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Sparse labour sours fortunes of sugarcane farmers

M. Balaganessin

Labourers in Pudukottai district prefer works under MNREGS



NOT MANY TO BEAR THE LOAD: Workers loading sugarcane at Mazhavarayanpatti in Pudukottai district. PHOTO: R.M. RAJARATHINAM

Scarcity of labourers has been posing a challenge to a majority of sugarcane growers in harvesting the crop in parts of the district.

Though a private factory - EID Parry (India) Limited near Aranthangi has been ensuring adequate arrangements for mobilising labourers from Villupuram district, cane-growers, on their part, have to incur extra expenditure for accommodating and supplying provisions to them for their stay for about a month or so.

Chithra, a cane-grower of Mazhavarayanpatti village near Vamban, says that the factory had made arrangements by deputing a batch of 20 workers from Tirukoilur in Villupuram district.

She had to accommodate them in a rented house in the village which meant a daily expense of Rs.100. But, she is only too glad that the labourers were on time for harvesting the produce, lest the cane should wither away.

She complained that frequent power trips had caused enough setbacks to its growth.

Endorsing her view, G.S.Dhanapathy, a progressive farmer of Andakulam says that he had raised the Co 8062 variety on about five acres this season. But for the timely setting up of the monsoon and the consequent showers during mid-November last year, the yield would have been far less this season. Abundant labourers, in batches, were available only in Cuddalore and Villupuram districts.

Each batch comprised about 20 to 25 labourers. Further, even the available labourers in Pudukottai district preferred the Mahatma Gandhi National Rural Employment Guarantee Scheme.

He anticipated about 40 tonnes an acre and had been utilising the services of labourers from Kallakurichi in Villupuram district and Panruti in Cuddalore district for harvesting. Labourers needed about four days to harvest one acre of sugarcane.

Although he could manage their accommodation in his farm, the small and medium farmers had to meet additional expenditure for supply of provisions and other refreshments.

Price not attractive

Mr. Dhanapathy regretted that the purchase price was not attractive for the farmers. Against the cultivation cost of about Rs.2,464 an acre, the purchase price would be around Rs.2,192.

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Registration of farmers today

Special Correspondent

System for collecting information

: Minister for Agriculture K.P. Mohanan said here on Sunday that the State-level initiative of the government for the registration of farmers would help the authorities understand the financial and other problems faced by farmers.

Inaugurating the valedictory function of the State-level 'Polika' agricultural exhibition, the Minister said the farmers' registration scheme, to be formally inaugurated in Wayanad on January 9, was conceived as a system for collecting information regarding farmers in the State. The farmers in their registration forms would provide details, including their financial liabilities. The form would also have a column seeking to know if they needed any support from the government, the Minister said. The process of registering the farmers would give the government a clear idea about the problems being faced by farmers, he added.

The Minister lauded the manner in which the agricultural fair was organised by the Thalassery Social Service Society (TSSS) and the Agricultural Department. He said mechanisation would be the

answer to the problem of shortage of workers in the agricultural sector, which today required farm technicians trained to use machines such as transplanters and harvesters. The factory for manufacturing agricultural machines coming up at Koothuparamba would be a major boon to the agriculture sector in the region, he noted.

Urging the people to cultivate a mindset to promote agricultural activities, the Minister said the traditional culture of the State was agriculture-based. Households in the past had engaged in agriculture using organic manure. The agriculture sector in the State can be given a facelift if people were prepared to come forward to revive the farming culture of the State. This would reverse the current trend of people abandoning agriculture, he added.

He said organic farming was the solution to problems related to waste treatment and would provide biogas.

TSSS president Mathew Fr. M. Chalil presided over the function. Principal Agricultural Officer P.P. Rasheed Ali; TSSS general convener Mani Melvettam; Thalassery archdiocese public relations officer George Kudilil; Nirmalagiri College Principal Joslat Mathew; and Akashavani Kannur unit head K. Balakrishnan; were among those present at the function.

The Minister presented the 'Jaivasree' award to Amrithan Reji at the function.

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- *Agricultural exhibition inaugurated*
 - *Mechanisation of farm operations stressed*
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Published: January 8, 2012 21:25 IST | Updated: January 8, 2012 21:25 IST

Registration of farmers to help govt. understand farmers' problems: Minister

Special Correspondent

Agricultural Minister K.P. Mohanan has said that the State-level initiative of the government for the registration of farmers will help the authorities understand financial and other problems of farmers.

Inaugurating the valedictory function of the State-level 'Polika' agricultural exhibition here on Sunday, the Minister said that the farmers' registration scheme being formally inaugurated in Wayanad on January 9 was conceived as a system for collecting information regarding farmers in the State. The farmers in their registration forms would provide details including their financial liabilities. The form would also have a column asking if they needed any support from the government, the Minister said. The process of registering the farmers would provide the government with a clear idea about the real problems being faced by the farmers, he added.

Appreciating the way the agricultural fair was organised by the Thalassery Social Service Society (TSSS) and the Agricultural Department, the Minister said that use of mechanisation would be a great answer to the problem of shortage of workers in the agricultural sector which today required farm technicians trained to use machines such as transplanters and harvesters. The factory for manufacturing agricultural machines coming up at Koothuparamba would be a major boon to the agriculture sector in the region, he noted.

Urging the people to cultivate a mindset to promote agricultural activities, the Minister said that the traditional culture of the State was agriculture-based. Households in the past had engaged in agriculture using organic manure. The agriculture sector in the State could be given a facelift if large number of people were prepared to come forward to revive the farming culture of the State. That would reverse the current trend of people abandoning agriculture, he added.

He also said that the organic farming was an answer to the problems related to waste treatment and would provide biogas.

