THE HINDU

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Agriculture operations in the grip of labour shortage

G. Sathyamoorthy

Ariyalur and Perambalur, known for migratory labour force, face dearth; labourers drive a hard bargain

watering the crisis:Labourers working from other states at a banana farm at Pudur village near Tiruchi on Saturday. —PHOTO:M.SRINATH.

One man's meat may be another man's poison. This is the situation prevailing in the labour scenario of Tamil Nadu. Even as the labour shortage started crippling both agricultural and construction activities in the State with the advent of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), it has paved way for the influx of the labour from north, especially Bihar.

“I don't know Hindi and they cannot speak a word in Tamil. But, as I have no other option, I have started getting labourers from Bihar. They manage to understand what I say and are extremely honest . Now they have become part of my family,” says Puliyur Nagarajan, State vice president of Bharat Krishak Samaj. He employs about half a dozen Biharis in his banana fields and also rice hulling mill.

This reporter could see obvious shortage of labour - be it in the fields of paddy or sugarcane, banana or korai, betel vines or jasmine. Most of the owners have given their fields on lease to their erstwhile workers as carrying out farming on their own has ceased to be remunerative. “The strain and pain are more in involving ourselves directly,” they admit.

And MNREGA has created a silent revolution. With 100 days of employment and Rs.132 guaranteed a day, the bargaining power of labourers has shot up. Thus the daily wage for male workers has skyrocketed to Rs. 250 a day and for female workers Rs.150, virtually double that they have been getting in the early 2000.

Rajachidambaram, State deputy general secretary of Tamilaga Vivasayigal Sangham, laments that this programme has ruined agriculture by making the labour scarce.

He pleads for proper monitoring of its implementation alleging that hardly anything gets done. “It has achieved only the opposite. Even sincere workers have become lazy and are opting for far easier task of attending to the MNREGA works. Even districts like Ariyalur and Perambalur, known for their migratory labour force, are facing labour shortage. Though the workers are supposed to be paid only after measuring their works, it is rarely done,” he alleges.

Siva Suriyan, Tiruchi district secretary of Tamil Nadu Vivasayigal Sangham, does not find fault with the MNREGA per se.

At the same time, he admits that its implementation leaves much to be desired. “Whoever registers with the panchayats should be allocated hands from those seeking work under the MNREGA. While 50 per cent of the wages could be borne by the small and marginal farmers, the rest could be borne by the government. Big farmers can be asked to foot the entire bill.”

He also points out that the shortage of labour is also because even those who have studied only up to standard VIII have moved to urban areas for jobs or are unwilling to take up agricultural works.

These leaders contend that the specific stipulation that the MNREGA works be taken up only after attending to farm operations had been ignored by the Collectors.

The MNREGA has created a transformation among the farm labour of Tamil Nadu what the Land Ceiling Act of 1961 has done to landlords.

A number of persons with considerable land holdings were forced to downsize their property in 1960s because the Act permitted only 15 standard acres.

Thus a number of people, even in the delta, who were originally either tillers or lessee, had become the owners of the lands.

It led to further fragmentation of the property as most of the landholdings in the country are small and marginal which has been the major impediment for mechanising agriculture.

Is farming becoming family-dependent, or a cottage industry? Or will this pave way for corporate farming as S.Ranganathan, general secretary of Cauvery Delta Farmers' Welfare Association, foresees. Corporate sectors would have the wherewithal to deploy modern machinery and also manage the labour force paying higher wages.

KOCHI, July 13, 2012

Ernakulam paddy fields may be a thing of the past soon

K. A. MARTIN AND

Move to regularise reclamation of paddy fields criticised

Area and production of paddy in Ernakulam district

Year	Hectare	Tonnes
2000-01	37,433	65,307
2001-02	32,905	59,723
2002-03	32,072	60,886
2003-04	29,495	54,044
2004-05	28,145	54,501
2005-06	24,934	48,033
2006-07	21,895	44,007
2007-08	12,343	24,407
2008-09	12,966	25,907
2009-10	10,787	21,024

Source: Agricultural Statistics, Department of Economics and Statistics (various years)

The commercial capital of Kerala will be the hardest hit by the State government’s decision to regularise reclamation of paddy fields and wetland carried out until 2005.

Ernakulam district has recorded the steepest fall in the area under rice cultivation thanks to the lure of filling up paddy fields for real estate property development and for major commercial and industrial projects.

The Agriculture Department data shows that the area under paddy in Ernakulam district shrunk from 37,433 hectares in 2000-01 to 10,787 hectares during 2009-10.

Department sources also said that during 2011-12, the total area that came in for paddy cultivation was only 8,427 hectares.

The State government decision on paddy land reclamation comes exactly three days before the Ernakulam district panchayat celebrates what it has dubbed as ‘Agricultural Festival’.

The district panchayat will announce a comprehensive agricultural policy, with emphasis on pokkali rice, on Saturday.

The panchayat will mobilise people’s opinion against the State government decision and will fight against any further shrinkage in paddy cultivated area, said Babu Joseph, chairman of the standing committee on agriculture.

He said that the district panchayat planned to double rice production during the 12th Plan by bringing even fallow land into use.

Environmentalist S. Seetharaman of the Association for Environment Protection, Aluva, has threatened to take the matter to court.

He said that the Association was ready to follow it up to the Supreme Court.

The Kerala Conservation of Paddyland and Wetland Act 2008 was modelled after the Union government legislation and Kerala cannot act in an arbitrary manner, he said.

He alleged that the UDF government had played into the hands of the real estate lobby, which had acquired so much influence over the government.

The government move will only help the real estate mafia and the rich and powerful in the State, said Sojan George, a member of the Nadakkada Vannilam Padasekhara Nellulpadaka Samithi in Piravom.

The Samiti has been at the centre of a fierce battle against forces that are still at reclaiming paddy land.

Kuriachan Cheppanath, secretary of Thurithikkara Padashekhara Samiti near Mulamthuruthy rues that the State government move spells the end for paddy cultivation in several hundreds of acres in the Mulamthuruthy area.

NEW DELHI, July 13, 2012

Monsoon to go into a lull, eroding gains of last ten days

P. SUNDERARAJAN

After giving relatively good rains over large parts of the country over the past ten days, the south-west monsoon is all set to go into a lull for at least the next four to five days.

Speaking to *The Hindu* , Director General of India Meteorological Department, L.S. Rathore said, “The axis of the monsoon is shifting close to the foothills of the Himalayas. Consequently, rains would be confined mainly to the west coast, the north-east, east India and Gangetic plains, at least for the next four to five days.”

The new development means that over large parts of the country, there could be substantial erosion in the gains made over the past 10 days. As of Thursday evening, the all-India cumulative rainfall since the beginning of the season was still deficient by 22 per cent.

In terms of geographical area of the country, this, however, translated to 62 per cent of the area facing a deficiency of over 20 per cent.

The scenario is particularly worrisome for Punjab, Gujarat, and western Rajasthan, which continue to have rainfall deficits of 70 per cent.

The situation is somewhat better in areas like northern and southern interior Karnataka, western Uttar Pradesh, Himachal Pradesh, Tamil Nadu-Pondicherry region, Rayalaseema, Madhya Maharashtra, Marathwada, Uttarakhand, Kerala and Jammu and Kashmir where the deficits range from 20 to 60 per cent.

The only areas where there could be some improvements would be Haryana-Chandigarh-Delhi, Jharkhand, Gangetic West Bengal and Bihar. These areas currently face a deficit between 30 per cent and 70 per cent.

COIMBATORE, July 13, 2012

Mobile tele-network launched for spices farmers

Spices Board of India in association with Indian Farmers and Fertilizers Co-operative Limited - Kissan Sanchar Limited (IFFCO Kissan Sanchar Limited) on Wednesday launched a mobile tele-network for direct interface and a new community of spices farmers, “Tamil Nadu Spices Community”.

The Board is enlisting spices farmers across the State to the proposed community. It is estimated to have an initial strength of around 6,000 farmers. The community through the tele-network will get voice messages every day on the schemes, projects, prices and announcements from the Board. The Board has planned to begin the services in Tamil Nadu, Kerala, Karnataka, Sikkim, North Eastern States, Rajasthan, Gujarat and Madhya Pradesh.

