THE HINDU

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Farmer's Notebook — ‘Green basics’ aims to provide solutions to farming problems

M. J. Prabu

Ramana Killi driving the paddy transplanter. Photo: Special Arrangement

It offers several types of services to farmers at an affordable cost

There seems to be genuine concerns now that farming may be fast becoming a rich man's hobby; no more a poor man's livelihood.

“Nobody seems to be really bothering about the catastrophe waiting to happen to food production soon. Shrinking lands, declining crop yields and disinterested government policies are all driving this sector towards a dangerous end,” cautions Mr. Ramana Babu Killi, Executive Director, Green Basics, an agriculture start up company in Andhra Pradesh.

“Even the common man knows that this area is important for providing food and he needs to play a strong role in sustaining it, but an awareness is missing.

No change in lifestyle

“Most of the rural people are just not excited about agriculture. In the last 15 years the price of one kg of rice has risen from Rs 3-4 a kg to Rs 35-42 a kg.

“But the lifestyle of the farmer who grows the rice has deteriorated from bad to worse. The rise in price has not helped him live a better quality of life,” he says.Coming from a village in Srikakulam district, Andhra Pradesh and also a graduate in this line, Mr. Ramana says he nurtured an idea of trying to do something for the people in his region and thought that by starting an organisation would be a good move since it can give a shape to his ideas.

The result was Green Basics, started three years ago.“Through this I dream of providing a comprehensive solution to farmers' problems, from seed to seed and to make agriculture sustainable,” he explains.Presently Green Basics works among paddy farmers in AP to help boost production through mechanization and optimization. They offer integrated services to farmers – providing high quality seeds, cultivating saplings, mechanized transplantation of the saplings from the nursery to field, and post transplantation care. They charge around Rs 3,000 for their services.Their customers are typically small landholders, owning 1-2 acres of land.

Encouraging response

“So far the response from the farmers is great, as they are more than happy to pay for these services. Farmers benefit from increased savings, not having to pay for the seeds and labour, and above all a 20 per cent increase in production,” says Mr. Ramana.The start-up till date has worked with over 300 paddy farmers, ploughed over 250 acres of land, and trained 2,500 farmers on seed multiplication. It provided tablets to 40 farmers' clubs they have established across 40 villages.Mr. Ramana is really fired up by this initial success and looks to expanding soon. He has plans to cover the entire paddy growing region of Andhra Pradesh and then extend to the rest of India.

Mobile applications

He also wants to build mobile applications for farmers to access crucial information regarding crop performance and treatment.

He has already got onto implementing some of these with support from National Bank for Agriculture and Rural Development (NABARD).

“I am also conducting classes on social entrepreneurship, agribusiness, and sustainable development at Centurion University, Orissa. I realise one thing very clearly - It is easy to take classes on sustainability but very difficult to live and sustain on small lands here.

“Depending on the Government and expecting a proactive approach from Ministers and bureaucrats is a dumb man's dream. It is not going to happen. These people are too busy worrying about making money, getting commissions and saving their positions,” he says with a sigh.

Three years old

Though only three years old, the start-up emerged the National Winner at the iDiya social entrepreneurship competition, organized by the Indian School of Business and has recently been selected as the finalist by the Unreasonable Institute, U.S.Mr. Ramana is now trying to raise $10,000 in order to get accepted for the Unreasonable Institute 2012 program.

Helping entrepreneurs

Unreasonable Institute is a social start-up accelerator based in Colorado, US, which helps entrepreneurs with mentorship, exposure and capital to build their ventures.

For more details contact Mr. Ramana Babu Killi, at H.no- 15-59, church street, Somepeta, Srikakulam district, Andhra Pradesh, email: ramanakilli@yahoo.co.in, web: greenbasics.co.in, mobiles: 09493761711 and 08099152315.

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Question Corner: Fruit ripening

The process of fruit ripening is primarily regulated by a gaseous plant hormone called ethylene (CH). Photo: P.V. Sivakumar

How does an unripe fruit turn sweet a few days after it is plucked ?

SNEHA ANTONY, *Thiruvananthapuram*

Ripening is a physiological process involving the induction of a variety of metabolic process, making the fruit sweeter and more palatable. Plants send unique ripening signals using hormones and most of the processes are enzymatically regulated and catalyzed. The process of fruit ripening is primarily regulated by a gaseous plant hormone called ethylene (CH). This ethylene is produced and released by rapidly-growing plant tissues.

It is released by the growing tips of roots, flowers, damaged tissue, and ripening fruit. Hence, the act of picking matured green fruit can cause a wound which activates ethylene production and induce the ripening process.

This phytohormone (ethylene) is said to regulate the expression of several genes involved in fruit ripening so as to modulate the activity of various enzymes involved in the process of ripening. New enzymes are made because of this ethylene signal and they catalyze reactions to alter the characteristics of the fruit. These include hydrolases to help break down chemicals inside the fruits, amylases to accelerate hydrolysis of starch into sugar, pectinases to catalyze degradation of pectin.

In simpler words, the action of these enzymes causes the ripening responses. Chlorophyll is broken down and sometimes new pigments are made so that the fruit skin changes colour from green to red, yellow, or blue. The degradation of starch by amylase produces simple sugar. The breakdown of pectin, thanks to pectinase, results in a softer fruit. Acids are broken down so that the fruit changes from sour to neutral. Besides, these enzymes break down large organic molecules into smaller ones that can be volatile (evaporate into the air) and we can detect as an aroma.

However these phenomena will be observed only in climacteric fruits such as mango, apple, banana, guava, pineapple etc and these fruits are able to continue ripening after being picked, a process accelerated by ethylene gas. Non-climacteric fruits such as watermelon, strawberries and oranges, do not ripen after harvest.

U. SURENDRAN

Scientist, Centre for Water Resources Development & Management,Kozhikode, Kerala

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Controlling jumping lice in curry leaf

Jumping plant lice is the most destructive sucking pest of curry leaf.

This insect is active throughout the year and breeds from March to November. Adults are found under the leaf surface and hop out when slightly disturbed.

