THE HINDU

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"It rains in the village, but fields remain dry"

Bindu Shajan Perappadan

The Hindu A farmer on the outskirts of the National Capital Region of Dichaun Kalan Village inspecting his spoilt wheat crop following an unseasonal downpour which lashed the northern parts of the country. Photo: Shiv Kumar Pushpakar.

Small farmers and crop production are under stress in the face of climate change

The impact of climate change is unfolding at a pace that is much quicker than predicted by the Intergovernmental Panel on Climate Change (IPCC), stated a new research study released here in the Capital recently.

The study conducted by Action Aid with Centre for Sustainable Agriculture, further stresses that more than 80 per cent of farmers in India, who are mainly small and marginal farmers and contribute about 50 per cent of the total crop production of the country, will be the most affected by the changing climate.

The study was shared and deliberated upon at a national consultation on Climate Change and Agriculture – Adaptation and Mitigation by Small and Marginal Farmers organised in the Capital.

“The pattern of rainfall has changed and it is so scattered that at times it rains in the village but fields remain dry.

The rainfall pattern was not like this about 10-15 years ago, and we are unable to understand it,” said Birendra Sahariya, 40 year old farmer from Sipri village in Lalitpur District of Bundelkhand region in Uttar Pradesh who was in Delhi to share his testimony.

“In the 1980s we started using chemical fertilisers and pumping up water from the ground. But these technologies have only put our land under stress and our livestock are also facing shortage of fodder because of this,” he added.

Huge investments

“I have lost everything due to changing weather and government programmes that are there require huge investment. One of my sons committed suicide unable to pay back a loan of Rs. 2 lakh. I had to sell my ancestral house, ox, cows and sheep to repay this loan,” said a woman farmer Laxmi, 48, from Pathakotha Cheruvu (Guntakal)village, Ananthpur District of Andhra Pradesh. “My younger son has gone to Tirupati as a daily wage labourer, as he does not want to get into this trap like his brother," she adds. The Action Aid study noted that after the nutrient based subsidy scheme was introduced and manufacturers were given a free hand to fix the price, the cost of fertilisers except urea has increased by more than 300 per cent.

Despite this, there is an increased dependency on chemical fertilisers to meet the soil fertility needs, given the emphasis on the chemical fertiliser-intensive Green Revolution model.

“The small and marginal farmers who are the largest food producers of our country can only sustain their production system if the policies and practices on climate resilient sustainable agriculture is widely adopted," said Amar Jyoti Nayak of Action Aid India.

According to various estimates, it is suggested that agriculture in India contributes around 25-30 per cent of national Greenhouse Gas (GHG) emissions and contributes to a huge ecological loss in terms of increased soil and water pollution with nitrates.

“In this context, the role of small and marginal farmers calls for due attention by the policy makers,” said Sandeep Chachra of Action Aid India.

“Almost 80 per cent of our farmers, categorized as small and marginal land holders are dependent on rain for their agricultural operations and cannot afford the cost of inputs of the Green Revolution model. They can bring in climate resilient agricultural system which will not only contribute to adaptation but will go a long way to mitigate the climate crisis,” he added.

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The farmer outreach ‘ambulance’

Special Arrangement Srihari Kotela with his farm ambulance.

If you thought ambulances are only for the seriously ill, think again. Srihari Kotela, a chartered accountant, has launched one to reach out to farmers in Andhra Pradesh.

Farmers can make a simple phone call to seek a visit by the rythu ratham, a comprehensive information source on farming, be it on fertilizers or crop diseases or government schemes.

The concept would encourage good agricultural practices and raise farm incomes, says Mr. Kotela. His company, eFresh Portal, has tied up with the Acharya N G Ranga Agricultural University, the University of North Bengal and the Food Safety and Knowledge Network for this.

“We now have one ambulance; we plan to have 20 vans and cover all the States… to create awareness and interest among farmers,” he says.

The vehicle is equipped with soil-testing kits, pesticide sprayers, protective gear, an LCD projector, a computer system, and training videos, and so on. The material is shown in villages typically in the shade of trees, on gram sabha platforms and at panchayat offices. Since its launch in August 2011, it has made 18 visits in six districts of Andhra Pradesh.

“Such work must be done by the government. But it's too busy with other work. Even the local agricultural officers do not evince any interest in farmers. Farmers do not know the importance of soil-testing, the different schemes available for them and good farming practices.

“Well, you cannot blame the farmer for it. It's the government's duty — and the government is not doing it. So I decided to do something about it. The result is this ambulance service and a portal that provides information on different aspects of agriculture,” says Mr. Kotela.

Farmers typically watch the demonstrations with farm related activities very keenly.

What is really happening here is that with the government having cut down on its budget for agricultural extension activities, mainly under the auspices of the Farm Information Bureau, which used to organise such field visits, private initiatives are taking that space. Gone are the days when microphone-wielding extension officers would travel from village to village on their distinctive jeeps.

The company's website: www.efreshindia.com. Farmers could call, toll-free, at 1800 2666 208, from 9.30 a.m. to 6 p.m., except on Sundays. Mr. Kotela could be reached on e-mail at Srihari@efreshindia.com and at 098480 34740.

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Enhanced output of vegetables, fruits comes with a price

Gargi Parsai

Farm hands in a Capsicum Poly-house. Photo: Gargi Parsai

Villagers of Karnataka going in for high-yielding breeder seeds provided by ICAR labs

A scheme to boost production of vegetables, fruits and flowers has paid rich dividends in Karnataka villages, with several progressive farmers opting to grow the high-yielding breeder seeds provided by Indian Council of Agriculture Research (ICAR) labs for multiplication by public seed companies as well as the private sector, including multi-national companies. The idea is to set up in the next five years several seed villages with 20 select farmers each.