The farmers of spices crops such as cardamom, chillies, curry leaf, coriander, pepper, nutmeg, cloves and herbs will receive messages related to various aspects of spices, cultivation, processing, marketing and exports. The Board will also stand to benefit in terms of having direct interface with the vast section of growers in Tamil Nadu.

Launching the facility, chairman of Spices Board A.Jayathilak said that in a country where close to 60 per cent of the 1.21 billion population still depended on agriculture for a living, the message service could be a boon to farmers in distant areas. This would be of great use to illiterate farmers who were not technologically equipped thus leading to better involvement and participation of the farming community with the Board. There would be a helpline also, where farmers could seek solution to their farm-related problems from the experts.

IFFCO IKSL would issue green cards i.e. Subscriber Identification Module (SIM) cards to the farmers to receive the messages.

IKSL would also transmit messages on weather conditions and forecasts and there would be opportunities for phone-in programmes through which the farmers could directly interact with the experts.

Tracing spices cultivation in Tamil Nadu, Mr.Jayathilak said that chillies were grown in Salem, Theni, Ramnad and Sivaganga. Herbs such as rosemary, thyme, oregano, tarragon and parsley were grown in the villages in and around Udhagamandalam of the Nilgiris district. Cardamom was grown in Western Ghats bordering Kerala, Meghamalai hills and Kolli hills. Bold varieties of pepper were grown in Kodaikannal and lower hills of Palani, Kolli hills and Kanyakumari districts. Madras finger turmeric, an internationally acclaimed variety, was grown in Salem, Erode and Clove was grown in Kanyakumar and Coutralam hills. Curry leaves, one of the important spices exported, was grown in Mettupalayam, Salem, Dindigul, Kovilpatty, Thirunelveli and Kanyakumari districts and Tamarind was pre-dominantly grown in Tamil Nadu.

- *Network to help farmers have direct interface with Spices Board*
- *Board to send voices messages to farmers on prices, projects every day*

HYDERABAD, July 13, 2012

Workshop on urban farming

A workshop on urban farming will be organised at the Horticulture Training Institute, Red Hills, Hyderabad, on Friday under the auspices of the Department of Horticulture.

The focus would be on promoting fresh and pesticide free vegetable cultivation by city dwellers.

THIRUVANANTHAPURAM, July 13, 2012

Paddy-field buyers may have to give proof of cultivation

The State government is contemplating a law that will put restrictions on the sale of paddy fields to prevent these from falling into the wrong hands, and to stop the State’s shrinking paddy acreage from vanishing entirely, Chief Minister Oommen Chandy has said.

Addressing the annual conference of District Collectors and heads of departments here on Thursday, Mr. Chandy said it was noticed that most of the recent purchases of paddy fields were by affluent persons or firms that had links to the real estate sector, and with the State already staring at a diminishing paddy acreage, it was necessary that brakes were applied to such land deals.

In 6 months or a year

If the issue of purchase of land as a fundamental right was raised, the law to be formulated soon would have provisions to ensure that buyers of paddy fields furnished proof of cultivation activities within six months or one year, he said.

There were also widespread complaints about attempts to regularise illegally reclaimed paddy fields. Such issues, along with genuine requests from homeless persons to construct houses, would have to be dealt with judiciously by District Collectors, the Chief Minister said.

Stating that waste management and land acquisition were the biggest dilemmas faced by the government machinery, Mr. Chandy said panchayats and Corporations could not be blamed on the issue of waste management when the government itself was unable to come up with solutions.

New technologies were being considered, while at the same time, decentralised waste management systems initiated in certain areas were appearing to be effective.

NH widening

On hurdles faced in land acquisition, Mr. Chandy said the State was left red-faced before the Union government on the issue of expansion of the national highways with the State unable to utilise the unlimited funds sanctioned by the Centre for this purpose, all because of the delays in land acquisition.

Collectors would have to give special emphasis to this and come up with lasting solutions, without using force and by judging on justified compensations and unanimous packages. There was an urgent need to think of solutions to complaints about non-availability of sand and stones for construction activities and also about the issue of illegal rock quarries, which were a “major headache” for the government, he said, adding that development and environmental protection would have to go hand-in-hand.

Pat for districts

Earlier, Mr. Chandy said the performance of district administrations in crisis situations over the last one year was commendable. Pathanamthitta Collector P. Venugopal and the administration in the district came in for special appreciation from the Chief Minister, who pointed out that the “anxious period” during the Sabarimala season was handled well.

The Ernakulam and Kollam administrations too were lauded for their performance during the deep-sea firing and ship-collision incidents, which Mr. Chandy termed as “major crisis situations,” out of which the State had come out unscathed because of timely responses.

PALAKKAD, July 13, 2012

Demand to write off farmers’ debts

Farmers’ forum to take out Raj Bhavan march on August 8

The Desheeya Karshaka Samajam has urged the government to write off all loans taken by farmers till March 31, 2012. In a statement here on Wednesday, samajam general secretary Muthalamthode Mani said that the farmers were in dire straits because of the crash in the prices of coconut, coffee, cardamom, ginger, coco and so on.

‘Uneconomical’

The 400 per cent increase in the prices of chemical fertilizers had compounded the situation, making farming a most uneconomical vocation.

The situation had led to an increase in farmer suicides across the country. So the government should take urgent measures to save the farmers from debt and heavy loss.

He said that farmers would take out a Raj Bhavan march on August 8 to press for these demands.

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Mettur level

The water supply in the Mettur dam stood at 76.51 feet on Thursday against its full level of 120 feet. The inflow was 323 cusecs and the discharge, 1,024 cusecs.

PUDUKOTTAI, July 13, 2012

TANUVAS organises short-term training

: Regional Research Centre of Tamil Nadu Veterinary and Animal Sciences University (TANUVAS) here has organised special short term training programmes for the benefit of rural people in different trades.

Specialised training is imparted by experts of Regional Research Centre to villagers, mainly farmers, in raising green fodder, producing cattle feed, rearing white pigs, administering vaccination to cattle, milk production, making value added products from milk and artificial insemination.

All these training programmes are for a period of three months.

The training programmes in these trades are being organised in the villages of Perumanadu, Perungudi, Sernthamangalam, Irudayapuram, Vayalogam, Agarapatti, Thettanpatti.

Richard Jagadeesan, Dean, TANUVAS Regional Research Centre, launched the programme at a function organised jointly by Rotary Club of Pudukottai, Nehru Yuva Kendra and Father of the Nation Mahatma Gandhi Youth Welfare Association, Thettanpatti, at Thettanpatti village on Tuesday.

Value-added products

Speaking on the occasion, Dr.Jagadeesan said that making value-added products using mutton could be a good and favourite trade for women self-help groups for augmenting their revenue.

He urged local people to take advantage of the programmes for improving the local economy.

R.Sagayam, president of Rotary Club of Pudukottai, presided over the function.

K.Sadasivam, district coordinator of the Nehru Yuva Kendra, K.Manikandan, president of Father of the Nation Mahatma Gandhi Welfare Association, Sundarambal, Veppangudi panchayat president, and others spoke.

hindustantimes

Fri,13 Jul 2012

weather

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Today's Weather

Partly Cloudy

Friday, Jul 13

Max	Min
37.2°	23.1°

Rain: 00 mm in 24hrs

Humidity: 62%

Wind: Normal

Sunrise: 5:45

Sunset: 18:39

Barometer: 993

Tomorrow's Forecast

Rainy

Saturday, Jul 14

Max	Min
31°	27°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jul 15	Jul 16	Jul 17	Jul 18	Jul 19
33° | 27°	32° | 27°	31° | 27°	31° | 27°	32° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES

12 JUL, 2012, 06.27PM IST, REUTERS

Sugar up on demand, poor rains in key areas

MUMBAI: Indian sugar futures rose on Thursday, supported by dry weather in key growing areas and as demand improved after the government released lower-than-expected non-levy quota for the September quarter.

The key August contract on India's National Commodity and Derivatives Exchange (NCDEX) was up 1 percent at 3,109 rupees ($55.96) per 100 kg at 0953 GMT.

"Demand is good. Traders have increased purchases due to less quota for September," said an official at Ajinkyatara Co-operative Sugar Factory, based in Maharashtra.

"Sentiments are bullish. Traders expect higher prices as there are a few festivals like Ramadan in this quarter."

