

# THE HINDU

## A model unit shows how to properly benefit from dairying

M. J. PRABU



Among various types of agriculture, dairy farming is often considered to be quite remunerative. Almost all veterinary institutes in the country keep harping on the relatively high income that a dairy unit can generate for a farmer. “But what they often fail to emphasise is that cattle rearing alone is not profitable. In fact merely having some milch cattle would prove disastrous for a farmer since the animals need green fodder and hay apart from the regular feeds and to provide this a farmer must have a large area (today, pasture lands are fast disappearing) in which he is able to grow these apart from other crops as well,” says Dr. Sreenath Dikshit, Zonal Project Directorate, Indian Council of Agricultural Research (ICAR), Bangalore.

### **Financially not viable**

Merely having 1-2 acres and growing fodder in that along with other crops cannot prove financially viable. Mr. Sitaram Manjunath Hegde from Neernalli village in Uttara Kannada district, Karnataka owns about 15 hectares in which he grows several crops and also a dairy unit comprising 70 cross bred and 15 HF cows — all managed scientifically. Banana is grown in six hectares and coconut in two hectares. In the rest he practises arecanut based multi storeyed cropping system, with black pepper and cocoa. The practices adopted in the farm are more scientific and less labour dependent than those in conventional farms, according to Dr. Sreenath. The areca plantation and dairy units are live models for agriculture students, farmers, extension officials and agriculture scientists in the region. The cattle shed is well planned with lime concrete flooring which facilitates easy cleaning. An underground drainage system is provided for draining urine and excess water directly to a biogas plant. Cow dung collection is done through a modified spade with rubber strap and carried in a trolley to the biogas plant. All cows are tied using an automatic chain system.

### **No chemicals**

Washing of animals is done using high pressure water jet spray to remove ticks and dirt. No chemical pesticide is used to control ticks and other pests. Milking is done using a machine and power requirement for it is provided by the bio gas plant. The farmer has also established a fodder production unit and a fodder chopper (5 hp capacity), a grinder

and mixer unit. Hybrid Napier grass and fodder maize (African tall) varieties are grown in one hectare to meet the fodder requirement of the animals. Both green and dry fodder are chopped and fed to the animals along with supplement mineral mixture. The animals are vaccinated on time.

### **Guidance**

Since pineapple is grown commonly in the region unutilised pineapple fruit residues like the crown and peel from local pineapple processing industries is used to prepare silage under the guidance of National Institute of Animal Nutrition and Physiology (NIANP), Bangalore. The silage is fed to the animals along with the other feed ingredients in the form of total mixed ration, replacing green fodder during summer. Underground drainage is provided to the areca nut garden for removal of excess water. The slurry from the biogas plant is filled in a specially designed steel tanker and moved to the garden for use as manure for the crops. Scientific methods of soil, moisture, water and fertilizer management are followed based on frequent soil test reports. Natural mulching is done to the areca nut trees with cocoa leaves. His farm is a popular place for fellow farmers for obtaining newer technical information, buying heifer cows, arecanut seedlings, fodder root cuttings etc.

### **Several awards**

The farmer has been conferred several awards by the state agriculture and horticulture departments for his work. Interested farmers can contact Mr. Seetaram Manjunath Hegde, Prashanta Nilaya, Neernalli (Post), Sirsi Taluk, Uttara Kananda district, Karnataka 581336, Mobile :9449993303, phone: 08384-272656 and Dr. Sreenath Dikshit, Zonal Project Directorate, Indian Council of Agricultural Research (ICAR), MRS, H.A. Farm Post, Hebbal, Bengaluru, email: zpd8bangalore@gmail.com

Keywords: Diary farming, agriculture categories, agriculture department,

### **Demo for mechanised rice cultivation**

R. RAJENDRAN

The Tamil Nadu Rice Research Institute at Aduthurai organised a field demonstration recently for demonstrating the important implements such as land levelling, bund former, drum seeding for rice alone and rice cum daincha seeder, transplanter and fertilizer spreader in view of complete mechanisation for rice cultivation.

### **Seperate field**

The institute has allotted a field exclusively for demonstrating this to delta farmers. More than 75 farmers participated in the demonstrations and discussed about the complete possibility of mechanising rice cultivation in the delta regions since labour shortage has been an acute problem for the past several years. Direct puddling simultaneously levelling

by rotavator rice harrow followed by machine transplanting of rice were demonstrated. The demonstrated field will be maintained subsequently under complete mechanisation programme and weeding will be done by motorised weeding followed by machine harvesting. Other methods such as basal fertilizer broadcasting and trimming and plastering of bunds were also demonstrated. Demonstration on direct drum seeding of rice and daincha (green manure) with 25 and 30 cm row spacing was also done. In the 25 cm row spacing the daincha plants will be trampled by manually operated cono-weeder at 30 days after sowing and in the 30 cm row spacing plot motorised weeder will be used for trampling the daincha into the soil to convert it into manure. On the inauguration day sowing alone was demonstrated to the farmers and further field operation will be carried by using machineries available for rice cultivation.

