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Erode farmers take to banana cultivation this season

S. Ramesh

'Install drip irrigation to maximise crop yield'

To augment income:A banana plantation near Erode town.—PHOTO: M. GOVARTHAN

With the prices of many cash crops including turmeric and tapioca declining, many farmers in the district have taken to the cultivation of banana this season.

Farmers, especially those with small land holdings, have switched to banana cultivation from turmeric in many parts of the district, looking at the sweet fruit as a means to augment their income through short-term investments.

Banana saplings greet the visitors in most parts of Gobichettipalayam, TN Palayam, Sathyamangalam and Bhavanisagar blocks. Over 6,200 hectares in the district have already been covered under banana as against the normal acreage of 6,000 hectares. "The planting of banana saplings began in November last year and it will go on till the end of this month. We expect another 500 to 1,000 hectares to be covered under the crop this season," horticulture officials say.

Kadhali, Red Banana, Nendran, Robusta and Poovan are the major varieties taken up for cultivation this year "Kadhali is the dominant variety in the district. Out of the total acreage under the crop, Kadhali contributes 40 per cent, while Red Banana is taken up in 20 per cent of the area," Deputy Director of Horticulture Robert Vincent says.

It takes between 10 to 12 months for the harvest once banana saplings are planted. This is a big attraction for small farmers, who cannot make heavy investments for long cycles without getting some returns from time to time.

R. Thangaraju, a small-time farmer in Vellankoil, near Gobichettipalayam who has switched from turmeric to banana, says the sweet fruit has proved to be a reliable investment during the past.

“I have switched to turmeric last year and suffered heavy loss after the prices of yellow spice crashed. So, I have decided to go back to banana,” he says.

“Farmers who have cultivated varieties such as Kadhali and Red Banana can get up to Rs. 1 lakh to Rs. 1.20 lakh income per acre,” Mr. Vincent says.

The department, he says, encourages the farmers to install drip irrigation for banana cultivation and adopt fertigation to maximise crop yield. “Farmers can get at least 20 to 35 per cent increase in the yield if they adopt these modern methods,” he points out.

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Farmers urged to take up cultivation of herbal plants

Staff Reporter

The Saraswathi Krishi Vigyan Kendra (KVK), Puzhutheri, near here organised an awareness programme on environment and herbal plants cultivation where speakers stressed the need to increase the green cover of the district.

Presiding over the meet, the NABARD assistant general manager A. Parthiban pointed out that green cover in the district was abysmally low and there was an urgent need to improve the forest coverage in Karur district. Sustainable and environment friendly initiatives must be the focus in fostering environment protection measures, he added.

To prevent eradication of green cover, alternative energy sourcing could be seriously looked into, Mr. Parthiban pointed out adding solar energy presented a viable and long-term solution to power requirements. Frugal electricity usage, minimising automobile emission formed part of worldwide efforts to tackle global warming, he added.

Window of opportunity

Noting that raising herbal plantations opened a window of opportunity to agri-entrepreneurs, Mr. Parthiban detailed the various steps the NABARD was taking to promote such ventures.

Commercial cultivation of herbal plants has been on the rise and agri-entrepreneurs were now looking up to newer medicinal herbs for profitable cultivation, Mr. Parthiban said. The world was awaking to the utility of herbs and plants now more than ever before, Mr. Parthiban said and urged farmers to take to herbal plant cultivation for reaping good economic returns.

KVK programme coordinator Diraviam, Taragampatti Forest Range Officer Karunamurthy, SEVA secretary Vivekanandan, KVK subject matter specialists Anitha, Sathyamurthy, Karuppasamy, participated.

Earlier a painting contest to drive home the message of environment conservation was held for school students. An exhibition of herbal plants and their utility was on display for the benefit of visitors.

- *'Green cover in Karur is abysmally low'*
- *Rise in commercial cultivation of herbal plants*

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52,360 hectares of samba crop decimated

227.17 kilometres of roads, Rs.59-lakh worth power facility, 380 hutments damaged by Thane

CALL OF DUTY:K.A.Jayapal, Minister of Fisheries, presiding over the review meeting organised to evaluate the extent of damage caused by Thane in Nagapattinam on Monday.

More than half of the harvest-ready samba crops and nearly all the horticultural fields in the district were decimated by the cyclone. Of the total 1,37,015 ha, about 52,360 ha of paddy has been rendered flat dashing farmers' hopes of higher production this year.

With the early release of Mettur water, a larger area was brought under cultivation promising a higher yield. However, with fully grown crops wilted by the cyclone, farmers are starring at a bleak harvest. On the horticultural front, entire banana plantations, and cash crops including sugarcane have been completely decimated, with farmers in Sirkazhi, Kollidam and Mayiladuthurai being the worst hit. Three days after touring the affected areas, Collector T.Munusamy held a review meeting with line departments to ascertain the extent of damage. The cyclone has affected 227.17 kilometres of roads and temporary reconstruction works are estimated to cost Rs.8.26 crore.

An estimated Rs.59 lakh-worth power facility have been affected with 748 electric posts, 50 km of electric wires, and 20 transformers being completely destroyed. Of the 3,300 snapped transformers, about 2,300 transformers have been repaired, and the remaining ones are to be fixed within two days.

Further, a 1,700 meter retaining wall has been proposed at a cost of Rs.8.81 crore from Akkarapettai to Kallar stretch, which suffered serious erosion. Retaining walls have also been proposed in Palayar and Vanagiri at Rs.5.96 crore and Rs.42 lakhs respectively. Administration has enumerated 380 hutments as damaged and 48 livestock dead. All fully damaged dwelling units will be given a compensation of Rs.5,000 and partially damaged units will be issued Rs.2,500. Further, all those affected will be given 10 kg rice, one litre kerosene, and a saree and dhoti.

The extent of horticultural loss and collateral damage to fisherfolk remains to be ascertained. A large number of teak trees felled by the cyclone around Pudumanniyaru in Kollidam will be removed by the forest department. According to the Collector, human casualties were averted with the timely evacuation of 1,700 families from Kodiampalayam, an islet in the northern part of the district. Addressing the meeting, Minister for fisheries K.A.Jayapal stated that a report will be sent to the Chief Minister and adequate compensation will be ensured. Farmers, fisherfolk and others affected will be adequately compensated to commensurate with their loss, Mr.Jayapal said.