India has allowed millers to sell 4.5 million tonnes of sugar from July to September in the open market, unchanged from the previous quarter. Usually, the government increases the quota for festivals.

Non-levy, or free-sale sugar, is sold by millers in the open market, but the quantity each mill can sell is fixed by the federal government on a quarterly basis to control sharp swings in prices and ensure adequate supply.

In the Kolhapur spot market in top producing Maharashtra state, sugar eased 8 rupees to 3,116 rupees per 100 kg.

Late monsoon rains over two main cane-growing areas in India may reduce the 2012/13 output by some 19 percent, but the overall crop is likely to see a surplus due to increased output from another region, officials said.

Monsoon in India, the world's leading producer of some farm products, has been 22 percent below average since the four-month season began on June 1.

India, the world's top sugar producer after Brazil, is expected to produce 26 million tonnes in the 12 months from Oct. 1, 2011 - about 4 million tonnes higher than its annual demand. Around 3 million tonnes of exports have already been approved.

12 JUL, 2012, 05.27PM IST, SUTANUKA GHOSAL,ET BUREAU

Potato price declines by Rs 100 per quintal in Bengal wholesale markets

KOLKATA: Potato price has declined by Rs 100 per quintal in the wholesale market in Bengal. Potatoes from Hooghly which was hovering around Rs 1,300 per quintal a week ago has climbed down to Rs 1,200 per quintal.

Gopal Mondol, a leading potato trader in the state said: ""Potatoes in most of the wholesale markets in Bengal has seen a downward revision in prices."" Prices declined after the chief minister Mamta Banerjee intervened to put a check on prices.

With the prices of potato soaring, the state government has also started selling the tuber from ration shops in the city and satellite town of Salt Lake. ""We have started selling potatoes from ration shops at Rs 12 per kg in Kolkata and Salt Lake as prices have steeply risen in these areas,"" state food and supplies ministerJyoti Priya Mallick told newsmen.

Mallick said the shops were selling two kg of potatoes to every buyer. The minister said the government would also sell vegetables like lady's finger, pointed gourd and green chilli from the ration shops. He alleged that prices of these vegetables have escalated following machinations of hoarders and middlemen.

Though the state is the second largest producer of potato in the country, potatoes were being sold at Rs 16 a kg in some of the major markets in Kolkata.

12 JUL, 2012, 03.20PM IST, REUTERS

Soyoil down on palm; soybean hits record high

MUMBAI: Indian soyoil futures fell on Thursday tracking losses in Malaysian palm oil, while soybean hit a record high on weak rupee and tight supplies in local and overseas markets.

Malaysian palm oil futures fell 2.43 percent to 3,007 ringgit per tonne by 0808 GMT, while U.S. soybean was down 0.6 percent at $16.13-1/4 per bushel, after hitting a record high earlier this week on concerns over output.

The U.S. Department of Agriculture (USDA) on Wednesday cut soybean yields forecast by nearly 8 percent to 40.5 bushels per acre, the second lowest since 2003, due to the drought.

"Traders are profit-booking after a rally in one month. Overseas markets are down," said Vedika Narvekar, senior analyst with Angel Commodities Broking Pvt Ltd.

"Madhya Pradesh and Maharashtra got good rainfall last week. Soybean sowing is progressing well. Total area is likely to be higher than last year."

Madhya Pradesh and Maharashtra are the top two soybean producing states and account for more-than 85 percent of total production.

The August soybean contract on India's National Commodity and Derivatives Exchange was up 0.68 percent at 4,375.5 rupees per 100 kg, after hitting a record high of 4,388 rupees earlier in the day.

India's soybean acreage is likely to rise by 7 percent in 2012/13 as record high prices for the oilseed prompt farmers to plant more, an industry official said on June 8.

The August soyoil contract dropped 0.73 percent to 784.15 rupees per 10 kg, while rapeseed eased 0.19 percent to 4,222 rupees per 100 kg.

India's soymeal exports rose to 180,987 tonnes in June, from 117,600 tonnes during the same period a year ago, the Solvent Extractors' Association of India said in a statement.

In the Indore spot market in Madhya Pradesh, soyoil was down 0.05 rupees at 773.95 rupees per 10 kg, while soybean fell 12 rupees to 4,253 rupees per 100 kg. At Sri Ganganagar in Rajasthan, rapeseed fell 98 rupees to 4,037 per 100 kg.

12 JUL, 2012, 03.16PM IST, REUTERS

Turmeric up on likely drop in area; jeera hits contract high

MUMBAI: India's turmeric futures rose more than 3 percent on expectations of a drop in area under cultivation as farmers are shifting to other remunerative crops.

At 0832 GMT, the August contract on the National Commodity and Derivatives Exchange (NCDEX) was up 3.66 percent at 4,874 rupees per 100 kg.

"It is firm on the back of lower sowing. Supplies have also reduced as farmers are waiting for more rise in prices," said Faiyaz Hudani, senior analyst at Kotak Commodities.

Arrivals at Nizamabad market in Andhra Pradesh dropped to 3,000-3,500 bags of 70 kg each, compared with 5,000 bags a week ago, he said.

Turmeric acreage in India, the world's biggest producer and exporter of the yellow spice, is likely to fall 30 percent this season, reducing exports in 2013/14, even though total overseas sales are still expected to be above average.

Turmeric is planted between June and August and takes about nine months to harvest.

Analysts expect the most-active August contract to touch 5,000 rupees in the short term.

At Nizamabad, a key market in Andhra Pradesh, spot turmeric rose 167 rupees to 4,326 rupees per 100 kg.

JEERA

Jeera, or cumin seed, futures touched a new contract high due to fresh export enquiries and strong local demand amid slack domestic supplies.

The August jeera contract on the NCDEX was up 3.21 percent to 15,690 rupees per 100 kg after hitting a contract high of 15,745 rupees.

"Demand is very strong in the domestic market from exporters and stockists. Demand is higher than the availability and this is keeping prices firm," said Samir Shah, a trader from Unjha, a leading market in Gujarat.

Daily arrivals at the Unjha market are in the range of 7,000-8,000 bags of 60 kg each against the trade of 12,000-13,000 bags, traders said.

At Unjha, jeera rose 57 rupees to 14,937 rupees per 100 kg.

The weather department has forecast rains at some places in Gujarat during next 2-3 days.

Jeera is a winter crop, planting of which begins from October, and farmers depend on the monsoon to moisten the land for sowing.

PEPPER

Pepper futures rose on thin domestic supplies and lesser stocks with major cultivating countries, but weak overseas sales due to high priced Indian produce kept the upside limited.

The most-active August contract on the NCDEX gained 0.37 percent to 43,035 rupees per 100 kg.

"Spot market is very firm because arrivals are less but weakness in export demand is capping the upside," said Hudani.

Indian origin pepper is around $1,000 per tonne costlier than other suppliers in the global market, two analysts said.

India is the third largest pepper producing country in the world after Vietnam and Indonesia.

In Kochi, a key market in Kerala, spot pepper rose 140 rupees to 41,495 rupees.

The Indian EXPRESS
JOURNALISM OF COURAGE

World food prices likely to remain high over the next decade

Agencies Posted online: Thu Jul 12 2012, 19:51 hrs

New Delhi : Global food commodity prices are expected to remain high over the next decade on account of rising consumption and declining agricultural production, the latest OECD-FAO Agricultural Outlook has said.

"The Outlook anticipates that agricultural output growth will slow to an average of 1.7 per cent annually over the next 10 years, down from a trend rate of over 2 per cent per year in recent decades," it said.

The Paris-based Organisation for Economic Co-operation and Development and United Nation's body Food and Agriculture Organisation, in its OECD-FAO Agricultural Outlook 2012-2021, said population growth is also increasing demand pressures.

"While international agricultural commodity markets appear to have entered calmer conditions after record highs (in prices) last year, food commodity prices are anticipated to remain on a higher plateau over the next decade...", the FAO said on its website.

This, it said, is underpinned by firm demand but a slowing growth in global production.

The report points out that in addition to population growth, higher per capita incomes, urban migration and changing diets in developing countries, as well as rising requirements for biofuel feedstocks are underpinning demand pressures, it added.

