

## Pilot project to help dryland farmers shows good results

*'In Bijapur, yield has increased by 20 to 25 per cent in last two years'*



M.S. Shirahatti, Agriculture Manager, Regional Agricultural Research Station, Bijapur, has said that a report will be submitted to the government so that the project can be replicated in other parts of the State.

The National Initiative on Climate Resilient Agriculture (NICRA), a pilot project to help dryland farmers, has shown good results. It was taken up by the Central Research Institute for Dryland Agriculture, Hyderabad, a constituent organisation of the Indian Council of Agricultural Research (ICAR), two years ago.

The project, being implemented in three districts — Bijapur, Belgaum and Bangalore Rural — through the Regional Agricultural Research Stations (RARSs), has a multipronged approach to help dryland farmers get better yields with the available water.

M.S. Shirahatti, Agriculture Manager of the RARC here and co-principal investigator, told *The Hindu* that owing to drastic and unstable climatic conditions, dryland farmers were badly affected.

“Simple and effective methods are needed to retain moisture in the soil. The NICRA was formulated to address this primary concern by coming up with new

ideas. This has been paying rich dividends since its implementation around two years ago,” Dr. Shirahatti said.

### **Four plans**

He said that the NICRA had formulated four plans to deal with the problem. To have a contingency cropping plan where different crops resilient to climate change are promoted; developing simple methods for water conservation to retain moisture and to increase groundwater level; promote cheaper and effective agricultural tools to minimise expenditure on labour; and to ensure optimum usage of any wasteland for agricultural/horticultural purposes.

He said that the RARC had selected around 40 hectares of land at Kavalgi village of Bijapur taluk to implement the NICRA.

### **‘Worked wonderfully’**

“We took up the project in the village around two years ago on the lands of some 96 farmers. Our simple and cheaper methods have worked wonderfully. In spite of insufficient rainfall, the agricultural output has increased by 20 to 25 per cent in the last two years,” Dr. Shirahatti said.

He said that the project had essentially helped small and marginal farmers who could not spend much on getting irrigation facility.

Citing an example, he said that after promoting the concept of ‘compartment bunds’ in the fields, rainwater was retained in the soil even during dry weather, leading to an increase in agricultural output.

### **Report**

To a question, he said the RARC here had been collecting data and preparing the annual report on the success of the project.

“We will be submitting the report to the government so that the project can be replicated, through the Agriculture Department, in other parts of the State,” Dr. Shirahatti said.

## **‘Allocation doubled for animal husbandry, dairying and fisheries department’**



Gagandeep Singh Bedi (second right), Secretary, Department of Animal Husbandry, Dairying and Fisheries, releasing a handbook on dairying and fisheries and R. Palaniswamy (second left), Director, Animal Husbandry and Veterinary Sciences, receiving the first copy at the valedictory of the exhibition the Department had organised in Coimbatore on Sunday.- PHOTO: S.SIVA SARAVANAN

The State Government has not just increased but doubled the allocation for the Animal Husbandry, Dairying and Fisheries Department and that shows its commitment to develop the primary sectors, said Gagandeep Singh Bedi, the Department Secretary.

He was speaking in the city on Sunday at the valedictory of the Coimbatore Division technical exhibition on cattle and fish rearing, organised by the Tamil Nadu Veterinary and Animal Sciences University (TANUVAS).

Any country’s development largely depended on the growth of primary sectors like agriculture, dairy and fisheries. For, more people were engaged in such sectors. Keeping this in mind, the Government led by Chief Minister Jayalalithaa

had announced a number of schemes aimed at increasing the income of the people involved.

He said that the budgetary allocation that was Rs. 281 crore in 2009-10 went up to Rs. 305 crore in 2010-11. In 2011-12 it shot up to Rs. 677 crore. For 2012-13 the expectation was Rs. 10 –15 crore increase, but the Chief Minister surprised all those concerned by allocating Rs. 814 crore. Such increased allocation would be an example for other States in the country. And so would be her schemes like distribution of free cattle to poor families. The Government implemented the schemes in transparent manner in that the gram sabhas selected the beneficiaries and the latter selected the animals they wanted. This year the Government had allocated Rs. 244 crore for the purpose.

The scheme did not stop with just the Government disbursing the funds. The Government through veterinarians followed up with the farmers and ensured that the animals stayed in good health. This way the Government ensured that the money remained well spent and the beneficiaries benefited out of the schemes.

Collector M. Karunakaran said that in the 2011-12 Financial Year the district administration had distributed cattle worth Rs. 3.72 crore to 2,944 persons.