All MLAs, and local body representatives were present.

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43,000 quintals of onion procured

Staff Correspondent

A total of 43,000 quintals of onion worth Rs. 2.25 crore has been procured till Monday afternoon under the State Government's floor price scheme in the district.

Deputy Commissioner Darpan Jain told *The Hindu* that the arrival of onion to the procurement centre at the Agriculture Produce Marketing Committee (APMC) yard in Hubli continued till late evening and an additional 25,000 quintals of onion was expected to be procured till the last lot was cleared.

Scheme

The scheme was not of much help for the farmers as only 2,000 farmers in the district were benefited from the scheme, launched on December 16, Mr. Jain said.

The procurement continued till December 26. Later, the Government extended the last date of procurement to January 2. The scheme offered the prices of process of Rs. 760 per quintal for grade I (onions with a diameter of 6 cm), Rs. 560 per quintal for grade II (onions with a diameter of 4-6 cm) and Rs. 360 per quintal for grade III (onions with the diameter of 3-4 cm).

The administration also laid a restriction that only 50 quintals of any one grade or all grades can be procured from each farmer.

- *The procured onions are worth Rs. 2.25 crore*
- *Only 2,000 farmers in the district benefited from the scheme*

Published: January 3, 2012 00:00 IST | Updated: January 3, 2012 04:17 IST

Extend procurement date deadline: onion farmers

They block road connecting Hubli and Dharwad

Making a point:Onion farmers staging a protest outside the Amaragol APMC Yard in Hubli on Monday.— Photo: Kiran Bakale

Demanding extension of the deadline for procurement of onion under the Minimum Support Price scheme and immediate steps to rectify the alleged lacunae in the grading system, farmers staged a road blockade here on Monday. The deadline for the procurement ended on Monday.

Although they withdrew the agitation after an hour, the farmers have threatened to go on a strike if the authorities failed to address their grievances by Tuesday.

The agitation was organised under the banner of the Pakshateeta Raitha Horata Samiti.

Earlier, the farmers gathered outside the Amargol APMC yard in the afternoon to stage a dharna. However, they dispersed soon after the APMC officials told them that their demands had been conveyed to the district administration.

However, when they didn't get any information about the extension of the deadline even in the evening, the farmers blocked the road between Hubli and Dharwad.

Soon, they were joined by Janata Dal (Secular) leaders N.H. Konaraddi, Rajanna Koravi and others. Mr. Konaraddi and B.M. Hanasi of the Samiti, who addressed the protesters, demanded that the procurement of onions under MSP be extended for another 20 days.

Criticism

Mr. Konaraddi came down heavily on Jagadish Shettar, the Minister in charge of the district, alleging that he had failed to address the issue. He alleged that the grading system was defective, as onions having good quality were being categorised as A Grade at Gadag APMC yard while onions with the same quality were considered as B Grade at Hubli APMC yard.

Hubli tahsildar S.S. Biradar and Assistant Commissioner of Dharwad Shivanand Kapase rushed to the spot to sort out the issue. Mr. Kapase told the farmers that the Government had been apprised of the their demands and appealed to them to withdraw their protest.

Mr. Kapase told them that the district administration had also recommended for extension of the procurement period. Following this, the farmers withdrew their protest.

· *The deadline for the procurement ended*

on Monday

· *The agitation was organised under the banner of the Pakshateeta Raitha Horata Samiti*

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Dharna planned seeking MSP for turmeric crop

Staff Reporter

The Swadesh Jagaran Manch has appealed to the turmeric growing farmers from Karimnagar and Nizamabad districts to attend in large numbers the proposed maha dharna in Hyderabad on January 4 and 5 demanding minimum support price of Rs. 15,000 per quintal to the turmeric crop and other demands. In a press note here on Monday, SJM State convenor Muralidhar Reddy and co-convenor L. Veera Gopal said that the production cost of turmeric had increased considerably, but there was no MSP to the farmers.

THE ECONOMIC TIMES

Commodities

2 JAN, 2012, 06.20PM IST, RAM SAHGAL,ET BUREAU

Refined palm oil contract likely to generate higher trading interest: NCDEX

Commodity exchange NCDEX, the country's largest agri futures bourse, hopes the refined palm oil contract launched on Monday will generate higher trading interestthan its illiquid crude palm oil contract.

"The reason the CPO contract is not active is because only actual traders can import it from Malaysia and Indonesia, so they prefer to hedge on Boursa Malaysia," said Vijay Kumar, chief business officer, NCDEX. "However, we expect RBD Palmolein contracts to be more liquid as after refining CPO, palm oil is sold to a greater number of traders who can hedge their risk on NCDEX."

Edible oils contribute around half of NCDEX's turnover, which ranges between Rs 6000 crore and Rs 7000 crore. Refined soyabean oil is the most traded.

With a contract size of 1 metric tonne and tick size of 50 paisa, the delivery unit is 10 MT and the delivery center being Kandla, the contract is designed to attract retail participation. Palm oil is one of the major consuming edible oil in India with a market share of 46%. As per the industry estimates, India consumes about 30-32 lakh MT of RBD palm oil every year, said NCDEX.

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express buzz

By Cithara Paul

03 Jan 2012 11:56:00 PM IST

Mullaperiyar: Panel poser on control of new dam

NEW DELHI: The Supreme-Court-appointed Empowered Committee on Mullaiperiyar dam has asked Tamil Nadu and Kerala to give their suggestion on whether control and management can be given to an independent agency, in case a new dam is built.

The Committee set Saturday as the deadline as both the states opposed the suggestion then and there, though citing different reasons. While Tamil Nadu refused to give any response as the state is against the very idea of a new dam, Kerala said it cannot relinquish control of a dam which is in its territory. Following this, the panel asked the states to take time and reply by Saturday.

Monday's was the first meeting of the Committee after two members of the panel had visited the dam site. It is learnt that the two-member team in its report has ruled out the need for a new dam as it has found the old dam quite safe. However, this could not be confirmed.

The Empowered Committee will meet again on Tuesday, but it will be an internal meeting. The five-member committee, headed by former Chief Justice of India A S Anand, is expected to submit its report on the controversial issue by February.

The Committee on Monday listened to the argument of both sides. Tamil Nadu argued that the old dam is safe and that there is no need for a new structure. According to TN, that the dam is over 100 years old is not a reason for construction of a new one. It also blamed Kerala for creating panic regarding safety of the dam.

