

Fertiliser firms call for urgent reforms in urea policy, raising prices

Industry body Fertiliser Association of India (FAI) on Friday called for urgently increasing urea prices as well as for reforms to the government's urea policy.

The last time urea prices were raised by 10 per cent was in 2010, while subsidised urea for agricultural use is sold at Rs.5,310 per tonne.

Addressing media persons in New Delhi, FAI Secretary General Satish Chander said, "Increase in MRP of urea and extension of NBS (Nutrient Based Subsidy) scheme to urea are urgently needed."

"Expenditure Reforms Commission recommended in year 2000 to increase farmers' price of urea by 7 per cent every year from 2001 to 2006 to bring it up to Rs.6900 per tonne. This recommendation has still not been implemented," added Mr. Chander.

A few months ago, the union cabinet sent back the proposal of the department of fertilisers to raise urea prices by 10 per cent.

Mr. Chander said urea prices could be raised and the same subsidy could be diverted to phosphatic and potassium-based fertilisers, which would result in lowering of prices for P and K fertilisers along with promoting balanced nutrient use.

The FAI Secretary General also emphasised the urgent need to extend the Nutrient Based Subsidy scheme to urea.

The government introduced NBS for P and K fertilisers in April 2010, which deregulated the fertiliser prices while the subsidy component for them was fixed on per kg of nutrient basis.

Prices of non-urea fertilisers have drastically gone up since the implementation of NBS for non-urea fertilisers in 2010.

FAI pointed out that the prices of P and K fertilisers had risen sharply during 2011-12 due to rise in international prices of fertiliser and raw materials and for the big depreciation of the rupee against the US Dollar.

Potassic fertiliser Muriate of Potash (MoP) has gone up by Rs.3307 per tonne from Rs.27,219 to Rs.30,526, during the period.

FAI co-chairman Rakesh Kapur said that apprehensions of spiralling urea prices if NBS is extended to it are unfounded as gas prices in the country are regulated and it is the main input for urea production.

FAI said that faced with rising global prices firms have asked the government to create a Sovereign Wealth Fund of \$20 billion to acquire mineral assets abroad, "We have asked the government to form a Sovereign Wealth Fund (SWF) of \$20 billion to acquire fertiliser assets abroad in the wake of rising global prices and shortage of fertilisers on the domestic front," Mr. Chander said.

He said dependence on imported raw materials for domestic fertiliser production is making the industry susceptible to international price fluctuations, while global suppliers have formed cartels and they are increasing the prices.

India imports 100 percent of its potash and 90 per cent of its DAP requirements.

New fertilizer monitoring system in Ramanathapuram

A new system of releasing fertilizers to wholesale and retail dealers from the manufacturing points has been introduced in the district to arrest pilferage and prevent misuse of fertilizers supplied to the dealers at subsidized rates for agriculture purposes.

Under the newly-introduced Mobile Fertilizer Monitoring System (m-FMS), no dealer in the district, without the 'm-FMS Identification Number' would be able to avail fertilizers from the manufacturing companies. The new system was launched recently and the retailers were being sensitised to get the m-FMS ID numbers, S.S. Shaiek Abdullah, Assistant Director of Agriculture, told *The Hindu* after chairing a meeting with dealers and representatives of fertilizer manufacturing companies here on Friday.

“The retailers were clearly told that under the new system, all transactions from the manufacturing companies with the dealers will take place only with reference to m-FMS ID number and they have been asked to avail the number,” he said.

At the meeting, the dealers were sensitised on the need to avail the unique number, he said. Marketing Managers from SPIC, MFL and IPL, leading fertilizer manufacturing companies, explained the process to the dealers, he said. SPIC was the district coordinating company and it would generate and allot the ID numbers.