This year the target was distribution of cattle for 3,300 persons. Thus far the administration had distributed cattle to 2,928 persons for Rs. 3.64 crore.

He also spoke about the increase in the number of beneficiaries in Old Age Pension and other schemes to drive home the point that the administration was taking all possible measures to ensure that maximum eligible persons benefited from the schemes. R. Prabhakaran, Vice-Chancellor, TANUVAS, and K. Ramasamy, Vice-Chancellor, Tamil Nadu Agricultural University, took part.

## **Farmers seek solution for human-animal conflict**

Members of farmers' association have written to the Union Minister for Environment and Forests, Jayanthi Natarajan, to have a relook at issues concerning human-animal conflict. In their letter, association members V. Balasubramaniam and P. Kandasamy have said that the Minister, as the chairperson of the first zonal conference on animal welfare, should hear the farmers, experts in animal welfare and others before arriving at a decision.

Citing instances of wild boars venturing out of forest areas and destroying crops and cattle, he said that any attempt to chase away wild boars or action against them attracted sections of the Wildlife Protection Act. The Central Government should amend the laws in such a way that the farmers who initiated defensive action to protect their crops or cattle against wild boards or other animals were not booked under the provisions of the Act.

In short, Wildlife Protection Act should not apply to wild boars or animals if they ventured out of the forests. And, they also sought shifting of wild boars from Schedule III to Schedule VI of the Act.

The farmers said that while it was welcome that the Government allocated funds for protection of elephants, tigers and other wild animals, it should also look at compensating the loss of those who suffered damage to property because of the animals. It should create a separate wing to handle such cases.

Under the schemes formulated to protect and conserve animals like tigers, the Government should also take steps to ensure that the animals did not venture out of forest. Another issue the farmers had raised was the quantum of compensation to those who suffered crop or cattle loss. The maximum compensation was Rs. 25,000. This did not reflect reality as sometimes the loss ran into a couple of lakhs. They also sought strict action against those who encroach upon elephant corridors.

## Country's coffee production pegged at 3.15 lakh tonnes

The country's coffee production for the crop year 2012-13 is estimated at 3,15,500 tonnes against last year's 3,14,000 tonnes.

The post-monsoon crop forecast for 2012-13 is pegged at 3,15,500 tonnes, which shows a reduction of 9,800 tonnes (3.01 per cent) over the post-blossom estimate for 2012-13 of 3,25,300 tonnes, according to Coffee Board officials here. The reduction in production estimate is being attributed to the normal berry drop during monsoon and also to black rot and stalk rot diseases in certain high rainfall areas.

However, it is a marginal increase of 1,500 tonnes (0.48 per cent) over the final estimate of 2011-12 (3,14,000 tonne). Of the total estimate, the arabica is 1,00,225 tonnes and robusta is 2,15,275 tonnes.

According to the Coffee Board, arabica production estimate has shown a decline of 3,775 tonnes (3.63 per cent) while robusta production estimate has declined by 6,025 tonnes (2.72 per cent) over the post-blossom estimate of 2012-13.

The post-monsoon crop estimate for Karnataka is placed at 2,27,205 tonnes with 78,705 tonnes of arabica and 1,48,500 tonnes of robusta.

In Karnataka, the post-monsoon estimate has shown a decline of 7,665 tonnes (3.26 per cent) over the post-blossom estimate. However, it is an increase of 6,205 tonnes (2.81 per cent) over the final estimate of 2011-12.

In Kodagu, a major producer, the decline is 3.88 per cent with 1.45 per cent in arabica and 4.41 per cent in robusta, followed by Chikmagalur (1.93 per cent) and Hassan (3.97 p.c.) over the post- blossom forecast.

### **In Kerala**

In Kerala, it is a decline of 4,275 tonnes (6.28 per cent) over the previous year's (2011-12) final estimate of 68,100 tonnes. Therefore, the post-monsoon forecast

is pegged at 63,825 tonnes (arabica 2075 tonnes and robusta 61,750 tonnes) against the post-blossom estimate of 65,000 tonnes.

### **In Tamil Nadu**

In Tamil Nadu, the post-monsoon forecast is pegged at 17,750 tonnes against 17,440 tonnes of post-blossom estimate.

In non-traditional production areas of Andhra Pradesh and Odisha, the post-monsoon forecast is placed at 6,525 tonnes against previous year's post-blossom estimate of 7,790 tonnes, showing a decline of 1,265 tonnes (16.34 per cent) on account of low rainfall, high temperatures coupled with heat waves, which affected the crop. In the north-eastern region, the post-monsoon forecast is pegged at 195 tonnes, according to the Coffee Board.