Higher input costs, increasing resource constraints, growing environmental pressures and the impacts of climate change will all serve to dampen supply response, it added.

The report stresses on sustainable agricultural practices for increasing production.

Speaking about the outlook, OECD Secretary-General Angel Gurria said: "Governments should renounce trade-distorting practices and create an enabling environment for a thriving and sustainable agriculture underpinned by improved productivity."

Increased productivity, green-growth and more open markets will be essential if the food and nutrition requirements of future generations are to be met, he added.FAO Director-General Jose Graziano da Silva said the focus should be on increasing sustainable productivity growth, especially in developing countries and for small producers."For consumers, especially for the millions of people living in extreme poverty, high food prices have caused considerable hardship. We need to redouble our efforts to bring down the number of hungry people," he added.The report also drew attention on climate change and its impact on agriculture.It said 25 per cent of all farm land is highly degraded and water scarcity in agriculture is a fact for many countries. There is a growing consensus that extreme weather events are becoming more frequent and climatic patterns are changing in many parts of the world.

Business Standard

Friday, Jul 13, 2012

Monsoon plays spoilsport for Karnataka kharif crops

Mahesh Kulkarni / Bangalore July 13, 2012, 0:56 IST

With the monsoon rains continuing to play truant in Karnataka, sowing of major kharif crops has suffered a setback.The state government had set a target of 7.47 million hectares for sowing of kharif crops this year, which is almost the same as last year.

Between June 1 and July 8, the state received 164 mm of rainfall, 39 per cent lower than the normal of 268 mm for the period. This is classified as deficient. Rainfall is scanty or deficient in 28 of the 30 districts.

As against the normal area of 2.45 million hectares as on June 30, the actual area sown for all crops was 1.59 million hectares, just 65 per cent of the normal area for the first month of the kharif season. This is 14 per cent less than the area sown last year.

As of June 30, 2011, sowing was completed in 1.84 million hectares, according to data compiled by the department of agriculture.

This year, as of June 30, the sowing for foodgrain was completed in 797,000 hectares, just 53 per cent of the normal area coverage for the period. Compared to the same period last year, sowing was lower by 20 per cent. In June 2011, sowing for foodgrain was completed in 994,000 hectares.

Sowing for cereals was completed in just about 43 per cent of the normal area of one million hectares and pulses, coverage was about 72 per cent of the normal area of 513,000 hectares. The coverage of oilseeds is poor this year at 37 per cent of the normal coverage at 198,000 hectares. The normal coverage for June is 541,000 hectares.

However, sowing of cash crops is better than the normal area this year. As against the normal area of 402,000 hectares, sowing was completed in 600,000 hectares, which is one-and-a-half times normal coverage.

Among the cereals, sowing was comparatively better for rice, jowar and maize, while sowing for bajra, ragi and minor millets was below normal. Among pulses, sowing was better than normal for tur, blackgram, cowpea and others, while sowing for horsegram, greengram and avare were below normal. Among oilseeds, except soybean and sesamum, sowing was far below normal levels for all others.

As far as cash crops are concerned, sowing was outstanding for cotton and sugarcane in June. Sugarcane has been planted in an area of 377,000 hectares, 2.1 times more than the normal area for June. Cotton has been sown on 152,000 hectares as against the normal coverage of 145,000 hectares, which is 104 per cent over the normal area for the month.

According to the Karnataka State Natural Disaster Monitoring Centre, during the first week of July, 46.8 per cent of the total geographical area covering parts of the districts of Bangalore Urban, Bangalore Rural, Ramanagara, Kolar, Chikkaballapura, Tumkur, Chitradurga, Chamarajanagara, Mysore, Mandya, Bellary, Koppala, Raichur, Gulbarga, Belgaum, Gadag, Chikkamagalur and Yadgir experienced moderate to severe rainfall deficiency for agricultural crops.

Spices Board plans to link farmers on mobile tele-network

BS Reporter / Chennai/ Kochi July 13, 2012, 0:34 IST

Spices Board will soon launch a pan-India mobile tele-network for direct interface with the spices farmers. As a mark of beginning, it launched the scheme in Tamil Nadu on Wednesday.The board launched this novel venture in association with the IFFCO Kissan Sanchar Limited (ISKL) of Tamil Nadu. As the first phase, the board launched a new community of spices farmers called the “Tamil Nadu Spices Community”. The board is enlisting spices farmers across the state to the proposed community. It is expected to have an initial strength of around 6,000 farmers.The spices farmers will get the benefit of voice messages every day from the Spices Board on the schemes, projects, prices of spices and announcements from the board. The farmers of spices crops like cardamom, chilli, curry leaf, coriander, pepper, nutmeg, cloves and herbs will benefit in receiving voice messages.After launching the scheme, Spice Board chairman A Jayathilak said that the service will provide an interactive medium for the spice farming community. This will be of a great use to illiterate farmers who are not technologically equipped. There will be a helpline also, where farmers can seek solution to their farm-related problems from the experts.

Jute output likely to fall 18% this financial year

Farmers shifting to other crops for better returns this year?s 31% MSP rise unlikely to stem sowing slide

Jayajit Dash / Bhubaneswar July 13, 2012, 0:44 IST

Raw jute production in the country is set to fall 18 per cent in 2012-13, to 9.3 million bales (a bale is 332.5 kg), against 10.25 mb in 2011-12. This is mainly due to lower sown area, as farmers are shifting to other crops due to the non-remunerative prices from this fibre.

This estimate has been projected by the Jute Advisory Board (JAB) under the Union textiles ministry. Monsoon truancy in different growing areas is also a factor affecting likely output. “What was worrying the jute industry for the past two weeks is the amount of rainfall in south Bengal. The rain in this key cultivating area was deficient but it has picked up of late. Rainfall in Assam is expected to be better than last year. Overall, we hope the crop output would be in the range of 9.5-10 mb in 2012-13, marginally less than the previous year,” said Manish Poddar, chairman of the Indian Jute Mills Association (Ijma).

The area under cultivation has reduced by around 50,000 hectares (ha), a six per cent slide over last year, at 860,000 ha compared to 910,000 ha in 2011-12. Since 2000, the crop area has slumped 22 per cent, as farmers are veering to cultivation of other crops. That apart, traditional jute cultivating families are breaking up in the aftermath of the introduction of central social sector schemes like the Mahatma Gandhi National Rural Employment Guarantee Scheme.

Even the 31 per cent rise in minimum support price (MSP) of jute this year is unlikely to stem the slide, says the industry. In March, the Cabinet Committee on Economic Affairs raised the MSP of raw jute to Rs 2,200 per quintal from the earlier Rs 1,675 per qtl. Last year, many jute farmers of Murshidabad in West Bengal burnt their crops to protest the non-remunerative prices. The cultivation cost is around Rs 2,100 per qtl, observers say, and the yield is about 22 qtls per ha.Jute is normally cultivated as an inter-crop between the two main agricultural seasons, rabi and kharif. Only five per cent of the green fibre is used for manufacturing the 1.6 million tonnes of jute goods every year. The cultivator uses the remaining fibre for manure and fuel.

Jute is raised in seven states — West Bengal, Bihar, Odisha, Assam, Tripura, Meghalaya and Andhra Pradesh.Almost 75 per cent of raw jute is cultivated in West Bengal.

Govt to go slow on 2 mn tons of wheat export

The govt is grappling with the problem of plenty as its godowns are full, with over 82 mn tonne of grain vs storing capacity of 64 mn tonnes

Press Trust of India / New Delhi July 12, 2012, 16:57 IST

The government today said it will go slow on export of 2 million tonnes of wheat from its godowns as there has been good response to recent schemes announced to offload additional grains to ease storage crisis.

Currently, the government is grappling with the problem of plenty as its godowns are full, with over 82 million tonnes of foodgrains against storing capacity of 64 million tonnes.

"We are not in a hurry to export wheat. We will rather go slow (on exports) because there has been good response to our schemes," Food Minister K V Thomas told PTI.
He, however, made it clear that the government "will not abandon" the plan to export wheat from its godowns.

Fearing damage of foodgrains during monsoon due to lack of storage facilities, the government had recently permitted 2 million tonnes of wheat export from the central pool. Besides, it allocated additional 5 million tonnes of foodgrains through ration shops and 3 million tonnes of wheat in the open market.