TSSS president Mathew Fr. M. Chalil presided over the function.

Principal Agricultural Officer P.P. Rasheed Ali, TSSS general convener Fr. Mani Melvettam, Thalassery archdiocese public relations officer Fr. George Kudilil, Nirmalagiri College Principal

Joslat Mathew, and Akashavani Kannur unit head K. Balakrishnan were among those present at the function.

The Minister presented 'Jaivasree' award to Amrithan Reji at the function.

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SUCI protests against increase in milk prices

Staff Correspondent

They urge the KMF to reduce its operating costs instead



Making their voice heard: Children and members of the Socialist Unity Centre of India protesting against the milk price increase in Gulbarga on Sunday.— Photo: Arun Kulkarni

Several children joined a protest organised by the Socialist Unity Centre of India (SUCI) in Gulbarga on Sunday against the Karnataka Milk Federation's (KMF) decision to increase milk and milk product prices.

The protesters marched through the main streets of the city and shouted slogans against the Government and KMF for increasing the prices.

Out of reach

They said that the Government has been saying that the extra money collected would be given to farmers. Why does the Government need the common man's money to improve the condition of the farmers? Why does the Government not see that even a small increase in the price of milk will make it out of the reach of the poor, they asked.

Serious challenge

On the one hand, Karnataka is facing a serious challenge in the form of malnutrition among children and on the other the Government makes nutritious foods like milk and milk products prohibitively expensive, they pointed out.

They urged the Government to instruct the KMF to run the organisation efficiently and reduce its operating costs.

They threatened to intensify the agitation if the price rise was not withdrawn. V. Nagammal, Ghouse Patel, H. V. Diwakar, V. G. Desai and others were present.

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Nuances of zero budget farming

Staff Reporter

More than 200 farmers from across the city underwent special training in zero budget farming as part of a farming training and farmers' mela that concluded here on Sunday.

The training, jointly organised by the Kerala Gandhi Smarak Nidhi and the National Bank for Agriculture and Rural Development (NABARD), had sessions by Subash Palekar, who has introduced zero budget farming in many regions of the country.

The method is said to be an eco-friendly and cost-effective alternative system of farming. Mr. Palekar said it freed farmers from the requirement of monetary investments for buying seeds or fertilizers from the market. The system required only local varieties of seeds and native breed of cattle.

At a workshop conducted as part of the training, he explained the basic steps needed to adopt this method. The first step is seed treatment with "Beejamrutha," a composition of water, cow dung and urine, surface soil, and lime in definite proportions. This mixture will ensure the protection of the crop from harmful soil-borne pathogens during its initial stages of germination. To promote growth and to increase the nutrient content in the soil, "Jeevamrutha" is to be provided at least once a month. Mulching, a process in which a protective cover is used on the crops, can be done with the help of organic residues. This method also advocates mixed cropping and crop rotation depending on the climatic conditions and the terrain of the region.

"The main advantage of this method is that the farmer himself can prepare home-made fungicides and insecticides with natural ingredients and this helps save money," Gopalakrishnan

Nair, president of the Organic Farming Samithi in Kovalam, said. The zero budget farming method will be suitable for small farmers, as it is easier to adopt and they can make good profit with minimum investment, he added.

Mechanisation hits landless farm workers in the State

MYSORE, January 9, 2012

R. KRISHNA KUMAR

Many of them have quit agriculture and are migrating to cities



BLEAK FUTURE:Landless labourers in the State are finding it difficult to find employment during the harvesting and post-harvesting season.— PHOTO: M.A. SRIRAM

The growing popularity of mechanised transplantation and harvesting of paddy and sugarcane has hit landless agricultural labourers in the State, adding to rural unemployment.

While mechanisation of agriculture is expected to increase crop output, employment opportunities for landless labourers during the harvest season has shrunk and affected their daily earnings, forcing many of them to quit agriculture and migrate to urban areas in search of jobs.

Puttamadhu, president, State Agricultural Workers Union President, told *The Hindu* that mechanisation of paddy transplantation was gaining ground in places like Mandya, Malavalli, Mysore and other parts of the State while more than 60 per cent of paddy harvesting was being taken up through mechanised means reducing labour requirements.

“Till about four to five years ago, landless labourers used to get nearly 45 days to 60 days of employment during harvest season. But now it is a thing of the past due to growing mechanisation of agricultural activities,” he said.

The State Government is giving impetus to mechanised paddy transplantation and harvesting to enhance crop output and farmers get a 50 per cent subsidy to buy mechanical contraptions. While the objective is to increase food production and reduce human drudgery, landless agricultural labourers, who know of no other skills, will have to fend for themselves which will create social upheavals, said Mr. Puttamadhu.

Sugarcane harvesters

Mechanised harvesting, which was so far confined to paddy, has entered the sugarcane sector as well and there are already 40 harvesting machines operating in the State and they will become popular in the years ahead due to uncertainty in agricultural labour, according to Kurubur Shanthakumar, president, Sugarcane Cultivators Association.

“Mechanical harvesters will dominate the sugarcane-growing regions of the State and this will displace thousands of landless labourers in rural areas”, he added. Mr. Puttamadhu said the Government and the management of sugar factories were planning to procure mechanical sugarcane harvesters in Mandya, Mysore, Belgaum and other districts to popularise their use.

“One machine can harvest about 100 tonnes to 120 tonnes per day while 10 labourers can at best harvest and load only 10 tonnes per day.

In addition, labourers are paid in the range of Rs.180 to Rs.250 per tonne while in case of a machine, it is only the diesel cost and the rentals that are involved,” explained Mr. Puttamadhu who feared that the crisis plaguing rural workers will only multiply as work during harvesting season will be difficult to come by in future.