### **Agriculture fair a huge draw**



**MAKING A BEELINE:**Visitors at the district-level agriculture fair at Newmans College ground in Thodupuzha on Sunday.— Photo: By Special Arrangement

The annual district-level agriculture fair being organised at the Newmans College ground here has been attracting huge crowds, with the turnout on Sunday being unprecedented.

The fair, while giving prominence to the horticulture sector, showcases farm products and has various stalls put up by agriculture-related departments and the co-operative sector. On display are huge-sized tapioca, greater yam, elephant foot yam, Sri Lankan areca nut, varieties of cocoa, ginger, lemon, pineapple, banana and various vegetables.

The organisers have taken a keen interest in exhibiting farm products drawn from different categories. For a farmer interested in different varieties of traditional pepper and new varieties of vines, the fair is worth visiting. Any doubt the visitor has is cleared by the staff on duty.

Sudhees Kaimal, one of the organisers of the fair, said that the fair showcases recent technological developments in the farm sector, while the daily seminars focus on current issues being confronted by the sector.

The organisers have also ensured that the fair includes along with indigenous farm products, newly developed high-yielding varieties.

“Even in the horticulture section, plants and flowers of native and endemic varieties are included and those plants that are of foreign origin are also on exhibition,” he said.

With the harvesting season intrinsically linked to festivals, the organisers have included in the prime schedule cultural programmes that were part of the traditional farming community.

Developments in various sectors including space technology and animal husbandry, new methods of farming, modern machines used for harvesting, equipment showcasing advancement at various stages of farming — from sowing to harvesting — are exhibited at the fair.

The fair has mostly attracted students, teachers and those with a keen interest in science. Eminent farmers were also felicitated as part of the fair.



The fair being organised by the Gandhi Study Circle will conclude on January 5.

## **Trouble ahead for Bengal potato farmers**

Bengal potato farmers may face low realisation when the new crop hits the market in mid-January due to the prospect of fall in cold storage capacity.

“Due to non-revision of rentals in the last three years, cold storage owners are facing severe cost pressure and if the government does not take corrective measure, closure of small cold stores seems imminent,” West Bengal Cold Storage Association president Rampada Paul said.

### **Supply increase**

He feared that on one hand there will be a sudden supply of potato in the market as sowing was delayed by 10-15 days.

“On the other hand, threat remains for closure of at least small cold storages in the State as there was no rental hike in the last three years and operation costs have jumped by at least 50 per cent,” Mr. Paul said.

In this situation, chances are high that potato farmers may face price crash as output is expected to rise while storing capacity may decline if the State government does not take corrective measures, he said.

### **Small cold storages**

Small cold storages account for nearly 10 million tonnes of storing capacity out of total 60 lakh tonne of potato.

According to Mr. Paul, there are around 100 small cold storages out of a total of 425 across the State. Already 10 units have closed their operations. This year, potato production is estimated at 100 lakh tonnes compared to 84 lakh tonnes last year.

This is due to two reasons, one there was crop damage and this year sowing coverage had increased by 4-5 per cent. Mr. Paul said the heavy supply of the Bengal potato crop will come in mid-February. - PTI

## **GI registration for agricultural produce**

: Steps would be taken to get Geographical Indication (GI) registration for some agriculture produce like seeraga samba paddy, Kumbakonam betel leaves, and medicinal herbs cultivated in the Cauvery delta districts, said P.Sanjai Gandhi, president, Intellectual Property Rights Attorney Association and Additional Government pleader, Madras High Court, here on Saturday.

Speaking at the Geographical Indications Authorised User Awareness programme here, Mr.Sanjay Gandhi said this was important to save their originality and patency. He said the Malaysian government claimed patency for Ponni rice and USA for Basmati rice. Indian Government had to fight it out in court to prove their origin.

Recognising the Authorised Users and issuing them certificates that they are authorised users is one step towards getting the GI registration. Applications for getting the authorised users certificates were received from 25 artisans who make Thanjavur art plates and ten artisans who produced bronze and panchaloka icons at Swamimalai. Steps would be taken to get GI registration for Narasingampettai Nadaswaram, said Mr.Sanjay Gandhi. An exhibition of GI products such as Thanjavur painting, Thanjavur art plate, Thanjavur dolls, Swamimalai bronze icons, and published products was also arranged .

## **CDB to open firms in three districts**

: Coconut Development Board (CDB) chairman T.K. Jose said here on Sunday that the CDB would launch companies in the coconut production sector in Kannur, Palakkad, and Alappuzha.