Type of injury

The damage is caused mostly by nymphs than the adults. Leaf curling, defoliation and death of shoots may result from the attack.

The bugs also inject certain toxins along with saliva which cause drying and death of branches.

Besides they excrete honey dews resulting in the superficial black coating on the leaves.

The damage is so long lasting that the branches look sickly and the vitality of the plants deteriorates. The plant stops growing.

Pest biology

Adults are brownish bugs, measuring about 2 to 3 mm long. Eggs are laid in tender shoots and leaves.

About 800 orange coloured eggs are laid in the folds of half opened leaves. They hatch into nymphs in three to five days and appear flat, circular and yellowish.

Nymphal period ranges from 9 to12 days. Adults may live for about six months during winter. They are eight to nine overlapping generations in a year.

Control methods

Since fresh curry leaves are directly used as condiment, much care should be taken while treating with toxic pesticides. Further it is advisable to use less poisonous materials as far as possible.

— Prune and destroy bug infested twigs.

— Light and sticky traps may be fixed to capture the adults. Dusting of cow dung ash is an organic way.

— Several species of ladybird beetles predate upon the nymphs.

— Use of Beauveria bassiana formulation is a safe bio control method.

— Spraying of botanicals such as 5 per cent Neem seed kernel extract or 0.03 per cent azadirachtin is an ecofriendly method.

— Application of fish oil rosin soap at one part in 25 parts of water will be highly effective against this sucking pest.

— In case of severe infestation, insecticides such as malathion 0.05 per cent, carbaryl 0.1 per cent, acephate 75SP at1g/lit, triazophos 50EC at 2.5ml/lit should be sprayed.

Jayaraj & Manisegaran,*Agricultural College and Research InstituteMadurai*

March 15, 2012

Farm query

C0-4 GRASS SLIPS

Is there any person growing CO-4 grass slips for cattle In Kanchipuram district, Tamil Nadu?

L. Vijayalakshimi,*Chennai*

Compared to CO-3, C0-4 grass slips are relished by cattle for their more juicy and slender stalks. The grass growth is dense and animals like the the taste. You can contact Mr. B. Chandramouli, mobile- 9444305487 at Pushpagiri, Sethupaati village near Padapai, Sri Perumbudur taluk, Kanchipuram district for your requirements.

NEW DELHI, March 15, 2012

Inflation inches up to 6.95 per cent

Throwing cold water on hopes of a rate cut by the Reserve Bank of India (RBI) on March 15, headline inflation inched up yet again to 6.95 per cent in February on account of rising prices of pulses, vegetables and other protein-rich edibles.

Even as a section of corporates have been looking forward to an easing in interest rates to help spur manufacturing activity, the U-turn in WPI (wholesale price index)-based inflation from 6.55

per cent in January may deny India Inc. that comfort for at least another month although the fresh inflationary bout is mainly owing to food items.

As per the official data, inflation in food articles surged to 6.07 per cent in February year-on-year from its negative zone stay at (-) 0.52 per cent in January.

Manufacturing sector

However, inflation showed a declining trend in manufactured items to provide some relief. With a weight of nearly 65 per cent in the WPI, manufacturing sector inflation decelerated to 5.75 per cent year-on-year in February from 6.49 per cent in the previous month.

Finance Minister Pranab Mukherjee sought to derive comfort from the downward trend in manufacturing sector inflation and hoped that headline inflation would settle at about 6.5 per cent by the end of this fiscal. “Food inflation, particularly, has gone from negative to 6 per cent plus ... [in] primary food articles [inflation] there has been sharp increase … I do hope if this trend [in manufacturing inflation] continues, then we will end the year with around 6.5 per cent [inflation] ...,” he said.

“I don't think that RBI would take further action in the [mid-quarter] policy review,” State Bank of India Chairman Pratip Chaudhuri said.

KAKINADA, March 15, 2012

Roundtable held on paddy, coconut price

A roundtable conducted by Bharatiya Kisan Sangh on price and marketing of paddy and coconut at Gandhi Bhavan here on Wednesday passed a resolution demanding that the minimum support price for paddy must be fixed at Rs. 2,457 per quintal and the same for coconut at Rs. 5,100 per quintal.

Ryots take part

The roundtable was chaired by J. Kumara Swamy, State unit secretary of the kisan sangh, in which farmers from various parts of the district participated.

Complaint

They complained that both paddy and coconut remained non-profitable to the farmers in the wake of spiralling increase in input costs.

District president of the sangh Gopu Narayana Murthy, State unit general secretary Yellapu Suryanarayana, secretary Mutyala Rama Nagendra Prasad and others were present at the roundtable meeting.

ELURU, March 15, 2012

Pest brings distress to farmers

Heavy loss:Farm workers carrying black gram plants for threshing in a field near Satynarayanapuram in West Godavari district. –Photo: A.V.G. Prasad

Yellow mosaic virus (YMV), a pest in black gram locally known as Pallaku Tegulu, has ruined Gottumukkala Suryanarayana Raju, a farmer from Kommuchakkala in Penugonda mandal of West Godavari district. He raised the crop in five acres by investing Rs.1 lakh but the returns failed to cross Rs.15,000.

He reaped hardly one quintal per acre as against the average yield of 5-7 quintals. Twenty per cent of the pest-hit crop was abandoned by the growers in the fields itself in his village.

Vytla Vidhyadhar from Achanta gave away the pest-infested crop in three acres for fodder. He failed to recover even labour charges. Pilla Veerraju could not get even a single grain from the crop in five acres at Penumadam in Poduru mandal. The pest attack has been widespread, affecting farmers in both Krishna and Godavari delta systems.

It has turned out to be a double whammy for the farmers who raised the black gram as an alternative crop in rabi in view of the closure of canals for want of water in the Krishna and Godavari rivers. The crop was raised in 50,000 ha in the western delta in the district alone with seed supplied by the government and private agencies which, however, failed to resist the pest.

