

Intercropping: when rice breeds fish breeds rice

D. BALASUBRAMANIAN



The Hindu Intercropping helps in cutting down the use of chemicals, which help production but harm the environment. Photo: Ch. Vijaya Bhaskar

A notable announcement would have been made yesterday at this year's Indian Science Congress at Bhubaneswar, Orissa. The rural, tribal belt of Koraput, Orissa which is rich in floral and faunal diversity would have been formally declared as the eleventh "Globally Important Agricultural Heritage System" (GIAHS) by the FAO-UNDP-GEF group.

Each GIAHS is a remarkable land use system or a landscape, rich in globally significant biological diversity. It ranges from the Andean mountain agriculture of Peru, the Ifugao rice Terraces of the Philippines, the Rice-Fish intercropping or co-culture system of inland central China to the Maghrab landscape of Algeria/Tunisia. And, while Koraput is recognized now, the Seppina Bettas system of the use of foliage and leaf-litter system of the Western Ghats in India is waiting to join the GIAHS family.

The key feature in each GIAHS is the people living there. The community has, over the centuries understood, appreciated, respected and preserved the surrounding biodiversity of plants and animals. The gentle wisdom that the people, “the tribals,” have gathered over the centuries can be captured in the motto “everything depends on everything else.”

How is what they do better than current practice of monoculture of the same plant over tens or hundreds of hectares, where yields are pushed to high levels through the use of fertilizers, pesticides and weed killer chemicals? Is it the scale of the thing? Each tribal person farms over a couple of hectares at best, while agriculture companies do so over hundreds.

The argument

For tribals, farming is for livelihood while for companies farming is an industry. Thus, what the tribal does in Koraput will not feed billions. To do so, we have to use manufacturing methods — so goes the argument.

Can the twain never meet? Is GIAHS a romantic, feel-good notion, or can we learn from the tribals and attempt to scale their practices, yet in a Green way? Would that not help in cutting down the use of chemicals that on one hand help production but harm the environment on the other? Can there be a “dialogue of wisdoms” between the experiential knowledge of local farmers and the technological expertise of external innovators?

In order to do so, we need hard scientific evidence of the advantages of tribal practice, say of one of the GIAHS. Happily enough one such analysis has just been published in the December 13, 2011 issue of *PNAS* (U.S.). Dr. Xin Chen and associates from the Zhejiang University, Hangzhou, China have compared the effect on the ecology and environment of two farming practices.

One is the traditional Chinese practice of introducing and breeding fish in rice fields — essentially rice-fish intercropping or co-culturing (RF). The others are the usual rice monoculture (RM) that we have become used to on one hand, and fish breeding or fish monoculture (FM) the current way.

The group conducted a 6-year field survey to assess and compare the ecosystem stability of RM versus RF, using 31 sampling units. They found that RF maintained the same rice yield and constancy (over the 6 years) as RM, but required 68 per cent less pesticide and 24 per cent less fertilizer; clearly more eco-friendly.

In parallel, they compared three treatments without pesticide application: RM, RF and FM. First, they found the yield in RF was better than RM when no pesticide was used. In addition to measuring rice yields (in RM and RF) and fish yield in FM, they also focused on the occurrence of rice pests in RM and RF, and on the interaction between rice and fish in RF.

First, they found that the yield of rice to be higher in RF than in RM in the absence of pesticide application.

Next, they found positive interactions between the rice plant and the fish; the latter benefited rice by reducing insect pests, weeds and disease.

As they bumped against the rice plant stems, they caused plant-hopper insects to fall from the plant, which they ate off.

Manure from fish

And the fish refuse acted as manure and fertilizer for the rice plant. The rice on its part, helped fish grow by offering shade and reducing the water temperature during the hot season and an inter-cropping loop of rice breeds fish breeds rice.

I recommend the reader to access the easy-to-read author summary part of this paper through www.pnas.org/cgi/doi/10.1073/pnas.1111043108.

Chen concludes saying that their study of the rice-fish co-culture system indicates that modern agricultural systems might be improved by adding species to monocultures through such complementary features.

One example

Here is one example of the possibility of a dialogue of wisdoms. Dr. M S Swaminathan, in his recent Pinnamaneni Lecture in Vijayawada emphasized the three E's in agriculture: economy, ecology and empowerment.

With the Koraput GIAHS, such a fusion of the E's appears possible.

And on a different note, the noted rice scientist E A Siddiq tells me that the Central Rice Research Institute at Cuttack is already experimenting with the rice-fish co-culture method under Indian conditions. Happily the dialogue has begun.

Intercropping has been a time-honoured method where the two crops benefit each other; farmers in many countries practice it with benefits.

In India

Right here in India, intercropping of pigeonpea with sorghum, or pearl millet with groundnut has been successful (thanks to ICRISAT), and coffee with pepper has been successful in Karnataka and at the Araku Valley in Andhra Pradesh.

How does one translate this on a large scale, across tens and hundreds of hectares?

If we succeed in intercropping plants with plants, or plants with animals, modern large scale agriculture could turn greener. Here is a challenge for the coming years. dbala@lvpei.org

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Scientists need communication skills and patience

M. J. Prabu



P.V. Koran showing the certificate for the best farmer award conferred on him. Photo: Special Arrangement

Farmers take time to understand a concept in their own way

“Today, inspite of surfeit of information available, communication skills still seem lacking among experts.

Take the example of two scientists from the same department going to meet an official. Both the persons may go separately without even being aware they may bump into each other while waiting to meet the concerned official outside his room.