The subsidy-based regime which enables the horticulture institutes — in this case, the Bangalore-based Indian Institute of Horticulture Research (IIHR) — to commercialise their technologies, is bringing revenue to the institutes as well as raising farmers' incomes in pockets.

The drawback is that this technology-intensive scheme is pushing up the cost of vegetables and fruits for domestic consumers.

Under a buy-back agreement with farmers, the institute charges fees from farmers — 60 per cent of which goes to the scientist who developed the technology — and later sells the seeds to companies in the public and the private sector for multiplication, again at a 12 per cent royalty to the breeder.

The process works well, except that the cost of the seeds multiplies manifold as against the traditional or open-pollinated variety.

For example, a kg of high-yielding IIHR seed material of French beans sold to a farmer for Rs. 18 a kg is bought back at Rs. 60 a kg from the farmers and the seed comes to the market at a price of Rs. 80 a kg.

This, scientists admit privately, along with farm mechanisation, are factors contributing to the perennial high cost of vegetables and fruits in recent years which is hitting the middle-class consumers.

Although the programme needs to be worked upon to reduce costs, IIHR director Amrik Singh Sidhu told visiting journalists from New Delhi that it would enable India to achieve a growth rate of over four per cent in the 12th Plan. It would also help India to become the leading producer of fruits and vegetables in the world with improved varieties.

As of now, India at number two produces about 211 million tonnes of fruits and vegetables annually, which is half of China's output. There is potential to improve productivity with 500 public sector-developed varieties of high-yielding seeds in horticulture sector.

The institute has developed 125 varieties of vegetables and fruits and is working on perennial varieties that can maintain production round the year to maintain supplies and arrest price rise. Its latest achievements are release of high-yielding onion, French beans and tomato. There is also plans to develop brinjal seeds resistant to fruit and shoot-borer pest as against an MNC-developed Bt brinjal.

The farmers that the press team met were owners of large landholdings.

Normally, a farmer must be selected through the gram sabha, but that rarely happens. Only those farmers who have the clout, information or are big land owners get to become beneficiaries of the programme.

A visit to a capsicum farm in Dodaballapora village on the outskirts of Bangalore had a farmer, R. Krishna Naik revealing to us that the cost of a kilogram of yellow capsicum works out to Rs. 48 a kg at farm gate on account of the modern techniques and farm mechanisation involved in production of IIHR developed seeds. This, after claiming a grant of Rs. 8 lakh from the government for polyhouse cultivation, drip irrigation, fertigation and mulching (covering ground with plastic sheets for shade). The cost, he added, would go up once the government withdrew the subsidy.

A major shortcoming of the programme was that it was not demand-driven. Seed material was being accessed from the public sector at random and rather than assess the demand of consumers, the requirements of private seed companies and food processors were being given priority. To overcome this, IIHR will go in for Participatory Research Appraisal with consumers.

The IIHR plans to set up in the next five years, 50 seed villages with 50 acre land each belonging to 20 select farmers in each village for growing breeder seeds of 89 horticulture crops including tomato, French beans, cauliflower, cabbage and onions. The aim is to set up 60,000 seed villages all over the country during the 12th Plan from 2012-2017. A good plan but not cost-effective for consumers

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Cotton export ban goes

Sujay Mehdudia

A woman collecting cotton in Khammam district on Sunday. The government has decided to lift the ban on cotton exports. Photo: G.N. Rao

Notification today; GoM will work out riders

Allies of the ruling United Progressive Alliance have again forced the Manmohan Singh government to take a step back, this time over the ban on cotton exports.

The government has now announced that a new notification revoking the ban imposed on March 5 will be issued on Monday, in what is considered a victory for Agriculture Minister Sharad Pawar, who stoutly opposed the decision, along with the States of Maharashtra and Gujarat. Political secretary to the Congress president Ahmed Patel also moved the Commerce, Industry and Textile Minister Anand Sharma and sought its revocation.

Earlier, the government put on hold its move to allow foreign direct investment in multi-brand retail under pressure from the allies as well as the Opposition.

Sources in the government indicated that the ban revocation would come with some riders, and the guidelines accompanying the revocation were likely to be announced after a meeting of the Group of Ministers scheduled for March 23.

Interestingly, the ban had been suggested not by the Textile Ministry but by a Committee of Secretaries. This indicated that the Textile and Agriculture Ministries were not taken on board. In a statement issued on Sunday, Mr. Anand Sharma said: “Keeping in view the facts and the interests of farmers, industry and trade, a balanced view has been considered by the Group of Ministers to roll back the ban. A formal order to lift the ban will be issued on Monday.”

Insiders in the government said Finance Minister Pranab Mukherjee, who is heading the GoM, had asked the Commerce Ministry to prepare a new notification after the meeting of the GoM on March 9. The Ministry swung into action and prepared a notification on Saturday and got it off for the approval of the Finance Minister and the Law Ministry.

After it was finalised on Sunday, the government decided to issue the notification. But the revocation would come with some riders to be decided at the March 23 meeting of the GoM.

Published: March 12, 2012 00:00 IST | Updated: March 12, 2012 04:23 IST

Mettur level

The water level in the Mettur Dam stood at 80.21 feet on Sunday, against its full level of 120 feet. The inflow was 1,256 cusecs and the discharge, 1,325 cusecs.

March 12, 2012

Workshop on fruit processing

A five-day training programme on fruits and vegetable processing for the educated unemployed and homemakers will be held from March 19 by Central Palmgur and Palm Products Institute, Khadi and Village Industries Commission. Call 2555 5402, 2902 3718.

HENNAI, March 12, 2012

Price of open market rice likely to rise

G.SATHYAMOORTHI

The price of open market rice is likely to see a jump in the State if the current power situation were to continue.