Under the system, a manufacturing company would inform through an SMS to a particular dealer about the dispatch of stock, after he raised an invoice, quoting the m-FMS ID number. After receipt of the specified quantity of fertilizer, the dealer would have to acknowledge the same. This would completely arrest pilferage and ensure that the dealer received specified quantity and sold the fertilizer only for agriculture purposes, Mr Abdullah said.

He said this was the third meeting arranged with the wholesale and retail dealers after the meetings in Paramakudi on November 15 and Kamudhi on November 28. There were 297 dealers in the district, who included 18 wholesale dealers, 148 private retail dealers and 131 Primary Agriculture Cooperative Societies, he added. The new system would also help officials at the district headquarters to monitor the sales and stock positions available with all dealers, he said.

Joint Director of Agriculture Ka. Sakthimohan said that 19,847 tonnes of fertilizers, including 9,217 tonnes of urea, 3,058 tonnes of DAP, 492 tonnes of MOP, and 7,080 tonnes of NPK complex had been sold to the farmers this season.

A stock position of 1,400 tonnes of Urea, 691 tonnes of DAP, 120 tonnes of MOP and 950 tonnes of NPK complex was being maintained, thanks to Collector K Nanthakumar, who ensured coordination between the Department of Agriculture and Primary Agriculture Co-operative Societies. “This time, no farmer at the village level complained about non availability of fertilizer,” he said.

Farmers told to utilise water for ID crops

Collector S. Suresh Kumar has ordered the officials of Agriculture and Irrigation Departments to discourage farmers from growing paddy in the Nagarjuna Sagar Project (NSP) area as priority was sought to be given for utilising the water for Irrigated Dry (ID) crops.

Farmers drawing water from the canals in apparent disregard to the norms should be identified and dissuaded from carrying on paddy cultivation.

Addressing a review meeting with officials of NSP and Agriculture and Irrigation Departments at his camp office here on Friday, Mr. Suresh Kumar said it has to be ensured that water that was already released reached the tail-end areas and also served the drinking purpose in Chilakaluripet and Vinukonda municipalities.

Daily reports should be submitted to enable him to adhere to the government's guidelines in this regard. Wherever water meant for ID crops is diverted for cultivating paddy, the motors used by farmers should be removed. The farmers should cooperate with the district administration for tiding over the crisis.

Turmeric, cotton gutted

Turmeric stocks in a mill at Duggirala were gutted in a fire accident in the early hours of Friday. Electrical short circuit is believed to be the cause. In a separate incident, cotton scrap worth several lakhs was reduced to ashes in a ginning mill at Edlapadu on Friday night.

Water only for ID crops



Guntur district Collector S. Suresh Kumar asks agriculture officials to discourage farmers from growing paddy in the NSP area as priority is being given for ID crops.

Farmers step up demand for water

A delegation of farmers met District Collector P.M. Ali Asgar Pasha here on Friday and urged him to take up with Chief Minister Oommen Chandy the issue of withering of standing paddy crop in 45,000 acres in the Chittur irrigation project area in the absence of water from the inter-State Parambikulam-Aliyar Project (PAP).

The delegation, led by Muthalamthode Mani, general secretary, Desheeya Karshaka Samajam, sought Kerala's share of water from the PAP to save the second crop. The delegation demanded 1.75 tmcft of water required to save the standing crop.

They said that "Tamil Nadu had promised to release 1.75 tmcft of water for paddy cultivation in Chittur till January 31, 2013."

On this promise, the farmers were asked by the Agriculture Department to take up the second crop of paddy. Now Tamil Nadu officials on the Inter-State Water Regulatory Board say they can release only 0.75 tmcft of water. This stand will destroy the entire paddy cultivation in Chittur taluk, the granary of Palakkad.

Mr. Mani said "this stand of Tamil Nadu is a violation of the PAP agreement. As per the agreement, Kerala should get 7.25 tmcft of water annually for the Chittupuzha. But this year Kerala received only 2.62 tmcft when the Parambikulam group of reservoirs are having a total storage of 5.7 tmcft. This is gross injustice to Kerala and a blatant violation of the PAP agreement."