“While this sort of attitude may be common among the research fraternity, this becomes a handicap when it comes to farmers. Knowledge sharing and institutional support must go together to help farmers get sustainable income,” says Dr. V. Rajagopal retired Director, Central Plantation and Crops Research Institute (CPCRI), Kasaragod.

Takes time

Farmers take time to understand a concept in their own way and they often mull over it before attempting it.

“It takes time to convince a farmer and for that good communication skills and patience become imperative. Experts must be ready to share, hone their talking skills to help transfer of technology to the fields from the labs,” he says.

While educating farmers about some emerging expertise making them understand, accept, adopt, and to work is a challenging task.

“Scientists need to exert extraordinary efforts to bring knowledge and happiness to hostile farmers.

“There should be a continuous farmers-scientists interaction to instil the much needed confidence in the farmer to continue with farm activities uninterrupted,” he adds.

Dr. Rajagopal explained how CPCRI approached the problem through ‘caring, reaching, and teaching as a mission. Scientists visited farmers personally to impart technical knowledge.

Twin benefits

“In turn, we also learnt the indigenous traditional knowledge (ITK) from them and the synergy between modern technologies and the ITK proved beneficial for both of us,” he explains.

The Institute developed several production, protection, and processing technologies to improve coconut yield, besides other inter crops, and to enhance income for coconut growers.

“These technologies apart from being demonstrated at the Institute farm, were also taken directly to the farmers' own fields through the Krishi Vigyan Kendra (KVK) as a participatory approach.

The coconut farmers were given adequate training and skill development through an International project funded by the Asian Development Bank for three years.

“A total of 792 farmers in two villages, formed as community based organizations (CBOs), reaped the benefits of the technologies,” says Dr. Rajagopal.

Recording the findings

A systematic extension activity was carried out by recording the farm profile, yield and income prior to, and after the interventions adopted by the farmers.

International standards were applied for impact analysis of a project.

About 25 success stories were documented from India, including an NGO (PK Thampan Foundation, Kochi) involved in the project.

“Among the several enterprising farmers who benefited by our scientists' interaction is one Mr. P.V.Koran from Pallikara.

“The farmer adopted an intensive integrated mixed farming in his 0.32 ha coconut farm.

Besides intercrops pepper, turmeric, yam, banana, he maintains two Jersey cows and different varieties of fodder grass,” says Dr. Rajagopal.

Net income

The farmer earns a net income of Rs.93,775 from the vegetables, milk, and fodder and gets an average of 10litres milk per day.

Once he harvested more than five tonnes of turmeric. Likewise, pepper and banana also gave good yield with remunerative price.

Vermicompost

Encouraged by these advantages he got from the enterprises, Koran also ventured into vermicomposting, using the coconut wastes in the garden.

He was the recipient of US \$ 250, along with a certificate as best mixed coconut farmer among eight countries.

“Being a farmer my income today increased rapidly only because of my constant interaction with the institute's scientists. They had the patience and time to make me understand about new technologies and were very friendly in their approach,” says the farmer. For more details readers can contact Mr. P.V. Koran at Pallippuzha house, Pakkam post, Pallikkara, Kasaragod District, Kerala: 671 316, Phone: 0467-2410044 and Dr. Rajagopal at email: rajvel44@gmail.com, phone: 09441200217.

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Controlling thrips in cardamom effectively

J. Jayaraj
Manisegaran

The cardamom thrips, *Sciothrips cardamomi* ranks first among the insect pests of cardamom and is considered to be the most destructive pest in all the cardamom growing tracts.

The damage is caused by both nymphs and adults as they colonize and breed in unopened leaves, leaf sheath, panicle, flower buds and capsules. They lacerate the plant tissue and feed on the exuding sap.

Flower shedding

There will be shedding of flowers and immature capsules. The cardamom pods become shrivelled, undersized, scabby, warty, malformed and lose their characteristic aroma.

The seed formation is also affected. The infested capsules are light in weight, inferior in quality and fetch very low market value.

It is estimated that 78 per cent by weight and 82 per cent by number of capsules are damaged due to thrips.

The adult thrips are tiny, yellowish in colour with fringed wings. They reproduce in large numbers especially during post monsoon seasons. Each female lay around 30 eggs. The incubation and nymphal periods are 8-12 and 10-12 days respectively. Pseudopupal stage takes five days. The complete life cycle from egg to adult takes 25-30 days.

Management practices

- Maintain thrips resistant Malabar types of cardamom clumps.
- Regulation of shade and removal of alternate host plants like *Panicum longipes* , *Hedychium flavescens* etc. in the vicinity of plantations would help in reducing the build up of this pest.
- The panicle and 1/3 portion of the base of the clumps are to be treated with insecticides.
- Spray 5-7 rounds of insecticides like quinalphos 0.025 per cent, phosalone 0.07 per cent , chlorpyrifos 0.05 per cent or profenofos 0.05 per cent at 35 days interval. Approximately 250-500 ml of spray fluid will be required per clump.
- Alternatively dust formulations of quinalphos 1.5 D, carbaryl 10 D or phosalone 4D each at 25kg/ha may also be applied.
- Removal of dried leaf sheaths prior to spraying increases the efficiency of the applied insecticides. It is advisable to do spraying as dusting is found more harmful for honey bees.

J. Jayaraj & Manisegaran

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Farm Query: Groundnut digger

Is there any machine to dig out the groundnut pods from the ground?

Koteeswara Rao

Andhra Pradesh

An enterprising groundnut farmer, Mr. Yusuf Khan in Rajasthan, thought of developing a machine which could make the cumbersome work of digging the groundnuts from the soil easier. The machine seems an excellent way to improve productivity, cut costs and address labour shortage. The unit consumes four litres of diesel per hour and completes digging a hectare in one day. For details contact Mr. Yusuf Khan, Bevali Village, Sikar, Rajasthan, mobile: 9414210842.