The Tamil Nadu Rice Mill Owners' Association (RMOA) and the Federation of Paddy and Rice Wholesale Dealers' Associations have expressed apprehension that several factors are conspiring against Tamil Nadu this year, including the power shortage. They say the price of popular varieties such as ‘Ponni' has crossed Rs 40 per kg.

K.S.Jagadeesan, current advisor and past president of the Tamil Nadu RMOA and Federation of Rice Mill Owners and Paddy and Rice Wholesale Dealers' Associations, apprehends that for the first time in recent history, the State might suffer a spike in rice price. “Since single food zone came into existence in the country, Tamil Nadu had never had such a problem”.

He concedes that the State's plan to procure 26 lakh metric tonnes for the public distribution system would be able to take care of only a portion of the state's requirement. “But this alone won't do because it is the paddy and rice from Karnataka and Andhra Pradesh that have been helpful in stabilising the price at affordable level in Tamil Nadu.” “Above all, most of the people are now accustomed to consuming fine and superfine varieties which are available only in the open market”, he adds.

K.S.Arumugham and president K.P.Sakthivel, former President of the Erode District RMOA, say the inflow of rice from AP has slumped. At the same time, the arrival of ‘Sona Masoori' paddy from Karnataka, considered equivalent to ‘Ponni” variety, has also declined substantially. As Karnataka is apprehensive of its second crop of paddy anticipating poor monsoon, Karnataka merchants are procuring varieties like 505, 509, Komal, Sonal, NLR and JCL from Tamil Nadu “paying down cash”.

M.Ramasamy, president of the Tirupur District RMOA, says Sona Masoori paddy, which was sold around Rs 14 a kg last February (when the harvest begins), is now quoted around Rs 17. When the harvest ended around August last year, it rose to Rs 18-19 per kg.

Sona Masoori old quality paddy, which was quoted last year around Rs 19 per kg, is now sold at Rs 22. “We are worried about the steep hike likely in about six months.” Mr.Jagadeesan says that from 100 kg of paddy, it would be possible to get 62-66 kg of rice, depending upon the quality. While Tamil Nadu has a hulling capacity of about one lakh tonnes a day, only half the capacity is utilised at present.

“As power holiday has been declared on Friday and Sunday for this continuous processing industry from March 1, HT units are able to process only two days a week and LT units three days. Thus the mills processing 120 tonnes of paddy in six days are able to process only 40 tonnes. This would automatically hurt the availability of rice in the open market and impact the price”.

He pleads that at least this sector, which is exempted from power cut, should be exempted from power holiday also.

“We plan to meet the Food Minister shortly in this regard,” he added.

COIMBATORE, March 12, 2012

‘Provide free power to farmers cultivating horticulture crops'

STAFF REPORTER

Farmers' association has asked the State Government to extend free power to farmers cultivating fruits and vegetables.

In a release, the association led by Coimbatore district president Balasubramaniam, said that the Tamil Nadu Government should ask the Tamil Nadu Energy Regulatory Commission to exempt farmers cultivating horticulture crops from paying for power.

The association also asked the Central and State governments to bring down the price of pesticides and increase the subsidy for fertilizers to help farmers.

Relax rules

It also asked the State Government to relax the rules for getting drip and sprinkler irrigation subsidy.

KRISHNAGIRI, March 12, 2012

Free milch cow scheme paying rich dividend: Collector

STAFF REPORTER

An average of over 1,000 litres of milk was being procured from the beneficiaries who were supplied with free milch cows under the Chief Minister's special scheme, said a release from the Collector C.N. Maheshwaran recently. The scheme, launched to create another white revolution in the state, was paying rich dividends, the release said.

Background

As many as 302 women with poor background were benefited from the scheme. The scheme was launched at Simplethrady, Accountapally and Basthalapalli village in the backward block of Shoolagiri and Kottamadugu, Chettipalli panchayats in Thalli Block.

Rural women

The milk from the beneficiaries was procured by the local cooperative societies formed for the purpose.

The scheme for improving the livelihood of the rural women has remarkable change in the life of the poor people, the release said

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HYDERABAD, March 12, 2012

Horticulture sector suffers due to poor market linkages

SURESH KRISHNAMOORTHY

The State may be Numero Uno as far as the ‘acreage' and production of mangoes and pomegranates is concerned but it lags behind others when it comes to value addition.

It is unable to cash in on this advantage for the simple reason that market linkages to help farmers get more for their produce are woefully-inadequate. The problems include high transport costs, lack of accurate and reliable price information, inability to verify quality of produce and poor post-harvest infrastructure that restricted the possibility of exploiting it in large scale. This is one of several findings of a recent study by LIRNEasia, a Sri Lanka-based regional information and communication technology (ICT) policy think-tank active across the Asia Pacific. It was sponsored by the International Development Research Centre, Canada. Researchers Payal Malik and K. Laxminarayana Rao conducted the study and released a paper titled ‘Transaction costs of agriculture value chains in India: Can ICTs alone alter them?' while another by Sriganesh Lokanathan dealt with ‘Towards inclusive growth'.

The researchers told *The Hindu* how a modest yet concerted effort to leverage ICT in agriculture sector could work wonders. Asked about its modalities, Ms. Payal said it was a research paper and a ‘broad canvas study'. A look at the supply chain patterns of mango and pomegranate crop across few States brought out the key link that ICT could provide in increasing the income of farmers.

ICT tools like sending text messages for getting prices from different markets and IVRS (Interactive Voice Response Systems) or other such helpline facilities available in some parts were indeed helpful. They were not systematised though. Making such tools available across a broad platform was imperative, but that apart, it was market linkages that played a crucial role in ensuring higher incomes to farmers that was important. The absence of post harvest infrastructure which helps in export related treatments and packaging is a major constraint in the State.