Thomas said, "The response for wheat under the open market sale scheme (OMSS) has been good. Offtake of additional foodgrains from state government for PDS is also improving.

"If offtake improves, we will think about allocating additional quantities. So, we are not in a hurry to export. We will export only if we get good price," he noted.

Early this month, the government permitted export of two million tonnes of wheat from the central pool as a measure to clear surplus stock. It allowed wheat exports via state trade agencies STC, MMTC and PEC with floor price USD 228 a tonne.

The country has shipped 1.8 million tonnes of wheat through private trade since the government lifted the export ban on the commodity in September 2011.

India, the world's second biggest wheat producer, is facing storage crisis due to bumper procurement and production in the last few years. The country had harvested a record 90.75 million tonnes in the 2011-12 crop year (July-June).

THE HINDU Business Line

Egg prices cut ahead of lean offtake period

Gayathri G

Chennai, July 12:

Shell egg trade has pruned farm-gate prices of its produce in anticipation of the approaching Tamil austere month of Aadi (starting July 15) in Tamil Nadu and the onset of Shravan in the North and in neighbouring Andhra Pradesh and Karnataka when the consumption of poultry products will touch the nadir.

To save the chicken farms and the trade from possible accumulation of stocks, the National Egg Coordination Committee (NECC), Namakkal Zone, has chosen to bring down the wholesale price of live birds to Rs 38 a kg from Rs 44 last week.

In the case of shell eggs, the apex body has trimmed the wholesale rate by 35 paise to Rs 2.85 a piece. Though sources in the egg trade said the price cut was to encourage consumption of poultry products in the wake of austere period, an NECC spokesperson attributed the price cut to buyers resistance.

The commodity hit a record Rs 3.33 on June 28 with a rise in demand following the onset of south west monsoon. From May 26 to June 28, the wholesale price of egg has been increased 15 times from Rs 2.75 to Rs 3.33 (an overall increase by more than 19 per cent).

The Chairman of NECC, Dr P Selvaraj said that prices may go down further by 10-15 paise an egg and may start looking up only after Navaratri.

Mustardseed may top Rs 4,500 a quintal

Our Correspondent

Indore, July 12:

Even as monsoon has slowed in Madhya Pradesh with the State receiving no rains for the last 2-3 days, mustard seeds and oil continue to gain higher on strong buying support, particularly from the pickle manufacturers. Similarly in Neemuch and Moorena mandis of Madhya Pradesh, mustard oil has gone up to Rs 795 for 10-kg (up Rs 20) and Rs 805 (up Rs 30) on strong buying support.

In Rajasthan mandis also, mustard oil ruled higher on strong demand and decline in arrivals with its prices in Kota and Ganga Nagar (Niwai) being quoted at Rs 800 (up Rs 35) and Rs 805, up Rs 40 in the one week. In Jaipur, mustard oil in the past one week, has gone up by Rs 30 to Rs 815 on Thursday, while in Gujarat it ruled at Rs 795 (up Rs 20).

Contrary to physical market, mustard futures declined marginally on weak foreign with July and August contracts on the NCDEX being quoted at Rs 777.14 (down Rs 4.55) and Rs 785.80 (down Rs 4.15).

According to Mr Vijay Kumar Jain, a Neemuch-based trader, mustard oil could be bullish next week before the next monthly cut on the NCDEX.

On the other hand, bullish trend also continued on mustard seeds with demand outstripping arrivals. In Indore mandis, mustard seeds ruled at Rs 4,250-4,300 a quintal (up Rs 150), while in Neemuch, mustard seeds ruled higher at Rs 3950-4,000 a quintal (up Rs 100-150). However, compared with prices in the physical market, mustardseeds futures traded lower on weak buying support with July and August contracts on the NCDEX closing at Rs 4,158 (down Rs 14) and Rs 4,207 a quintal (down Rs 23). With higher demand from the crushers, plant deliveries in mustard also ruled higher with its price for Jaipur line being quoted at Rs 4,160-4,180 a quintal. Traders expect mustardseeds prices to touch Rs 4,500 a quintal mark in the coming days with farmers holding up their stock anticipating higher returns in the coming days.

As a result of this arrival of mustard in mandis across country declined to 68,000 bags with Rajasthan witnessing an arrival of 42,000 bags followed by Madhya Pradesh, Uttar Pradesh and Punjab where arrival was recorded at 5,000 bags each, while Gujarat recorded an arrival of 4,000 bags and remaining 8,000 bags were offloaded elsewhere in the country.

Profit booking cools down palmolein

Mumbai, July 12:

Most edible oils ruled steady barring palmolein, which extended its loss further by Rs 2 for 10 kg following continuous decline in Malaysia palm oil futures.

According to market sources, there were no quantity buyers despite lower offering by domestic refiners.Lower Malaysian palm oil exports and rain forecast over drought-hit US Midwest fuelled some of the declines, as the market had largely priced in lower end-stock in June and strong Asian festival demand for the past few weeks.

Analysts said that all the bullish factors have already been laid on the table, so traders preferred to take profit and decide to stay away.

Market observer said that monsoon arrivals in many parts of key oilseeds producing States such as Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Karnataka boosted sowing.

If monsoon progresses well in July, fears of crop loss will ease. Lower closing of Malaysian palm oil and monsoon factor have pulled down the sentiment further.

About 100-150 tonnes of palmolein were ready for resale and near-term delivery.

Towards the end of the day, Liberty quoted palmolein at Rs 620-623, super palmolein Rs 657, soya oil Rs 755 and sunflower refined oil Rs 755. Ruchi quoted palmolein at Rs 615 for July and Rs 618-621 for August.

Soya refined oil was at Rs 750-755 for July and August. Sunflower refined oil was at Rs 748-753 for July – August respectively.

Allana's rate for palmolein was Rs 617. Mewah's rate was Rs 622. In Saurashtra-Rajkot, groundnut oil ruled steady at Rs 1,840 for *Telia* tin and Rs 1,200 for loose - 10kg.

Malaysia's crude palm oil August contracts settled lower at MYR 3,013 (MYR 3,069), September at MYR 3,012 (MRY 3,082) and October at MYR 3,023 (MYR 3,087) a tonne.

On National Board of Trade – Indore, soya refined oil July futures ruled steady at Rs 776 (Rs 776) and August at Rs 786.30 (Rs 790.80).

The Bombay Commodity Exchange spot rates were (Rs/10 kg): groundnut oil 1,180 (1,180), soya refined oil 750 (750), sunflower exp. ref. 700 (700), sunflower ref. 750 (750), rapeseed ref. oil 865 (865), rapeseed expeller ref. 835 (835) cotton ref. oil 720 (720) and palmolein 613 (615).

Rubber skids on absence of industrial demand

Kottayam, July 12:

Domestic rubber markets turned weak on Thursday. In spot, the prices failed to sustain at the early levels following another weak closing on the National Multi Commodity Exchange (NMCE). The sentiments were also hit by unfavourable reports from the global scene and the absence of major consuming industries in the buyers queue kept it under pressure on late trading hours amidst import rumours.

Sheet rubber dropped to Rs 186 (187) a kg, according to traders. The grade moved down to Rs 186.50 (187) a kg at Kottayam and Kochi, as quoted by the Rubber Board.

RSS 4 declined at its July series to Rs 182.50 (184.60), August to Rs 182.82 (184.91), September to Rs 181.60 (183.81), October to Rs 181.50 (182.31) and November to Rs 180.50 (182) a kg, while the December series remained inactive on NMCE.

RSS 3 (spot) closed weak at Rs 172.95 (176.10) a kg at Bangkok. The July futures slipped to ¥238.5 (Rs 168.04) from ¥240.5 during the day session and then to ¥236.8 (Rs 166.84) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 186 (187); RSS-5: 180.50 (181); ungraded: 175 (176.50); ISNR 20: 180.50 (181) and latex 60 per cent: 133 (133).

Cotton prices bloom on demand

Erode, July 12:

Both Bt and non-Bt varieties of cotton increased heavily due to demand at the Bhoodapady Regulated Marketing Committee on Wednesday and Thursday.

“Due to heavy arrival of 3,850 quintals of cotton (11,000 bags) the auction was conducted for two days — Wednesday and Thursday. Due to quality and demand, heavy competition was seen among buyers from Coimbatore, Madurai, Puliampatty, Konganapuram, and other places.