Speaking at a seminar on coconut farming and coconut products, organised as part of an agriculture seminar, Mr. Jose said there were 1,969 production co-

operative societies in the State and 65 federations, which consisted of 15 to 20 production societies. He said the companies would be formed with 50 per cent of shares for farmers and the remaining for the Central and State governments.

Mr. Jose said these firms would help farmers get remunerative prices for their produce. Value-added products will be distributed in kits.

### **Fall in yield proves boon to farmers**

*Traders vying with one another to buy paddy at price higher than MSP*

The paddy is in great demand in the market now, thanks to a steep fall in the yield in the rabi on account of the Nilam cyclone. That the producers are making rounds to the traders for sale of paddy is a cliché. The story is the other way round now in the light of the demand-supply gap that seems working in favour of the producers for now at least.

According to M.V. Suryanarayana Raju of the Rytu Karyacharana Samithi, the traders are literally vying with one another to buy the produce from the farmers for a price even higher than the minimum support price (MSP) fixed by the government. The grade-I and the grade-II varieties are being quoted for a price higher than the MSP by Rs 25-50 per quintal in the market, he says.

That the enforcement of the MSP was a daunting task for the district administration during the previous years is a different matter, of course. The administration has planned to open over 100 paddy purchase centres under the management of the IKP women in the current crop period as a market intervention measure against exploitation of farmers by millers.

A report submitted to the visiting Central team by district Collector G. Vanimohan said the district was expected to produce 7 lakh tonnes of paddy in the rabi, a drop in the yield by 4 lakh tonnes

The farmers suffered quality loss and yield loss either during the period due to the natural calamity and late transplantations on account of a delay in release of

the river water from the Dowleswaram Barrage. It is estimated that over 1 lakh tonnes of paddy was subjected to discolouring and damage.



## THE TIMES OF INDIA

### **Farmers seek guidance in improving agricultural methods**

Farmers attending a convention on improving agricultural practices on Sunday had a common complaint: "We start off with an activity like water harvesting, but lose path midway because there is nobody to provide us with consistent guidance."

About 1,500 farmers from Maharashtra, Chhattisgarh, Odisha and Rajasthan are in the city for the two-day convention of agricultural activists organized by the Suyog Charitable Trust.

At one of the gat (group) meetings on water management on Sunday, farmers from districts around Nashik, Pune, Thane and Raigad were told how to promote water conservation in their respective villages.

The resource person, Vivek Giridhari, a journalist-turned activist who has been working closely with farmers for over 13 years now, told the farmers that if they want to manage their water resources better they should start well before the crisis begins.

"Government agencies are under the impression that water harvesting is not needed in areas that receive good rainfall. For instance, Thane district receives over 2500 mm rainfall in a season. But several villages in the district struggle to meet their drinking water needs in summer," he said.

Farmers from Thane, Nandurbar and Ahmednagar too shared their experiences. "We constructed a check dam in our village with people's participation. The results are positive and our dependence on others for meeting our farms' irrigation needs has gone down significantly," said an agricultural activist from Nandurbar district near Nashik.

All the farmers hailed from mountainous regions. So, they have the advantage of drawing water from freshwater springs that pass through the hills either to form rivers or join big rivers. "Groundwater table can be increased by arresting the flow of water. This helps tide over the crisis during summers," said Giridhari.

Farmers were pleasantly surprised to know how beneficial water harvesting could be. However, the number of farmers/farm activists who attended the meeting was a small fraction of the number of farmers, mostly tribals, who suffer on account of ignorance, lack of enthusiasm and exploitation.

Giridhari appealed to the farmers to make full use of the Vasundhara programme, an initiative of the state agriculture department. "This scheme will bring government aid straight to your village."

The resource person, however, was critical of the latest government resolution (GR) of the state which makes the village sarpanch head of the samiti which will decide allocation of funds under the Vasundhara project. "Since it is the people's money, the gram sabha should be empowered to take a call on utilising the money for the development of village. It will also avoid unwanted political meddling," said Giridhari.