The researchers said while Karnataka and U.P., had partially liberalised the agricultural markets, in A.P., the APMC markets were controlled by licensed traders with private players kept out. “The APMC Act needs to be changed here to increase income-levels like it has happened in those States, post- liberalisation. The concept of Agricultural Economic Zones has failed in A.P.,” Ms. Payal said. Mr. Lokanathan said that while talking about inclusive growth, it was imperative to take agriculture into the picture because though its contribution to the GDP was less, it had a larger share in the labour component.

- ***This is one of findings of a study by LIRNEasia, a Sri Lankan regional ICT policy think-tank***

· *'Market linkages play a crucial role in ensuring higher incomes to farmers'*

KURNOOL, March 12, 2012

Concern over falling cotton prices

Raithu Sangham wants government to revive exports

Raithu Sangham State president K. Ramakrishna expressed serious concern over falling cotton prices and urged the government to take immediate steps by reviving the exports.

Talking to reporters here on Sunday, he said the government had caused commotion in the cotton market by imposing ban on exports suddenly.

He said the farmers who sold cotton at Rs. 7,000 per quintal could fetch only Rs. 2,500 to Rs. 3,500 this season. Cotton was cultivated on 43 lakh acres in the State and of it, 30 lakh acres was affected by drought.

He said the State government urged the Centre to declare a price of Rs. 2,070 per quintal of paddy while the centre agreed to pay Rs. 1,080 per quintal. Mr. Ramakrishna announced that the Raithu Sangham and CPI would demonstrate at Market Yards on March 13 to protest against the failure of the government to ensure remunerative prices for farmers.

The CPI leader also faulted the government for providing 1,605 acres to Trisul cement plant which was under the control of former Minister J.C. Diwakar Reddy.

To meet Minister

Karimnagar Staff Reporter adds: MP Ponnam Prabhakar said that the Telangana MPs have decided to meet Union Minister for Commerce Anand Sharma on Monday in New Delhi asking him to take appropriate measures to lift ban on export of cotton to benefit the farmers of the State.

In a press note here on Sunday, he said that the cotton farmers were already reeling under crisis due to non-availability of MSP and the fresh ban on exports had further added to their woes with no market price to their produce. He wanted the support price of cotton increased from the existing Rs. 3,300 per quintal to Rs. 5,000 per quintal.

- *Cotton sold at Rs. 7,000 per quintal fetching only Rs. 2,500 to Rs. 3,500 this season*
- *It is cultivated on 43 lakh acres in State and of this, 30 lakh acres affected by drought*

hindustantimes
Sunday, March 11, 2012

Press Trust Of India

New Delhi, March 11, 2012

First Published: 14:38 IST(11/3/2012)

Last Updated: 17:11 IST(11/3/2012)

Govt decides to roll back ban on cotton exports after just six days

The government has decided to lift the ban on cotton exports, that was imposed last week, commerce minister Anand Sharma said on Sunday. "Keeping in view the facts, the interests of the farmers, interest of the industry, trade, a balanced view has been considered by the Group of Ministers (GoM) to roll back the ban," he said, while adding that "a formal order to lift the ban will be issued tomorrow (Monday)".

The decision was taken by the GoM, headed by finance minister Pranab Mukherjee, which met on last Friday, after a directive from Prime Minister Manmohan Singh to "urgently" review the decision.

On March 5, the commerce ministry had imposed the ban on cotton exports, which had come under fire from various states, including Gujarat, and agriculture minister Sharad Pawar.

Objecting to the ban, Pawar had said, "They (commerce and textiles ministries) kept me in the dark. I came to know about this only after a notification was issued by Directorate General of Foreign Trade (DGFT)."

Early last week, the textile ministry had said the ban was imposed after taking into account "the trend of domestic consumption and depletion of domestic availability".

It had pointed out that the country had already shipped 10 lakh bales more than the exportable surplus, reducing the domestic availability.

"Almost 94 lakh bales (170 kg each) have already shipped out, against an estimated export surplus of 84 lakh bales," the ministry had said. It feared the exports could reach 100 lakh bales by mid-March with registration of export contracts touching 120 lakh bales so far.

India is the second largest cotton exporter and Maharashtra and Gujarat are the biggest producers of cotton.

340 lakh bales of cotton production is estimated during the current season.

Meanwhile, a delegation of Gujarat cotton farmers also met Sharma on Sunday, demanding lifting of the ban.

http://www.hindustantimes.com/StoryPage/Print/823707.aspx

Humidity: 0	Sunset: 0
Wind: 0	Barometer: 0

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Mar 14	Mar 15	Mar 16	Mar 17	Mar 18
27° | 11°	28° | 15°	29° | 14°	32° | 12°	35° | 13°
Sunny	Sunny	Sunny	Sunny	Sunny

THE ECONOMIC TIMES

Commodities

12 MAR, 2012, 04.51AM IST, MADHVI SALLY,ET BUREAU

Edible Oil to cost more as Palm Oil hits 9 month high

AHMEDABAD: Branded cooking oil prices will rise on Monday (March 12) -- the fourth time in five months -- after palm oil prices hit a nine-month high due to a smaller soyabean crop in South America and hopes of a strengthening US economy.

Palm oil is India's most popular oil, with a 45% share of the edible oil market. Companies expect prices to cool post-July when peak palm oil harvest begins across Malaysia and Indonesia and goes on till December. Currently, consumer pack prices range from Rs 65 to Rs 75 a litre.

Since November, companies have raised retail prices by Rs 6-8 a litre owing to volatility in prices in the international market and rupee fluctuation.