Kerala, repeating its plea for a new dam, argued that executing repair works is not a permanent solution. It said Kerala Government is willing to bear the entire expense of the new dam and also expressed willingness to make changes in the project report on the new dam that it has already submitted to the Committee, to include suggestions from Tamil Nadu or any other agency.

Kerala also said it was willing to sign on any agreement to ensure the same quantity of water to Tamil Nadu if a new dam is built. Tamil Nadu questioned Kerala's bonafide in demanding a new dam and argued that existing dam, after retrofitting, is safe and that water should be raised to 142 ft.

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the pioneer

BJP hails farmers for rise in agri growth rate

MONDAY, 02 JANUARY 2012 23:12

STAFF REPORTER | BHOPAL

Bharatiya Janata Party (BJP) has greeted the farmers of the State for the rise of agricultural growth rate.

BJP State president and MP Prabhat Jha on Monday said, "The agriculture growth rate of the State has reached in double digits due to the farmer's oriented schemes of the Shivraj Singh Chouhan led Government."

Jha further said that the national agriculture growth rate has registered a negligible hike of 0.4 per cent while Madhya Pradesh not only registered a record growth of 9 per cent in the field but also buried the BIMARU tag affixed to it since long.

He said that agriculture in Madhya Pradesh is rain based, and the agricultural growth registered in adverse rain conditions in the State is only due to the generous facilities provided to the farmers by the State Government. The irrigation land in the State was increased from 35 to 50 per cent and in the process a total of over 8 lakh hectare of irrigation land was increased in the State, he added.

He said that the successive Governments since independence never bothered to decrease the burden of interest on farmers' loans, but the NDA Government took this step for the first time in the history of the country and lowered the interest on farmers' loans. The Madhya Pradesh

Government following the trend took the initiative of providing loan to farmers at just one per cent interest rate and became leader in implementing the farmers' oriented schemes.

The BJP State president said that the farmer oriented schemes of the State are even lauded by the Congress led United Progressive Alliance (UPA) Government at the centre.

During the past five years cooperatives provided generous loans of over Rs 19, 750 crores to the farmers, he added.

He said that in the same time period, electricity tariff subsidy of Rs 5000 crore was provided and grant was provided for farming instruments, urea and seeds. Madhya Pradesh became talk of choupals across the country for providing Rs 100 per quintal on wheat and Rs per quintal bonus on paddy, he added.

'Banks can't be forced to lend more for agriculture'

MONDAY, 02 JANUARY 2012 23:47

SANTOSH NARAYAN | RANCHI

Pressure on the commercial banks to lend more for agriculture sector through Kisan Credit Cards (KCC) and other means may be intense but there could not be insurmountable deadlines to meet the target. Banks under the banner of State Level Bankers' Committee (SLBC) is cautious before making available money to the farmers keeping in mind its security and payback.

About 19 lakh farmers of Jharkhand are still out of any kind of bank credit coverage and several deadlines set by the Finance Department has been missed and the SLBC has come-up with January 15 as the new date to provide the credit cards. Banks have maintained about 60 per cent agriculture loan recovery in the State.

"We have to take care about return of public money credited. After all no financial institution would like to increase its NPA (non-performing asset). It also becomes difficult in the absence of updated land records and other security required for lending," said SK Singh, Assistant General Manager of Allahabad Bank.

The issue also came into discussion in a meeting called by the National Bank for Agriculture and Rural Development (NABARD) in December that saw flairs coming out on the issue of promoting credit for primary sector more. Total agriculture credit of all banks in the State is Rs

4,128.66 crore which constitutes 10.5 per cent of the gross credit. It can be rated much lower in Jharkhand that the national benchmark of 18 per cent.

Talking about supporting the small industries of the State Singh called upon State Government to work proactively. “Small finances for this sector can be replicated with more institutional support coming from the Government. Investors would come if necessary initiative is provided, like is it happening in Bihar. Enabling factors like road, power, law and order in the State is not as good as it is in other States,” he said adding that there was no dearth of fund with financial institutions for investment purposes. The bank is also the lead bank of Jharkhand and convener of SLBC.

He also said that embedded formalities such as pollution norms, land records etc need to be streamlined for making sure fastened investment coming into the State. “There is no restriction form the bank’s side. Whosoever is coming and is eligible will be provided loan. As such there is no problem of fund,” he said. Deteriorated law and order situation and lack of infrastructure have been some of the major hurdles for development and the official also underlined these areas where more attention is required.

Government, on its part, has passed instruction to cover women and marginal section of society more by the financial services and the member banks of SLBC are focusing on this area before penciling-out the next plan. Agriculture and micro and small industries are also in the priority. Rural Development and Self Employment Training Institute (RUDSETI) is running profusely in the State and has been made functional in all the 24 districts, he added.

Business Standard

Tuesday, Jan 03, 2012

Key agri-initiative runs short of funds

Status check on progress made in Vegetable Initiative

Sourjya Bhowmick / January 3, 2012, 0:14 IST

The Ministry of Agriculture, in March 2011, released guidelines for spending Rs 300 crore in implementing an urban Vegetable Initiative aimed at providing India’s middle classes more *locally grown vegetables. Nine months on, ISPR's **Sourjya Bhowmick** does a status check on how much progress has been made in this interesting initiative*

When launched then, the Agriculture Ministry defined the objective as being one to 'set in motion a virtuous cycle of production and income for farmers and assured supply for consumers'.

The programme was launched in urban centres, which have a population of 1,000,000. Efforts outlined included organising vegetable growers into associations, figuring the processing and sorting to post-harvest management.

ISPR Foundation filed a Right To Information (RTI) petition seeking details regarding the progress of the Vegetable Initiative and the money spent for the last six to seven months ie from inception till now. The response from the Department of Agriculture and Co-operation is mentioned below:

Progress of vegetable initiative

a) Baseline survey initiated in 28 states.

b) Work on formation of cluster and Farmer Producer Organisation (FPO) initiated in all 28 states.

c) Market aggregator has initiated in 11 states.

Expenditure incurred (till now)

a) Out of Rs 300 crore, an amount of Rs 154 crore has been released to 28 States. During the initial phase, till September, 2011, expenditure is mainly on survey, 'planting material development' and formation of FPO's.

b) Presently, there is no proposal to increase the expenditure over and above Rs 300 crore.