Agriculture lands losing ground to urbanisation

V.S. Palaniappan

The growing need for land for industrial and residential purposes has resulted in lands under agriculture shrinking by 10 to 15 per cent per annum in Coimbatore, Erode and Tirupur districts.

Top officials in the Agriculture Department, pointing out to the statistics discussed by the State Planning Commission at its recent meetings, say that in these districts, the total extent of land under agriculture has come down by 1.50 lakh hectares over the last three years.

Irrigation systems

Agriculture activities in the districts primarily depend on the irrigation systems of Bhavani, Noyyal, Parambikulam – Aliyar Project, Amaravathy and largely pertained to paddy, sugarcane, coconut, turmeric, tomato, onion and maize cultivation.

While the availability of water from the irrigation system depends on nature, depleting ground water level discourages farmers from taking up agricultural activities.

Shortage of manpower for farm activities and increase in cost of production has made farming unviable to farmers. Lands in Thondamuthur, Vadavalli, Perur, Saravanampatty, Kalapatti, Sular and Neelambur have witnessed large scale conversion of agricultural land for residential purposes and industrial needs.

With Coimbatore witnessing entry of other major players in the information technology sector besides engineering and textiles, demand for land for industrial or commercial purposes has increased.

Land under cultivation in 2007-08 was 4.16 lakh hectares and in 2008-09, it was 3.80 lakh hectares and in 2010-11 the extent of land under cultivation had come down to 3.56 lakh hectares.

Across the State, officials point to agriculture activities coming down on nearly five lakh hectares.

11th Plan period

During the four years of the 11th Plan period, agriculture production was only 0.69 per cent as against the envisaged growth of four per cent.

Officials say that paddy production in the district in 2007 was on 40,955 hectares and in 2010, it was only 39,322 hectares.

Maize cultivation

Maize cultivation had also gone down from 43,164 hectares in 2007 to 2,667 hectares in 2010 while area under cultivation of sugarcane in 2007 was 44,514 hectares and in 2010 it was 35,983 hectares.

To achieve the target in the 12th Plan period beginning April, the official machinery is keen to ensure that farm activities get sops from the Government to make it viable to arrest the practice of farmlands being sold for other purposes.

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Mullaperiyar issue: protests continue

Staff Reporter

Even as the borders remain calm and vehicles are crossing the borders with ease, protests, demonstration and fast have been continuing without break in Theni and Dindigul districts on Wednesday.

More than 100 members of Anuppa Gounders' Association observed fast in Theni condemning the adamant attitude of Kerala government and its attempt to break Mullaperiyar dam. The Centre should ensure total protection to the dam, they demanded.

Similarly, members of sewing workers' associations in Bodinayakkanur also staged demonstration in the town in support of the dam issue. They also raised slogans against Kerala and condemned its attempt to break the dam.

Dindigul

More than 1,000 members of 20 farmers associations, including Tamil Nadu Canal, Lake and Tank Water Users' Association, District Flower Producers' Associations, Vegetable growers' associations observed a dawn-to-dusk fast in Nilakottai condemning autocratic behaviour of

Kerala government. Destruction of the Periyar dam will stall farming activities in the entire Nilakottai taluk.

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Book on agro technologies for farmers

Staff Reporter

The Centre for Research and Development (CRD) has come out with 'Mun Nira Karshakar (series I), a book on frontline farmers in Kasaragod.

It is intended to create awareness on agro technologies among the farming community.

NABARD aid

The book, in Malayalam and Kannada, had been compiled with the assistance of the National Bank for Agriculture and Rural Development's (NABARD) farmers' technology fund along with inputs from local bodies, government departments, non-government organisations, and the farming community, CRD programme coordinator E.C. Shaji said here on Wednesday.

It contained valuable information on innovative farm technologies, mixed farming, and application of farm knowledge. It had been prepared after undertaking farm visits and face-to-face interactions with 100 leading cultivators in the district, he said.

Inputs had been obtained from growers of coconut, areca, paddy, vegetables, fruits, and cashew.

Inputs had also been obtained from apiaries, poultry and cattle farms, and from those engaged in mussel farming, CRD executive director Sasi Kumar said.

The Agriculture Department, Central Plantation Crops Research Institute, Krishi Vigyan Kendra, Regional Agriculture Research Centre at Pilicode, Dairy Development Department, and the district lead bank had been involved in the preparation of the book.

The book also contained details of potential farmers and was expected to help to new-generation farmers and students, they said.

NABARD Chief General Manager K.C. Shashidhar will release the book at a function at Vyapara Bhavan here at 9.30 a.m. on Friday.

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Decades-old wholesale vegetable market loses its sheen

Staff Reporter

Earnings of a majority of traders take a hit after the launch of rythu bazaar



Wholesale vegetable market in Machilipatnam wears a deserted look.

Thanks to the rythu bazaar, the nine-decade-old wholesale vegetable market here has lost its sheen and glory. With the usual hustle and bustle conspicuously missing, it looks quite insipid. Hardly 30 traders are left fervently looking for customers.

The traders attribute the gloomy scenario to the launch of rythu bazaar in the town. Most of the vegetable vendors are now jobless. Some took to other professions such as electrician, pushcart vegetable vendor. Some others have become hamalies to eke out their livelihood, they say.