Animal husbandry fair begins

Minister for Animal Husbandry K.P. Mohanan has said that the State is aiming at attaining 75 per cent self-reliance in the dairy sector by increasing the number of cows to one lakh by the end of December 2013.

He was inaugurating 'Darshanam,' a three-day Malabar Animal husbandry Mela, organised by the Department of Animal Husbandry and Agricultural Technology Management Agency (ATMA), Kannur, at the Police Grounds here on Friday.

Mr. Mohanan said that with a 50 per cent contribution from the government and 25 per cent each from the panchayats and the beneficiaries, the project was expected to attain the desired end.

The government was also contemplating a project for free provision of 10 poultry hen and 10 kg feed, along with medicines for widows.

Focus on technology

The Minister said the mela would equip new generation farmers along with traditional ones to adapt to the technological advancements in the farming sector which would aid in achieving food security and increase their income.

This would also ensure farmers' security and self-reliance, he said. The Karshaka Raksha Bhakshya Subhiksha project was initiated with this motive.

Procurement of coconut through Krishi Bhavans, and instant payment for de-husked nuts were also put forward for helping the farmers.

The government was also tapping the potential in the marketing sector and the State Horticulture Mission and HortiCorp were all concertedly working towards this.

Healthy diet

A.P. Abdullakutty, MLA, presiding over the function, said that a craving for healthy diet was driving people of the State towards native production of agricultural and other farm produce and the mela gained relevance in the wake of this aspect.

K. Sudhakaran, MP, James Mathew, MLA, district panchayat president K.A. Sarala, and municipal chairperson M.C. Sreeja spoke on the occasion.

Exhibition

The fair includes display and sale of a variety of dog breeds, pet animals, hens, and cattle.

Among the stalls put up at the venue are those by Kerala Livestock Development Board; Kommeri Government Goat Farm; Parassinikadavu Snake Park; Regional Poultry Farm, Mundayad; Milk Production Farm, Anjarakandy; and Krishi Vigyan Kendra, Kannur.

Milking machines, feeding equipment, cashew apple syrup, and dairy products are for sale at the fair.

Fertilizer monitoring system introduced

A new system of releasing fertilizers to wholesale and retail dealers from the manufacturing points has been introduced in the district to arrest pilferage and prevent misuse of fertilizers supplied to the dealers at subsidized rates for agriculture purpose.

Under the newly-introduced Mobile Fertilizer Monitoring System (m-FMS), no dealer in the district, without the 'm-FMS Identification Number' would be able to avail fertilizers from the manufacturing companies. The new system was launched recently and the retailers were being sensitised to get the m-FMS ID numbers, S.S. Shaiek Abdullah, Assistant Director of Agriculture, told *The Hindu* after chairing a meeting with dealers and representatives of fertilizer manufacturing companies here on Friday. "The retailers were clearly told that under the new system, all transactions from the manufacturing companies with the dealers will take place only with reference to m-FMS ID number and they have been asked to avail the number," he said.

At the meeting, the dealers were sensitised on the need to avail the unique number, he said. Marketing Managers from SPIC, MFL and IPL, leading fertilizer manufacturing companies, explained the process to the dealers, he said. SPIC was the district coordinating company and it would generate and allot the ID numbers. Under the system, a manufacturer would inform through an SMS to a particular dealer about the dispatch of stock, after he raised an invoice, quoting the m-FMS ID number. After receipt of the specified quantity of fertilizer, the dealer would have to acknowledge the same. This would completely arrest pilferage and ensure that the dealer received specified quantity and sold the fertilizer only for agriculture purposes, Mr Abdullah said.

He said this was the third meeting arranged with the wholesale and retail dealers after the meetings in Paramakudi on November 15 and Kamudhi on November 28. There were 297 dealers in the district, who included 18 wholesale dealers, 148 private retail dealers and 131 Primary Agriculture Cooperative Societies, he added. The new system would help officials monitor sales and stock position, he said.