”A tiny insect called white fly acts as a vector carrying the pest from plant to plant. And the leaves turn yellow immediately after the attack resulting in the plants developing the signs of non-flowering and non-formation of grains in early stages”, explains Phani Kumar, Coordinator of the District Agricultural Advisory and Transfer of Technology (DAART) Centre, Eluru.

Kommana Ratnakara Rao, whose joint family from Vatluru on the city outskirts suffered heavy losses due in 50 acres, blamed the Agriculture Department for its alleged failure to supply the pest-resistant seed. The officials, however, have said the ‘lapses in pest management practices' by farmers have led to the situation. Market vagaries too played their part.

Drop in price

The price dropped from Rs.3,600 to Rs.3,100 per quintal within a fortnight and the fall is likely to continue as a result of import of pulses, including black gram, in huge quantities by the Central government from Myanmar, according to Yerneni Nagendranath of the Andhra Pradesh Rytanga Samakhya.

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Will request Government to hike crop compensation, says DC

The farmers had lost crops by giving up land for Dabhol-Bangalore gas pipeline

HEARING:Deputy Commissioner Vipul Bansal chairing the meeting with farmers and GAIL officials in Chitradurga on Wednesday.

Deputy Commissioner Vipul Bansal assured farmers that he would recommend to the Government to provide higher compensation for the crop loss they had suffered by giving up land for the Dabhol-Bangalore gas pipeline.

The Gas Authority of India Limited (GAIL) has taken up the project, which passes through the Chitradurga and Hiriyur taluks of the district.

In the meeting convened here on Wednesday on the request of the farmers, Mr. Bansal said that though it was not possible for him to increase the compensation as he was not authorised to do so, he promised to request the Government to take steps.

Several farmers and members of the Karnataka Rajya Raitha Sangha who were present at the meeting accused GAIL officials of delaying the release of compensation.

They said that as per the agreement, GAIL was supposed to provide crop compensation after every three months but alleged they were taking more than six months to release it.

“I have visited the GAIL office in the city at least a dozen times and spent at least Rs. 1,000 to get the compensation amount, yet the officials did not release compensation on time,” complained one farmer. Mr. Bansal ordered GAIL officials to prepare a list of such farmers and provide Rs. 1,000 each to them as travel expenditure. Several farmers urged Mr. Bansal to ensure the filling up of land with fertile soil as they complained that during the laying of pipes, the heavy machines had removed an upper layer of fertile soil. The Deputy Commissioner made it clear that he would not compromise on the issue.

“You (the officials of GAIL) should see to it that within 15 days, the non-fertile soil is replaced with fertile soil. This work should be done without any delay,” he said. Mr. Bansal also directed the officials of GAIL and Assistant Commissioner N. M. Nagaraj to keep him updated about the status of the work on a weekly basis.

· *‘Not possible for Deputy Commissioner*

to increase the compensation'

· *GAIL directed to give Rs. 1,000 to farmers who come frequently to its office in Chitradurga*

hindustantimes
Thursday, March 15, 2012
Press Trust Of India
New Delhi, March 14, 2012
First Published: 12:08 IST(14/3/2012)
Last Updated: 23:54 IST(14/3/2012)

Inflation up at 6.95% in February

Inflation rose to 6.95% in February because of a sharp increase in food prices, especially vegetables and protein-based items. Inflation, as measured by the Wholesale Price Index (WPI), was 6.55% in January. In February last year, it was 9.54%. As per the official data released on Wednesday, food inflation was 6.07% in February against (-)0.52% in January.

Pulses turned expensive by 7.91% and vegetables by 1.52% during February. Prices of vegetables had declined by 43.13% in January.

Finance minister Pranab Mukherjee on Wednesday said there is inflationary pressure, but expressed the hope that the rate of price rise will come down to 6.5% by March-end.

He said although inflation in the manufactured goods is above 5%, there has been some easing. Manufactured items have a weight of around 65% in the WPI basket.

"I do hope if this trend continues then we will end the year with around 6.5% (inflation)...," Mukherjee told reporters here.

weather

Delhi - INDIA

Today's Weather

Partly Cloudy

Thursday, Mar 15

Max	Min
25.8º	14º

Rain: 00 mm in 24hrs
Humidity: 63%
Wind: Normal

Sunrise: 7:14
Sunset: 17:48
Barometer: 1015

Tomorrow's Forecast

Sunny

Friday, Mar 16

Max	Min
29º	12º

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday
Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
33º | 14º	34º | 16º	36º | 18º	37º | 19º	38º | 19º
Sunny	Sunny	Sunny	Sunny	Sunny

The Indian EXPRESS
JOURNALISM OF COURAGE

February inflation rises to 6.95 pct

Agencies Posted online: Wed Mar 14 2012, 12:13 hrs

New Delhi : Inflation rose to 6.95 per cent in February because of sharp increase in food prices, especially vegetables and protein-based items.

Inflation, as measured by the Wholesale Price Index (WPI), was 6.55 per cent in January.

In February last year, it was 9.54 per cent.As per the official data released today, food inflation was 6.07 per cent in February against (-)0.52 per cent in January.

Pulses turned expensive by 7.91 per cent and vegetables by 1.52 per cent during February. Prices of vegetables had declined by 43.13 per cent in January.

Besides, egg, meat and fish prices rose 20 per cent during the month, from 18.63 per cent in January.Milk became expensive by 11.70 per cent, while rice and cereals turned costlier by 1.53 per cent and 1.71 per cent respectively.However, prices of potato and onion declined by 2.22 per cent and 48.50 per cent year-on-year in February.Food articles have 14.3 per cent share in the WPI basket.Prices of manufactured items, which have a weight of around 65 per cent in the WPI basket, went up by 5.75 per cent year-on-year in February, as against 6.49 per cent in the previous month.The headline inflation numbers for December was revised upwards to 7.74 per cent, from the provisional estimate of 7.47 per cent.Inflation in manufactured items has been high since February 2011, when it crossed the 6 per cent mark.

Among manufactured items, iron grew dearer by 15.82 per cent and edible oil prices rose by 7.57 per cent, year-on-year. The cost of tobacco products moved up by 10.10 per cent and basic metals became 10.44 per cent expensive.