"An immediate price increase of Rs 1-1.50 a litre on consumer packs will take place from Monday," said Angshu Mallick, chief operating officer, Adani Wilmar, which owns India's largest selling cooking oil brand Fortune. He said a drop in the South America soyabean crop by 10-15% would ensure prices would remain firm.

The company crushes a million tonne of soyabean annually and exports 1-1.2 million tonne soya meal, apart from handling 8-10 lakh tonne of refined palm oil.

Companies said there was a good demand in the physical market from oil millers and the market was expected to remain bullish this year. "Edible oil prices might see a correction after two months. With palmolein and soya prices increasing, both bulk and consumer pack prices will increase by Rs 2 to Rs 4 a litre," said an official from Ruchi Soya. The company, the third largest player in the refined oil business, sells under the brand name Nutrela Soyumm (soyabean oil) and Ruchi Gold (palmolein oil).

Analysts forecast palm oil prices to touch around 3,700 ringgit to 4,000 ringgit ($1,229-$1,329) per tonne by June from the present 3,350 ringgit ($1,116) a tonne owing to stocking by Middle-East countries and demand from India. After hitting a record high of Rs 2,912 a quintal on Friday, soybean futures for April delivery onNational Commodity and Derivatives Exchange was down by 0.87% to Rs 2,856 a quintal on Saturday.

"Constraints of storage and finance ensure that companies have a stock of the imported edible oil for 30 days. Hence, companies had to immediately pass the price hike to consumers. Edible oil prices will further increase by 10% till June and from July till December, we should see them correct," said Sandeep Bajoria, CEO ofSunvin Group, a vegetable oil consultancy firm. He added that a shortfall of soya crop by over 21 million tonne across the US and South America, firm crude prices and a drop in palm oil output in Malaysia as peak season closes were attributing to current firm edible oil prices.

However, analysts expect a correction in the coming months when mustard peak arrivals begin. "Indian prices are 20% higher and may see a correction in March end and beginning April when mustard arrivals peak," said Ahmedabad-based Paradign Commodities head Biren Vakil. According to second advance estimates, the oil seeds crop for 2011-12 is projected to drop by 6% to 30.53 million tonne owing to uneven rains in the kharif season and low pre-winter rains in the northern region. Analysts expect mustard production to be at 65-67 lakh tonne compared to 70 lakh tonne in 2011.

India's total edible oil imports are estimated at 6 million tonne while annual domestic consumption stands at about 13 million tonne.

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12 MAR, 2012, 04.43AM IST, BIKASH SINGH,ET BUREAU

Rainfall deficit delays first flush tea in Assam

GUWAHATI: Tea plantations in several parts of Assam are reeling under rainfall shortage. This has led to a delay in the arrival of first flush of tea leaf.

The first flush of tea, which comes at the beginning of March, and the second flush available in April, are considered to be very important. However, planters fear that the first flush tea will be available only by later this month.

Planters are finding it difficult to keep their gardens green in Sonitpur, Lakhimpur, Dhemaji, Golaghat, Nagaon and Darrang in northern Assam due to an unfavourable climate.

Mridul Hazarika, director of Tea Research Association's Tocklai Experimental Station in Assam, told ET: "Rainfall is less this year. This has affected production. We are collecting data to verify the deficiency. First flush of tea is delayed".

According to Bidyananda Barkakoty, chairman of the North Eastern Tea association, the first flush is very important and contributes significantly to the overall production. "If rains do not come now, our production will definitely decrease".

Last year, the state had witnessed bumper production, 508.74 million kg, which is the second-highest output in the history of 180-year-old Assam tea industry. Planters have taken to irrigation.

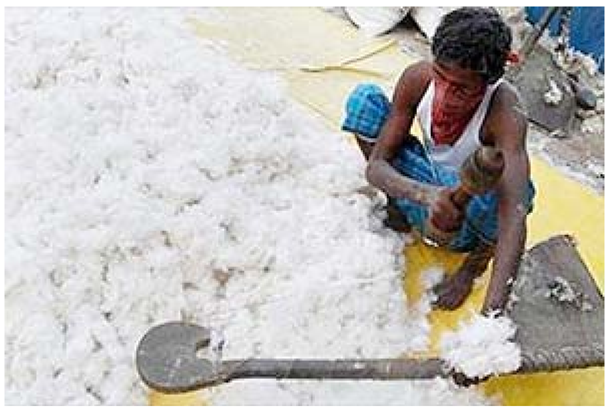
The All Assam Small Tea Growers' Association general secretary Karuna Mahanta said: "As things stand now, the first flush is likely to be delayed by 10-15 days. Generally, we get the first flush at the beginning of March. However, till now, we are yet to get the leaf. It is a drought-like situation."

He added that most small growers are not in a position to make arrangements for irrigation and around 5% are using 'spring-cooler'. "In the northern belt of Assam, there was hardly any rainfall during February," he added.

The Indian EXPRESS
JOURNALISM OF COURAGE

Govt to roll back ban on cotton exports

Agencies Posted online: Sun Mar 11 2012, 16:49 hrs



New Delhi : Buckling under pressure from its allies, the government today decided to lift the ban on cotton exports in the "interests" of farmers, industry and trade.

"Keeping in view the facts, the interests of the farmers, interest of the industry, trade, a balanced view has been considered by the Group of Ministers (GoM) to roll back the ban," Commerce Minister Anand Sharma said, adding that "a formal order to lift the ban will be issued tomorrow".

The decision was taken by the GoM, headed by Finance Minister Pranab Mukherjee, last Friday, after a directive from Prime Minister Manmohan Singh to "urgently" review the decision, amid stiff opposition from Agriculture Minister and NCP chief Sharad Pawar.