Joint Director of Agriculture Ka. Sakthimohan said that 19,847 tonnes of fertilizers, including 9,217 tonnes of urea, 3,058 tonnes of DAP, 492 tonnes of MOP, and 7,080 tonnes of NPK complex had been sold to the farmers this season.

A stock position of 1,400 tonnes of Urea, 691 tonnes of DAP, 120 tonnes of MOP and 950 tonnes of NPK complex was being maintained, thanks to Collector K Nanthakumar, who ensured coordination between the Department of Agriculture and Primary Agriculture Co-operative Societies. "This time, no farmer at the village level complained about non availability of fertilizer," he said.

Minister briefed about tea growers' woes

Former minister and DMK Lok Sabha member from The Nilgiris, A. Raja, has urged Union Minister of State for Commerce and Industry D. Purandeswari to take immediate steps to notify the revised statutory Minimum Support Price for green tea leaf and help small tea growers who were suffering owing to non-remunerative price for the last two decades.

Leading a delegation of the office-bearers of the Nelikolu Charitable Trust and associations of various tea growers in his constituency to the Union Minister, Mr. Raja pointed out that the Madras High Court, in its order on October 12, 2012, had asked the Centre to exercise its power under Section 30 of the Tea Act, 1953 and seek a realistic report on the problem faced by small tea growers in The Nilgiris district. Thereafter the Centre should arrive at a scientific formula to secure the realistic price (MSP).

65,000 growers in

The Nilgiris

Of the two lakh tea growers in the country who had planted tea on less than 1.5 hectares, 65,000 were in The Nilgiris district and the rest in Assam and West Bengal (Darjeeling). While tea manufacturers, brokers and buyers made huge profit, tea growers were made to suffer.

A new rice every day?



Natwar Sarangi could eat a new variety of rice every day of the year. None of it bought in the market. When I met this remarkable farmer in a small village in Odisha, I realised the magical potential of India's 'ordinary' peasants. A potential sadly neglected by our agricultural bureaucracy and 'development' planners.

Natwarbhai, 80+, is a resident of Narishu village, near Niali in Cuttack district. A retired schoolteacher, he has been practising organic farming for the last decade or so, and swears by its potential to feed India's population. He says some of the varieties he grows yield over 20 quintals per acre, higher than the so-called 'high-yielding' varieties that farmers around him get after using chemical fertilizers and pesticides. And he spends much less, since his main inputs are gobar, natural pesticides when occasionally needed, and labour.

Natwarbhai was earlier a 'modern' farmer, lured into it by officials and traders, involving high-yielding varieties, chemical fertilizers, and pesticides. One day, while watching a labourer spray Carbofuran (a highly toxic pesticide), he was horrified to see him stagger and collapse. Rushed for treatment, the worker survived, but not Natwarbhai's faith in the new agriculture. Especially after the labourer told him: "I could not breathe, my head was reeling"; and especially after, having buried the remaining stock of Carbofuran in a pit in his fields, Natwarbhai "saw dead snails, snakes, and frogs floating in the water that had accumulated there; I immediately

wondered what would be happening to the earthworms and micro-organisms that I knew kept the soil alive.”

Natwarbhai switched to organic inputs, but with the high yielding varieties that the agricultural establishment had distributed. His son Rajendra, by now having become involved in a number of environmental movements, advised him to try traditional crop varieties. The problem was, most such varieties had gone out of cultivation in the area.

Around this time (1999), along with Rajendra another young man of the village, Jubraj Swain, had been active with relief and reconstruction work after a super-cyclone. Now they set off to find traditional rice varieties; travelling over 5000 km within (and a bit outside) Odisha, they brought back dozens of varieties still being grown by so-called ‘backward’ farmers. Natwarbhai tried them all, noting down their names, characteristics, and productivity. He and Jubraj continued even after the tragic death of Rajendra due to cerebral malaria, eventually reaching the astounding figure of 360 varieties (90per cent of these from Odisha). When I expressed astonishment at this, Natwarbhai laughed: “we are aiming to have at least 500. This is in any case only a small fraction of the total diversity that Indian farmers have created”.

