33 a litre. Power is a profitable business, since the cost is fixed and they get Rs 4 per unit for power. This cushions the loss from sugar to some extent.

### Wheat support price raised, RCF stake sale gets nod

To strike a balance between rising food subsidy and growing input cost for farmers, the [Cabinet Committee on Economic Affairs](#) (CCEA) has raised the minimum support price ([MSP](#)) for wheat by just five per cent to Rs 1,350 a quintal for the 2013-14 crop marketing season, which starts from April 1, 2013, as against 1,285 a quintal for the 2011-12 marketing season.

CCEA has also allowed export of an additional 2.5 million tonnes of wheat from the Central pool over the already cleared two million tonnes.

The decision to raise the MSP is at variance with the recommendation of the Commission for Agricultural Costs and Prices ([CACPC](#)), which had suggested freezing the MSP at Rs 1,285 per quintal and an additional bonus of Rs 40 per quintal, provided the government manages to liquidate 15 million tonnes of wheat stock from the Central pool.

“The rationale behind recommending the freeze of MSP was simple: the country is loaded with hugely excessive stocks of wheat — 42 million tonnes against the buffer stock norm of 14 million tonnes. The country does not have ample storage capacity to even store it properly. Higher incentives for cereal production would give wrong signals to farmers, and accentuate the problem of stocks leading to large inefficiency and a

cereal-centric production basket, while demand patterns are diversifying,” CACP chairman [Ashok Gulati](#) told Business Standard. The commission in its revised recommendation struck to its earlier proposal of freezing the MSP at Rs 1,285 per quintal, but suggested a bonus of Rs 40 per quintal if the government liquidated 15 million tonnes of stock by March 31, 2013. According to Gulati, two things changed since the submission of the price policy report — one, diesel prices and global prices of wheat due to severe drought in the US. “We worked out the impact of diesel price hike on cost of production of wheat. It is around Rs 29 per quintal. The total cost of production and marketing, worked out to Rs 1,128 per quintal (weighted average at all India level), while the paid out costs (out of pocket expenses) plus family labour costs work out to Rs 716 per quintal. The recommended MSP of Rs 1,285 per quintal covers the costs very comfortably. So, there is no case for raising MSP due to escalation in diesel costs,” said Gulati. The agriculture ministry had rejected CACP’s recommendations and instead suggested a Rs 100 per quintal rise in MSP to take it to Rs 1,385 a quintal, which the Cabinet on Wednesday trimmed to Rs 1,350 per quintal..

“I think it is a reasonable hike and will take care of some of the increase in cost of production of wheat,” said Planning Commission member and noted agriculture economist [Abhijit Sen](#).

## HELPING HAND

(Minimum support price; Rs /quintal)

Crop	2012-13	CACP recommendation for 2013-14	Final approved for 2013-14 season	% Change from last year
Wheat*	1,285	1,285+40**	1,350	5.05

\* Wheat produced in 2012-13 crop season would be marketed in 2013-14

\*\* The Commission For Agriculture Costs and Prices (CACP) had

*recommended freezing the*

*MSP for 2013-14 at this year's level of Rs 1,285 per quintal but announced a bonus of Rs 40 a*

*quintal, if the government manages to liquidate 15 million tonnes of stock by March 31, 2013*

*Source: Government of India*

### **Nod to stake sale in RCF**

The government on Wednesday approved sale of its 12.5 per cent stake in Rashtriya Chemicals and Fertilisers Ltd (RCF), which could fetch around Rs 360 crore to the exchequer, Finance Minister P Chidambaram said.

The government currently holds 92.5 per cent stake in RCF, and the paid-up capital of the company stands at Rs 551.69 crore. At the current market price of the Rs 57.80 a share, the 12.5 stake sale could fetch around Rs 360 crore to the exchequer.

### **Nod to licensing of land for PPP projects at ports**

In a bid to augment the capacity of major ports, the government has approved a proposal for licensing of land for development of projects under the public-private partnership model in these ports, Chidambaram told reporters here after the meeting.

### **New science policy**

India is set to unveil its new science policy next week which lays greater thrust on innovation, establishing research institutes and participation in mega science projects, with an aim to positioning itself among the top five scientific powers in the world by 2020. The Cabinet, at a meeting chaired by Prime Minister [Manmohan Singh](#), on Wednesday approved the Science, Technology and Innovation (STI) Policy-2013. It will be released by the prime minister on January 3, 2013 at the inauguration session of the centenary edition of the Indian Science Congress in Kolkata.



# THE TIMES OF INDIA

TODAY FARM NEWS

27.12.2012 A.M

## Chapora river water flows to the rescue of Ibrampur farmers

KERI/BICHOLIM: Chief minister [Manohar Parrikar](#) on Tuesday visited Ibrampur and met the farmers affected by the stoppage of water from the Tillari canal.