Mr. Shanthakumar said the growing preference for mechanised transplantation and harvesting was not only because of the economics involved but also due to the uncertainty in the availability of labour and the inability of the farmers to pay higher daily wages to the labourers.

As he explained: “Even farmers are in distress due to instability in the market and low support price fixed by the Government for major agricultural crops. The support price does not meet even the actual input costs and it has forced farmers to opt for mechanised transplantation and harvesting to save labour cost.”

“While the economics of mechanised transplantation and harvesting is difficult to ignore, the social costs are also high. Landless labourers, who constitute a major chunk of employable workforce in rural areas, will be rendered jobless during transplantation and harvesting seasons which will accentuate distress migration,” warned Mr. Puttamadhu.

It is in this context that Mahatma Gandhi National Rural Employment Guarantee Act should have come as a relief and helped provide employment for the rural workforce.

But as Mr. Puttamadhu and Mr. Shanthakumar aver, it has not helped due to faulty implementation and the contractor-politician nexus that is cornering the benefits of the scheme.

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'Better prices will solve farmers' woes

Special Correspondent

Vyavasaya Jana Chaitanya Samithi organises workshop on farmer issues

The workshop on crisis of farm sector has observed that higher price for agriculture commodities was the only solution to the crisis-ridden farmers.

Vyavasaya Jana Chaitanya Samithi headed by AP Ramaiah Yadav conducted a workshop here on Sunday involving the leaders of various organisations to suggest ways to mitigate the problems of farmers. The speakers felt that the right solution for the crisis was to ensure remunerative prices for farmers.

Collector Ramsankar Naik who inaugurated the meet said a lot more need to be done to create a positive impact on farmers. The present round of interventions was unable to bring about tangible results.

He said the district administration had done the best within the means available to it and issued 48,000 loan eligibility cards and 13,000 of them were issued fresh loans to the tune of Rs. 36 crore.

He asked the farmers to study deeply the guidelines of various government schemes and take the benefits. He said farmers could avail the interest concession only when the loans were repaid properly.

Loan waiver

He said the loan waiver scheme was implemented only twice in 30 years but farmers should rely more on interest concession offered to them.

Mr. Ramaiah Yadav called upon farmers to unite to secure remunerative prices. Even crop sizes should be controlled to have better prices.

He said when industrialists were framing their own prices why not farmers.

He tried to draw attention of the farmers' leaders and officials to the predicament of farmers this season in Adoni, Pathikonda and Aspari areas. Farmers were selling draught bullocks to slaughter houses unable to feed them.

He urged the government to make immediate arrangements for supply of fodder to help farmers retain the cattle. Farmers could not afford even the fodder transport charges.

Joint Director Srirama Murthy, delegates K. Linganna, M. Ramakrishna Reddy, Jalli Venkatesh Naidu, M. Ramakrishna, Balamaddaiah, Ramesh Kumar, K. Jagannatham and others spoke.

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- *Collector asks farmers to study guidelines of various schemes and take the benefits*
 - *'Farmers can avail the interest concession only when the loans are repaid on time'*
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Ryots get incentive for organic farming

R. Avadhani

The farmers of Medak district did it again. The farmers' federation involved in cultivating millets had received an incentive of Rs.19.3 lakh from the State administration.

While farmers across the nation are receiving chemicals, fertilizers and seeds supplied by the government for taking up cultivation, here the farmers received the incentive in the form of cash as they followed the traditional systems and practices organic farming instead of chemical fertilizers.

The first farmers group cultivating millets, probably in the State, was formed as Medak Zilla Chirudhanay Raitula Samkhya (Medak District Millet Farmers' Federation) with a membership of about 1,400 farmers and seven executive committee members last year. This is being led by Mr. Siddappa Patel as the president. The programme was taken up under Initiative for nutritional promotion through intensive millet promotion (INSIMP). The Union government had allocated Rs. 300 crore to increase production of millets in the country in 2011-12 budget. The programme aimed to augment the production of millets by using technological interventions like chemical fertilizers and pesticides and hybrid/HYV seeds; and thereby achieve nutritional security.

Under the programme, technology kits comprising critical inputs like fertilisers, urea, potash, pesticides and weedicides will be given to each farmer. The value of these kits is Rs.3,000 per hectare for jowar, bajra and ragi; and Rs.2,000 per hectare in the case of small millets. These kits would be supplied free of cost to the farmers.

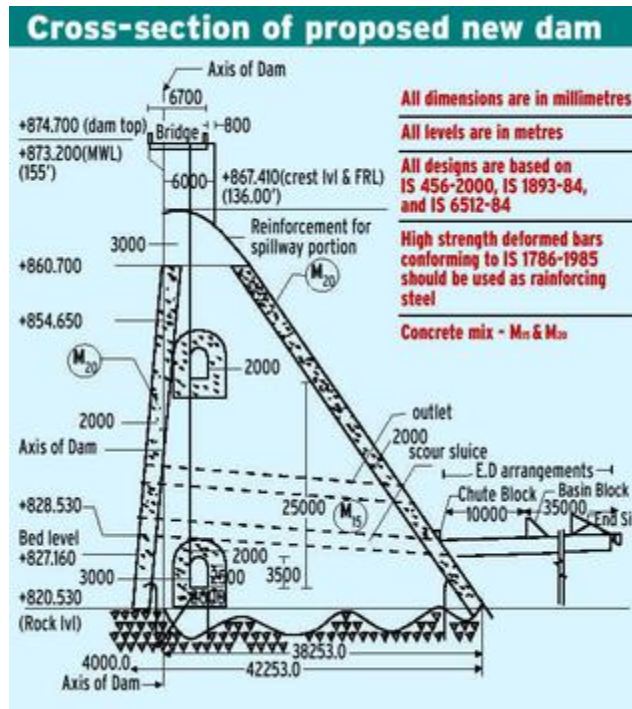
However, the farmers from Zaheerabad area led by the Deccan Development Society (DDS) had approached the authorities seeking permission to cultivate the fields in the normal system and by not using chemical fertilisers. Though it was against the norms, the officials accepted their proposal with a concern to promote the existing farming system. "The farmers had taken up millet cultivation in 2,500 acres. While we were given a 'jowar' unit, we were given the permission to cultivate millets using mixed farming practices and organic inputs like farmyard manure, vermin-compost, bio-pesticides, etc.," said P.V. Satheesh, Director DDS.