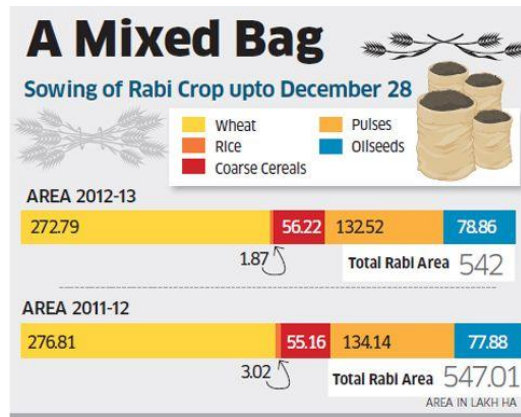
**Winter wheat, pulses output may stay firm**

The sluggish pace of sowing in wheat and pulses is unlikely to affect the output. A good weather marked with a dip in temperature and morning dew may help the crop. "The weather is perfect for a bountiful harvest. If the conditions prevail for a month, yield will be higher especially in the case of wheat and mustard. But the situation may turn bad if temperature dips beyond 4 degree," says Jaishankar Mishra, an agriscientist.

According to latest sowing data, wheat sowing lags behind last year's pace, covering 272.79 lakh hectare - down by 4 lakh hectare.

The pulses acreage is down by 1.62 lakh hectare, bringing down the overall rabi acreage to 542 lakh hectare as against 547.01 lakh hectare last year. "After the announcement of a hike in floor prices of wheat, acreage will slightly go up. However, there won't be any significant rise due to a nominal hike of Rs 65 per quintal," said RS Sharma, a senior agri-scientist.

"The insignificant hike in wheat MSP will not be reflected in this season as farmers have already sown the crop in anticipation of higher support prices. Next year, they may go for oilseeds and pulses, which are more remunerative. The wheat production, which has been breaking the ceiling every year, will definitely have some impact next year," said Sudhir Panwar, president of the Krishak Jagrati Manch, a farmer group.



## Tobacco prices likely to surge on shrinking acreage

A decreasing acreage coupled with negligible carryover stock might firm up tobacco prices.

Processors and middlemen are awaiting the new crop to be harvest by March-April. However, a gutka ban by major states has not impacted the demand for tobacco adversely. Sown on over 50,000 hectare in Gujarat, the tobacco is used for chewing, sniffing and beedi production. "We anticipate tobacco production to fall 30% owing to a weak monsoon. This will ensure prices remain firm," said Bhikhubhai Patel, president of Gujarat Tobacco Merchant Association. Currently, low quality tobacco used in zarda, gutaka and sniffing products was quoted at Rs 35-45 a kg while tobacco for beedi manufacturing and export was at Rs 50-70 a kg. "The prices have increased 15% compared to the corresponding period of 2011," said Bhikhubhai.

He added that with the ban on gutka, demand for zarda, which has a higher content of tobacco, has increased exponentially. "Usually, we have a carryover stock of 10-12 lakh maund of 20 kg each. But this year, there is negligible stock with even farmers not holding any produce," said Bhikhubhai who trades in Anand district of Gujarat.

The 180-day crop is largely cultivated in Anand, Kheda, Vadodara and Mehsana districts of Gujarat. Farmers anticipate prices to be in the range of Rs 50-80 a kg by March 2013 when the harvesting begins. Pankaj Patel has sown tobacco on 25 bigha land in Saeedpur village in Borsad town. He said that by February he will have an idea about the yield and prices. "The crop is less by 25% to 30% and at least I should get Rs 50 a kg," he said.

But exporters are concerned about the low prices quoted by the Bangladesh and Pakistan players in the Middle East, Europe and US markets.

"High prices of tobacco are making us uncompetitive in the global market," said a leading exporter from Gujarat who annually exports 25,000 tonne. He added that instead of buying bulk, the importers are buying in tranches as per their needs. However, some feel that if the yield increases, the hike in prices will not be too high. "There has been no major pest attack due to late planting and current cold weather. This will definitely increase production," said AD Patel, head of tobacco department, Anand Agriculture University.

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## Chennai - INDIA

### Today's Weather



Cloudy

**Monday, Dec 31**

**Max Min**  
26.2° | 22.9°

**Rain:** 0

**Humidity:** 94

**Wind:** normal

**Sunrise:** 06:31

**Sunset:** 05:53

**Barometer:** 1011

### Tomorrow's Forecast








Cloudy

**Tuesday, Jan 1**

**Max Min**  
29° | 23°



## Extended Forecast for a week

Wednesday Jan 2	Thursday Jan 3	Friday Jan 4	Saturday Jan 5	Sunday Jan 6
				
29°   23°	25°   23°	26°   24°	27°   24°	27°   25°
Partly Cloudy	Overcast	Overcast	Overcast	Overcast

### Airport Weather

Delhi

Delhi

Rain: 0

Humidity: 100

Wind: normal

Sunrise: 07:13

Sunset: 05:35

Barometer: 1015



THE HINDU  
**Business Line**

## Bengal potato farmers happy, but paddy growers not so



Purely from market price end, 2012 was a watershed year for farmers in West

Bengal. Paddy and potato – the two major agri commodities produced in the State – have fetched higher market prices in last one year, when compared to 2011.