Because of such demand, the price of Surabi increased to Rs 6,700 a quintal, against Rs 5,600 a quintal sold last week.”

Out of the 11,000 bags of turmeric that arrived for sale, 4,500 bags were sold on Wednesday and 6,500 bags on Thursday .

Mr Chenniappa Gounder of Sathyamangalam area said that only this year they managed to get a good price; last year, the price was too low. He said still the farmers have a huge stock with them and will bring more for next week’s auction.

On behalf of the buyers, Mr Arumugasamy of Madurai said they are ready to purchase cotton at such a price as they are in need of cotton for spinning. He said cotton has not arrived form North India due to heavy rains.

He said Bt cotton increased by Rs 200 a quintal, while the fine variety, Surabi, by Rs 1,100 a quintal this week.

Similarly in the auction held at Anthiyur Regulated marketing Committee, 3,850 quintals of cotton arrived and were sold for a high price. The MCU 5 and Surabi variety was sold at Rs 5,600-6,375 a quintal, while the Bt Cotton was sold at Rs 4,400-4,800 a quintal. Because of heavy arrival, the auction was conducted on Monday and Tuesday.

Spinners said the prices will increase again next week and the price will remain high for one month.

Sugar prices rise on domestic demand

Mumbai, July 12:

Spot sugar prices at the Vashi market hit a new high on Thursday as traders bet on strong exports growth and higher domestic demand in the festival season that started this month. Spot rates increase by Rs 10-20 while naka prices went up by Rs 10 for S-grade and Rs 30 for M-grade. Despite usual demand supply and volume sentiments remained bullish, tracking firm mill tender rates, which rose further by Rs 10-15.

According to market sources, strong sentiment at the upper level pushed up spot and naka prices.

Rebound in domestic sugar futures also supported the trend. World sugar prices are bullish, making room for Indian exports. Millers are not eager to sell expecting higher prices on demand support. Currently at Vashi markets supply and stock of the commodity are ample due to regular selling by mills.

Exports

Indian exports have picked up ahead of Ramzan and realisations for millers, aided by a weaker rupee, are expected to be better. Indian millers have so far exported 28 lakh tonnes in the current 2011-12 season year (October- September). Total shipments this year are estimates around 35 lakh tonnes.Delay in harvesting in Australia and Brazil due to heavy rains may help Indian exporters grab a larger market share. There is more demand for raw sugar compared to white or refined sugar. B West Asian buyers prefer raw sugar. Raw sugar is exported mainly from Tamil Nadu, where crushing is at the final stage.At the Vashi market, arrivals were 52-53 truckloads and local dispatches were 51-52 truckloads. Freight rates ruled unchanged. On Wednesday evening about 15-16 mills offered tender and sold about 48,000-50,000 bags (each of 100 kg) to the local stockists in the range of Rs 3,075-3,130 (Rs 3,060-3,110) for S-grade and Rs 3,130-3,180 (Rs 3,120-3,170) for M-grade.Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,171-3,221 (Rs 3,160 -3,221) and M-grade Rs 3,240- 3,331 (Rs 3,221-3,331).Naka delivery rates: S-grade Rs 3,140 -3,180 (Rs 3,150 -3,170) and M-grade Rs 3,200-3,300 (Rs 3,200-3,270).

Aromatic, non-basmati rice prices rise on domestic buying

Karnal, July 12:

Rice market remained bullish with the prices of aromatic and non-basmati rice rising on domestic buying and trade enquiries, on Thursday.

Mr Amit Chandna, Proprietor of Hanuman Rice Trading Company, said the uptrend was anticipated as domestic demand for non-basmati rice has improved. While aromatic varieties are getting good support from the exports front and trade enquiries, he added.

According to the market experts, India will be the largest exporter of rice in the continent this year. Export of basmati will touch about three million tonnes and export of non-basmati another 5-6 mt, said experts.In the physical market, Pusa-1121 (steam) went up by Rs 100 and quoted at Rs 5,950-6,000 a quintal, while Pusa-1121 (sela) sold at Rs 5,125, a quintal, Rs 125 up from the previous level.Pure Basmati (raw) increased by Rs 100 and quoted at Rs 5,650-5,700, while pure basmati (sela) ruled around at Rs 5,200, Rs 75 up from previous level. Duplicate basmati went up by Rs 100 and quoted at Rs 4,900-5,000 a quintal.For the brokens of Pusa-1121, Tibar sold at Rs 3,400, Dubar at Rs 2,800-2,900 and Mongra at Rs 2,100-2,200 a quintal.PR-11 (sela) went up by Rs 300 and went for Rs 2,800 a quintal, while PR-11 (Raw) was at Rs 2,500-2,600, Rs 150 up from previous level. Permal (raw) increased by Rs 80 and sold at Rs 2,000-2,200 a quintal while Permal (sela) went for Rs 1,900-2,150, Rs 40 up from previous level.PR-14 (steam) went for Rs 2,650-2,850 a quintal.Sharbati (steam) went up by Rs 100 and quoted at Rs 3,700-3,800 a quintal while Sharbati (sela) sold at Rs 3,500-3,600 a quintal, Rs 80 up from previous level.

Pepper moves upon limited supply

G. K. Nair

Kochi, July 12:

The pepper market on Thursday moved up on good buying support amid limited availability. All the active contracts ended above the previous day closing.

However, the activities were concentrated on first two contracts while there were some indications of the third contract gathering momentum as July is nearing to its maturity.

Whatever arriving at the terminal market is bought for processing and depositing in the exchange, market sources told *Business Line*.

Today 14 tonnes of farm grade pepper arrived and that was traded at Rs 397, Rs 400 and Rs 402, depending upon the quality and area of production, they said.

The availability is so tight here that the Malabar pepper could be sold at Rs 430 a kg on the exchange. Given this scenario, “Why should one talk about the Indian parity in the international markets and make the hue and cry that it is outpriced?” they asked.

July contract on the NCDEX increased by Rs 145 a quintal to the last traded price (LTP) of Rs 42,565 a quintal. August and September went up by Rs 135 and Rs 180 respectively to the LTP of Rs 43,010 and Rs 43,350 a quintal.

Turnover

Total turnover decreased by 777 tonnes to 3,531 tonnes. Total open interest increased by 58 tonnes to 5,233 tonnes showing some additional buying.

July open interest dropped by 212 tonnes to 633 tonnes while August and September increased by 233 tonnes and 36 tonnes respectively to 4,333 tonnes and 233 tonnes, indicating good switching over.

Spot prices in tandem with the futures market trend moved up by Rs100 a quintal to close at Rs39,700 (ungarbled) and Rs41,200 (MG 1) a quintal.

Indian parity in the international market was at $7,800 - $7,850 a tonne (c&f) Europe and $8,100 - $8,150 a tonne (c&f) USA and remained much above other origins.

Jeera futures hit upper ceiling

Heavy rains in Gujarat and higher arrivals in the spot market also led to the fall in jeera contract on Wednesday.

Rajkot, July 12:

Jeera futures increased by the maximum permissible level of four per cent on Thursday, backed by strong local demand.Fresh export inquires also helped the upward movement. Spot prices increased marginally.

According to Kedia Commodity report, jeera ended with a four per cent upper circuit due to fresh export enquiries and strong local demand amid slack domestic supplies.

Demand is very strong in the domestic market from exporters and stockists. The supply shortfall is keeping prices firm.

Support for jeera is at Rs 15,351 below which it could be tested at Rs 14,889. Resistance is now seen at Rs 16,043 above which it could hold at Rs 16,274.

On the National Commodity and Derivatives Exchange (NCDEX), jeera August contracts moved up Rs 610 (4.10 per cent) to Rs 15,202.50 a quintal . NCDEX September jeera prices gained Rs 622.50 to reach Rs 16,177.50.

According to market sources, demand is gaining against declining supplies. At the Unjha mandi in Gujarat, arrivals stood at 10,000-11,000 bags, while demand surged to 14,000 bags.

However, jeera prices have not increased much in the spot market.

It traded higher by Rs 10-15 to Rs 2,250-2,350 for 20 kg, and NCDEX quality raw quoted at Rs 2,600-2,750 for 20 kg at Unjha.