Inflation in overall primary articles was 6.28 per cent in February on annual basis. It was 2.25 per cent in January.

Non-food primary articles, which include fibres and oilseeds, showed moderation to (-)2.56 per cent in February.In January, inflation was 0.55 per cent.Inflation in the fuel and power segment was 12.83 per cent on an annual basis. The rate of price rise was 14.21 per cent in the previous month.Experts said the rise in inflation, driven by prices of food articles, will keep the pressure on the government to remove supply side bottlenecks.

Headline inflation was near double digit for most of 2010 and 2011. The apex bank hiked key policy rates 13 times, totalling 350 basis points between March 2010 and October 2011 to tame inflation.

Although RBI has resorted to injecting liquidity of Rs 48,000 crore into the financial system, by reducing Cash Reserve Ratio for banks, it has also called for fiscal steps by the government to combat inflation.

By ENS Economic Bureau
15 Mar 2012 02:43:34 AM IST

At 6.95%, Inflation back to haunt government

NEW DELHI: Reversing its declining trend since October, headline inflation increased marginally in February to 6.95% on higher food prices, especially of pulses and protein-based items leading to expectations that the Reserve Bank of India may not announce its much-anticipated interest rate cut at its monetary policy review on Thursday.

In January, headline inflation was at 6.55%. It stood at 9.54% in the year ago period.

With inflationary pressures remerging, Finance Minister Pranab Mukherjee hoped that headline inflation may soften to 6.5% by March end.

“I do hope if this trend continues then we will end the year with around 6.5 per cent inflation...,” he said.

Planning Commission Deputy Chairman Montek Singh Ahluwalia projected the headline inflation rate to remain below 7% during March.

According to government data released on Wednesday, inflation in food articles accelerated sharply to 6.07% in February compared to -0.52% in the previous month. It was at 10.95% in the corresponding month of previous fiscal. Food articles have a 14.33% weightage in the WPI basket. Pulses turned expensive by 7.91 per cent and vegetables by 1.52 per cent. Prices of vegetables had declined 43.13 per cent in January.

Prices of manufactured products, which have a weightage of nearly 65% in the WPI basket, increased by 5.75% in February as against 6.49% in the previous month. It stood at 6.26% in the year ago period.

Expressing concern over the rise in February headline inflation rate, industry chambers made a strong pitch for adequate supply side responses to address the structural bottlenecks facing agriculture production and distribution.

“At a time when the industry is already reeling under the impact of an investment led slowdown caused by tightening monetary policy of RBI and with manufacturing sector growing at a modest

4.4% during April- January 2011-12, the upturn in inflation spells bad news for industry," said CII Director General Chandrajit Banerjee.

Meanwhile, most analysts and economists feel RBI will not tinker with policy rates in its mid-quarterly policy review meeting as it has already injected `48,000 crore liquidity last week by reducing Cash Reserve Ratio by 0.75%.

"With inflation still a problem and the growth side of the economy improving we see little chance of an interest rate cut on Thursday," said Glenn Levine, Senior Economist, Moody' s Analytics.

THE TIMES OF INDIA

Inflation rises to 6.95 pc in February

PTI | Mar 14, 2012, 12.30PM IST

NEW DELHI: Inflation rose to 6.95 per cent in February because of sharp increase in food prices, especially vegetables and protein-based items. Inflation, as measured by the Wholesale Price Index (WPI), was 6.55 per cent in January. In February last year, it was 9.54 per cent. As per the official data released today, food inflation was 6.07 per cent in February against (-)0.52 per cent in January. Pulses turned expensive by 7.91 per cent and vegetables by 1.52 per cent during February.

Prices of vegetables had declined by 43.13 per cent in January. Besides, egg, meat and fish prices rose 20 per cent during the month, from 18.63 per cent in January. Milk became expensive by 11.70 per cent, while rice and cereals turned costlier by 1.53 per cent and 1.71 per cent respectively. However, prices of potato and onion declined by 2.22 per cent and 48.50 per cent year-on-year in February. Food articles have 14.3 per cent share in the WPI basket. Prices of manufactured items, which have a weight of around 65 per cent in the WPI basket, went up by 5.75 per cent year-on-year in February, as against 6.49 per cent in the previous month. The headline inflation numbers for December was revised upwards to 7.74 per cent, from the provisional estimate of 7.47 per cent.

Business Standard

Thursday, Mar 15, 2012

Rise in edible oil imports may hurt refiners

Dilip Kumar Jha / Mumbai March 15, 2012, 0:18 IST

In a major threat to domestic refiners, the share of refined edible oil import has almost trebled in the first four months of the current oil year (November 2011 to October 2012). Reason: A change in export duty structure by Indonesia, a major supplier of the cooking ingredient to India.

In February, the import of refined edible oil was reported at 304,048 tonnes, About 35 per cent of the overall veg oil import. The total refined oil import was recorded at 110,050 tonnes in November, 13 per cent of the overall imports during the same month. Overall, vegetable oil import, according to data compiled by the Solvent Extractors' Association (SEA), was witnessed at 872,293 tonnes in February, compared to 827,684 tonnes in November.

Since refined edible oil does not require further processing, the commodity is directly packed for bulk and retail sales. Therefore, the rise in refined oil import would directly reduce operating capacity of domestic refiners which the Indian corporates have built over the last several years at an investment worth crores of rupees. Many refiners at various ports have started packing imported refined edible oil in small size container and are selling directly to stockists and retailers.

Many refiners, according to the SEA, have already started imports of refined edible oil for packing in their premises. "If the trend continues, the refiners' operating capacity would reduce to 30 per cent from the existing 50 per cent until last month," said B V Mehta, executive director of the trade body. "Since, the import of refined edible oil has escalated in February, the impact would start in March."