The analogy, however, may not hold good if cost push and market uncertainty are taken into account. Net realisation for paddy has hardly improved against 25-30 per cent cost push on account of fertiliser and labour costs.

The year, however, brought cheers to potato farmers with prices moving ahead of input cost inflation. And, early indications suggest that the new crop, slated to hit the market between January and March, may also get good prices riding on lower crop.

However, as a parallel development potato farmers are showing a clear preference to contract farming against stable or assured return potential than taking the market risk.

## **PADDY**

With paddy fetching higher price in open market this season, roll back of money was better for farmers this year. However, this was not sufficient to make good for the accumulated debts.

In 2011, paddy prices had crashed in the open market following a bumper crop and stalled procurement by rice mills because of their inability to offload stocks.

Farmers were finding it difficult to offload their produce at the open market price, which was ruling around Rs 850 a quintal last year.

However, the situation improved in 2012 with the open market price of paddy ruling around Rs 1,200 on account of an estimated dip in production.

Though the money flow situation improved for paddy growers this year profits have been muted on the back of a subsequent rise in costs. Input costs, which include primarily labour and fertiliser costs have witnessed a 30 per cent jump so far. The higher open market prices have therefore been minimised by the rise in input costs.

### **PRICES TO RULE FIRM**

The price is likely to inch up further during the coming months on account of an estimated dip in production and a steady demand from States such as Andhra Pradesh and Tamil Nadu, said Gobinda Das Ghatak, Director, Shyama Sakti Rice Mill in Burdwan – commonly called rice bowl of Bengal.

According to agri-experts, West Bengal might witness a 10-15 per cent drop in paddy production this season on account of a dip in sowing (due to delayed monsoon and poor weather conditions).

### **POTATO FARMERS HAPPY**

Potato farmers, on the other hand, were rejoicing the steady rise in prices during this year.

Unlike in 2011, when supply glut and weak market sentiments had pushed down potato prices to record low levels, 2012 saw prices firming up in the open market.

Wholesale price of potatoes, which were seen hovering around Rs 250-400 a quintal during a major part of 2011, started improving and was ruling around Rs 950-1,250 in 2012. The higher prices, however, came on the back of a dip in potato production across the country. Potato production dropped to about 85 lakh tonne in 2011-12, against 95 lakh tonne last year.

### **NEW POTATO CROP**

According to sources, potato prices could remain firm at current levels on account of an estimated dip in production this season.

Potato sowing in the State has been delayed by over a fortnight this year on account of unfavourable weather conditions, said, Ram Pada Pal, President, West Bengal Cold Storage Association (WBCSA).

Though it would be difficult to estimate the production of the tuber, however, sowing of the crop could be almost at par or a little more than that done last year, he said.

## **CONTRACT FARMING**

An increasing number of potato farmers in Bengal are also going in for contract farming to get assured returns.

According to the WBCSA, the number of farmers engaged in contract farming of “Atlanta” variety of potatoes for Pepsico in Bengal has increased from just about 1,800 in 2008 to around 13,000 in 2012.

The area under contract farming has increased by over 15 per cent to about 7,000 acres in 2012-13.

## **China’s new quality norms unsettles palm oil trade**

A couple of tough trade-related measures including border control measures taken by China recently have unnerved the global vegetable oil and oilseeds trade and industry.

Benchmark soyabean prices had stayed firm over the last few months (highest \$17 a bushel in September) on a combination of supportive factors including tight supplies, strong US export sales and crush data (the highest in three years). Concerns over wet weather and lagging pace of plantings in Argentina were also supportive.

However, after rising to a six-week high by mid-December, prices have come under pressure on news of China cancelling export sales of US soyabean amounting to about 840,000 tonnes recently.

## **TOUGHER IMPORT NORMS**

Of greater impact potentially is the report that China has decided to impose tough new regulations for import of vegetable oil with effect from January 1.

According to trade reports, the new regulation would include documentation relating to the vessel's last three cargoes, in addition to the normal safety specifications including health parameters, agricultural chemical residues, contaminants and so on.

Some of the quality specifications have been tightened.

Until now, vegetable oil import consignments that did not meet Chinese standards were allowed to be discharged under supervision for further refining.

However, a week from now, new food safety measures will come into force for vegetable oil shipments that arrive in China's ports.

This means cargoes that do not meet the national standards run the risk of a rejection at the port.