So true. I remember when coordinating India’s National Biodiversity Strategy and Action Plan process a decade ago, I had come across the mindboggling fact that the country’s rice diversity was anything between 50,000 and 300,000 varieties!

How does Natwarbhai keep track of this diversity, year after year? He said he and his colleagues kept an album, in which they noted down each variety’s characteristics. I was later shown a two-volume set of this album by Sudhir Pattnaik of the Oriya journal *Samadrusti*, it had tiny packets of each kind of rice variety, with key features of their growth, performance, and values written alongside.

Diversity was nice, but would it feed India’s growing population? Natwarbhai was categorical: “Without doubt. Firstly, I get as much or more average rice production on my land as those using chemicals in this region; secondly, I can grow pulses as a next crop, and then gourds or other crops as the third ... all on the same plot of land. And I get better fodder and mulching material. Overall productivity is therefore higher than my neighbours who use new seeds and chemicals. If land is not turned to non-food cash crops like tobacco, we would easily produce enough food with organic farming.”

So why then were his neighbours not switching to organic? Natwarbhai explained that the government and corporations were constantly giving 'incentives', e.g. subsidies on chemicals, and filling the cultivators' minds with promises of bumper crops and high returns. Another factor was that many of the traditional varieties had tall stalks, and 'lodged' (fell down) if there were unseasonal rains. But Natwarbhai asserted that even with this, productivity did not drop significantly, provided it did not keep on raining. Yet another reason was that many of the lands here were being cultivated by sharecroppers, who had to do what their absentee landlords told them to.

I reflected on this a bit. Farmers here were probably also being seduced by news from other regions of India, some of which had achieved over 30 quintals per acre; no-one was telling that this was possible only with increasing amounts of external inputs, that the land would simply not sustain this intensity of cultivation for long, and that growing costs of inputs would eventually reduce profit margins. Official records showed that in any case, HYV rice had yielded an average of around 15 quintals in Orissa.

Other farmers were slowly getting interested in Natwarbhai's methods. He and others have organised dozens of meetings with farmers, and offered free seeds for those willing to test them out (on condition that if they had a good crop, they would return twice the amount, to go into a grain bank). The journal *Samadrusti* also did its bit in public outreach. If only the government would help, these efforts would go much further. Unfortunately even civil society organisations were not always helpful; Natwarbhai pointed to a patch of black-grain paddy (*Kali Jir*) swaying gently in the breeze, and sadly recounted how an institution from Chennai run by a famous agricultural scientist had taken some samples, and then claimed credit for the variety!

I asked Jubraj why he had not gone looking for a job in the city, like his other young colleagues? He was, after all, a graduate in history. His answer was simple: "I enjoy this. I think it is more worthwhile than a job in the city". Productivity on his land? "I'm getting 18-20 quintals per acre; those using new seeds and chemicals here were getting less, while spending more." In a general scenario of the newer generations turning away from occupations like farming, it was good to see the young man wanting to carry on Natwarbhai's mission.

In a recent address to an international conference on biodiversity in Hyderabad, Prime Minister Manmohan Singh said: "Biodiversity, found in our forests and our fields, could provide us keys

to the solutions of the future. So we need to build a movement to conserve traditional varieties of crops.” Nice words. But the Indian government’s agricultural policies and programmes have systematically destroyed the diversity and knowledge of thousands of years of intelligent, innovative farming systems. Increasingly they are marginalising the small cultivator, and handing over controls over farming to the private corporate sector. Efforts like Natwarbhai’s and Jubraj’s, small as they may seem, are crucial elements of sustainability that India is going to desperately need when its food production systems face ecological and social collapse.