Exceeding budgets

Looking back at the Agriculture Ministry's documents, they say 25 per cent of total allocations 'must be utilised for baseline survey, promotion of Farmers Association, tie up with financial institutions, post-harvest management, storage, transport and marketing infrastructure.'

The Ministry's response to us on the other hand seems to suggest that more than 50 per cent has already been spent on just baseline surveys, formation of Farmer Producer Organisation and planting material development. That would mean storage, transport and tie-ups with financial institutions would have to be squeezed into Rs 154 crores, whereas, it that should have been included in 25 per cent of the total amount.

The remaining Rs 146 crore is to be incurred on components like production of seedlings, area expansion of vegetables, protected cultivation, organic farming, marketing and human resource development, apart from the other factors that should have been catered to by now. This would, at least in our reading of it, be a stretch.

Gluts abound as farmers go crop-hopping

Farmers have begun allowing crop prices, yields & margins to dictate growing patterns

Sreelatha Menon & Sanjeeb Mukherjee / New Delhi January 3, 2012, 0:15 IST

Desperate to make money in an increasingly unviable industry, farmers have begun allowing crop prices, yields and margins to solely dictate growing patterns.

If wild weeds were to fetch Rs 6,000 per quintal this year, farmers would instantly abandon all other crops to grow weed next year. Then, if weed prices were to fall the following year, farmers would undoubtedly go bankrupt and look for the next big thing.

This has been the 'hit and run' story in Indian agriculture, where instead of adopting stable, multi-cropping strategies, farmers have begun putting all their eggs in one crop basket and are going for broke in the hopes of making windfall profits. Invariably, those dreams come down to earth pretty quickly.(Clck here for THE GREAT FARMING CASINO)

So widespread is this phenomenon today, that India has begun demonstrating massive gluts in food crops in the last four or five years—not seen in agriculture in recent memory. This year alone, the country has experienced a seven per cent surplus of potatoes, a 15.3 per cent of basmati, an eight per cent surplus in cotton as well as in soybean, ginger and even turmeric. In other words, potato farmers decided to plant an extra three million hectares of the tuber. Cotton farmers opted for an extra million hectares this year, while paddy farmers abandoned non-basmati for basmati with acreage of the latter going up by 15 per cent this year.

Seeds of trouble

One of the biggest culprits for acreage increases has been a much greater proliferation of seeds than ever before. This year, Andhra Pradesh gave licenses to seed companies for sale of 96 lakh sachets of BT cotton seeds, which is equivalent to cotton grown on 50 lakh acres. (The previous year licenses were given only for half that quantity and cotton came up on 25 lakh acres.) The seed companies made a killing as prices had also increased.

For those growing BT cotton, losses were large as this strain of cotton requires a lot of water and therefore not appropriate for the dry areas in Andhra Pradesh and Vidarbha, Maharashtra which grows it. The drought meant certain failure for the crop, says Kishore Tiwari of the Vidarbha Janandolan Samiti.

In fact, availability of hybrid seeds has also become a key determinant of what crop farmers decide to grow, says GV Ramanjaneyalu, agricultural scientist and executive director of the agricultural advocacy body Centre for Sustainable Agriculture. Hybrid seeds generally give more yield—and it is this focus on yield and return on investment that have farmers crop-hopping away. This focus on return on investment and yield in order to maximise profits has meant that farmers have stopped multi-cropping—a vital strategy that helped nourish the soil but also worked as risk mitigation in case a particular crop failed, or its prices crashed that year. For instance, edible oil seeds like safflower, sesame, and pulses that were traditionally grown in AP are no longer grown. Similarly, maize grown on barely a lakh of acres in 2002 in Andhra, now grows on 15 lakh acres thanks to a hybrid seed. The rest of the space goes to paddy, grown on 47 lakh acres, and groundnut on 12 lakh acres.

“The states do have control on the quantity and price of seeds sold by companies. If they use it to ensure a balanced distribution of crops in the state, this kind of mono cropping would not happen”, says Ramanjaneyalu, adding that this control also may soon be history as the Seed Bill now in Parliament looks to remove it from state hands.

Government: sort out pricing

Another key reason why states are responsible for farmers herding after a single crop is the pricing policy. If paddy prices are increased by the government, people would sow paddy as much as they sow cotton, says Ramanjenayulu who adds that “government policies are driving farmers en masse to a certain crop and to their own destruction”. Agrees Vijay Jhawandhia of the Vidarbha Shetkari Sanghatna: “The only way to make farmers diversify sowing is to ensure remunerative prices for 10 major crops, including pulses, oil seeds, millets and cereals,’’ he says.

Now, while the government allows the sale of seeds in such numbers, it does nothing to help farmers deal with the large output especially when prices are low. The Cotton Corporation of India procures cotton for Rs 3,300 per quintal (compared to Rs 6,600 a quintal last year) which is less than even the manufacturing cost, says Jhawandia. The Centre never allowed exports when the prices were at their peak last year, say farmer organisations like Bharat Krishak Samaj and Centre for Sustainable Agriculture. But the same government made 17 policy interventions in cotton to protect consumers and industry last year, they point out bitterly.

The story is the same across various commodities. Silk growers are facing a glut after the government decided to reduce the import duty on silk from 30 to six per cent this year. Now the Indian silk has to compete with cheaper imported silk. Basmati rice, soybean, ginger, and turmeric have seen global prices plummet this year coupled with domestic over-production. In the case of turmeric it’s been a virtual freefall: from Rs 18,000 per quintal last year to Rs 4,000 per quintal this year; ginger farmers in Kerala met with a similar fate as prices went from Rs 3,000 a quintal last year to Rs 500 this year. The ginger produced this year in Kerala is enough for the whole country, says Ramanjaneyulu.

“Why would dry un-irrigated Vidarbha go for cotton that needs so much water? This is because the crops that are suited for Vidarbha like jowar don’t get any support price. So, the farmer goes after what gets an attractive price, even if it means high input costs and high market uncertainties,’’ says Jawandhia, underscoring the basic logic underlying why farmers jump crop with such regularity.

“Farmers can’t be blamed. They get motivated to sow a particular crop when it gets a good price. The farmer is merely chasing the assurance of a good price,” adds Jawandhia who is himself coming to terms with a bad crop of soybean coupled with poor prices it was fetching.