He assured them that he would instruct WRD officials to make arrangements to pump out water from the [Chapora river](#) from Sal-Ibrampur in the next three-four days to provide their parched fields with some relief. He informed them that Maharashtra chief minister Prithviraj Chavan and he are likely to meet Prime Minister [Manmohan Singh](#) at New Delhi on December 27 to apprise him about the dispute. He expressed confidence that the issue was likely to be solved three-four days after this meeting.

Parrikar inspected fields in Sal and Kharpal villages from Bicholim taluka that have suffered as a result of the stoppage of water from the [Tillari canal](#) for the last 16 days. He was accompanied by Bicholim MLA Naresh Sawal, Bicholim [BJP](#) mandal chief Manohar Shirodkar, Sal sarpanch Ghanashyam Raut, WRD chief engineer Sandep Nadkarni, executive engineer Pramod Badami, superintendent engineer of Tillari irrigation corporation J S Husmani, assistant, junior engineers and the villagers.

Parrikar revealed to the farmers his plans of implementing a 'block-water-soak-water' scheme by putting bandharas in barren lands to make them fertile. He advised farmers not to panic as he was going to compensate them for the losses suffered after a survey is conducted by the zonal agricultural officer (ZAO). The Bicholim ZAO, Satej Kamat,

who began his survey on Wednesday, visited Sal, Vadawal and Kumyamal areas. He said, "Presently, 40% of sugarcane, paddy, coconut, vegetables and other crops are under threat. If no water is provided soon, these crops will be affected."

As per an assurance given by the officials of the Tillari dam, irrigation water was supposed to be released by December 10, but this failed to materialize as the oustees of the dam continued to stage their dharna outside the canal for the 17<sup>th</sup> day until a written decision is conveyed to them by Chavan. Sources said that the leakages to the main gate at Khanyale from where the irrigation water is released to Goa have not been fixed and as a result, a huge quantity of water gets wasted. Even if water is released to Goa in the next few days, getting a smooth water supply from the Tillari dam might be a problem as a major part of the repairs to the main gate have not yet been completed.

Subhash Sawant, the headmaster of Sateri English High School, Ibrampur, who was present at the meeting, said, "The Maharashtra government is gambling with the lives of farmers in Pernem taluka whose land is under agriculture and horticulture. Today, we are on the verge of losing our crops for the want of irrigation."

Dasharath Shinde, a local panch from Ibrampur said, "Farmers in Angod and Hedus are in a tight corner as the canals are without water. Our source of livelihood is threatened."

### **Farmer ends life in Pudukkottai**

TRICHY: A 30-year-old farmer committed [suicide](#) in a village in Pudukkottai district on Tuesday. The police registered a case stating that he ended his life due to family conflict. However, a farmers' association attributed his suicide to crop failure.

P Saravanan, 30, a resident of Narikudi near Aranthangi in Pudukkottai district

committed suicide by consuming [pesticide](#). He was found unconscious in his farmland where he cultivated [Samba crop](#) in the village on Tuesday evening. But he died in the hospital on Tuesday night. He is survived by wife S Selvarani, 24, daughter S Rashika, 4, and S Ramanathan, 2. The Aavudaiyar Kovil police said Saravanan picked up a quarrel with his wife over a family dispute last week. Since then, his wife was staying at her maternal house in Ezhunootrumangalam in Pudukkottai. At this juncture, he went missing from his home. On Tuesday evening, his relatives found him unconscious in his land and rushed him to the Aranthangi government hospital where he died.

Police registered a case of suicide due to family conflict based on a complaint from his wife Selvarani. The body was sent to his village after post-mortem. However, Tamil Nadu Vivasaya Thozhilalar Sangam said the couple, Saravanan and Selvarani, had differences of opinion over samba cultivation. Selvarani reportedly opposed her husband for taking up Samba cultivation as they could not afford to pay for diesel generators to get water. So, they picked up a quarrel allegedly due to which Saravanan committed suicide.

### **Protein-rich crops to fight malnutrition**

BHUBANESWAR: [Eminent agri-scientist](#) M S Swaminathan on Wednesday said he will soon start a malnutrition-free programme to fight hunger and undernourishment in the state. Climate-smart and protein-rich crops will be produced across the state by the [MS Swaminathan Research Foundation](#) (MSSRF) under the project.

"Though the state is very rich in tribal culture most of the tribal communities are suffering from malnutrition and hunger. We have decided to identify nutritional disorders and deficiencies among people in different pockets of the state and will promote cultivation of protein-rich crops. I have already discussed the matter with chief minister

Naveen Patnaik in this regard and he sounded very enthusiastic about the proposal," said Swaminathan. He was delivering the Dr Kishen Kanungo memorial lecture at the Orissa University of Agriculture and Technology here.