“We are not opposed to the concept of rythu bazaar to provide a platform to farmers. Barring a handful of farmers, the rythu bazaar is now full of middlemen,” they assert. In fact, the traders say, they (vendors at rythu bazaar) purchase leafy vegetables here.

The market imports leafy vegetables such as coriander from Karnataka. Except in winter, coriander is not grown in Krishna district. But, throughout the year, we find a coriander farmer at rythu bazaar. Needless to say, we are the source to his or her vegetables, the traders claim.

A. Nagendra Rao, a third generation trader in the market, recalls:

“There used to be 150 to 200 shops a decade ago. As days passed, the traders left the market in search of other jobs as the business has lost its sheen. There were days when we used to employ two to four workers. Now, the owner himself does not have enough work.”

Adds Sasha, another trader: “There used to be retail customers also. Traders are solely dependent on wholesale business. The market is not providing employment to even to 100 persons now. God knows how many days it will continue like this.”

Auction

In the good olden days, the traders used to go for an auction every week under the aegis of the Radhakrishna Vegetable Traders' Association. The association used to spend the proceeds of the auction on welfare of the members and also to organise festivals such as Vinayaka Chavithi, Dhanurmasam, and Ramzan.

Sasha says his neighbours Samudrala Saibabu and Sunkara Satyanaryaana switched to other jobs. Saibabu and his brothers are electricians and Satyanarayana started another business, he says.

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- *Middlemen ruling the roost in the rythu bazaar, complain traders*
 - *Some traders have become hamalies to eke out a living*
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Rs. 15 crore for organic farming

Collector S. Suresh Kumar has said that Rs.15 crore was sanctioned to implement organic farming in 125 villages spread over 17 mandals in the district.

Participating in a workshop held at the Collectorate here on Wednesday, Mr. Suresh Kumar said that organic farming would protect the health of soil in addition to stabilising the farming and reducing the input cost.

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Farmers urged to cultivate Boro crop

Ananya Dutta

Even as farmers across West Bengal are being forced to sell off their paddy crop from the autumn harvest in distress sales, peasant organisations affiliated to the Left Front appealed to them to cultivate the upcoming Boro crop here on Wednesday.

“We are constantly receiving reports that farmers who have incurred considerable losses from the Aman crop [planted during the monsoons] are deciding against planting the upcoming Boro crop. We appeal to them to please plant the Boro crop or else we shall have a severe shortage of food grains,” All India Kisan Sabha State unit president Madan Ghosh told journalists.

Mr. Ghosh said he sympathised with the farmers who were resorting to distress sales and demanded that the Centre and State governments initiate measures to provide relief to the agricultural sector.

The Boro crop, usually planted during January and harvested in March, is cultivated in areas that have irrigation facilities or are watered with groundwater from pumps. With the intensive use of fertilizers and pesticides, as well as high costs of pumping water, the input costs are very high, but the farmers also manages to obtain a high yield if the weather does not play spoilsport.

Farmers in the State, who have already incurred debts they were unable to repay after the autumn harvest, are apprehensive of sowing another crop in the coming season.

“The costs of cultivating the Boro crop are too high. Just watering the fields costs about Rs. 80 per hour and then I have to spend on fertilizers and pesticides. I do not want to take the risk of sowing paddy in the coming season as the prices I get for the produce do not justify the costs,” said Shakaut Ali Mollah, a cultivator in Gojwapur village in the State's South 24 Parganas district.

Mr. Mollah said that he had already taken loans amounting to about Rs. 5,000 last season. From the low prices he got for his yield, he has been unable to pay back any of his creditors. Even the labourers he had employed to work on his lands have not been paid in full.

The policies of the Central government have resulted in the present agrarian crisis. However, if the farmers do not plant the Boro crop, the nation is headed for a crisis where there shall be a severe shortage of food and it shall be back to the decades of the 1960s and 1970s when India had to depend on food aid from other countries, Mr. Ghosh said.



CM felicitated by farmers' cell

WEDNESDAY, 04 JANUARY 2012 23:52

STAFF REPORTER | BHOPAL

The Bharatiya Janata Party (BJP) Government in the State is determined for developing cow based agriculture system and agriculture based golden Madhya Pradesh. The Madhya Pradesh cow slaughter ban Act would further the determination of the Government. Chief Minister Shivraj Singh Chouhan expressed these views during his felicitation by the farmers' cell, Gau Sewa Prakosht and Bhopal district unit of the party at the Chief Minister house on Wednesday.

Chouhan addressing the party workers said, "The farmers of the State would get to know about the public oriented achievements of the State Government and the partisan attitude of the centre with the State through the proposed Balram Sandesh Yatra to be carried out by the farmers' cell."

He also thanked the farmers' cell for the initiative that would help the party to increase its mass base.

BJP State president and MP Prabhat Jha while attributing the passage of the cow slaughter ban Act from the centre to the personal efforts made by the Chouhan said, "The Act would further the safety of the 'gau mata' in the State, the Gau Sewa Prakosht of the party would organise the convention of gaushala wardens and gaupalaks and the Chief Minister would be felicitated in it for the efforts made to get the cow slaughter Bill becoming an Act."

Senior party leaders of the State and Bhopal district were present on the occasion including chief spokesman of the State Vijesh Lunawat, State media in-charge Hitesh Vajpayee, State secretary Sarita Deshpande, State office in-charge Alok Sanjar, State president of farmer's cell Banshilal Gurjar and industries Minister of the State Kailash Vijayvargiya.

Salt producers worry as stocks mount

Press Trust Of India / Mumbai/ Tuticorin January 05, 2012, 0:32 IST

Salt manufacturers in the city, a major salt-producing centre, are worried about their mounting stocks, as foreign countries are increasingly opting for the commodity from Gujarat at a cheaper rate.