A Haque, former chairman Committee of Agricultural Costs and Prices says that the only way such a crisis can be avoided is to provide an inter-crop price parity. As for the glut of perishables like potatoes, he says that an assured marketing mechanism can sort this out. Such a mechanism—where an organisation can engage in large-scale procurement of an excess crop to be stored and sold later—does exist with Nafed (National Agricultural Cooperative Market Federation). Says Haque: “Nafed has the mechanism but it has no system of intervention. In any case the Agriculture Ministry keeps it starved of funds.’’

The law doesn’t help

Apart from such errors, a glaring hindrance to farmers of perishables is the law itself.

Ajay Jakhar, the farmer-cum-activist director of the Bharatiya Krishak Samaj feels that fruits and vegetables must be removed from the commodities covered by the APMC (Agriculture Producers Marketing Committee) Act to end the crisis of perishables. (APMC Act in some states mandates that farm products produced in a state must be sold in designated markets and to licensed traders, thus curbing the freedom of farmers to sell to outsiders and corporates). “This would enable traders from outside the states to buy and farmers would not be forced to sell to local traders all the time,’’ says Jakhar.

“The states today earn about Rs 700 crore in taxes from these commodities that is seven per cent of the material sold in markets. If the Centre were to compensate states for excluding perishables from the APMC Act, the state of farmers would automatically improve,’’ he adds. Now, farmers would be able to sell to anyone in the country.

As for prices plummeting, Jakhar feels that the government intervenes when prices go up, but remains a mute spectator when they go down. In fact, last year when cotton prices went up, the government made policy interventions 17 times in a year, observes Jakhar. But now, it is silent.

The least that can be done is to have real time intelligence on commodities and their output and prices, he says, echoing what most other industry hands feel as well. The government has no clue as to how much tomatoes or onions or ginger is grown in the country. Unless market data collection is maintained, no solutions can be possible, say activists.

The farmers are usually unable to keep their produce for long as they have to sell to pay off their bills and they seldom have any credit. government can easily provide credit against produce and thus protect farmers from money lenders and from getting into commitments with commission agents who double up as money lenders, says Jakhar.

Global comparisons with China show how the latter went for extensive agrarian reforms for nearly 12 years before looking at industrial expansion. We are going in the reverse direction, says Ashok Gulati chairman of the Commission for Agricultural Costs and Prices (CACP).

Coffee exports may decline 15%

Bloomberg / Mumbai January 3, 2012, 0:25 IST

Coffee exports from India, Asia's third-biggest grower, may decline 15 per cent this year, as inventories fall and the European credit crisis curbs demand, an exporters' group said on Monday.

Shipments will drop from a record 346,850 tonnes in 2011, Ramesh Rajah, president, Coffee Exporters Association, said by phone from Bangalore. Domestic stockpiles have fallen after exporters boosted shipments in December to benefit from a decline in the rupee, he said.Lower exports from the country may help stem a decline in robusta coffee futures in London, which have slumped 32 per cent since reaching a three-year high of $2,672 a tonne on March 18. Weak demand and higher global supplies may spur a sharper decline in arabica futures, which lost 5.7 per cent in 2011."The economic conditions in Europe are not looking good," Rajah said. "Italy, which is our largest buyer, is having problems. Greece, another major buyer, is also in trouble."Economies in the euro region will contract 0.2 per cent in 2012 from 1.6 per cent growth last year, according to the median of 21 economist estimates compiled by Bloomberg.

India exports around 70 per cent of its total coffee output mainly to Europe.

Bt cotton spread hits premium staples

Dilip Kumar Jha / Mumbai January 3, 2012, 0:24 IST

Imports of extra-long and short varieties to rise, as farmers prefer to sow the genetically modified seeds.

The introduction of genetically modified (Bt) cotton in 2002 helped push India to the rank of second-largest global producer. However, this has also led to a decline in output of premium quality cotton.

“Bt has really helped certain varieties (long staple) of cotton. But, the output of other varieties, including extra long staple (ELS) and short staple (SS), has declined over the years since farmers switched to the high-yielding Bt crop,” said A B Joshi, commissioner in the Union ministry of textiles.

Consequently, import of ELS cotton is estimated to increase to 1.7 million bales (170 kg each) in the current cotton year (October 2011-September 2012), a rise of nearly 90 per cent from the previous year. Total imports during the previous cotton year (October 2010-September 2011) were 900,000 bales, says the ministry.

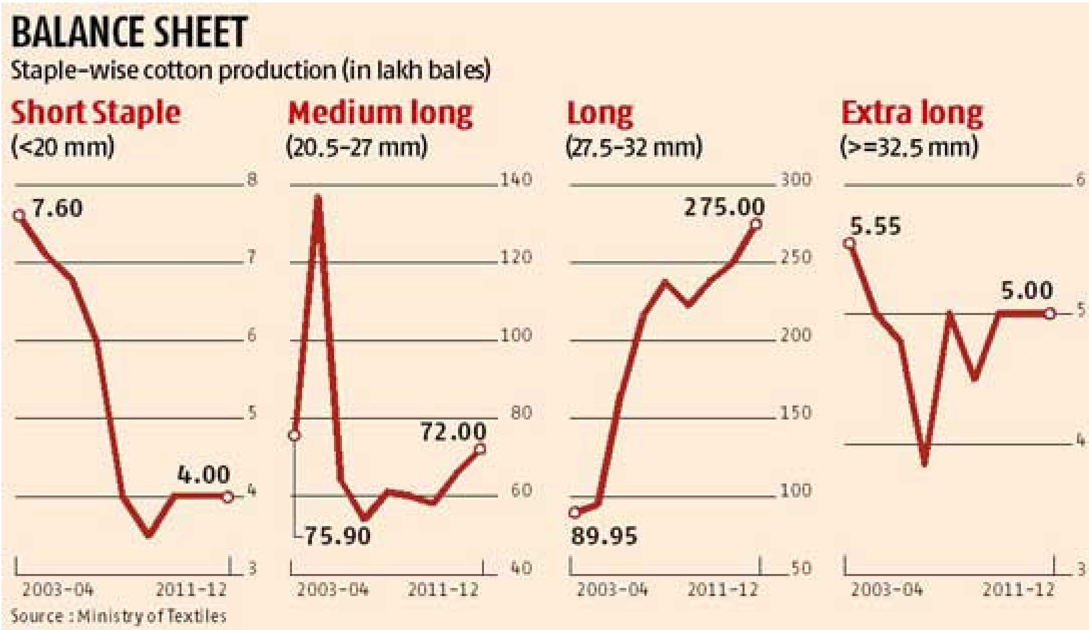
Since the innovation of Bt, the output of SS, primarily used in hospitals for bandages and like purposes, consistently declined from 760,000 bales in 2003-04 to 400,000 bales in 2009-10. Since then, output has remained stagnant due to lack of farmers’ interest. Similarly, output of the ELS variety (used for special fabric manufacturing) plunged from 5.55 million bales in 2003-04 to 500,000 bales in 2009-10. Output has been stagnant for three years.