Gujarat and Maharashtra, two main cotton producing states, had also demanded immediate lifting of the ban imposed last week.

On March 5, the Commerce Ministry had imposed the ban on cotton exports on the grounds that the country had already shipped 10 lakh bales more than the exportable surplus and it had reduced the domestic availability.

However, Pawar, who heads Nationalist Congress Party -- a coalition partner in the UPA government-- had termed the ban "highly objectionable".

"They (Commerce and Textiles ministries) kept me in the dark. I came to know about this only after a notification was issued by Directorate General of Foreign Trade (DGFT)," he had said.

Early last week, the Textile Ministry had said the ban was imposed after taking into account "the trend of domestic consumption and depletion of domestic availability".

"Almost 94 lakh bales (170 kg each) have already shipped out, against an estimated export surplus of 84 lakh bales," the ministry had said. It feared the exports could reach 100 lakh bales by mid-March with registration of export contracts touching 120 lakh bales so far.

India is the second largest cotton exporter and 340 lakh bales of cotton production is estimated during this season.

Meanwhile, a delegation of Gujarat cotton farmers also met Sharma today, demanding lifting of the ban.

Business Standard

Monday, Mar 12, 2012

Global coffee production to be record in 2012-13

Bloomberg / London March 11, 2012, 0:09 IST

Global coffee output will climb to a record next season, as the crop in top global producer Brazil rises, according to CoffeeNetwork, a unit of INTL FCStone Inc.

Farmers around the world will harvest 146 million bags in the 2012-13 season, an increase of 8.1 percent from an estimated 135 million bags in 2011-12, Andrea Thompson, the Belfast-based head of research and analysis at CoffeeNetwork, said. The 2012-13 season starts in October in most countries. A bag of coffee weighs 60 kilograms (132 pounds).

Production in Brazil will jump to 56 million bags in 2012-13 as arabica trees enter the high-yielding half of a two- year cycle, Thompson estimated. Output in the current season will be 49.2 million bags, according to the US Department of Agriculture. The season in Brazil usually starts in July.

Coffee climbed to a 14-year high of $3.089 a pound in New York in May as Brazil's production dropped due to its biennial cycle and rains cut output in Colombia, the second-biggest arabica grower. Prices have fallen 39 per cent since then as traders sold the beans in anticipation of improved supplies.

"The tight supply situation in 2011-12 was one of the factors behind the rise in prices to multi-year highs," Thompson said. "The market is now well off those highs and there has been a growing feeling as 2012 progresses that there is currently more downside potential than upside for the market."

The global supply and demand balance may return to a surplus in 2012-13 after an estimated deficit of 1 million bags in the current season, according to CoffeeNetwork.

The price of robusta coffee will average $1,750 a ton to $1,850 a ton in the first quarter, she said. Robusta coffee for May delivery closed at $2,088 a tonne yesterday.

Small mills selling sugar export licences at premium

Dilip Kumar Jha / Mumbai March 11, 2012, 0:08 IST

Export licences have become a tradable commodity in the sugar industry, as small mills in Uttar Pradesh are selling export allocation certificates to their large counterparts.

Large mills like Shree Renuka Sugars, Shakti Sugars and Rajshree Sugars or multinational traders like Cargill and Sucden are acting as aggregators by buying export licences from small mills at a premium, generally equivalent to the surface transport cost, which works out to around Rs 2,000 per tonne.

“It is better to get something rather than nothing from the natural movement of sugar and allied products. Hence, most small sugar mills in Uttar Pradesh are selling export licences to export units in Maharashtra, Gujarat, Karnataka and Andhra Pradesh,” said G S C Rao, executive director of Simbhaoli Sugar Mills Ltd.

With the variation in sugar prices in the overseas market, the value of export certificates also changes. In this process, however, the buyer of the export licences takes the entire responsibility until the sugar is delivered to the importer.

This was anticipated when the government announced the first Open General License (OGL) in March 2011. Since export quota is distributed evenly among sugar companies, depending on the annual sugar output, small sugar mills sometimes get 5-10 tonnes of export allocation. This is too small a quantity for exports. Even overseas buyers hesitate giving orders to such small traders, said an analyst.

Small sugar mills in the hinterland cannot afford direct shipment of such small quantities of the sweetener. Hence, they sell the export licences to aggregators or large export houses. This helps the sugar mills save on the road transportation cost of between Rs 1,800 and Rs 2,000 a tonne besides pocketing an income of around Rs 2,000 per tonne for exchange of the certificates.

At the current prevailing ex-factory price of between Rs 2,900 and Rs 3,000 a quintal in Uttar Pradesh, the crushing mills have been incurring minimum loss of Rs 300–400 a quintal on massive increase in cane prices. At the current cane price of Rs 240-250 a quintal, the cost of manufacturing works out to between Rs 3,300-3,400 a quintal, according to data compiled by the Indian Sugar Mills Association (ISMA).

“This is a win-win situation for both parties. Since, large exporters dispatch a minimum container load of 2,500 tonnes, shipment becomes easy for them,” said an industry source.

According to Rao, setting up sugar mills in the hinterland – away from the coastal belt – has its inherent disadvantages.

For the current sugar year (October 2011–September 2012), the government has allowed two million tonnes of exports in anticipation of 26 million tonnes of domestic production.

NCDEX modifies guar contract to curb speculation

Dilip Kumar Jha / Mumbai March 11, 2012, 0:10 IST

In a move aimed at reducing speculation, the National Commodity & Derivatives Exchange (NCDEX) has modified all key provisions in the existing contracts of guar seed and gum. The changes have been made effective from March 12 in all running and new contracts.