"This is the trend till December, 2011. Since the production cost is less in Gujarat, they can sell it for a lesser price. Moreover, the power tariff is high for salt production in Tamil Nadu," Tuticorin Small Scale Salt Manufacturers' Association Secretary A R A S Dhanabalan said.

Though 40 lakh tonnes of salt was exported from India in 2011, Tuticorin could export only 1.6 lakh tonnes, down from three lakh tonnes in 2010. There has been a steep fall in the price of salt, he said. He said China imported 20 lakh tonnes of salt from Gujarat, which accounts for 95 per cent of the country's exports.

Gandhi Irwin Salt Manufacturers Association President M S A Peter Jebaraj said he expects prices to fall further, going by the present trend.

Already the price per tonne has come down Rs 700. He feared there would be further accumulation of stocks once salt production commences by this month-end or mid-February. Despite the situation Jebaraj said production would commence as per schedule to ensure the workforce was not impacted.

Wheat down in futures trade on profit-booking

Press Trust of India / New Delhi January 04, 2012, 11:38 IST



Wheat prices fell by 0.31% to Rs 1,290 per quintal today as speculators booked profits amid favourable weather conditions in producing regions.

At the National Commodity and Derivatives Exchange, May wheat fell by Rs 4, or 0.31%, to Rs 1,290 per quintal, with an open interest of 1,290 lots.

The March delivery fell by Rs 2, or 0.16%, to Rs 1,267 per quintal, with an open interest of 250 lots.

Analysts said apart from profit-booking by speculators, conducive weather conditions in producing states after recent widespread rains also weighed down on the wheat futures prices here.

Sugar futures recover on speculative activity

Press Trust of India / New Delhi January 04, 2012, 11:35 IST



Sugar futures recovered by 0.53% to Rs 2,859 per quintal today after witnessing persistent fall in the past few sessions, as speculators created fresh positions.

However, higher domestic output and subdued demand in the spot markets restricted the gains.

At the National Commodity and Derivatives Exchange, January sugar traded Rs 15, or 0.53%, higher at Rs 2,859 per quintal, with an open interest of 39,530 lots.

The February contract edged up by Rs 11, or 0.38%, to Rs 2,891 per quintal, with an open interest of 19,090 lots.

Marketmen said fresh activity by speculators, who created fresh positions at attractive lower levels, helped sugar futures to trade higher even as spot demand remained weak.

Meanwhile, in Kolhapur spot market in the top producing Maharashtra state, the most traded S-variety fell by Rs 12 to Rs 2,848 per 100 kg in yesterday's trade.

Law Min nod to ban FDI in wholesale tobacco trade

Anindita Dey / Mumbai January 05, 2012, 0:46 IST

The law ministry has said it favours the commerce ministry's move to ban foreign direct investment (FDI) in wholesale trading in tobacco.

Currently, the manufacturing of tobacco and tobacco substitutes are under the prohibitory list of the FDI press note, while such investment is allowed up to 100 per cent in wholesale trading of cigarettes and other related products under the cash and carry category — albeit under the approval route.

Under the guidelines, foreign tobacco companies bring in money for branding and advertising, while selling to retailers directly can only be done by their Indian joint venture partner.

Senior official sources closely working on the development said the commerce ministry has been proposing to put a complete ban, based on representations of the health ministry to cut tobacco production and usage. Incidentally, some time ago, Japan Tobacco Ltd had made a representation to the Foreign Investment Promotion Board to increase its stake from 51 per cent to 74 per cent in its Indian joint venture.

Officials said the law ministry felt the circumstances considered by the commerce ministry for banning FDI in the manufacturing of tobacco also applies for trading.

“The same conditions can trigger a complete a ban on trading as well,” added a source. The conditions which primarily rule in favour of a ban on manufacturing include issues with domestic production, domestic employment and overall health conditions.

Infusing equity in Indian joint ventures has triggered apprehension that foreign companies may be circumventing the prohibition on FDI in manufacturing, officials say. That was how a view was sought from the law ministry. "Otherwise, the issue may be misinterpreted as a non-tariff barrier for an industry at the WTO (World Trade Organisation) level," explains a source.

Tobacco cultivation, processing, marketing, manufacture and exports are a source of employment to around 36 million people in the country. The ministry of agriculture has started advising farmers to alternate tobacco production with other cash crops like sugarcane and cotton. FCV is the cigarette-producing variety.

On the employment side, the ministry of commerce is coordinating with the ministry of rural development to run the tobacco employment schemes in the processing industry under other government employment guarantee schemes. In India, the tobacco enterprise contributes Rs 20,000 crores annually to the national economy through foreign exchange earnings and internal excise revenue.

Global natural rubber demand to be low this year

George Joseph / Kochi January 05, 2012, 0:37 IST

The global natural rubber (NR) market is likely to be in a bearish mode this year. The latest report of the Association of Natural Rubber Producing Countries (ANRPC) on trends and statistics indicates a weak demand outlook will keep the market dormant.

According to the report, global demand for NR has slowed to one per cent in 2011, while the growth in supply may go up to 6.4 per cent. In November last year, the association had projected a 0.8 per cent fall in demand.

The global economic turmoil, especially the deepening euro zone crisis, has affected the demand for natural rubber. A large number of rubber-based small and medium scale units are in crisis. Even major tyre companies of the south-east Asian region find it hard to cope with the deepening crisis. The supply-demand mismatch and slowdown in consumption is likely to keep the market bearish in 2012.