"The government authorities took cognizance of traditional farming practices and use of organic, as against chemicals and hybrid seeds," said Mr. Siddappa Patel.

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New Mullaperiyar dam can store more water

Roy Mathew



The new dam proposed by Kerala on Mullaperiyar is slightly higher than the old dam and is capable of storing more water.

The altitude at the rock level of the new dam will be 820.53 metres (2,692 feet) above the sea level. The old dam is also built on rock of about the same level. The new dam will have height of 160 feet from the bed level whereas the height of the existing dam is 158 feet (excluding parapet wall).

The maximum reservoir level (MRL) fixed for the new dam is 155 feet from the bed level which is the same as that for the old dam. The full reservoir level (FRL) of the new dam is fixed at 136 feet. The full reservoir level of old dam was 152 feet before it was lowered to 136 feet over safety considerations.

The storage capacity of the new dam will be 11.353 thousand million cubic feet (TMCft) at full reservoir level which is 143 million cubic feet more than the storage of the old dam at water level of 136 feet. The yield from the reservoir during the course of the year is estimated to be 20.5 TMCft (with 75 per cent dependability). This is about 15 per cent more than the water being drawn by Tamil Nadu at present and five per cent of it is proposed to be used for summer flows down the river to Idukki. The balance is proposed to be allocated to Tamil Nadu. The MRL is set much higher than the FRL considering projections of the Probable Maximum Flood (the most severe possible flood in a particular drainage area) by IIT, Delhi, and limitations in releasing

water through the spillways. (The difference between FRL and MRL of reservoirs like Idukki is much lower.) The discharge through the spillways may have to be limited to 1.22 lakh cusecs because the banks of the river downstream are populated. If Tamil Nadu agrees to the construction of new dam, differences could still arise over the FRL level. As Tamil Nadu does not accept the projections of the Probable Maximum Flood by IIT, Delhi, it may claim that the FRL could be raised to store more water. A notable aspect of the design is that Kerala has fixed the maximum water level at such a level that considerable portion of the Periyar Tiger Reserve would be submerged in the event of a flood. Kerala had consistently taken the stand that these areas could not be submerged . Now, its own design permits flooding of the areas.

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Animal husbandry office opened at Ariyalur

Special Correspondent

The newly-sanctioned office of the assistant director of Animal Husbandry was inaugurated at Udayarpalayam near here on Saturday. The office will cater to the livestock care needs in Andimadam, Jayamkondam, T. Pazhur and Sendurai blocks. The office of the assistant director in Ariyalur will hereafter have jurisdiction over only Ariyalur and Tirumanur blocks.

Anu George, Collector, said that a total of 555 beneficiaries in the district have got free animals and the State government had incurred an expenditure of Rs.1 crore under the scheme. She appealed to the beneficiaries to contribute their mite for achieving the goals of white revolution in the State.

Ilangoan, Revenue Divisional Officer, Udayarpalayam; Lakshmanan, Regional Joint Director of Animal Husbandry and Kannagi Kuppusamy, Panchayat union chairperson spoke.

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Paddy, cashew crops damaged

Special Correspondent

Cyclone 'Thane' has caused damage to standing paddy crop on 75,523 hectares and cashew on 28,000 ha, according to M. C. Sampath, Rural Industries Minister.

In a statement released here, the Minister stated that the other crops that suffered damage in the cyclone are as follows: sugarcane – 8,309 ha, coconut – 1,253 ha, cotton – 225 ha, groundnut – 2,474 ha, horsegram – 5,108 ha and palm oil trees – 159 ha.

The assessment of losses suffered by the jackfruit growers and fishermen community is underway. Mr Sampath noted that so far Rs 55 crore was given away as relief to 1.93 lakh families that had suffered both partial and full damage to their houses.

Water supply

Municipal Administration and Rural Development Minister K.P.Munusamy in a statement observed that water supply had been resumed in all the five Municipalities, 16 Town Panchayats and 683 Panchayats in Cuddalore district.

The supply level is being maintained as follows: Cuddalore Municipality – 123 lakh litres a day, Vriddhachalam Municipality – 63 lakh litres a day, Chidambaram – 60 lakh litres a day, Panruti – 53 lakh litres and day and Nellikuppam – 43 litres a day.

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- *Assessment of losses suffered by the jackfruit growers, fishermen under way*
 - *Rs 55 crore was given to 1.93 lakh families whose houses were damaged*
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THE ECONOMIC TIMES

Commodities

9 JAN, 2012, 02.13AM IST, PK KRISHNAKUMAR,ET BUREAU

Cardamom exports head for a record

KOCHI: The Indian cardamom is virtually ruling the global market. Export are at a high with shipments having crossed 2,500 tonne this year and heading towards a new record.

A spurt in exports has brought cheer to the growers who were not happy about the prices hovering around Rs 500 per kg.