The most significant of the changes is the nature of contract itself. From the existing 'intention matching' category contract, both commodities have now become a 'compulsory delivery' contract. That is, all open positions on the date of expiry will now be automatically converted into delivery from a situation where both parties to settle the contract at an amicable price earlier. According to Ajay Kedia, managing director of Kedia Commodity, a Mumbai-based broking firm, the move is a step towards trade-to-trade (T2T) system where buyers and sellers need to settle every time they punch their orders.

Also, the exchange has cut the trade size and delivery unit to one tonne from the existing 10 tonnes and five tonnes in guar seed and gum, respectively.

The move assumes significance, especially for small traders who exited from commodity exchanges due to massive speculation in the last one year. Rising prices of the commodity had made small traders redundant from the exchange platform, providing opportunity for large traders to manipulate prices further. Now, with the reduction in trade and delivery size, small traders can get back into the ring. Also, the change in the nature of trade would restrict the commodity to actual users only."This is an effort to bring these commodities in tune with the market requirements after due permission from the commodity markets regulator, the Forward Markets Commission," said Ananda Kumar, chief of corporate services at NCDEX.

According to Naveen Mathur, associate director, Angel Broking, "The decision will broaden participation of small traders on the exchange platform due to a decline in the cost of trading."

The FMC's efforts of raising overall margins by 60-70 per cent and suspending three Rajasthan-based traders for margin funding and related issues, have so far had little impact on curbing the price rise. Hence, analysts view this as the last resort to control rising prices.

Earlier, a sudden spurt in demand had pushed up sharply the prices of guar seed and gum. On the NCDEX, the guar seed contract for near-month delivery shot up by over seven times (716 per cent) in the last one year to currently trade at Rs 22,270 a quintal from the level of Rs 2,728 a quintal a year ago.

IN A NUTSHELL				
Particulars	Guar seed		Guar gum	
	Existing	New	Existing	New
Unit of trading	10 tonnes	1 tonne	5 tonnes	1 tonne
Unit of delivery	10 tonnes	1 tonne	5 tonnes	1 tonne
Tick size	Rs 1 / quintal	Rs 10/ quintal	Rs 2 / quintal	Rs 10 / quintal
Tender period	14 days	5 days	14 days	5 days
Nature of contract	Intention matching	Compulsory delivery	Intention matching	Compulsory delivery
Source: NCDEX				

Similarly, guar gum contract for near month delivery jumped around eight times (799.82 per cent) to Rs 68,700 a quintal on Friday, compared to Rs 7,746 a quintal a year ago.

"The regulator's role is to ensure participants do not face any difficulty. The modifications in the contract note are to smoothen delivery and other trade-related issues, if any," said an FMC official.

Meanwhile, fundamentals remain supportive for guar prices. The overall output of guar seed is estimated to decline by around 20 per cent to 12.5 lakh tonnes this year, compared to 15 lakh tonnes during the previous season.

THE HINDU Business Line

Soyabeans climb on growing global demand

M. R. Subramani

Tight supply, poor arrivals, demand from Iran push the prices

Chennai, March 11:

Soyabean prices have increased to record levels in the domestic market. This follows a bullish trend in the global market, poor arrivals and demand for oilmeal, especially from Iran.

On Saturday, soyabean prices in the spot market at Indore ruled at Rs 2,811 a quintal, up Rs 2,550 at the beginning of the year. Prices were ruling at Rs 2,347 during the same a year ago.

In the futures market, March contracts ended at Rs 2,799 a quintal on Saturday, while April contracts ended at Rs 2,856 and May at Rs 2,892.

In the global market, soyabean have zoomed to near six-month high of $13.3775 a bushel or about Rs 2,500 a quintal on the Chicago Board of Trade.

“Soyabean has gained because of bullish foreign markets. Funds and speculators have gone long as dry weather in Brazil and Argentina is feared to affect crop in South America,” said Mr Rajesh Agrawal, spokesperson of the Soyabean Processors Association of India.

During the weekend, the US Department of Agriculture cut Brazil soyabean output estimate to 68.50 million tonnes (mt) from February's forecast of 70 mt. The estimate of Argentine soyabean crop was seen lower at 46.5 mt against a projection of 48 mt made in February.

“Projections of lower rapeseed/mustard are also driving up soyabean prices,” said Mr Rajesh Agrawal. A survey carried out by the Solvent Extractors Association of India has projected this year's rapeseed/mustard output at 6.27 mt against 6.85 mt a year ago.

Iranian demand

“Lower rapeseed/mustard is one reason. But we think demand for soyameal from Iran is pushing up the bean market,” said Mr B.V. Mehta, Executive Director of Solvent Extractors Association of India. “Iran has become a big market for our soyameal. Even UAE, Turkey and Egypt are buying considerable amount,” said Mr Mehta.

According to Solvent Extractors Association of India's export data, Iran imported 1.9 lakh tonnes (lt) of oilmeals during April-February period of the current fiscal against 1.6 lt during the same period a year ago. Egypt's import of Indian oilmeals trebled to 1.22 lt against 31,212 tonnes. UAE's imports was lower at 70,314 tonnes against 80,966 tonnes a year ago.

Currently, soyameal is quoted at Rs 20,500-20,700 a tonne free-on-wheels Kandla against Rs 18,400-18,500 a year ago.

“Last year, we had exported four lakh tonnes soyameal to the entire Gulf region. This year, we may exceed it,” Mr Mehta said.

Rising oilmeal exports to the Gulf region comes at a time when China has suspended imports of Indian rapemeal from January 1. China imported over five lakh tonnes of oilmeal, mainly rapemeal, last year.

Mr Sunil Mukhati, a farmer near Indore, said that farmers with large holdings had held back soyabean and are now reaping benefits of it. “Big farmers who stored their produce for selling later are getting good price now,” he said.