China is among the world's largest importers and consumers of vegetable oil.

It is believed that Malaysian Palm Oil Board's request for an extension of six months for implementation of the new regulations has not been acceded to.

Trade intermediaries pointed out that since 2009 almost 95 per cent of Malaysia's palm oil shipments to China have faced smooth clearance.

## **WELL-STOCKED**

China is said to be holding huge stocks of vegetable oils, particularly palm oil at the ports. According to R. Ramamoorthy of AR International, an international trade intermediary, in the last two weeks, China's inventory has expanded by 10

per cent and current coastal stocks of refined palmolein are estimated to have crossed one million tonnes.

At the same time, China has sufficient internal stocks to meet its immediate requirement. A slowdown in shipments to China is sure to exert downward pressure on palm oil prices which are struggling to find upward traction at around Ringgit Malaysia 2,300 a tonne.

Worse, there is widespread apprehension in Malaysian government and industry circles that other major importers may follow the Chinese footsteps and tighten import norms.

### **Saina for genetic conservation of plants to fight poverty**

Ace shuttler and Olympic bronze medallist Saina Nehwal has lent her support to the cause of genetic conservation of plants in fight against hunger and poverty.

Saina today visited the city-based International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and lauded its gene conservation efforts.

“ICRISAT’s plant genetic conservation initiatives illustrate the value and use of crop biodiversity in the fight against hunger and poverty, and its impact on the livelihoods of millions of small-holder farmers in the dryland tropics”, a press release issued by ICRISAT quoted Saina as saying.

She visited ICRISAT on the Institute’s invitation to help spread the importance of genetic conservation in the global fight against hunger and poverty.

Saina described her experience of touring the ICRISAT facilities, particularly it’s RS Paroda Genebank, a delightful and eye-opening experience, the release said.

“Nature has truly blessed us with a rich genetic diversity, which is unique and important in sustaining life in this planet. This visit gave me a better

understanding of the importance of plant genetic conservation in sustaining and using genetic diversity for global food security”, the 22-year-old said.

“ICRISAT’s RS Paroda Genebank is a treasure trove of genes useful to crop improvement for sustainable food production and improved livelihoods, particularly in marginal environments, and genes that can provide climate resilience to future crop varieties through increased drought, heat and salinity tolerance, and pest and disease resistance”, said ICRISAT Director General William D Dar.

ICRISAT’s genebank, one of the world’s largest public-funded genebanks, preserves seeds of more than 120,000 accessions of pearl millet, sorghum, chickpea, pigeonpea, groundnut and small millets that are kept as in-trust collections on behalf of the Food and Agriculture Organization (FAO) of the United Nations (UN), for the benefit of the present and future generations.

### **Pepper declines on bearish activities**

The pepper market remained in the second half of last week under the control of bear operators and hence market was by and large ruled by bearish sentiments leading to a decline in prices of all the active contracts.

Interestingly, the prices fell when there was a tight supply position prevailing and amid good domestic demand especially for spot pepper. Arrivals from the primary markets continued to remain thin because of cloudy weather in many of the growing areas in Kerala. Add to this, the rich growers who had liquidated their stocks when the prices were ruling above Rs 400 a kg were seen not interested to sell at the current prices and instead were holding back to replenish their stocks.

Inter-State dealers from Tamil Nadu were said to be aggressive in the primary markets and were covering good quantity of pepper from the growers and primary market dealers at terminal market prices for catering to the upcountry

demand. "Whatever pepper arrives in the primary markets is swept away from these dealers," trade sources said.

According to them, Wayanad-based dealers were also active in Idukki district these days buying directly from the growers/dealers. As the industry had imported light pepper at cheap rates from Indonesia and Vietnam there were no buyers for the light berries from the growers in southern districts of Pathanamthitta, Kollam and Thiruvananthapuram . This has resulted in them selling the low bulk density but bold looking pepper at Rs 350-355 a kg. Buyers from Jharkhand, Bihar and MP were covering it.

## **OUTPUT ESTIMATES**

Some in the trade believe that the total Indian output would be around 55,000 tonnes this season. When the carry over stock of 10,000 tonnes are added the total availability in the country for 2013 might come to around 65,000 tonnes. The domestic market would absorb around 45,000 tonnes leaving a balance of 20,000 tonnes and of which an estimated 15,000 would be exported. The balance for carrying over would remain at around 5,000 tonnes, they claimed.