SHG ushers in a silent White Revolution of another kind

In Permanki village, 5 km from Vamanjoor, close to the Gurpur river, the silence of the morning is broken by the animated conversation of a small group of women preparing animal feed. They are part of a women’s self-help group (SHG), Permanki Mahila Haala Utpadakara Sangha, which primarily supplies milk to Karnataka Milk Federation (KMF). “It is the first SHG in Karnataka to make animal feed for sale,” says Subhadra Rao, president of the Sangha, which started making fodder two years ago.

Rosemary D’Souza, a founding member of the SHG, says daily 20 to 25 members work for two hours to mix and make 50 quintals of animal feed. “Now, people come from Surathkal (nearly 28 km away) to buy this,” says Ms. D’Souza, a recipient of the ‘Best Lady Farmer Award’ from the Dakshin Kannada Milk Union Limited. The women sell their product for Rs. 17 a kg and take home at least Rs. 200 daily.

Selina Lobo, responsible for making the animal feed, says she contacts other members at the milk collection point or calls them two days before to tell them about the animal feed work.

Anthony D’Souza, farmer and husband of Rosemary, says that with the SHG’s feed, the vet’s visits to his farm have reduced, saving him Rs. 300 a month. Other available animal feed did not increase the fat content in the milk, he adds. (One cow is fed with 1 to 1.5 kg of animal feed a day along with at least 10 kg of dry and green fodder.)

Other than making animal feed, Permanki Mahila Haala Utpadakara Sangha supplies more than 800 litres of milk a day to KMF. Seven years ago, when the group was started, it used to supply 24 litres a day. The SHG got the ‘Uttam Mahila Sangha’ Award from KMF in 2007.

Today, the sangha has 383 members from three villages: Ulaibettu, Bondanthila, and Permanki. The members sell milk to KMF at Rs. 22 of which 50 paise is from KMF (“okkoota”). In addition, they get Rs. 2 a litre from the State government. Now, there was no problem in getting Rs. 2 from the government, said Ms. Rao.

Lavina Fernandes, another member of the group, says she supplies 50 litres a day. Ms. D’Souza says she began by supplying half a litre, and now gives 200 litres a day to KMF.

The SHG’s profit last year was Rs. 1.44 lakh, of which 65 per cent was given as bonus to the members. “We can say we are self sustaining (swaavalambi). The enthusiasm of the members has increased (uthsaaha jaasthi aagide),” she said.

THE HINDU Business Line

TODAY FARM NEWS

07.11.2012 P.M

08.12.2012 A.M

08^hdec 2012 P.M

Fertiliser industry seeks 'sovereign fund' to buy production assets abroad



Fertiliser makers want the Centre to create a 'sovereign fund' that can enable Indian firms set up joint ventures and acquire production assets abroad. This is to ensure long-term supply of nutrients and raw materials at reasonable prices here.

"It is for the Government to decide the size of the fund. But given the capital costs of over \$1.1-1.2 billion for a 10-lakh-tonne (lt) a year potash plant, it could start with that sum and then expand gradually," R. G. Rajan, Chairman, Fertiliser Association of India (FAI) and CMD of Rashtriya Chemicals and Fertilisers (RCF), told presspersons here on Friday.

In 2011-12, India imported roughly \$11.5 billion worth of finished fertilisers. These included 78.34 lt urea (about \$3.1 billion); 69.05 lt di-ammonium phosphate (\$4.5 billion); 39.85 lt muriate of potash (\$2 billion), 36.75 lt NP/NPK complexes (\$1.5 billion), 4.94 lt mono-ammonium phosphate (\$300 million), and small quantities of triple super-phosphate (1.6 lt), sulphate of potash (0.54 lt) and ammonium sulphate (0.36 lt). In addition, it imported large quantities of

fertiliser raw materials and intermediates valued at almost \$5 billion. These included 19.06 It phosphoric acid (\$2 billion), 75.22 It rock phosphate (\$1.6 billion), 17.26 It ammonia (\$950 million) and 17.48 It sulphur (\$375 million).