When auctions were disrupted for over three weeks in December due to the stand-off between

Tamil Nadu and Kerala over the Mullaperiyar dam, the prices had slumped to Rs 350 per kg. The breakeven price is around Rs 800 per kg but growers are not complaining as the demand is still good.

After reaching 1,975 tonne in 2009-10, cardamom exports had plunged to 1,175 tonne in the subsequent year. Apart from competition from Guatemala, high prices in the domestic market were cited as the reason. Local prices had even touched 1,700 per kg. Till 2011 December, traders say, exports have crossed 2,500 tonne.

Another 500-1,000 tonne may be exported by March end, they say. "Inferior quality of Guatemalan cardamom has helped Indian exports. There is a good demand for the Indian cardamom," said leading exporter SPGR Nithyanandan.

Once auctions resumed in the last week of December, prices began to improve. But growers were expecting it to rise further. "The current price levels are good for overseas shipments as exporters can buy the goods and sell at a competitive price in the world market," said P C Punnoose, general manager of Kerala Cardamom Processing and Marketing Co-operative Society.

9 JAN, 2012, 02.11AM IST, SUTANUKA GHOSAL,ET BUREAU

Paddy prices in West Bengal drop on high production

KOLKATA: A high kharif paddy production 2011-12 coupled with almost zero exports to Bangladesh has pushed down paddy prices in Bengal. Paddy is selling around Rs 850-900 per quintal below the minimum support price of Rs 1,080 per quintal.

Bengal, which stands second in rice production, has produced 15% extra this kharif paddy as compared to 2010-11 kharif. A dearth of rice mills in the state is also one of the major reasons for the paddy price going down.

Bengal has produced 150 lakh tonne of paddy this year as against 130 lakh tonne last year. "The government had fixed a target of 20 lakh tonne for procurement of paddy from peasants in the state. For the 20 lakh tonne, we will pay the minimum support price of Rs 1,080 per quintal.

But beyond this, we are not in a position to pay this amount for paddy," said DN Mondol, president, Bengal Rice Mills Association. He added that there was no export of non-basmati rice to Bangladesh because the neighbour has enough production and can sustain its own demand.

According to food ministry sources, the state government till date has procured 2 lakh tonne as against the target of 20 lakh tonne of paddy. The oversupply situation in the market has pushed down prices. In Burdwan district, the rice bowl of Bengal, paddy is being sold between Rs 850 - Rs 900 per quintal. State food and supplies minister Jyotipriyo Mallick said: "Prices will start improving shortly. We have asked National Cooperative Consumers Federation of India (NCCF), National Agricultural Cooperative Marketing Federation of India (Nafed), Essential Commodities Supply Corporation (ECSC), Benfed and Confed to procure paddy. We are also talking to FCI on rice procurement issue."

FCI officials clarified that the corporation has been entrusted to accept delivery of levy rice and custom mill rice (CMR) from the West Bengal government. West Bengal has been a decentralised procurement state since 1997-98.

Ajit K Sinha, general manager, FCI, said: "Till December 31, 2011, only 1.79 lakh tonne of rice is available with the Bengal government and therefore the question of lifting of 4.5 lakh tonne does not arise at this point. It is to add that out of the total estimated procurement of 20 lakh tonne, the state government has estimated the delivery of 6.65 lakh tonne rice to FCI during the kharif marketing season 2011-12, out of which 4 lakh tonne is levy rice and 2.65 lakh tonne is CMR. The period of KMS 2011-12 starts from October 1, 2011 and continues up to September 30, 2012. There is a substantial increase in the procurement of rice by FCI in KMS 2011-12 in comparison to the previous year. We are keen to help the state."

Mallick said NCCF has been given the target of procuring 5,000 tonne of paddy, Nafed 2,535 tonne, ECSC 26,000 tonne, Confed 2200 tonne and Benfed 1130 tonne of paddy. He added that the shortage of rice mills was also affecting paddy procurement. "There are only 1,018 rice mills in the state. And nearly 300 rice mills are closed," the minister added.

Business Standard

Monday, Jan 09, 2012

Business Standard

Pepper falls 0.33% on sluggish demand

Press Trust of India / New Delhi January 09, 2012, 10:57 IST



Pepper prices fell by 0.33% to Rs 32,000 per quintal in futures trade today as speculators trimmed their positions amid sluggish domestic and export demand, but speculation of lower production limited the losses.

At the National Commodity and Derivatives Exchange, pepper for February delivery fell by Rs 105, or 0.33%, to Rs 32,000 per quintal, with an open interest for 1,610 lots.

In a similar fashion, the spice for delivery in January shed Rs 70, or 0.22%, to Rs 31,640 per quintal, with an open interest for 58,896 lots.

Analysts attributed the weakness in pepper futures to sluggish domestic and export demand, but said reports of lower output estimates restricted the losses.

Tea output seen falling in December 2011

Press Trust of India / New Delhi January 08, 2012, 11:57 IST

India's tea production is expected to have declined in the last month of 2011 on account of bad weather conditions in the main growing states of Assam and West Bengal.

Tea output in North India -- which accounts for three-fourths of India's total tea output -- registered a fall in both October and November of the 2011 calendar year.

Indian Tea Association Joint Secretary S Patra told PTI that tea output in Assam and West Bengal has been affected due to bad weather. In the October-November period,

there was no rainfall, which coupled with dry conditions and the early onset of winter has led to a decline in output.

"We expect tea output to decline in December also, as similar weather conditions have been witnessed last month as well," he pointed out.

The Tea Board is expected to publish the tea output data for December, 2011, in February this year.

Tea production in North India fell by 7% to 65.79 million kg in November last year from 70.82 million kg in November, 2010, Tea Board data said.