Asked if higher prices were affecting solvent extractors, Mr Agrawal said that on a day-today basis there was disparity. “But large players are benefiting. They have been buying at various price points,” he said.

“One more reason for the rally in soyabean could be that the crop is lower than projected,” said Mr Mehta.

Production of soyabean, a kharif crop, has been estimated at 12 million tonnes this year by the Ministry of Agriculture against 12.7 million tonnes last year.

Arrivals fall at Kochi tea auction

Our Bureau

Kochi, March 11:

With the onset of summer in the hills of South India, production seems to have been affected and arrivals have declined at the Kochi Tea Auctions. There was 10.04 lakh kg of dust tea and 1.43 lakh kg of leaf tea on offer at the auction.

Dust sale

Prices at CTC dust auction remained firm with good liquoring teas quoting higher. Medium grades also moved up. Plain grades remained barely steady. AVT, Kerala State Civil Supplies Corporation, Tata Global and Vimal Tea were active on good liquoring grades along with loose tea traders.

Hindustan Unilever Limited remained selective while upcountry buyers lent fair amount of support. There was limited support from exporters. Primary grades remained firm to dearer at the orthodox dust auction. Secondaries remained steady. Bulk of the offerings at the orthodox dust auction was absorbed by upcountry buyers and exporters.

Prices of all Nilgiri grades showed a decline at the Orthodox leaf auction. A few grades sold at last week's levels. Medium grades remained barely steady to easier. Fannings remained steady at last week's levels. HUL was very selective and remained subdued at the orthodox leaf auction. Exporters operated with less strength. Fannings were absorbed by tea bag manufacturers and exporters.

Leaf sale

The CTC leaf market remained generally weak with some good liquoring grades selling at last week's levels. Exporters showed less interest while HUL lent fair amount of support. Upcountry buyers also lent lower support.

World Bank okays $50 m credit for Assam farm project

Mony K. Mathew

Kozhikode, March 11:

The World Bank has approved a $50-million additional credit for an ongoing agricultural project in Assam.

The Assam Agricultural Competitiveness Project (AACP) aims at increasing the productivity, profitability and market access of the farming community in the State. The focus is on mainstreaming management approaches and practices, strengthening the agriculture technology management agencies and making ground water usage more sustainable.

Investments in rural roads in select districts with low-cost construction and innovative bridge designs also form part of the project. The roads are meant to connect smaller habitations and for linking agricultural production with markets in a cost-effective manner.

A World Bank report says that according to the Planning Commission estimates of 1999-2000, about 36 per cent of the people in Assam live below the poverty line and the State is fourth in terms of poverty ratio. This is next only to Orissa, Bihar and Madhya Pradesh.

Mr Roberto Zagha, World Bank Country Director for India, said that the ongoing project had played an important role in raising the productivity and market access of targeted farmer groups of Assam. It has mobilised more than three lakh beneficiaries across the fishery, agriculture, dairy, forestry and livestock sectors.

The project investments will also focus on raising crop production through a combination of increased irrigated ‘boro' rice output, crop diversification, improved extension advice and wide-spread use of micro-nutrients. The additional World Bank credit will help scale up these project activities.

The credit will be provided by the International Development Association, the World Bank's concessionary lending arm, which extends interest-free loans with 25-year maturity period and a five-year grace period.

Govt to roll back cotton exports ban today

Our Bureau

New Delhi, March 11:

The Government will on Monday issue an order rolling back the cotton export ban that it had imposed on March 5.

The Commerce, Industry and Textiles Minister, Mr Anand Sharma, said in a statement on Sunday that “Keeping in view the facts, the interests of the farmers, interest of the industry, trade, a balanced view has been considered by the (Empowered) Group of Ministers to roll back the ban and a formal order will be made public tomorrow (Monday) by the Government.”

“Earlier, MPs from Gujarat had met the Prime Minister (Dr Manmohan Singh) and today (Sunday) our senior MP, Mr Ahmed Patel; Leader of Opposition in Gujarat, Mr Shakti Singh Gohil; Gujarat Pradesh Congress Committee President, Mr Arjun Modhwadia; met me and discussed the issue,” the Minister added.

The ban had brought the cotton trade to a halt in Maharashtra, Andhra Pradesh, Gujarat and Karnataka. This had left the farmers in the lurch, according to Mr Kishor Tiwari of Vidarbha Jan Andolan Samiti, an NGO.

Prices plummet

Following the ban, prices crashed to levels around Rs 3,000 a quintal from the Rs 4,200 last month. In some cases, farmers had even sold at Rs 2,500 a quintal at Adilabad in Andhra Pradesh and Ghatanji, Mr Tiwari said.

Mr Tiwari estimates that 30 per cent of the cotton produced is still lying with the farmers and an equal amount with the local ginners and traders. This means that there's very little domestic demand. Hence, the justification given by the Commerce Ministry (that an export ban was needed to ensure domestic supplies) is far from what's happening on the ground, he said.

The Maharashtra Chief Minister, Mr Prithviraj Chavan, who was in New Delhi on Saturday, raised the issue of the cotton export ban with the Centre, official sources said.

Mills purchase

Meanwhile, Mr S.V. Arumugam, Chairman, Confederation of Indian Textile Industry (CITI), has requested the textile mills all over the country to accelerate their purchases from farmers and ginners.

The Government has already prompted the Cotton Corporation of India (CCI) to ensure that the farmers' interests are protected. CCI is, therefore, expected to make procurements in all *mandis,* where the prices fall below the MSP.

Simultaneously, the textiles mills have also commenced procurement operations in the country. The Government believes that the price situation is unlikely to be adversely affected by the current decision for long.

The cotton export ban followed registration of over 12.5 million bales (of 170 kg each) of cotton for exports.