In turn, import of crude edible oil has declined by a staggering 22 percentage points in overall imports of vegetable oils in the last four months. Crude edible oil import shared 87 per cent at 717,634 tonnes in the overall import of vegetable oil in November 2011, which declined to 65 per cent at 568,245 tonnes in February 2012. Overall vegetable oil imports during the first four months of the current oil year, however, has jumped four per cent to 872,293 tonnes from 827,684 tonnes.

Domestic refiners are struggling to use their full operating capacity. India has currently 18-20 million tonnes of overall refining capacity.

In order to promote domestic refiners, the government of Indonesia had, late last year, levied a 16.5 per cent export duty on crude edible oil, while it was reduced to eight per cent for refined edible oil.

For Indian importers, procurement of refined edible oil (refined, bleached and di-odised) makes sense, as the spare (price difference between crude and refined oil) had narrowed down to $30 a tonne in Indonesia in February, compared to $70-80 a tonne earlier. Considering Rs 3,000 a tonne of refining charges locally, the edible oil processed by domestic refiners becomes costlier as compared to imported oil. Hence, direct import of refined oil makes more sense, said an official with one of India's largest refiners.

To counter the plight of domestic refineries and reduce threat of jobless claims to be emerged in the near future, Mehta said the SEA has recommended the government to revise tariff rate in tandem with prevailing price and levy similar import duty on refined edible oil immediately. The edible oil import tariff has not been revised for the last several years. It currently works out a third of market price.

"This would not impact consumers at all," said Mehta. "The upward revision in tariff will only increase the import of crude oil. That will benefit domestic refineries."

London-based Godrej International Ltd has forecast India's vegetable oil import to set a new record this year at 9.4 million tonnes. "This would be on account of reduced supply from domestic sources," according to Dorab Mistry, its director.

Indonesia, Malaysia and Argentina are the three major source of veg oil supplies globally.

Stella sweetens Indian cocoa's fortunes

This is one of those rare accounts of a foreign company that wouldn't give up on its Indian partners despite repeated failures. Corporate India could learn from it

T E Narasimhan / Idukki/ Wayanad/ Kerala March 15, 2012, 0:14 IST

An Indian wins the Olympic 100-metre dash. Indian beer becomes the toast of the world. Indian cocoa is selected by finicky Swiss chocolate company for use in its sweets—all seemingly improbable events on a global stage that may never happen in the foreseeable future. Except that the last bit about the Swiss chocolate company is—as unbelievable as it sounds—true. Fifty years after India started growing Cocoa in Kerala—currently still the largest cultivator of the crop in the country—a Swiss company has begun importing Indian-grown cocoa for use in its dark chocolate, while clearly advertising its source country on the wrapper.

Chocolat Stella is a family-owned business with a long history of producing quality chocolates in Switzerland and is globally recognised as a specialty chocolate maker. For the last fifteen years the company has been focusing on making organic chocolates, especially from developing countries such as Ecuador and Brazil. Stella's Indian version—a 70 gm bar comprises of 72 per cent cocoa—was released globally in January at the International Confectionery Fair held in Cologne in Germany. The event was called 'Incredible India'—a suitable moniker considering the country has never met the rigorous quality benchmarks for cocoa production that the Swiss are famous for.

However, what makes this story truly incredible, perhaps even bizarre—and heartwarming—is the extraordinary efforts that the Swiss company took in reaching out to Kerala's farmers, educating and guiding them—despite repeated failures—in order to make this event a reality. It is as much a story about winning cross-border alliances and stick-to-itiveness as it is about sound business practices.

Banding together

The eighties weren't the rosiest of times for cocoa farmers, who found that demand for the crop plummeted after their one primary buyer stopped procuring from them, causing many to hack their plants down and use the land for other crops for lack of a better alternative. This tortured memory was probably a major incentive for Kerala farmers, in the 2000s, to begin searching for other ways to market their produce for better prices. They soon came to know that organic products got better prices abroad, but realised that achieving such standards would require an organised effort. Thus, the Indian Organic Farmers Producer Company Ltd (IOFPCL) was born.

The IOFPCL started with 800 farmers and today has 2,000 of them from Pallakad, Kannur, Waynad and Idukki districts of Kerala. The company's 1500 shares are now held by these farmers. It wasn't an easy beginning. Between 2004 and 2008, the company was not able to find a single buyer overseas, and customers who were interested were not able to match the price that the company was quoting says P J Chackochan, chairman, IOFPCL, who was with MS Swaminthan foundation earlier and is now a farmer in Waynad.

Consequently, the company began selling its products in the domestic market for four years and soon racked up debts of Rs 25 lakh with the State Bank of India. The bank ended up lending money to the company against Chackochan's property and was used to procure pepper. Again, the company could not sell it due to the mismatch in prices.

The big break

The real break for the Kerala farmers came in 2008 when the company decided to participate in a fair in Germany. There, IOFPCL got an order to supply coffee to an agent. In 2009, the same agent also procured cocoa from these farmers, which was supplied to chocolate manufacturers including Stella, one of the oldest chocolate brands in the World.

Fifteen years ago, Chocolat Stella did try and import cocoa products from a Kerala company but the venture fizzled out because the cocoa was of poor quality. Yet, for whatever reason, it decided not to give up on the country. It had first become interested in India because of Antony Panakal, one of its export managers, who has worked with Chocolat Stella for 30 years. When Panakal came to know about IOFPCL, he approached the company directly and asked them to send samples. “When we first sent the sample, it was not accepted due to some processing issues. Moisture level in the Cocoa was 20 to 30 per cent, whereas Stella wanted the same in the range of 6 to 8 per cent, which is essential for the chocolate to taste better,” said Joykutty Vincent, Director, IOFPCL.

Stella then sent one of its technical heads along with Panakal to India to appraise the situation on-ground. The Stella team ended up giving farmers valuable tips for improving the drying and fermenting of beans which are important post-harvest processes. IOFPCL then exported the lot—only to find them of sub-par quality again. This should have effectively buried any chance of the Kerala farmers making any progress with international sales.