Tea production in Assam, which accounts for almost half of total tea output in the country, dipped by 10% to 37.09 million kg in November, 2011, from 41.28 million kg in the year-ago period.

Similarly, output in West Bengal declined by 3% to 25.74 million kg in November last year from 26.40 million kg in the corresponding period of the previous year.

In a similar fashion, production of the brew witnessed a decline in October, 2011, due to a drop in output in Assam and West Bengal.

Tea output declined by 3% to 117.49 million kg in October, 2011, from 120.73 million kg in the year-ago period.

During the month, production in Assam declined by 2% to 70.46 million kg from 72.11 million kg in the same period of the previous year, while tea output in West Bengal dipped by 10% to 22.97 million kg from 25.45 million kg a year ago.

The premier body of tea associations in India, the Consultative Committee of Plantations Association (CCPA), has also pointed toward a decline in production of the brew.

According to the CCPA, weather conditions were extremely dry during the October to early December period in most North-East tea-producing districts, which has resulted in a

substantial decline in the crop. While temperatures are still falling, the season in North-East India is almost at an end.

As per a recent assessment by the CCPA, it was projected that North India would witness a decline in production in October, November and December, 2011, vis-a-vis 2010 levels.

Onion exports decline 23% due to high MEP

Press Trust of India / New Delhi January 08, 2012, 11:52 IST

Onion exports from India declined by nearly 23% in the first nine months of the current financial year as compared to last year mainly due to high price of shipment at \$250 per tonne.

China and Egypt are dominating the international market by selling bulb at less than \$200 a tonne, trade sources said.

India exported 10,37,978 tonnes of onion from April to December 31, 2011 as compared to 13,40,772 tonnes during the corresponding period last fiscal, sources in agri-cooperative Nafed, principal agency that grants no-objection certificate for onion export, said.

Lowering of onion export prices to \$250 a tonne has failed to perk up its outbound shipment.

"Since the price of onion in the international market is ruling at less than \$200 a tonne, Indian onion with a higher MEP of \$250 per tonne is attracting fewer buyers," Ajit Shah, President of Agriculture Export Association, Mumbai told PTI.

After lifting the ban on onion exports in October last year, the government had kept its MEP initially at a high \$450 a tonne. It was first reduced to \$350 a tonne and then to \$250 a tonne in November, 2011, to make it competitive in the international market.

But, onion from China and Egypt are selling at less than \$200 a tonne, the Mumbai Agriculture Export Association President said.

Except for Sri Lanka and Gulf, the volume of export of Indian onion has dropped to other traditional destinations-- Bangladesh, Russia, Europe and Mauritius, Shah added.

R P Gupta, Director, National Horticultural Research Development Foundation (NHRDF) (an arm of ICAR for research on onion and other crop) at Nashik, expressed similar views.

Nashik in Maharashtra is the hub of onion production in the country.

Dilip Rao Bankar, Chairman of APMC Pimpalgaon, is in favour of totally doing away with MEP.

He said the onion farmers who were earlier elated over a bumper crop are a depressed lot now.

Due to bumper production of onion in 2011, the domestic markets are glutted with the root vegetable.

Onion markets of Nashik witnessed more than double the arrival of the vegetable in December 2011 at 7,37,486 tonnes vis-a-vis the same period in 2010 when it was 3,58,736 tonnes, Nafed sources said.

Delhi based Azadpur market (Asia's biggest wholesale vegetables and fruits market) also saw flooding of onion in December 2011. Against arrival of 3,60,100 tonnes of onion at Azadpur in December 2011 the figure was 3,20,600 tonnes during same period last fiscal, sources added.

Potato trader files FIR against NCDEX officials

Dilip Kumar Jha / Mumbai January 08, 2012, 0:36 IST

The National Commodity & Derivatives Exchange Ltd (NCDEX) faced second incidence where traders complained against it for alleged delivery default. Earlier delivery issues were raised in case of steel billets and now a police complaint has been registered by a potato trader.

Purshottam Nagpal, director of Pooja Cold Storage Pvt Ltd., based at Ganganagar (Rajasthan) - has filed police complaint against seven officials of the industry. Police has registered an FIR.

Complaint is against two exchange officials, JICS Logistics Ltd, Indore; officials of broking house Karvy Commodities, a cold storage and an individual.

The local police in Ganga Nagar police station (Kotwali) registered the case on January 2 under CrPC Section 109, 120B, 406 and 420. The complainant alleged that the group of individuals had cheated him for Rs 2 crore.

Interestingly, Nagpal has neither made NCDEX a respondent to the complaint nor sought damages from anyone aforementioned. He has sought punishment under above various sections of CrPC.

“We will also initiate actions against NCDEX for claiming damages after seeking legal advice,” said Nagpal. He had purchased 4,837 tonnes of potato at NCDEX for September delivery. However, he was given delivery of only 1,235 tonnes of potato. The remaining quantity of 3,602 tonnes was not delivered and remained with the warehouse owners. And delivered quantity was also substandard, alleged Nagpal in the FIR.

Nagpal alleged the warehouse and the exchange officials had sold entire quantity of NCDEX quality potato in the open market.

Ananda Kumar, chief of corporate services, NCDEX, said, “Potato is a compulsory delivery contract. Participants having open long position are bound to take physical delivery on expiry of contract. It is apparent that the complainant is making allegations about quality because prices fell and the complainant wanted to avoid taking physical delivery. The last expiring contract of the exchange in 2011 was in September.”

“We are contemplating appropriate legal action. We have also issued a legal notice to the complainant giving detailed facts,” he added.