Production will be up in major producing countries, including India, during the November-January period, as it is the peak season. In India, during April-November, consumption rose 0.7

per cent, while production rose 4.9 per cent. This made prices of the RSS-4 variety fall to Rs 195 a kg from Rs 200 a kg on the closing day of last year and Rs 204 a week ago. The domestic market registered a peak level of Rs 244 a kg in April 2010. The global price was almost steady on Wednesday at Rs 178, though very low compared to the domestic tag.

According to experts, the change in the economic turmoil would decide the course of action in the NR mart and if it worsens, it would be a tragedy for the natural rubber plantations in all major producing countries.

THE HINDU Business Line

Coconut oil plunges on weak offtake

C.J. Punnathara



Kochi, Jan. 4:

Coconut oil prices plunged further in the Kerala and Tamil Nadu markets as demand continued to remain weak. Prices eased to Rs 75.50 in Kerala markets as against Rs 71 a kg in Tamil Nadu.

The news that a committee has been constituted to examine the feasibility of revising copra floor prices from the current level of Rs 4,750 to Rs 5,100 a quintal also failed to boost the market sentiment.

While traders in both the State have built up sufficient stocks the consumptive demand from Kerala remained weak and prices ebbed lower. North Indian demand also eased further as winter season has reduced demand for coconut oil based hair oils, shampoo and other cosmetic products.

However with copra arrivals from Andhra Pradesh beginning to ease, it was high time that coconut prices inched up, sources said. Palm oil and palm kernel oil prices continued to remain firm to high as the value of the Indian rupee has been impacting prices and imports.

Palm oil was quoting at Rs 61 a kg, while palm kernel oil ruled higher than coconut oil prices at Rs 76. As an indication of the trends to come, coconut oil futures have also fallen during the last week. Coconut oil futures for March which were quoting at over Rs 8,000 last week have fallen to Rs 7,650 a quintal.

Futures prices for January were virtually in tandem with the spot prices at Rs 7,400 a quintal, while February at Rs 7,600.

The sole positive feature for prices was that the current lean spell in Kerala is likely to continue into February and production and arrivals may remain depressed. However, going by the present trends, traders did not foresee an immediate spurt in coconut oil prices. *cj@thehindu.co.in*

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Cheaper nutrition



Bumper crop: With the season on, drumstick (moringa) trees are in full bloom as seen in a farm at Tuticorin in Tamil Nadu. Currently, drumstick sells at Rs 36-40 a kg against double the price during the same time last year. Higher production has resulted in lower prices. — N. Rajesh

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Cotton prices begin to gain as positive signs emerge all around

M.R. Subramani

Chennai, Jan. 4:

Cotton prices have begun to gain after having dropped sharply in the latter part of November and early part of December.

Prices are mainly driven by the emergence of export demand with Indian cotton turning cheaper than other origins and some domestic demand.

For example, Shankar-6, much sought after by buyers abroad, increased to Rs 36,500 a candy of 356 kg on Wednesday.

It had dropped to below Rs 34,000 early in December.

“There is demand for exports from China. Some demand has emerged from Bangladesh too,” said Mr M.P. Patel, Chairman of Rajkot-based Jaydeep Cotton Fibres.

Domestic demand

“Domestic demand has not shown any dramatic rise. Farmers are not willing to sell at lower prices. Therefore, exporters who are committed to delivery schedules are forced to buy,” said Mr Anand A. Poppat, Managing Director of Jalaram Cotton and Proteins Ltd and Secretary of Saurashtra Ginners Association.

On ICE, cotton futures for March delivery rose by the exchange limit of 4 cents, or 4.4 per cent, to 95.8 cents a pound, the biggest gain since May 31.

Until last week, prices were hovering below 90 cents. “Big exporters are not buying. Only small exporters are buying and that too in limited quantity. But China has opened imports, leading to demand,” said Mr Poppat.

DEMAND FROM CHINA

“We could get good demand from China since the Government there is buying locally grown cotton for its reserves. Therefore, textiles mills there are looking to India to meet their demand,” Mr Poppat said.

Cotton prices in the spot market have firmed up on cues from the futures traded on the regional Surendranagar Exchange.

On the Multi Commodity Exchange, cotton January contracts increased 0.74 per cent to Rs 17,510 for a bale of 170 kg. March contracts were up at Rs 17,910. Export demand has emerged since Indian cotton is quoted at 91-92 cents a pound against nearly 110 cents a pound for Australian and Brazilian cotton.

“African and American cotton are quoted at 105 cents,” said Mr Poppat, adding that the depreciation in rupee is one of the reasons for Indian cotton turning competitive.

Trade sources said that things are looking up for the entire textile chain, with the industry's demand for loan restructuring at an advanced state of bearing fruit.

The Finance Ministry is sympathetic towards the textile mills problems and banks have been asked to prepare a report for RBI's consideration. According to a source, about 2,000 cotton textile mills, mainly in Tamil Nadu and Andhra Pradesh, could benefit from the loan restructuring.

On the other hand, the industry is also seeing movement in yarn. “Prices of yarn have increased by Rs 2-5 a kg,” said Mr Poppat.

Prices may be gaining because of fears that the crop could be low, said Mr Patel.

“Fears are that the yield is lower and the crop this season could be around last year's level of 325 lakh bales,” said Mr Patel.

“The situation now is that chances of prices dropping to levels seen in December are remote,” said Mr Poppat.

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Tea Board to review price-sharing formula

Santanu Sanyal

Kolkata, Jan. 4:

The Tea Board has decided to take a fresh look at the prevailing price sharing formula that is supposed to ensure remunerative prices to small tea growers as well as a fair return to bought leaf factories. The present formula, modelled after the one at Sri Lanka, incorporated in Tea Market Control Order (TMCO) and introduced in 2004, has not yielded the desired results so far mainly to due the lack of transparency.