“It all depends upon demand and supply parameters. If the demand and, thereby, price of ELS and SS cotton increase, farmers would immediately switch from Bt long staple to grow more of these varieties,” Joshi added.

According to Dhiren Sheth, president of the Cotton Association of India, a premier traders’ body, the area under cultivation for SS cotton has suffered due to the incursion by Bt cotton.

Seasonal conditions during 2010-11 were, by and large, favourable and sowing rose by 800,000 hectares over the previous year, to reach 11.14 mha. Farmers benefited from the high prices in 2009-10. Since cotton fetched higher net returns compared to competing crops, farmers brought additional areas under cotton. Beside higher yields, farmers continued to reap benefits from the reduction in production cost owing to the advantage derived from the cultivation of cotton with Bollgard-II technology, which along with Bollgard-I now covers 90 per cent of the total sowing.

There has been a surge in production in recent years due to the rapid expansion of area under Bt cotton. This was maintained in 2010-11, when production surged further to 32.5 million bales. This year, the Cotton Advisory Board under the ministry has forecast an output of 35.6 million bales.



M B Lal, a veteran trader, said, “There has been hardly any growth in the ELS and SS varieties, despite so much of innovation in long staple.”

Average yields showed remarkable improvement from 302 kg/ha in 2002-03 to about 500 kg/ha in 2011-12, due to work done by central and state government agencies and others under the Technology Mission on Cotton through transfer of techniques, nutrition management strategies and integrated pest management approaches, plus Bt technology. However, productivity is still much below the world average, mainly due to the lack of irrigation.

Refined soya oil futures up on spot demand

Press Trust of India / New Delhi January 02, 2012, 13:56 IST

Refined soya oil prices traded higher by Rs 6.35 to Rs 739.85 per 10 kg in futures trade today on pick up in spot demand against restricted arrivals.

At the National Commodity and Derivative Exchange, January refined soya oi rose by Rs 6.35, or 0.87%, to Rs 739.85 per 10 kg, with an open interest of 1,750 lots.

The February delivery traded higher by Rs 1.40, or 0.19%, to Rs 727.70 per 10 kg, with a trade volume of 11,4640 lots.

Traders said besides pick up in spot market demand, less arrivals from producing region mainly led to a rise in refined soya oil futures.

Potato futures gain 2.93% on spot demand

Press Trust of India / New Delhi January 02, 2012, 11:49 IST

Potato prices rose by Rs 18.50 to Rs 649 per quintal in futures trading today as speculators created fresh positions after firm demand in spot market.

In addition, fall in arrivals from producing regions fuelled the uptrend in potato futures.

At the Multi Commodity Exchange, May potato surged by Rs 18.50, or 2.93% to Rs 649 per quintal in business turnover of 10 lots.
The March contract shot up by Rs 11, or 1.71% to Rs 655 per quintal in 112 lots.

Marketmen said fresh positions by speculators following pick-up in demand in spot market against less arrivals from producing region mainly pushed up potato prices at futures market.

THE HINDU Business Line

Different scenario

Not mashed: Farm workers harvest potatoes on a field near Udagamandalam in Tamil Nadu. Potato prices may have crashed in West Bengal but farmers in Tamil Nadu are getting Rs 8 a kg. In retail markets, potato currently rules between Rs 10 and 15 a kg.— K. K. Mustafah

This article was published in the Business Line print edition dated January 3, 2012)

Cardamom trade gathers steam as tension eases

G. K. Nair

Kochi, Jan. 2:

Cardamom trade has revived after resumption of traffic and easing of tension along the Kerala-Tamil Nadu border that saw restive periods during the Mullaperiyar dam issue.

It was evident from the Sunday cardamom auction at Puttady (Idukki), Kerala, that trade picked up pace on return of normalcy on borders of Idukki, Kerala and Cumbum in Tamil Nadu.

Movement of goods has started. The Tamil Nadu State transport buses have commenced operations to Kumily and “we hope by Wednesday, normalcy that prevailed about three weeks ago will return. Thus, the new year has dawned with no trace of antagonism among the people on both sides of the borders," Mr P. C. Punnoose, General Manager, CPMC, told *Business Line*.

E-AUCTION

He said, for the first time ever since the e-auctioning started, a total quantity of 122.5 tonnes of cardamom was traded at the auction held by the KCPMC at Puttady in Kerala.

Exporters with pending orders bought export quality cardamom in good quantities ever since the auctions restarted on last Tuesday.

An estimated 150-200 tonnes are said to have been bought by exporters, trade sources in Kumily and Bodianayakannur told *Business Line*.

Upcountry dealers were also covering and hence there was no withdrawal. However, harvesting has yet to resume on full swing as, at present, plucking is done with locally available labour. Workers from Tamil Nadu are expected to start commuting in a couple of weeks, an estate owner said.

The capsules arrived on Sunday were of above average quality and 8mm bold, fetching Rs 800-850 a kg.

ARRIVALS

Total arrivals as on December 31 stood at 8,585 tonnes and the sales were at 8,334 tonnes against about 6,325 tonnes of arrivals and around 6,280 tonnes sales in the same period last year.

Weighted average price as on December 31 was Rs 570 a kg against Rs 1,078 on the same date last year, auction sources said.

Prices of graded varieties in Kumily on December 31 in Rs/kg were: AGEB Rs 700-710; AGB Rs 590-600; AGS Rs 580-590 and AGS 1: Rs 540-550, they said.

The weather conditions continued to remain favourable and the growing areas received good rains on Friday and Saturday last, they said.