He said nearly 80 % of children and 50 % women in the country are suffering from hidden hunger caused by deficiency of iron, iodine, zinc, vitamin A and vitamin B12. "The main reason behind this is that people have stopped eating local grains like nutri-millets, including ragi, bajra, jowar, maize, cereals and pulses," he added.

Due to advance in technology, bio-fortified food grains like iron-rich bajra and beans, quality protein maize, vitamin A-rich sweet potato and tapioca, zinc-rich rice and wheat and vegetables are available in market.

Describing monsoon and market as the two major hindrances for farmers, Swaminathan said, "A socially- viable method of bringing small scale producers together, either in the form of cooperatives or self help groups, is urgently needed to maintain young farmers' interest in farming. If agriculture goes wrong, nothing else will have a chance to go right in our country."

### **Land size may decide water allocation**

HENNAI: Farmers in the country are likely to get taxed if they get liberal with water use. A new water policy will be discussed and ratified by chief ministers of all states at the National Water Resources Conference (NWRC )to be held soon.

Along the lines of rationing water, the policy involves pricing of water according to the volume of water used. However, even two days before the conference, many states have expressed unhappiness on the issue of water pricing, suggesting it is not practical.

The pricing is volumetric. For example, a farmer holding a one-acre plot may only be allowed 200 litres of water per week for irrigation. The volume of water allocated to him will be fixed by a local water users association based on the amount of water available from the local lake or tank that particular season. So, he may have to change his water usage pattern or even his crop for that season to a less water-intensive crop. Usage beyond the allotted limit may attract an additional charge. The idea is to reduce wastage of water. States, however, are sceptical as to the feasibility of this plan.

"This will not be well accepted by people in rural areas, for whom it is mainly intended," said an official from Tamil Nadu. "If taken up, it will provide scope for private players to take part in water distribution and possible misuse." However, a Union ministry official made light of the criticism. "The policy is not binding upon the states as water resources is a state subject," he said. "If implemented, this will go a long way in conservation in tune with irrigation management laws."

Stakeholders, however, were guarded in their replies. "It is too early to comment right now," said S Ranganathan, general secretary of [Cauvery Delta Farmers Association](#). "Most agriculturists will object to the pricing. Keeping tabs on the precise amount of water used by farmers all over the country is difficult to bring about," he pointed out.

### **Leaf Analysis labs to farmers' aid**

For the farmers who remain heavily dependent on fertilisers to better the quality of their crop, here's some good news. A Leaf Analysis laboratory that has been set up in Hoshiarpur can now tell the farmers the type and quantity of the chemicals that they need to use in their farms. This is done by analysing the level of micro and macro nutrients in the leaves of plants. The lab, set up by the state horticulture department, will be followed by two more. "Leaf testing will show the amount of phosphorus, nitrogen, zinc, potash and other nutrients in the plant, which can be compared with the prescribed quantity," said Citrus Nodal Officer for Punjab, Dr Gurkanwal Singh.

### **In water-starved Kandi, farmers now turn to fountain irrigation**

The state's kandi (sub-mountainous) zones have perennially faced water shortage for irrigation. The government has now decided to tackle the problem through drip or fountain irrigation. A pilot project in this regard is all set to be implemented in the Talwara kandi region in Hoshiarpur district.

A Punjab government team recently visited the Sundernagar region in Himachal Pradesh (HP), where 2,400 hectares of land is being provided water through drip irrigation.

Agricultural experts from Punjab are now working on the final report of the initiative while the National Agricultural Bank of Rural Development (NABARD) has already sanctioned Rs 31 crore for the project.

If all goes well, then around 1,800 hectares of land, upstream of the kandi canal at Talwara in Mukerian sub-division, will be under the project.

Water will be lifted from the kandi canal and a distribution centre and pump will be installed for every two hectares, which will irrigate the land through drip irrigation.

Dr B S Sidhu, agricultural advisor to the Punjab government, confirmed that the pilot project was at the initial stage and that a detailed project report (DPR) is being prepared. "If it comes up, then it will be a boon for the state as such projects have great potential to save our underground water," he added.

At present, water needs, in the kandi areas, are met through deep tubewells but they are a cause for concern as underground water table has reached a critical stage in the state.

The Central Ground Water Board (CGWB)'s report revealed that this year 18 blocks in Punjab have been banned from digging new bores. This is in addition to the 92 blocks — of the total 137 such blocks in Punjab — having already been listed as 'dark zones' in Punjab due to over exploitation of underground water.