According to Satish Chander, Director-General, FAI, imports constituted 39 per cent of the total annual fertiliser materials consumption of 590.40 It in 2011-12 and 45 per cent in terms of NPK nutrients. The percentage would go up further if imports of raw materials and intermediates are also added. Given the extent of dependence on imports, it would make sense for Indian firms to establish overseas joint ventures on the lines of Oman India Fertiliser Company. Last year, India imported 24.15 It of urea from this venture — in which Iffco and Kribhco hold 25 per cent each and Oman Oil Company the balance — at a landed cost of \$215.19 a tonne, as opposed to an average \$481.74 paid for imports from other sources.

The fertiliser industry is pushing for similar investments abroad to secure long-term supplies of fertilisers or raw materials at favourable prices. “This is one way by which we can also fight the various global cartels that are currently dictating the prices at which are importing. Some of them have even resorted to cut production by half to maintain prices at artificially high rates,” Chander added.

A sovereign fund would basically pick up equity in overseas projects along with the main promoters, which can then be leveraged to raise additional debt funds.

Currently, there are as many as three overseas fertiliser joint ventures under implementation and scheduled for commissioning in the next 2-3 years. These include two projects for manufacture of phosphoric acid at Skhira in Tunisia (the Indian promoters are Coromandel International and GSFC) and Eshidiya in Jordan (Iffco), and a 13-It urea plant at Gabon, promoted by Tata Chemicals, Olam International and the Republic of Gabon.

Besides, RCF and Nagarjuna Fertilisers have proposed urea projects at Nyankrom (Ghana) and Koko (Nigeria) respectively, though these are still on the drawing board.

FDI will introduce new technology and investment in agri marketing: PM

A day after winning Parliament's approval to the decision of allowing FDI in retail, Prime Minister Manmohan Singh today said the move will benefit farmers and consumers and help introduce new technologies in agri marketing.

He also said the decision to allow FDI was "supported" by farmers' organisations in Punjab.

Speaking as a chief guest at Punjab Agricultural University's golden jubilee function here, he said FDI in retail will help introduce new technologies in agri marketing, and will "benefit farmers and consumers".

The decision to allow FDI was backed by farmers' organisations in Punjab, he said at the PAU function, where he was honoured with a Doctor of Science degree.

Government had yesterday won the approval of Parliament to its controversial decision of allowing FDI in multi-brand retail with a motion against it being defeated convincingly in Rajya Sabha, as BSP voted in favour of UPA.

123 members had voted against the motion while 109 voted in favour after a debate during which the Opposition had attacked the proposal to allow 51 per cent FDI in multi-brand retail, while the government had strongly justified it saying it was in the best interest of the country.

Speaking at the University, Singh asked leading farm varsities like PAU to gear up to meet the existing and future challenges in the agriculture sector.

He said agriculture supply chains in India are fragmented and stressed the need for development of efficient and vertically integrated supply chains.

Stressing that investments in backend infrastructure can help cut down loss of perishable crops, he asked Punjab "to take the lead in best practices of crop management".

Singh also hoped that Punjab will fare better as 12th five-year plan has for the country as a whole "targeted 8.2 growth in the GDP and 4 per cent in agriculture".

From Feb 1, quality tags must for tea export below threshold price

Tea Board Chairman M. G. V. K. Bhanu has said that beginning February 1, quality certificates from Board-accredited laboratories would be made mandatory for tea export below a cut off price .

In November, a delegation of tea merchants from Pakistan pointed out to the Tea Board that substandard imported teas were re-exported to Pakistan in the guise of Indian tea. Pakistani delegates also proposed that the Board impose restrictions on export of tea worth below \$1 a kg to the neighbouring country.