(This article was published in the Business Line print edition dated January 3, 2012)

Spot rubber turns weak

Aravindan

Kottayam, Jan. 2:

Physical rubber prices turned weak on Monday. The first trading session of the New Year opened on a weak note and declined further on buyer resistance. According to sources, there was selling from dealers and certain growers as the market is still going through the peak production season.

While prices were already under pressure from weak fundamentals, declines in other major natural rubber markets along with an overall sell off in the commodities weighed on the sentiments, analysts said.

Sheet rubber dropped to Rs 194 (195) a kg, according to traders. The grade declined to Rs 195.50 (197.50) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

The January series weakened to Rs 194.50 (197.92), February to Rs 197.60 (200.52), March to Rs 201.81 (203.93), April to Rs 206.46 (209.25), May to Rs 209.40 (211.00) and June to Rs 205.25 (207.50) a kg for RSS 4 on the National Multi Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 194 (195); RSS-5: 189 (192.50); ungraded: 182 (183); ISNR 20: 186 (189) and latex 60 per cent: 107 (108).

(This article was published in the Business Line print edition dated January 3, 2012)

Plans to computerise public distribution system network

Our Bureau

Food Minister, Prof K.V. Thomas at a press meet in Kochi.

Kochi, Jan. 2:

With several State Governments voicing opposition to the Union Government's National Food Security Bill, 2011, tabled in Parliament recently, the Union Minister of State for Food and Public

Distribution, Prof K V Thomas, said that he will meet Chief Ministers of the concerned States to allay apprehensions. The Minister said that all the States stood to gain from the proposed bill.

Rice will be distributed to the States at Rs 3 a kg, down from the current Rs 5 a kg, Prof K V Thomas said. In the case of rice, the Union Government bears a subsidy burden of almost Rs 16 a kg.Similarly, the price at which wheat and millets would be supplied to the States will be Rs 2 and Re 1 a kg, respectively.While the public distribution system was targeted at the poorer sections, the middle and lower middle class remained the biggest beneficiaries. The Government was hoping to arrest diversion of subsidised foodgrains from their targeted population by augmenting and computerising the distribution network.By implementing an end-to-end computerised solution, the Government was hoping to reduce diversion of foodgrains from the system, which is today as high as 40 per cent.A sum of Rs 4,000 crore has been proposed for the computerisation, which will start from the FCI warehouse gate to the ration shop dealer, and all the way to the individual consumer's household.

Under the Food Security Bill, the food subsidy is poised to increase from Rs 63,000 crore to Rs 90,000 crore, the Minister said.This was also partly because the total number of beneficiaries based on the 2011 Census was expected to be higher than the earlier number of beneficiaries based on the 2001 Census.

(This article was published in the Business Line print edition dated January 3, 2012)

Selling by mills drags sugar

Chennai, Jan. 2:

Sugar prices dropped in markets across the country on Monday as selling pressure mounted on mills' eagerness to cash in on the price rise. A bit of technical correction, too, led to the trend.

In central Uttar Pradesh, sugar dropped to Rs 2,950-2,960 a quintal, down Rs 10.

“When prices run up by Rs 50-60, it should not surprise anyone when it falls by Rs 10. There were more sellers as prices had increased late last week,” said a trading source.

Sugar gained last weekend after the Centre announced the sale quota for this month. It has fixed 15 lakh tonnes as the quota for sale in the open market against 17 lakh tonnes in December.

In Mumbai, prices dropped as rising stocks forced mills to sell. Demand, on the other hand, is low in view of winter.

In Kolhapur, the S-30 variety dropped to Rs 2,860 a quintal.

One of the reasons for the selling pressure in Maharashtra is that crushing in the second largest producing State is in full swing. A *Reuters* report quoting an industry official said sugar production in Maharashtra increased 18 per cent in the first three months of the new season that began in October.In the futures market, the January contract slipped to Rs 2,881 a quintal from Rs 2,885 on Saturday. February contract was up Rs 3 at Rs 2,901 and March contract gained Rs 6 at Rs 2,932.

Bombay Sugar Traders Association rates (Rs/quintal): S-30 sugar — 2,916-3,011 (2,942-3,021); M-30 sugar — 3,001-3,112 (3,021/3,122).*mrsubramani@thehindu.co.in*

(This article was published in the Business Line print edition dated January 3, 2012)

Export demand continues to lift cotton

Rajkot, Jan. 2:

Cotton prices rose a tad on Monday in Gujarat, Maharashtra and North India mainly on export demand. Prices may rise this month, a trader from Kadi, Gujarat, said.

New A-grade Sankar-6 cotton traded at Rs 35,500-36,000 for a candy of 356 kg while B-grade sold at Rs 34,500-35,000. A-grade V-797 sold at Rs 24,500-25,000 a candy while B-grade was offered at Rs 23,000-23,500.

While in Maharashtra average new cotton quoted at Rs 33,200-33,700 a candy and A-grade 29 mm quoted at 34,000-34,500 a candy, in Madhya Pradesh the former quoted at Rs 33,200-33,700 and the latter at 34,000-34,600. DCH 33-34 mm quoted at Rs 43,000-44,000 a candy.Cotton gained Rs 20-25 for 20 kg *in North India on Monday on brisk mill and export demand and despite higher arrivals at 34,000 bales of 170 kg each. Ready-delivery cotton traded at Rs 3,525-3,560 a quintal in Punjab, at Rs 3,460-3,480 in Haryana and at Rs 3,470-3,480 in Rajasthan.*

higher output

The country is poised to have a record production of 34 million bales in 2011-12 season, according to the Cotton Association of India.Consumption may not cross 25 million bales, and, thus, there would be a huge carryover stock left for next year, said Mr Dhiren Sheth, President of the association, recently.

(This article was published in the Business Line print edition dated January 3, 2012)

Aromatic rice rallies; non-basmatis rule flat

Karnal, Jan. 2:

With some buying emerging in the market, prices of aromatic rice rallied, while non-basmati varieties ruled flat on Monday. Prices of aromatic rice rose by Rs 70-150 a quintal.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that due to moderate buying, aromatic rice varieties witnessed an uptrend over the last two days, whereas non-basmati varieties' prices were steady despite lacklustre trade. Aromatic varieties were ruling at the lowest levels of the season last week and bulk buyers have taken good advantage by buying at those levels, he added. Prices of Pusa-1121 (steam) increased by Rs 100 and quoted at between Rs 4,100 and Rs 4,200 a quintal while Pusa-1121 (sela) was at Rs 3,250-3,350 a quintal, Rs 150 up. Pure basmati (sela) went up by Rs 100 and sold at Rs 3,800-3,850 a quintal, while Basmati (Raw) increased by Rs 70 at Rs 4,170 a quintal.Duplicate basmati sold at Rs 3,100-3,250 a quintal, Rs 100 up.Among the brokens of Pusa-1121, Tibar sold at Rs 3,000, Dubar was at Rs 2,500 while Mongra was trading at Rs 2,050 a quintal.On the other hand, after witnessing an uptrend last week, non basmati varieties continued to rule firm.