At a high-level meeting here on Wednesday, Mr M.G.V.K. Bhanu, Chairman of Tea Board, announced the formation of a study team to examine the relevant issues relating to the price sharing formula and publication of a report. Based on the findings of the report, unlikely to be ready before 2013 as a full season would be covered, it was indicated that the relevant provisions of the TMCO might be amended.

Representatives of Indian Tea Association and Tea Association of India, among others, were present.

A total of seven districts, five in Assam and two in West Bengal, where the presence of small tea growers is substantial, have been identified for the purpose.

The districts are Golaghat, Dibrugarh, Sonitpur, Tinsukia and Mongoldoi in Assam, and Jalpaiguri and Noth Dinajpur in West Bengal. There are nearly 2,00,000 small tea growers in the country, accounting for over 26 per cent of the country's total tea production. Since they do not have processing factories of their own, they are required to supply green leaves to bought leaf factories for processing.

The general complaint is that factories do not often offer remunerative prices for green leaves supplied. Factories, on the other hand, complain of indifferent quality of leaves produced by the small growers.

SRI LANKAN MODEL

One reason why the Sri Lankan model did not succeed here is that unlike India, in Sri Lanka more than 95 per cent of the tea produced is sold through auction. Thus, transparency in price realisation is guaranteed in that country.

Small growers

Meanwhile, the representatives of Confederation of Indian Small Tea Growers Association (CISTA) have submitted a memorandum containing very suggestions for the development of small tea growers to the Tea Board Chairman. The suggestions include, expediting the setting up of a separate directorate under Tea Board for small tea growers, launching special drive for promoting tea processing factories by primary producer societies, involving CISTA at all stages for finalisation of schemes for small growers during the 12th Plan, monitoring the mechanism of quality control at the bought leaf factory level and ensuring supply of fertilisers at subsidised rates to small growers.

Inquiries with Tea Board reveal that the work on setting up the small tea growers' directorate is progressing. The directorate will be located at Dibrugarh.

A total of 95 people, mostly with technical knowledge, will be recruited for the directorate and the recruitment process is on. Hopefully, the directorate should start functioning from the next fiscal, it is indicated.

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Higher volume on offer at Coonoor tea auctions

P.S. Sundar

Coonoor, Jan. 4:

After a fortnight of holiday for Christmas and New Year, the auctions of Coonoor Tea Trade Association will resume on Thursday. For the inaugural auction of 2012, a volume of 13.87 lakh kg will be offered, reveals an analysis of brokers' listing.

It is 1.39 lakh kg more than the offer at the last auction of 2011 and 1.42 lakh kg more than the offer this time last year.

Of the offer volume, 9.90 lakh kg belongs to the leaf grades and 3.97 lakh kg belongs to dust grades. As much as 12.86 lakh kg belongs to CTC variety and only 1.01 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.54 lakh kg belongs to orthodox while 9.36 lakh kg, CTC.

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Spot rubber rules flat

Our Correspondent

Kottayam, Jan. 4:

Physical rubber prices were unchanged on Wednesday. Market activities were in an extremely slow pace as the domestic futures closed weak on the National Multi Commodity Exchange. Practically, there were no fresh factors in the market to boost the traders' sentiments, an observer said. Volumes were low.

Sheet rubber finished flat at Rs195 a kg, according to traders. The grade closed unchanged at Rs 195.50 a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

In futures, the January series declined to Rs 195.42 (199.03), February to Rs 198 (202.08), March to Rs 202.15 (206.39), April to Rs 207.50 (211.34) and May to Rs 210.51 (214.81) a kg for RSS 4 on the NMCE.

RSS 3 (spot) slipped to Rs 178.31 (178.62) a kg at Bangkok. The January futures finished steady at ₹247.5 (Rs 171.40) a kg during the day session and then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 195 (195); RSS-5: 190 (190); ungraded: 182 (182); ISNR 20: 186 (186) and latex 60 per cent: 108 (108).

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Dairies moot buffer-stock for milk products

Harish Damodaran & Vishwanath Kulkarni

To protect farmers' interest, avoid imports

New Delhi, Jan. 4:

Domestic dairies have asked for the creation of a Government-funded buffer-stock of skimmed milk powder (SMP) and fat (butter oil/ghee).

This follows a surge in milk arrivals during the ongoing flush season, resulting from a production rebound after two years.

“This is the right time to do it, as animals produce more milk now. This surplus can be converted into solids that can be used for reconstitution during the lean summer months,” said Mr R.G. Chandramogan, CMD of Hatsun Agro Product Ltd, the country's largest private sector dairy company.

HIGHER PROCUREMENT

Most dairies are currently experiencing 15-20 per cent jump in procurement. Hatsun alone is today procuring 17 lakh litres per day (LLPD), against 14.25 LLPD at this time last year. The same goes for Gujarat Cooperative Milk Marketing Federation, which owns the 'Amul' brand.

“We are now collecting 140 LLPD, with 122-123 LLPD coming from Gujarat and the rest from other States. Last year, at this time, we were doing roughly 120 LLPD, including 112-113 LLPD from Gujarat,” noted Mr R.S. Sodhi, Managing Director of India's No. 1 dairy concern.

Concurring with Mr Chandramogan's view, Mr Sodhi said that the current surplus arrivals of milk had led to dairies in the North bringing down their purchase price by up to Rs 6 a litre since Diwali. “On our part, we have not reduced farmer prices,” claimed Mr Sodhi.