Heavy arrivals pound turmeric

Erode, July 12:

Spot turmeric prices decreased by over Rs 300 a quintal as arrivals increased on Thursday.

“For the past three days, prices were up due to low arrivals. The finger variety touched Rs 6,000 a quintal, but on Thursday prices decreased by Rs 100 a quintal at the Erode Turmeric Merchants Association Sales yard and Rs 480 a quintal at the Gobichettipalayam Cooperative Marketing Society. This is due to increased arrival of 7,700 bags. Further 95 per cent of the stock was purchased by stockists,” said a trader.

The decrease was due to the stockists quoting a lower price. “The current price will not continue for long and soon stockists will stop procurement. Then, prices will decrease, as no exporter has received fresh orders for the commodity.After the third week of July, exporters will buy turmeric based on the orders they get,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.But some growers belonging to the All India Turmeric Growers Council said that the prices will certainly touch Rs 10,000 a quintal within 15 days.Even the hybrid Salem crop price decreased by Rs 300 a quintal due to medium quality arrivals. At the regulated Marketing Committee, the price fell by Rs 200 a quintal.At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 2,566 to Rs 5,064 a quintal and the root variety Rs 2,519 to Rs 4,756.

Salem Crop

The finger variety fetched Rs 5,669-6,029 and the root variety Rs 4,956-5,119.

Of the total arrival of 977 bags of turmeric, 674 were sold.At the Regulated Marketing Committee, the finger variety was sold at Rs 5,279-5,710 and the root variety Rs 4,677-5,087. Some 1,192 bags were sold as against the arrival of 1,207.At the Erode Cooperative Marketing Society finger variety was sold at Rs 4,639-5,969 and the root variety Rs 3,806-5,290. All 1,169 bags on offer were sold.At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,209-5,689 and the root variety Rs 3,005-4,869. All the 170 bags kept for sales were sold.

MNCs buying up wheat for exports

M. R. Subramani

Chennai, July 12:

Multinational companies and exporters are taking advantage of lower wheat prices in the country.

They are now buying wheat at prices lower than the minimum support price of Rs 12,750 a tonne fixed by the Government and moving it to ports.

This is because while wheat in most Uttar Pradesh markets is ruling below Rs 12,000, wheat of Black Sea origin is quoted at $278 (above Rs 15,500) a tonne for September delivery. The quality of Black Sea wheat, grown in Russia and Ukraine, is seen at a par with Indian milling wheat.

Since June 15, wheat prices have increased 31 per cent in the global market on fears over dry weather affecting the US crop. On Thursday, wheat was quoted at $8.4475 a bushel ($310/Rs 17,700 a tonne) on the Chicago Board of Trade.

The movement of wheat to port towns has led to traders in the North cancelling their supply contracts with flour mills in South, particularly Tamil Nadu.

"Until a week ago, we were getting wheat delivered in Tamil Nadu at Rs 14,750 a tonne. But now, no one is coming forward to supply even at Rs 16,000," said Mr M.V. Balasubramanian, Managing Director of Sarathy Enterprises (formerly Narasu's Roller Flour Mills).

The problem for mills in Tamil Nadu is that they have to buy some 2,050 tonnes to transport wheat by rail rakes. "We have to order rakes two months ahead," said Mr Balasubramaniam.

"We face an uphill task of getting supplies since the Centre has allotted only 90,000 tonnes till September under the Open Market Sale Scheme (OMSS). Karnataka, on the other hand, has been allotted 2.34 lakh tonnes," said Mr K.S. Kamalakannan, President, Tamil Nadu Roller Flour Mills Association.

Under OMSS, wheat is being sold at Rs 11,700 a tonne from stocks held by the Food Corporation of India. In the first OMSS auction on Wednesday, 50 per cent of the allocation made for Tamil Nadu was lopped off.

“The rest could be bought off in the next auctions on July 18,” said Mr Balasubramaniam.

Wheat being moved to the ports is either last year’s stock or diverted from the public distribution system, said a South-based miller.

While Tamil Nadu millers are seeking a cap on exports, millers from other States want the quota under OMSS to be raised.

Meanwhile, the State Trading Corporation has cancelled sale of 98,000 tonnes wheat for exports to the Swiss firm Glencore. While 30,000 tonnes of wheat were to be sold at $230 a tonne, the rest was to be sold at $228.

Mahyco may lose license to sell Bt seeds in Maharashtra

Rahul Wadke

Mumbai, July 12:

Agriculture seed major Mahyco, which has been accused of black marketing its seeds and distributing it without informing the State Government, could well stand to lose its license to sell seeds in Maharashtra.

Maharashtra's Minister for Agriculture, Mr Radhakrishna Vikhe Patil, told *Business Line* that the State Government was left with no other option but to cancel the company's licence, given the nature of the complaint. He charged that the company was involved in black marketing of Bt (Bacillus Theringuesis) cotton seeds and added that an FIR was lodged against certain company officials.

A few arrests have already been made, he said. The matter was discussed in the Assembly.

The minister further noted that the company allegedly was indulging in this "illegal business" for sometime and that the State Government "could not tolerate it any further". A final decision regarding the cancellation of license is to be taken on July 18, when the company would be given a hearing at the Agriculture Commissioner office, he added.

The matter came to light in May, when cotton farmers in Beed district were forced to pay significantly higher prices for Bt cotton seeds. MLA Mr Uttamrao Dhikale of the Maharashtra Navnirman Sena brought this matter to the attention of the House.

Mr Dhikale, moving a calling attention notice, pointed out that Beed is a major cotton producing district. For the Kharif season, over 47,700 packets (of 450 gms each) of Mahyco 7341 Kanak variety (Bt cotton) was distributed amongst 11 distributors in the district.

However, these distributors did not supply the seeds to the sub-distributors, as is the norm. Instead, they raised bogus bills on the farmers' name and sold the seeds at a higher price to others, Mr Dhikale added. The MLA has urged the government to initiate a CID probe into the matter.

Replying to the notice, in a written statement, the Agriculture Minister, Mr Patil, said that 10 distributors had resold the seeds directly to the farmers, without informing the Agriculture Department officials. He told the Assembly that it was now clear that Mahyco had resold the seeds with an intention to commit crime. Accordingly, a complaint has been filed at the city police station at Beed.

Cloves market crashes as supply outstrips demand

G K Nair

Kochi, July 12:

The cloves market continued its fall as supply outstripped demand with Colombo cloves sellers offering Rs 525 a kg, while it was Rs 501 a kg in Delhi. There are said to be only sellers, according to the trade.

In the producing countries, the prices reported to "have dropped to $7,500 a tonne which means the landed cost will come to Rs 475 – Rs 500 a kg," upcountry market sources told *Business Line*.

If the current trend is any indication, the prices are likely to drop to Rs 350 a kg very soon, they claimed.

Sellers overseas are "waiting for India to buy, but it will not happen as many are holding stocks bought earlier at high prices", they said.

"In India, there are no buyers of cloves, all are sellers; so, many investors have cargo with them now. Hence, India is unlikely to import cloves for at least 5 months. In fact, big Indian and Indonesian buyers are out of the market," they said.

Increased availability, of late, has pulled down prices and it has been on a downward trend from late last year. In fact, prices plummeted from $21,000 a tonne to $7,500 a tonne now and one cannot rule out its further fall in the wake of increased arrivals of new crop in Indonesia, upcountry trade sources said.

The Indonesian crop this year is estimated to be at around 90,000 tonnes and the crop is expected to arrive in the markets next month. The prices have now dropped to $7,500 a tonne and that is likely to gradually fall to $6,000 a tonne. The Cigar companies are said to be waiting for prices to drop to such levels, they said.

Meanwhile, the Indonesian government is reported to have banned imports of cloves, to safeguard the local farmers and so that the cigar companies would buy from farmers. “This step will be a big blow to international cloves trader farmers, as the biggest buyer will be out of the markets”, they pointed out.

The combined output this year of Comoros, Zanzibar, Madagascar, Brazil etc is estimated at 35,000 tonnes. Thus, there is going to be huge buffer stock. All the buyers are on a wait and watch mode.

India is estimated to have a stock of over 3,000 tonnes. The Indian output last season was at around 1,400 tonnes, according to growers in Nagercoil region of Tamil Nadu.