Yet, it didn't. Not only did Stella decide to keep at it—in fact, it upped the ante. It invited four Kerala farmers—PJ Chakochan from Wayanad, Joykutty Vincent from Kannur, Dr Joshy V Cherian from Coimbatore and Vivek Mathew from Mannarkad—to its Switzerland-based factory for a one-week training stint. There, they got some first-hand experience of how delicate the process of working with Cocoa beans is, where a slight error in processing or methods could mar the entire effort. Technical assistance to the farmers continued for a year or so. "We are now able to maintain that level, thanks to Stella's efforts. Today, among the 20 countries which supplies cocoa to Stella, Indian cocoa is on the top of the table," Chackochan said.

Stella even went one step ahead and gave the farmers interest-free loans to set up nurseries, processing centres and transportation. 2009 was a historic year for the Kerala farmers—a batch of their beans was finally accepted by the discerning company. "Our relationship is only with Stella, whatever we produce they take and it will continue to remain the same," says Chackochan. Stella's requirement is 5,000 tonnes every year, of which 23 tonnes are currently supplied by IOFPCL which doesn't deal with middlemen but with companies like Stella directly. The estimated value of the business to Stella is around Rs 1.2 crore and the company expects this will triple in the next three years. According to Chocolat Stella, the fruits, spices and cocoa grown by the members of the IOFPCL cooperative are of high quality, organic and Fair-Trade certified.

The Fair-Trade premium prices guarantee the small farmers better revenues, enabling them to improve their living conditions and enhance the welfare of their communities and consequently contribute to sustainable development. "We made a profit of Rs 26 lakh last year, of which we paid back the loan of Rs 25 lakhs, now we are a debt-free company and next year we are planning to give 15 per cent bonus to the members," said Chackochan.

This should be sweet music not just to Kerala cocoa growers, but to anyone who believes that fairytale stories such as this are possible today.

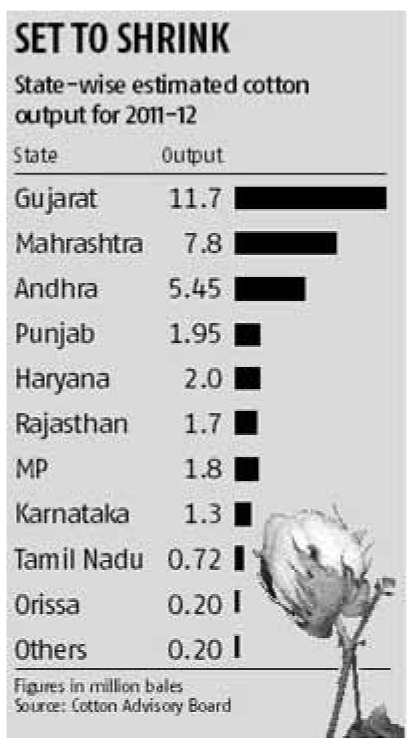
Area under cotton may decline on policy flip-flops

Komal Amit Gera / Chandigarh March 15, 2012, 0:57 IST

The continuously changing policy of the government regarding cotton export may see farmers shift from sowing cotton to other crops in the coming season. Frequent changes (policy revised seven times since May 2010) and their consequent impact on prices in the domestic market have put farmers and ginners in a tizzy.

Maharashtra and Gujarat, the major producing states, may register the highest fall in production. These two states have been witnessing lacklustre trade since the past few days. Ginning mills are operating at 25-30 per cent of capacity in Gujarat and are almost non-functional in the Vidharbha belt of Maharashtra. Due to this, farmers are mulling crops other than cotton, depending on the climate and topography of the region, for the next kharif season.

The price of raw cotton (Shankar-6) fell in many centres to Rs 3,350 a quintal — nudging the the minimum support price of Rs 3,000 a quintal.



A ginner from the Yavatmal district of Maharashtra told Business Standard the high cost of cotton seeds (Rs 1,200 for 450 g) and the fluctuating price of cotton may force farmers to switch to crops like sugarcane, jowar, moong and soybean.

In Vidarbha, cotton is the major crop. According to farmers, soybean and jowar can be the alternative crops. Cotton acreage is likely to fall 30 per cent in the region, as the land is not very fertile and there is less potential for crops other than cotton.

In the Marathwada belt, sugarcane, soybean and moong can be grown in addition to cotton. Farmers anticipate a substantial fall in cotton acreage as the land is suitable for the other crops as well.

Besides high cost of seeds, rising labour cost is also a big hurdle. According to Krishan Lal Swami of Siddhi Vinayak Cottsin, Ralegaon, the cost of plucking cotton flower is too high due to labour scarcity in the hinterland. “Labour charges are up to Rs 400 a day, unviable if we do not get consistent buyers,” he said. As small farmers and ginners don’t have holding capacity, the frequent changes in demand and supply makes the business unremunerative, Swami added.

Farmers in Punjab may shift more land to paddy this season, said Jagtar Singh Mehma, a Bhatinda-based farmer. In Haryana and Rajasthan, guar is catching the fancy of farmers. The return on guar increased five-fold in a year from Rs 4,500 a quintal last year to Rs 23,000 a quintal this year.

Sushil Mittal, president of the Haryana Cotton Ginners’ Association, said there may be a diversion of about 70 per cent area from cotton to guar in Rajasthan and about 30 per cent in Haryana.

“Guar seeds are cheaper and irrigation and labour requirement is less, so it is more viable for farmers in this belt,” he added. Area under cotton rose by over 500,000 hectares last year, from 1.44 million hectares in 2009-10, owing to unprecedented demand for cotton and lucrative prices.