According to a Delhi-based private dairy company promoter, the current reduction in procurement prices may not be good, as it would discourage farmers from keeping animals, which would hurt milk production in subsequent years.

“It happened in 2007, when we had a huge surplus and prices fell, leading ultimately to farmers investing less in their animals and India turning into an importer,” he recalled.

MSP FOR MILK

Creating a buffer, Mr Chandramogan said, will help provide some kind of a minimum support price for milk.

“You can have a buffer for 45,000 tonnes, including 30,000 tonnes of SMP and 15,000 tonnes of butter oil. It doesn't require huge storage space, unlike wheat or rice. The stocks can be maintained at the dairies themselves, with the Government only meeting the working capital requirement of Rs 900 crore or so (at Rs 175/kg for SMP and Rs 240/kg) “, he added.

The buffer-stock created from domestic milk will, in turn, obviate the need for imports during the lean season. “We are not in favour of imports at all, more so when there is so much milk within the country. There should be especially no imports at zero duty (as is currently allowed for

50,000 tonnes of milk powder and 15,000 tonnes of butter oil under the tariff rate quota),” said Mr Sodhi.

Currently, the landed price of imported butter oil is less than Rs 210 a kg, against corresponding domestic realisations of Rs 240 for ghee. EXPORT BAN

Apart from permitting duty-free imports under TRQ, the Government has also banned exports of milk products, including casein. “There is no need to open up the export window right now. It would make better sense to, instead, create a buffer and then consider any decision to allow exports”, Mr Chandramogan felt.

The country's milk production suffered a huge setback from the severe drought of 2009.

The effects of that year's monsoon failure were, however, felt only in 2010, with the earlier fodder deprivation leading to delayed calving of pregnant animals.

The current production rebound, in turn, is said to reflect better feed-cum-fodder availability as well as stabilisation of the reproductive-cum-lactation cycle of animals that got disrupted from the 2009 drought.

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Festival buying, bullish futures buoy chana

Our Correspondent



Indore, Jan. 4:

Bullish futures and higher demand ahead of the *Makar Sankranti* festival on Wednesday lifted chana (kanta) by Rs 75 to Rs 3,400-3,425 a quintal. Similarly, chana (desi) rose to Rs 3,325-3,350 on improved buying support. Bullishn spot chana also perked up its dal, with chana dal

(average) moving up to Rs 4,000-4,025 (Rs 3,950-3,975), chana dal (medium) to Rs 4,100-4,125 (Rs 4,050-4,100) and chana dal (bold) to Rs 4,300-4,325 (Rs 4,250-4,275). Dollar chana or chickpea also rose as merely 125 bags were offloaded in local *mandis* amid improved buying support in the export market. Dollar chana gained Rs 200 at Rs 8,000-8,200 a quintal. In the past two days, dollar chana in local *mandis* has increased by Rs 350-400 a quintal.

New tur continued to gain on restricted arrival in Maharashtra and rise in demand in Madhya Pradesh, Maharashtra and Gujarat. New Maharashtra tur in local mandis gained Rs 100 at Rs 4,300-4,350 a quintal, while old Maharashtra tur was unchanged at Rs 3,550. Improved buying support further perked up tur (Nimari) by Rs 200 at Rs 2,500-3,000. Similarly, tur dal gained on improved buying support from millers, with tur dal (full) being quoted at Rs 5,400-5,500, tur dal (*sawano.*) at Rs 4,450-4,500 and tur (marka) ruled at Rs 5,800-6,000. Urad increased on improved buying support, with urad (bold) gaining Rs 50 at Rs 3,650-3,700, while urad (medium) was firm at Rs 3,000-3,200. Urad dal, on the other hand, remained unchanged despite subdued demand, with urad dal (medium) being sold at Rs 4,050-4,100, urad dal (bold) at Rs 4,700 and urad (monger) at Rs 5,600-6,000. Masoor gained on improved buying support and weak arrival. Masoor (bold) perked up by Rs 50 at Rs 3,100-3,125, while masoor (medium) gained Rs 50 at Rs 2,900. Masoor dal gained Rs 25 on improved demand strong spot masoor.

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Rice steams up on export enquiries



Karnal, Jan. 4:

The rice market continued its uptrend on Wednesday following strong demand for aromatic and non-basmati varieties in the domestic and export markets respectively.

Prices of aromatic rice increased by Rs 20-30 a quintal, while non-basmati varieties were range-bound, but within positive territory, said Mr Tara Chand Sharma, Proprietor, of Tara Chand and Sons. Following strong export demand for non-basmati rice, India will be able to export the allocated two million tonnes by mid-February.

Prices of pure basmati (raw) increased further by Rs 300 and ruled at Rs 4,500 a quintal, while pure basmati (sela) went up by Rs 150 and sold at Rs 4,000 a quintal.

Prices of Pusa-1121 (steam) increased by Rs 20 and quoted at Rs 4,100-4,220 a quintal, while Pusa-1121 (sela) sold at Rs 3,250-3,375, up by Rs 25 from the previous level.

Duplicate basmati sold at Rs 3,100-3,250 a quintal.

Among the brokens of Pusa-1121, Tibar sold at Rs 3,100, Dubar at Rs 2,570, and Mongra at Rs 2,100 a quintal.

Permal (sela) went up by Rs 25 and sold at Rs 1,800-2,025 a quintal, while permal (raw) quoted at Rs 1,900-2,050. PR-14 (sela) sold at Rs 2,100-2,210 a quintal, while PR-14 (steam) quoted at Rs 2,300-2,500.

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