The growers in Tamil Nadu and Kerala have claimed that the current prices are not remunerative given the high cost of production.

The import duty on cloves as per free trade agreements is expected to be brought down to 7 per cent from 15 per cent. This would bring down the prices further. Those who are holding stocks, estimated at over 3,000 tonnes of cloves imported earlier at higher prices, might lose heavily, market sources pointed out.

For the past couple of years, the growers were getting good prices and any fall in it now to below remunerative levels would have a serious impact on the next crop, growers in Nagercoil told *Business Line*. The cost of inputs also increased correspondingly following the rise in prices, they added.

Indian consumption is estimated at 12,000 – 15,000 tonnes and the country is a major consumer of cloves and as the normal indigenous production is estimated at somewhere between 1,500 – 2,000 tonnes. India continues to remain a net importer.

'Farm loans being diverted for non-agri purposes'

*Bijoy Ghosh*Dr D. Subbarao, Governor, Reserve Bank of India -- Bijoy Ghosh

Mumbai, July 12:

Some agricultural loans contracted at sub-market rates of interest have been diverted for non-agricultural purposes, according to the RBI Governor, Dr D. Subbarao. “On visiting some States’ bank branches, it was not clear that the credit being shown as lent to farmers was actually used for agriculture purposes,” Dr Subbarao said at the 30{+t}{+h} anniversary of National Bank for Agriculture and Rural Development (Nabard).

“This evidently defeats the objective of the subvention scheme (for farmers) and needs to be corrected either by modifying the subvention scheme or through tighter monitoring of the end use of agricultural loans.”

Under the Government’s subvention scheme, short-term crop loans are available to farmers at seven per cent interest. They get an additional three per cent subvention on prompt payment of the loans.

Challenges to agriculture

The increase in the level of agricultural non-performing assets (NPAs) is a concern as it was higher in the period 2004-11 except during 2009 and 2010 due to debt waiver schemes.

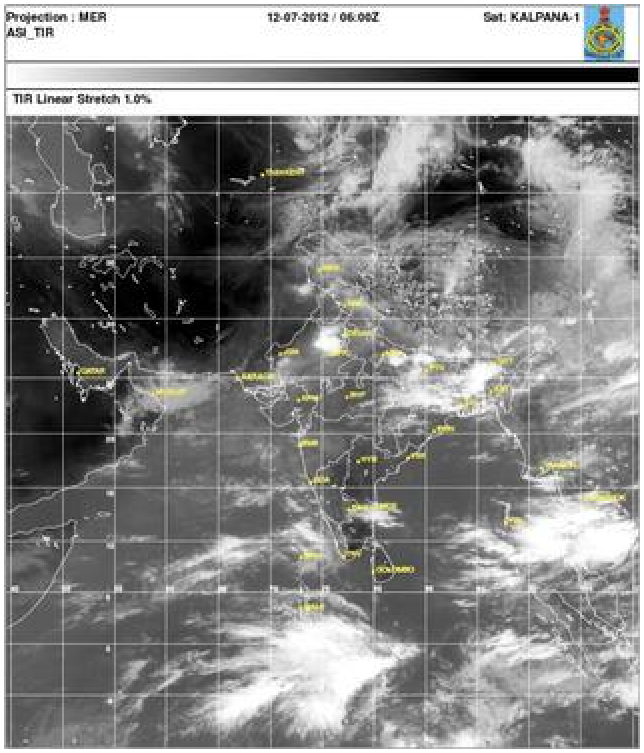
In 2011-12, NPAs in the agriculture sector have risen by 47 per cent as against 40 per cent in the non-agriculture sector.

Further, there is a shift from direct to indirect credit within agricultural credit. Indirect credit has grown faster, its share rising from about 11 per cent in 1995 to about 29 per cent in 2011.

"The rising importance of the indirect credit growth can be interpreted as a reflection of growing credit needs of strengthening the supply chain," the Governor said.

Monsoon migrates to east, northeast India

Vinson Kurian



Active monsoon conditions are now shifting closer to the foothills of Himalayas, an India Meteorological Department (IMD) outlook

Thiruvananthapuram, July 12:

Active monsoon conditions are now shifting closer to the foothills of Himalayas, an India Meteorological Department (IMD) outlook said on Thursday.

This would lead to heavy to very heavy rainfall along the foothills of the Himalayas and the Northeastern States.

HEAVY RAIN

An IMD warning valid for the next two days said that heavy to very heavy rains may break out over sub-Himalayan West Bengal, Sikkim, Assam, Meghalaya and Arunachal Pradesh during the next two days.

Heavy rainfall has been indicated also for Nagaland, Manipur, Mizoram, Tripura, Bihar and east Uttar Pradesh during this period.

This is likely to trigger another round of massive flooding of rivers of the region and mudslides and avalanches in the traditionally vulnerable stretches.

The monsoon usually migrates fully to the east and northeast after it runs all over the country through June and early July.

NEXT WAVE

Parts of southeast India, especially along the coast, too benefit from the rain heads venturing in from the east and northeast.

The monsoon would not become active over the rest of the country (northwest, central and peninsula) unless the Bay of Bengal conjures up the next rain wave.

And this can take days together. Latest forecasts suggest that these rains would materialise by July 21 over central India.

On Thursday, the rains over Rajasthan dried up and some of the residual moisture is getting fanned to the east (Punjab, Haryana, Delhi and Uttar Pradesh).

In its two-day outlook, the IMD said that thundershowers are likely over Haryana, Delhi, West Uttar Pradesh and Rajasthan on Friday.

DRY IN PENINSULA

Rains have been forecast also over Punjab, Chhattisgarh, east Madhya Pradesh, Vidarbha and east Gujarat.

Extended outlook valid until Thursday next saw rains over the west coast, the Northeastern States, western Himalayan region, the Gangetic plains and the rest east India and at a few places over central India.

Subdued rainfall activity has been forecast for interior peninsular India.

Higher farm credit targets, a cause for bad loans rising: Subbarao

Our Bureau

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*Business Line*Dr D. Subbarao (right), Governor, RBI, along with Dr Prakash Bakshi, Chairman, Nabard, releasing a coffee table book on 30 years of Nabard in Mumbai on Thursday. — Paul Noronha

- **Agriculture credit target**

	(in Rs crore)
Year	**Target**
2004-05	1,05,000
2005-06	1,41,000
2006-07	1,75,000
2007-08	2,25,000
2008-09	2,87,000
2009-10	3,25,000
2010-11	3,75,000
2011-12	4,75,000
2012-13	5,75,000

Mumbai, July 12:

The Government's bid to push more credit to the farm sector appears to have had unintended consequences — bad loans of banks have increased.

During 2004-12, the gross non-performing assets (NPAs) or bad loans ratio in the agriculture sector was higher than the corresponding ratio in the non-agricultural sector, except during 2009 and 2010, said Reserve Bank of India Governor, Dr D. Subbarao.

The higher NPA ratio was partly due to the implementation of the agricultural debt waiver and relief scheme in 2008-09, the Governor said in his speech at Nabard's 30th anniversary function

In 2011-12, agricultural NPAs rose by 47 per cent as against the NPAs in the non-agricultural sector, which rose by 40 per cent.

Dr Subbarao observed that the rise in agricultural NPAs during 2011-12 could be due to the lagged effect of double-digit growth in agricultural credit during the last four years (2006-07 to 2009-10), the general economic slowdown and also, possibly, the new system-wide identification of NPAs.

Banks, especially public sector and regional rural banks, stepped up flow of credit to the agriculture sector as the UPA-I Government in 2004 announced measures to double the flow of credit to the agriculture sector within a period of three years.

The actual disbursement by banks exceeded the targets in each of the three years. In 2004-05, banks were given a target to disburse Rs 1,05,000 crore to the agriculture sector. In 2012-13, they have been asked to disburse Rs 5,75,000 crore (against Rs 4,75,000 crore in 2011-12). To encourage credit flow to the agriculture sector, since 2006-07, the Government has been running an interest subvention scheme for short term crop loans to farmers for loans up to Rs 3 lakh per farmer at the interest rate of 7 per cent.

An additional subvention of 3 per cent is also given as an incentive to those farmers who pay their short term crop loans on schedule.

The RBI has also advised banks to waive margin/security requirements for agricultural loans up to Rs 1 lakh.