ICAR plans to boost cashew nut output in 12th Plan

Mahesh Kulkarni / Bangalore January 08, 2012, 0:35 IST

In an attempt to double the production of raw cashew nuts, the Indian Council of Agricultural Research (ICAR) has recommended new technologies and growing practices to farmers. ICAR is also planning to introduce the snack crop in at least 50,000 hectares in non-traditional areas during the twelfth five-year plan period.

ICAR in association with its research wing, the Directorate of Cashew Research (DCR), has recommended several new high yielding varieties as well as increasing productivity concept to make India self-sufficient in production of raw cashew nuts during the next plan period.

“We have established new research centres to study on cashew production in states. With the help of state agricultural universities and All India Coordinated Research Projects (AICRP) we have developed 40 high yielding cashew varieties. Apart from that we are working on genetic improvement of cashew and using biotechnology for better quality kernel,” M Gopalakrishna Bhat, Director, DCR told Business Standard.

He said ICAR has planned to double raw cashew nut production in the country to 1.4 million tonnes during the next five years. India currently produces 700,000 tonnes of raw cashewnuts from 945,000 hectares and imports an equal quantity to meet the requirements of the processing industry. India’s export of cashew kernels is in the order of 110,000 tonnes annually.

“To achieve higher productivity, it is necessary to adopt some new high yielding varieties, and improve the growing practices. Presently, the national average yield is 700 kg per hectare and the plan is to increase it to 1,200 kg during the 12th plan period,” Bhat said.

Presently, the varieties used by large number of farmers are prone to pest attack like tea mosquito bug and cashew stem root borer. Tea mosquito bugs are causing a loss of about 35-40 per cent yield and stem root borer is causing death of five per cent of plants at different growing regions. In order to overcome these pest attacks, DCR has developed some new varieties, which are also high yielding, he said.

“At DCR we have designed new approaches to control them. By using pheromones and entomopathogenic nematodes we can effectively control cashew stem and root borer attack.

We are going to give further emphasis on research during the 12th plan period and have submitted a proposal to the agriculture ministry," Bhat said.

DCR has also suggested two new approaches. One is planting of compact and dwarf high yielding varieties and increase the number of plants per unit area. As against the present practice of planting 200 grafts per hectare, it has recommended 1,000 grafts per hectare so as to increase the output five-fold.

DCR has also recommended some location specific varieties for planting such as NRCC selection 2, Bhaskara, Vengurla 4 and 7 for traditional areas in Karnataka. For non-traditional areas of Kolar, Chintamani and Chikkaballapura, it has recommen

Subsidised crop loans likely to be extended to farm equipment

Anindita Dey / Mumbai January 08, 2012, 0:30 IST

The proposal aims at encouraging farmers to create assets by purchasing machines, cut labour cost.

The ministry of agriculture proposes to extend subsidised crop loan of four per cent for agriculture mechanisation. The proposal which is currently being worked out by the department, aims at encouraging farmers for creation of assets by purchasing machines for agricultural practices and other similar inputs, thus to cut labour cost. At present the loan at subsidised rate of four per cent is only available for crop related inputs like seeds, farming etc.

Officials said, the idea is to bring down the labour cost for farmers, which consumes around 20-30 per cent of the total cost. Agriculture mechanisation refers to extensive use of machinery for farming jobs. Currently macro management scheme of agriculture provides price-based subsidy for promotion of agri-mechanisation. Under this 25 per cent of the total price is borne by the government, albeit the reimbursed price is limited to a certain ceiling in the total price. This is provided for tractor, power tiller, self propelled, manually operated, power driven and even animal driven tools and machines, diesel pump sets, drip irrigation, sprinklers, plant protection equipment etc.

The government is putting more emphasis for creation of assets in agriculture. Sources said while agriculture remains the main stay for the Indian economy, agriculture mechanisation is

weak and restricted to big farmers. On the other hand, India has a big contribution to the global food and agriculture market by exporting and importing foodgrain and cash crops in large scale. At the same time many uncertain factors affect agriculture and sale of equipment in India like monsoon, government-declared support prices for crops, commodity prices, crop production expenses (including fuel, fertilizer, pesticides and other costs) and the credit policy announced by banks among others.

Even though farm mechanisation is growing at an increasing trend, there are wide ranging disparities in the levels of mechanisation across states. Northern States such as Punjab, Haryana, Uttar Pradesh (particularly Western and Tarai belt) have achieved a faster growth in mechanisation over various Plan periods while the sale of other implements and machines like combine harvesters, threshers and other power-operated equipment have been increasing almost throughout the country.

Officials said the pace of mechanisation in north-eastern states has not been satisfactory due to constraints such as hilly topography, socio-economic conditions, high cost of transport, and lack of institutional financing and lack of farm machinery manufacturing industries.

Mechanisation in western and southern states of the country has increased with an increase in area under irrigation and also with the growing awareness among farmers.

THE HINDU Business Line

Pepper prices likely to be steady on matching supply-demand

G.K. Nair

Kochi, Jan. 8:

Pepper futures last week was functioning by and large against the market fundamentals pulling the prices down when there was buying support and pushing up when there was liquidation and not much buying. 'Circular trading' has become almost a regular feature "just to raise the turn over".

As the overseas markets remained closed on account of Christmas and New Year holidays last week there was no demand forthcoming overseas except for some stray business with those who were fishing in the holiday markets.

The domestic demand also continued to remain slack as the upcountry demand was being met by supplies mainly from major stockists based in five main north Indian Centres. Add to this, Karnataka dealers and planters were also offering at competitive rates and on credit, market sources told *Business Line*.

New crop from the southern districts of Kerala started coming but in small quantities. Increased buying of light and green pepper by the industry is reported to have squeezed the supply of matured pepper.