All the active contracts fell last week. Feb, Mar and Apr decreased by Rs 965, Rs 760 and Rs 755 respectively to close at Rs 34,010, Rs 33,775 and Rs 33,805 a quintal. Total turn over fell by 4,503 tonnes to close at 5,598 tonnes. Total open interest whereas increased by 522 tonnes last week to 3,525 tonnes.

Spot prices, in tandem with the futures market, also dropped by Rs 300 to close last week on Saturday at Rs 36,500 (ungarbled) and Rs 38,000 (MG 1) a quintal.

Indian parity in the international market at spot prices for Jan was at \$7,200 a tonne (c&f) while at Feb prices it was at \$6,500 . However, the exporters are said to be afraid to make any commitments as they said they don't know whether material would be available. No activities were there in the overseas markets because of Christmas season holidays and they are expected to resume late in the first week of Jan.



## **Oct tea production down 4.09%**

Tea production figures for October, which have just come out, post a decline of 4.09 per cent over Oct 2011, reveals an analysis of the data available with the Tea Board and traders' organisations.

While South India managed to produce marginally an higher output, the production in North-East plantations declined significantly to reduce the country's overall output.

Assam lost 4.69 million kg to produce 71.80 mkg while West Bengal 2.32 mkg to total 31.47 mkg. In all, North Indian production during the month dropped to 104.75 mkg – a decline of 7.13 mkg or 6.37 per cent.

South Indian output in October rose to 24.93 mkg – an increase of 1.60 mkg or 6.86 per cent. Here, Tamil Nadu produced 16.65 mkg – up 0.38 mkg and Kerala 7.71 mkg – up 1.25 mkg.

Collectively, India produced 129.68 mkg in October against 135.21 mkg in Oct 2011, marking a decline of 5.53 mkg or 4.09 per cent.

In the 10 months of current calendar, India's cumulative output has fallen to 902.28 mkg from 918.27 mkg, marking a decline of 15.99 mkg or 1.74 per cent.

There was a drop in production in both the North and South due to adverse weather during most part of the year. North India lost 12.31 mkg to produce 704.94 mkg while South, 3.68 mkg to produce 197.34 mkg.

November and December were also not all that a good season for tea production in India. North Indian plantations are not cropping due to winter adversities and volumes are not expected to hit the market till April 2013.

In the South, despite low rainfall, November crop could be maintained at last year's level due to more sunshine days. Still, the cumulative production till

November end in the Nilgiris, the largest tea producing district in the South, is estimated to have fallen by 15 per cent.

“Here dry weather conditions with possible frost attack are feared to curtail crop till February end”, a tea scientist told *Business Line*.

## Business Standard

### **Gujrat cotton seed crushing units cut operation by 40%**

A decrease in cotton production and higher inflow of unprocessed cotton seed oil from other states this season has forced cotton seed crushers in Gujarat to cut down operations by 40 per cent.

As per industry sources, units which were crushing 350-400 tonne cotton seed last year are only able to crush 250-300 tonne this year. This is mainly because of oil millers sourcing unprocessed cotton seed oil from states like Andhra Pradesh and Maharashtra as the prices are lower than Gujarat. Since demand for oil is less the crushers are getting less orders.

“This year cotton production in Gujarat is estimated to be lower than last year. Due to this cotton seed availability has decreased in the state and as a result price of cotton seed here has gone up,” said Praful Patel, vice president of Gujarat Cottonseed Crushers' Association.

“Compared to Gujarat cotton seed price in other states is lesser by Rs 10-15 per 20 kg so millers are buying unprocessed cotton seed oil from those states mainly Andhra Pradesh,” Patel, who is also a vice president of Saurashtra Cottonseed Crushers' Association said.

According to Patel, Gujarat needs around 700,000 tonnes cotton seed for crushing every year. “Against the demand, this year we are expecting only 300,000 tonnes cotton seed output,” he added. “At present, around 250 tonne of

cotton seeds are crushed per day in Gujarat," he said, adding that last year these same units used to crush 350-400 tonne of seeds every day.

"As we have a lesser amount of cotton seed and inflow of unprocessed oil from other states has increased this season, most of the crushers have cut down operations by 40 per cent," Patel said.

Since last three years cotton production in Gujarat was more than 10 million bales but this year due to poor monsoon, cotton production in the state is expected to be around 7 million bales.

Cotton oil wash (unprocessed oil) price in Gujarat was ruling at Rs 615-620 per 10 kg while the same oil in other states was trading at Rs 600-605 per 10 kg. Gujarat cotton seed price was around Rs 360-365 per 20 kg while in other states the seed cost Rs 335-340 per 20 kg. There are about 800 cotton crushers in Gujarat.