Permal (sela) sold at Rs 1,800-2,000 a quintal, while Permal (raw) quoted at Rs 1,900-2,050 a quintal. PR-11 (sela) sold at Rs 2,100-2,200 a quintal, while PR-11 (steam) quoted at Rs 2,300-2,500 a quintal.

(This article was published in the Business Line print edition dated January 3, 2012)

Soya oil soars on speculation

Indore, Jan. 2:

Soya oil futures soared to record high as January contracts closed at Rs 748.80 for 10 kg, up Rs 15.10, on the National Board of Trade (NBOT) on speculation on Monday.

Earlier in the day, January contracts hit the upper circuit. Soya oil futures had hit the upper circuit on the NBOT on Saturday, too, though local demand was sluggish.

January and February contracts rose to Rs 749.95 for 10 kg, up Rs 11.95, and Rs 737.80, up Rs 8.80, on the National Commodity and Derivatives Exchange (NCDEX), too, on speculation and despite subdued buying support. Foreign markets were closed on Monday.

Strong soya oil futures perked up spot prices, even as buying interest was scattered. Soya refined in the physical market sold at Rs 705-710 (Rs 688-695). Driven by bullish soya oil futures, soya solvent increased at Rs 670-675 for 10 kg (Rs 655-660). However, buying interest for soya oil remained weak at the higher price. On the other hand, resellers sold soya oil at Rs 700 for 10 kg in the ready market.

Soyabean was also up at Rs 2,390-2,450 a quintal amid arrival of 1.25-1.5 lakh bags. In Indore *mandis*, 7,000 bags arrived. Soyabean plant deliveries also gained at Rs 2,500-2,530 a quintal. Soyabean's January and February contracts increased at Rs 2,573 a quintal (up Rs 52) and Rs 2597 a quintal (up Rs 46) on the NCDEX. Soya de-oiled cake also gained in the Kandla port on improved demand at Rs 18,300-18,400 a quintal.

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Low arrivals fail to perk up turmeric

Erode, Jan. 2:

Spot turmeric prices decreased by Rs 100 a quintal on Monday, despite lower arrivals.

“Many farmers were busy with local festivals and did not come to turmeric markets. Some farmers thought that prices may drop on Monday and being the first day for turmeric auction for 2012, the decrease will hurt them sentimentally.

“As expected, prices decreased by Rs 100 a quintal. Only 6,000 bags of turmeric arrived for sale and 60 per cent was sold,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that traders expected arrival of Number 8 Mysore turmeric, but were disappointed as no new crop arrived for sale. Traders purchased limited stocks for supply to local spices firms.

Mr Ravishankar said “the present price reflects the globa trend” and no trader quoted higher price. They are expecting arrivals to increase by week-end. He said that because of poor quality, the hybrid variety decreased by Rs 150 a quintal but all bags were sold.

Turmeric farmers said that they are expecting fresh turmeric to arrive by February-end, when they are expecting steep fall in price as they are expecting huge stock this year.

Salem Crop

The finger variety fetched Rs 4,316-4,769 and the root variety Rs 4,089-4,266. Of the 1,487 bags that arrived, 507 were sold.

(This article was published in the Business Line print edition dated January 3, 2012)

Incentives brewing for tea producers in 12th Plan

Board moots financial aid, subsidy for capacity expansion

Kolkata, Jan. 2:

Tea producers can hope to be showered with financial incentives in the 12 {+t} {+h} Plan if the current thinking at the top level is any indication.

The proposals before the Government for consideration are for providing subsidy to the producers for undertaking capacity expansion of their existing gardens and for providing various other incentives, mostly financial, to make the Special Purpose Tea Fund (SPTF) more effective.

GROWING DEMAND

In contrast to the policy initiatives of the 10 {+t} {+h} Plan and 11 {+t} {+h} Plan when the accent was more on consolidation, rejuvenation and replantation, the thrust in the 12 {+t} {+h} Plan will be on larger production to bridge the current demand-supply gap, it is learnt. According to one estimate, the demand during the 10-year period from 2001 to 2010 increased by an additional 170 million kg but the supply by only 130 mkg or so.

The population growth alone, it is estimated, will create an additional demand of 20 mkg every year, assuming that the consumption growth remains unchanged at the current level of three per cent or so. On the export front, it is felt that the country's share in global trade should be maintained.

By March 2017, which will be the terminal year of 12 {+t} {+h} Plan, domestic tea demand is projected to increase to 1,000 mkg, up from the current 800 mkg or so and the exports to 250 mkg from the present around 200 mkg.

Where is this additional production going to come from? After all, land is a major constraint. Only the big tea companies which have surplus land available in their gardens can hope to add to their capacity. These companies, therefore, must be encouraged to pursue capacity expansion programme vigorously, it is felt.

CAPACITY EXPANSION

SPTF, launched about five years ago to encourage replantation, has not progressed as expected. Till March 2012, about 70,000 hectares are targeted to be covered under the scheme; in reality it will be only 26,000 hectares or so presumably because the incentives are not attractive enough. The crop loss caused by the uprooting has been a major stumbling block.

The current thinking, therefore, is to provide cash compensation for the loss. The loan system, too, is proving to be cumbersome. Right now, the Tea Board takes loan from banks for on-lending to SPTF beneficiaries but Tea Board's job is not to undertake such activity. According to current thinking, Tea Board will withdraw from borrowing and lending activity, instead, the SPTF beneficiaries will take loan directly from the banks and Tea Board will provide interest subvention.

There are further proposals for introducing a reward system. It has been suggested that any tea company undertaking replantation over and above the stipulated two per cent of the area under SPTF should be rewarded with additional subsidy.

Also, to encourage the tea companies to produce more of quality tea, Tea Research Association should play an active role in providing field-worth plantation materials.

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