Business Line

Oil prices mixed in Asia

Singapore, March 15:

Oil prices were mixed in Asian trade today, as investors weighed concerns over a supply disruption in West Asia and a surge in US crude stockpiles, analysts said.New York's main contract, light sweet crude for delivery in April, was up 25 cents at $105.68 while Brent North Sea crude for April delivery shed eight cents to $124.89 in the morning trade."Crude prices have broadly stalled, albeit at relatively high levels," said Mr Sanjeev Gupta, head of the Asia-Pacific oil and gas practice at financial services firm Ernst & Young."Supply concerns are keeping prices elevated, but concerns are rising that high prices will undermine potential demand growth," he said in a commentary.Figures released by the US Department of Energy (DoE) yesterday showed crude stocks were at a nine-month high after rising by 2.5 million barrels last week. A rise in crude inventory is seen as a sign of weakening demand.The DoE in the weekly report said total products supplied to the market over the past four weeks were down 5.4 per cent from a year ago, with unseasonably warm weather continuing across much of the country.Meanwhile, continued tensions between crude producer Iran and the West remain a key concern for traders, analysts said.Iran yesterday condemned what it said was the use of oil as a political tool against producers, referring to Western sanctions over its controversial nuclear programme. Tehran has repeatedly said its nuclear activities are exclusively peaceful.

Low arrivals perk up tur, urad

Indore, March 14:

Weak arrival and improved demand perked up tur (Maharashtra) by Rs 25 in *mandis* here to Rs 3,650-3,675 a quintal on Wednesday.

Tur (Nimari) ruled at Rs 2,800-3,000 and red tur at Rs 3,000-3,500 a quintal. Lower arrivals, as *mandis* remained closed for holidays, have pushed up tur in the past few days. Tur (Maharashtra) has gone up Rs 100-125 a quintal in the past week. A stronger tur lifted its dal, with tur dal (full) being quoted at Rs 5,350-5,400 a quintal (Rs 5,300-5,350), tur dal (sawa no.) at Rs 4,400-4,425 a quintal (Rs 4,300-4,400) and tur marka at Rs 6,000 a quintal.

Urad

Urad improved marginally on weak arrival and slight rise in prices of imported urad in Mumbai. Urad (bold) ruled at Rs 3,550-3,600 a quintal, while urad (medium) ruled at Rs 2,800-3,000 a quintal. Urad dal ruled stable despite subdued demand with urad dal (average) at Rs 3,350-3,800, urad dal (bold) at Rs 4,400-4,450 and urad mongar at Rs 5,200-5,400 a quintal.

Chana

Uptrend continued in chana on weak arrival and improved buying support. Continuing its uptrend chana (kanta) on Wednesday perked up to Rs 3,575-3,600 a quintal (Rs 3,500-3,525). Buying support to spot chana also perked up its dal with chana dal (average) being quoted at Rs 4,300-4,325 a quintal (Rs 4,275-4,300), chana dal (medium) at Rs 4,400-4,425 a quintal (Rs 4,375-4,400), while chana dal (bold) ruled at Rs 4,525-4,550 a quintal (Rs 4,500-4,525).

Pepper drops on bearish sentiment

G. K. Nair

Kochi, March 14:

The pepper market fell sharply after rising steeply yesterday on selling pressure from bear operators and Karnataka dealers in the upcountry markets on Wednesday.

Adding fuel to the fire, local arms of multinational companies were trying to create a pressure for selling even validity expired physical pepper at Rs 15 below Apr delivery price and that has also aided the price fall.

However, the buyers were not keen to buy saying why should they take delivery of validity expired material and take the risk of quality when they can buy Mar delivery which is trading at Rs 10 below Apr prices.

At the same there may be chances of getting valid stocks also from the exchange platform, market sources told*Business Line.*

Vietnam shipments

There was liquidation in Mar and Apr while May showed switching over. There was no selling pressure of farm grade pepper.

At the same time rumours were also being spread that several containers carrying pepper from Vietnam had landed at various Indian ports aimed at pushing the prices down here, they alleged.

TN trade

Meanwhile, primary market dealers were said to be getting good orders from Tamil Nadu-based interstate dealers in Gudalur and Erode which are emerging as a major hub not only for turmeric but also for pepper, the trade here claimed.

Since there is no VAT levied in TN they were buying pepper from here and dispatching from there to north Indian markets, they said.

Mar contract on the NCDEX fell by Rs 1,240 to the LTP of Rs 40,110 a quintal.

Apr and May decreased by Rs 735 and Rs 620 respectively to the LTP of Rs 41,480 and Rs 41,885 a quintal.

Turnover up

Total turn over increased by 709 tonnes to 11,766 tonnes.

Total open interest dropped by 367 tonnes to 10,037 tonnes showing good liquidation.

Mar and Apr open interest decreased by 353 tonnes and 108 tonnes respectively to close at 1,570 tonnes and 6,454 tonnes.

Spot pepper dropped by Rs 500 to close at Rs 38,000 (ungarbled) and Rs 39,500 (MG 1) a quintal.

Indian parity in the international market was at $8,400 a tonne (c&f) and $8,800 a tonne (c&f) US and remained much above other origins.

Overseas trend

Price indications from Vietnam today, according to an overseas report, were: 500 GL at $6,400 a tonne (fob) and 550 GL at $6,780 a tonne (fob).

White double washed was at $9,500-9,525 a tonne (fob) Mar shipment. Brazil pepper prices were reportedly more or less steady.

Lampong Asta was reportedly quoting $3.70 a lb.

Turmeric prices see mixed trend

Our Correspondent

Erode, March 14:

Higher arrival of turmeric at some markets dragged prices while fine quality stocks sold at increased prices on Wednesday.

“The prices of both varieties of turmeric have decreased by Rs 100 a quintal in the Erode and Gobichettipalayam Cooperative Societies and rates were increased in Erode Turmeric Merchants Association and Regulated Marketing Committee; arrival has increased to nearly

20,000 bags. Local buyers and also the exporters quoted lower prices. Fifty per cent of the stocks were sold," said.

Due to arrival of fine variety new crop to the Erode Turmeric Merchants Association sales yard and Regulated Marketing Committee, the buyers quoting increased price purchased the same.The arrival of Mysore variety has decreased and bagsof Dharmapuri crop are arriving in large numbers, finding favour among most buyers.The traders also buying to fulfil orders from local Masala firms.Buyers quoted higher rates (Rs 300 a quintal) for quality hybrid Salem crop.

At the Erode Turmeric Merchants Association Sales yard, finger variety was sold at Rs 2,499-3,800 a quintal, root variety Rs 2,480-3,166 a quintal.