“The modalities for such quality certification scheme will be published on our Web site in January. A four member Tea Council comprising representatives from merchant exporters, producer-exporters and tea brokers is currently on the job to finalise the modalities,” Bhanu said. According to him, while Board attaches high priority to quality export, it is not feasible to certify each and every consignment.

“Accordingly, we have decided that exports below a cut-off price should require quality certificates from Board accredited laboratories, beginning February 1,” he said. Export to Germany and European Union countries — which are already governed by strict quality norms — are exempt from this quality certification scheme.

Bhanu has also proposed that the tea industry form a strong marketing and promotion body so as to fetch higher prices.

“Cost of production will keep increasing. We will have to see how we can get more for tea. We have to (also) make strong efforts at marketing,” he said

A N Singh, Managing Director and CEO of Goodricke Group Ltd, and chairman of Indian Tea Association proposed a marketing initiative to increase domestic consumption of Darjeeling tea.

The Tea Board is also planning to bring out “a very active and vibrant support system for the small growers” by the next financial year, Bhanu said.

“Small tea growers’ contribution is about 34 per cent this year and it is very significant thing (for the industry). We have to have some sort of strategy or approach (to support them),” he said.

Centre allows States to fix prices for sugarcane



With farmers' organisations protesting against implementation of Rangarajan Committee report on de-regulating sugarcane sector, the government has authorised state governments to fix prices for the produce.

"The government has delegated powers related to sugarcane to the state governments. Decisions regarding sugarcane pricing and cane reservation are being taken by the state governments," Ministry of Consumer Affairs, Food and Public Distribution said in a letter to Rashtriya Kisan Mazdoor Sangathan (RKMS).

RKMS Convenor V M Singh, who presented the copy of the Ministry's letter in a press conference here, welcomed the decision, saying it is a step forward for sugarcane farmers who would have incurred huge losses if the government had accepted the Rangarajan Committee report.

"Four crore farmers will be relieved with the move. The Central government has finally decided that states will decide price of sugarcane as of now. It is a step forward for sugarcane farmers," he said.

The farmers' body had organised a protest in the capital on December 4 against the Rangarajan Committee report on sugarcane sector. Former Army Chief General V K Singh had also attended the protest.

On future course of action for RKMS, if the government decides to reconsider Rangarajan Committee's recommendations, Singh said, "We would request them to take our point of view in consideration also. But if that does not happen then farmers will be forced to sit on an indefinite protest here."

Farmers want CACP to be set up at State-level

Leaders of farmers' associations, agricultural economists, agricultural scientists and non-governmental organisations have called for establishment of CACP (Commission for Agricultural Costs and Prices) at the State-level. They felt that this is important to ensure "income security" to farmers.

The commission should have several centres to collect information on various components of production to scientifically ascertain the cost of production.

They felt that it is important to calculate the cost of production at the local level to have a correct assessment of support prices. The present system, they argued, is far from reality and miserably failed to recognise the actual costs involved in farming.

Participating in a discussion here on Friday on the likely components for an exclusive budget for agriculture, they called for subsidies for all farmers holding five acres or less. "If the Government wants to protect the interest of general consumers, it should provide the farmers with subsidies to offset the losses they are suffering," S. Malla Reddy, Vice-President of the CPM-affiliated All-India Kisan Sabha (AIKS), said.

The cost of fertilisers and other inputs have gone up by 80 per cent, but the Government increased the prices just by 8 per cent. "The Government should decide the prices of essential commodities just like the way it decides the support prices," he said.

Yerneni Nagendra Nath, President of Farmers' Federation of Andhra Pradesh, demanded that the Government should consider the cost of labour as it did in National Rural Employment Guarantee Scheme.

"The labour costs they are paying as per NREGS have resulted in increased cost of agricultural production. It should apply the same labour costs, while calculating costs under CACP," he said.

Muduganti Sridhar Reddy of Bharatiya Kisan Sangh called for making agriculture a profitable venture. "We should move away from the concept of minimum support price. It in fact should be a profitable job," he said.