Purchases by the Sabarimala pilgrims also aided the squeeze, they said.

High prices for Sri Lankan light pepper is said to have compelled the industry to cover from indigenous sources this season, they claimed. This has been taking place at a time when the Indian output this year is projected at 43,000 tonnes.

Given this situation there is a likely shrinkage in availability of Indian produce this year.

Stocks held by rich farmers/ dealers are expected to be less than what they were holding in the past as they have been liquidating them at every price hike in recent weeks.

All the contracts on the NCDEX dropped last week. Jan, Feb and Mar fell by Rs 1,380, Rs 835 and Rs 420 respectively to close at Rs 31,700, Rs 32,080 and Rs 32,200 a quintal.

Total turn over decreased by 5,231 tonnes to close at 22,557 tonnes. Total open interest declined by 220 tonnes to 9,135 tonnes.

Spot prices fell by Rs 900 during the week to close at Rs 31,200 (ungarbled) and Rs 32,700 (MG 1) a quintal despite no selling pressure.

Availability of the material is mainly in India till the Vietnam new crop arrives in the market by end Feb/early March.

As the Indian prices are, at present, at competitive levels because of the fall in the futures market and weakening of the rupee against the dollar, there may be chances for orders coming to India till the Vietnam pepper hits the market, the trade said.

In the international scenario, there is a projected increase of 21,755 tonnes in global production in 2012. But, it is unlikely to make much impact on the market given the rise in domestic consumption and exports this year, says the International Pepper Community (IPC).

Over all world consumption of pepper is claimed to be growing at 3 to 5 per cent per annum and there has not been a corresponding growth in global pepper output.

Consequently, the demand and supply situation prevailing at present might continue for some time to come. So, there is a possibility of matching demand and supply scenario this year and that might keep the prices almost stable in 2012.

IPC Report

After its 39th Session late last year, the IPC has projected a total production (estimated) of 2,98,400 tonnes for 2011 and a projection of 3,20,155 tonnes for the current year. It has shown an increase of 3,670 tonnes in domestic consumption to 1,24,870 tonnes and rise of 3,595 tonnes in exports to 2,46,045 tonnes. Carry forward stocks to next year were put at 93,708 in 2012 indicating a decline of 3,750 tonnes from that of 2011. Based on this statistics, the IPC said "the price is expected to be in the prevailing level during the year".

Global supply is expected to be stable by the end of February, when fresh crop from Vietnam arrives the market.

(This article was published in the Business Line print edition dated January 9, 2012)

Chill returns to north-west as fog cover heads east

Vinson Kurian

Thiruvananthapuram, Jan. 8:

The 24 hours ending Sunday morning saw rain or snow being reported at many places over western Himalayan region, central and east India.

Among the regions which recorded light to moderate rainfall were north Madhya Pradesh, Jharkhand, Uttar Pradesh, Chhattisgarh and Gangetic West Bengal.

MERCURY DROPS

But northwest India saw minimum temperatures drop by 2 to 5 deg Celsius in Punjab, Haryana and Gujarat and isolated pockets of East Rajasthan, west Madhya Pradesh and interior Maharashtra.

This signals the fact that these border areas are now behind the eastward-bound system – importantly its low-pressure vanguard weather-head that generates rain, snow and associated warmth.

An India Meteorological Department (IMD) update on Sunday evening said that the western disturbance has been reduced to being an upper air cyclonic circulation in the upper levels.

The induced upper air cyclonic circulation, which is the principal weather-maker, was firmly entrenched in the lower levels over northwest Uttar Pradesh.

CHILL BACK

The rear of the western disturbance is marked by 'sinking motion' of air, higher pressure and chill provided by the north-westerly winds blowing in from across the border.

The front of the system is now influencing mainly the east of the country, which has witnessed mercury rise by 5-8 deg Celsius of the normal.

Among the areas being affected by associated fog or rain the most are east are north Madhya Pradesh, Chhattisgarh, Jharkhand, Orissa, Telangana, Mizoram and Tripura. Some parts of Haryana, east Rajasthan, west Uttar Pradesh and Bihar too have been affected though not as markedly.

The lowest minimum temperature of 1.8 deg Celsius was recorded at Bhatinda in Punjab in the plains of the country.

DENSE FOG

Meanwhile, a weather warning issued by the IMD said that fog to dense fog may reduce visibility over some parts of east Uttar Pradesh, Bihar and sub-Himalayan West Bengal during next two days.

Towards the northwest, cold wave conditions have been forecast during this period.

This would happen along with skies clearing up and the 'sinking motion' of the air brings colder air to 'sit over' the surface.

In this manner, minimum (night) temperatures would fall by 4-6 deg Celsius over some parts of northwest and adjoining central India.

RAINS FOR TN

The resulting cold wave conditions would prevail through the next three days over some parts of northwest and adjoining central India.

As for the South, the IMD has said that rain or thundershowers may break out over Tamil Nadu on Monday before scaling up.

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Colombo's tea auction witnesses good demand

R.K.RADHAKRISHNAN

Colombo, Jan.8:

After witnessing some turmoils in trade in 2011, the tea market bounced back in the first auction of 2012. On offer was 7.2 million kg (mkg) and there was good general demand.

Ex-estate totalled 1.1 mkg. Strong demand for BOPs drove up prices higher by LKR 20-30/kg, resulting in narrowing of price difference between BOP and BOPF. CTC teas, off grades and dust too appreciated. Low grown totalled 3.5 mkg in leafy/tippy catalogues.

Shippers to CIS countries participated on a wide cross-section of teas, said Forbes and Walker Tea Brokers. There was also fair demand from Japan and Europe, while some selective buying was also seen, possibly because of Pakistan.

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