Salem Crop: The finger variety fetched Rs 4,200-4,569 a quintal, root variety Rs 3,114-3,414. Out of a total arrival of 4,389 bags, 1,729 bags of turmeric were sold.At the Regulated Marketing Committee, finger variety was sold at Rs 3,589 to Rs 4,096 a quintal, root variety Rs 3,061-3,469 a quintal. Out of arrival of 1,809 bags of turmeric, 1,761 bags were sold.At the Erode Cooperative Marketing Society, finger variety was sold at Rs 3,089-3,879 a quintal, root variety Rs 2,869-3,589 a quintal. All the 1,224 bags of turmeric kept for sales were sold.At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety of turmeric was sold at Rs 3,029-3,878 a quintal, root variety Rs 2,669-3,600 a quintal. All the 343 turmeric bags kept for sales were sold.

Use tariff to regulate cotton exports

G. Chandrashekhar

Mumbai, March 14:

The recent cotton export policy imbroglio has once again brought to the fore the need to evolve long-term, stable and transparent trade policies with clear directive or guidelines for effecting any drastic change.

Apart from showing policymaking and implementation in poor light, the sudden and regressive change in the cotton export policy has exposed the indifference of policymakers, as well as lack of application of mind.

In the last 3-4 years, the Government has succumbed to the temptation of tinkering with the foreign trade policy even when other instruments were available for regulating trade. For instance, export of several agricultural commodities — pulses, wheat, rice and sugar — was banned. Of course, in a few cases export restrictions have been lifted.

Rather than a well thought out trade policy, banning export has been more of a knee-jerk reaction to rising open market prices.

Embargo on export is usually said to be part of Government strategy to combat food inflation; but that so-called strategy is actually a facile option that generally goes against the spirit of trade liberalisation and damages the country's credibility rather than advance it.

If anything, banning export amounts to an attack on the free trade policy with the result that India's trade partners lose their trust over the stability of Government policy.

Fiscal instrument

Instead of banning export, what should or could the Government have done? The Government ought to have used the fiscal instrument of tariffs (customs duty on export and import) to regulate foreign trade. Imposition of stiff export duty will automatically bring to halt excessive exports or in any case, moderate them. The Government has the flexibility to vary the rates of duty from time to time. Additionally, revenue for the exchequer is assured. Such tariff changes are the functional responsibility of the Finance Ministry.

When exports are banned, the vexatious issue of pre-ban commitments invariably arises.

In case of imposing or varying the customs duty, there is no such difficulty. Duty is levied on goods that are shipped out after notification of export duty. The number of contracts registered or aggregate quantity of goods registered for export is immaterial. So long as the exporter pays customs duty he should be allowed to ship out the goods.

It is strange that the Commerce Ministry rushed to ban cotton exports when another effective option of imposing export duty was available to the government. It transpires that Agriculture Ministry was not consulted. Was the Finance Ministry consulted?

Vietnam team visits India to study rubber crop

Our Correspondent
Kottayam, March 14:

A delegation of Vietnam Rubber Group visited Rubber Board to study the Indian achievements and experience in natural rubber crop processing and effluent treatment, biogas generation and its utilisation.

They had interactions with the Chairman and senior officials of the Rubber Board. The team was headed by Mr Le Xuan Ho (Dy. Director General, Vietnam Rubber Group) and Dr Nguyen Ngoc Bich (Director, Technology Centre, Vietnam Rubber Research Institute) along with 20 officials from Vietnam Rubber Group, Vietnam University and various rubber companies.

They visited the Rubber Research Institute of India, Model TSR Factory and also Wood Lab at Manganam.

The delegation will visit Elavampadom RPS in Palakkad District to study the anaerobic technology developed by RRII for the treatment of sheet processing effluents, biogas generation and its effective utilisation in drying of sheets.

Paddy procurement in Assam

PTI
Guwahati, March 14:

Food Corporation of India has procured over 75,000 quintals of paddy from farmers in Assam so far in the current fiscal.

In a written reply in the State Assembly, the Agriculture Minister, Mr Nilomoni Sen Deka, today said FCI has set up 20 procurement centres in various districts and of these, 13 are currently engaged in the process.

As on March 1, a total of 75,348 quintal of paddy has been procured by the Central agency in the State. The highest procurement of 30,514 quintal has been made in the Hojai centre in central Assam.

Vegetable oil imports jump 59% in Feb

PTI

New Delhi, March 14:

India’s vegetable oil imports rose 59 per cent in February to 8.75 lakh tonnes against 5.50 lakh tonnes in the year-ago period, according to the Solvent Extractors’ Association of India.

In November-February period of the current oil year, import of vegetable oil — that includes edible oil and non-edible oil — rose nearly 14 per cent to 30.6 lakh tonnes compared with 26.93 lakh tonnes in the same period of the 2010-11 oil year.

Oil year runs from November to October.

In the first four months of the 2011-12 oil year, import of edible oil rose to 30.02 lakh tonnes from 26.13 lakh tonnes, while that of non-edible oil fell to 58,519 tonnes from 80,275 tonnes, the SEAI said in a statement today.

According to SEAI, import of RBD palmolein has jumped 300 per cent due to low export duty on refined edible oil and high export duty on crude palm oil (CPO).

“In February 2012, import of RBD palmolein shoot up to over 3 lakh tonnes from an average of 1.1 lakh tonnes in earlier three months, thanks to lower duty on RBD palmolein (8 per cent) and higher duty on CPO (16.5 per cent) introduced by the Indonesian Government,” it pointed out.

The situation is likely to continue unless India takes some corrective steps including change of tariff value and raising the import duty on refined oils, SEA said.

India imports about 50 per cent of domestic requirement. The country imports palm oil from Indonesia and Malaysia, while soyabean oil is imported from Brazil and Argentina.

Over 8.67 million tonnes of vegetable oil was imported in 2010-11 oil year. At present, there is zero duty on imports of crude edible oil, but import of refined edible oil attracts 7.5 per cent Custom duty.