### **Exposure**

Farmers were also taken around the SRI and other field experiments for their exposure. About 10 final year B.Sc. (Ag) students from Anbil Dharmalingam Agriculture College & Research Institute, Tiruchi also participated. At the end of the day farmers shared their opinions about the demonstration and expressed suggestions for improvement. (Dr. R. Rajendran is Director-in charge, Tamil Nadu Rice Research Institute (TRRI) TNAU, Aduthurai 612 101, Tamil Nadu, email: dirtrri@tnau.ac.in, Phone : 91-435 2472098)

### **Pest sprays poisoning world food supply: study**

DAMIAN CARRINGTON



The world's most widely used insecticides have contaminated the environment across the planet so pervasively that global food production is at risk, according to a comprehensive scientific assessment of the chemicals' impacts. The researchers compare their impact with that reported in *Silent Spring*, the landmark 1956 book by Rachel Carson that revealed the decimation of birds and insects by the blanket use of DDT and other pesticides and led to the modern environmental movement. Billions of dollars' worth of the potent and long-lasting neurotoxins are sold every year but regulations have failed to prevent the poisoning of almost all habitats, the international team of scientists concluded in the most detailed study yet. As a result, they say, creatures essential to global food production — from bees to earthworms — are likely to be suffering grave harm and the chemicals must be phased out. The new assessment analysed the risks associated with

neonicotinoids, a class of insecticides on which farmers spend \$2.6 billion a year. Neonicotinoids are applied routinely rather than in response to pest attacks but the scientists highlight the “striking” lack of evidence that this leads to increased crop yields. “The evidence is very clear. We are witnessing a threat to the productivity of our natural and farmed environment equivalent to that posed by organophosphates or DDT,” said Jean-Marc Bonmatin, of the National Centre for Scientific Research (CNRS) in France, one of the 29 international researchers who conducted the four-year assessment. “Far from protecting food production the use of neonicotinoid insecticides is threatening the very infrastructure which enables it.” He said the chemicals imperilled food supplies by harming bees and other pollinators, which fertilise about three-quarters of the world’s crops, and the organisms that create the healthy soils which the world’s food requires in order to grow. Professor Dave Goulson, at the University of Sussex, another member of the team, said: “It is astonishing we have learned so little. After *Silent Spring* revealed the unfortunate side-effects of those chemicals, there was a big backlash. But we seem to have gone back to exactly what we were doing in the 1950s.” The assessment, published today, cites the chemicals as a key factor in the decline of bees, alongside the loss of flower-rich habitats. The insecticides harm bees’ ability to navigate and learn, damage their immune systems and cut colony growth. In worms, which provide a critical role in aerating soil, exposure to the chemicals affects their ability to tunnel. Dragonflies, which eat mosquitoes, and other creatures that live in water are also suffering, with some studies showing that ditchwater has become so contaminated it could be used directly as a lice-control pesticide. The report warned that loss of insects may be linked to major declines in the birds that feed on them, though it also notes that eating just a few insecticide-treated seeds would kill birds directly. “Overall, a compelling body of evidence has accumulated that clearly demonstrates that the wide-scale use of these persistent, water-soluble chemicals is having widespread, chronic impacts upon global biodiversity and is likely to be having major negative effects on ecosystem services such as pollination that are vital to food security,” the study concluded. The report is being published as a special issue of the peer-reviewed journal *Environmental Science and Pollution Research* and was funded by a charitable foundation run by the ethical bank Triodos. The EU, opposed by the British government and the National Farmers Union, has already imposed a temporary three-year moratorium on the use of some neonicotinoids on some crops. This month, Barack Obama ordered an urgent assessment of the impact of neonicotinoids on bees.

However, the Crop Protection Association, which represents pesticide manufacturers, criticised the report. Nick von Westenholz, chief executive of the CPA, said: “It is a selective review of existing studies which highlighted worst-case scenarios, largely produced under laboratory conditions. As such, the publication does not represent a robust assessment of the safety of systemic pesticides under realistic conditions of use.”

### **Integrated farming, a means to achieve drought mitigation**

S POORVAJA

### *Fisheries and Animal Husbandry Departments help farmers to rear fish, goats*

Farmer S. Muniyammal's land in Tirumangalam has a fish pond, a vermicompost unit and separate enclosures for chicken, ducks and goats. Integrated farms, such as hers, are being considered an effective solution to mitigate drought by farmers in the district. "The Department of Agriculture is also propagating this under the 'Integrated Farming System (IFS)' where we have tied up with different departments. The Fisheries Department helps farmers set up fish ponds in their lands and the Animal Husbandry Department aids in procurement of buffaloes and goats," says Jaisingh Gnanadurai, Joint Director of Agriculture. "IFS encourages farmers not to solely depend on their crops but explore other avenues for income generation," he adds. A farmer in Kulamangalam, V. Krishnan, says the integrated system is self-sufficient and has been cost-effective. "Waste from poultry birds is used as food for fish and the manure from goats and buffaloes maintains the vermicompost unit," he explains. The coconut grove I have in my farm has provided me with steady income since coconuts fetch a good price locally," Mr. Krishnan adds. "There is no farm nearby that has an integrated set up like this and many farmers have evinced interest in it since most of them have incurred losses due to water scarcity," he explains. V. C. Velaichamy, an agriculturalist in Mulaikuruchi near Samayanallur, points out that the clay soil in his farmland helps to retain water in the fish pond. "I introduced 500 'Katlas' in the fish pond eight months back. Farmers should make it a point to dig farm ponds in a small area which will effectively conserve water and rear fish, which will provide an additional income," he says. A number of farmers, including Mr. Velaichamy, who have vermicompost units in their integrated farms, have reduced the use of chemical fertilizers and are growing organic produce. In Kallipatti, Tirumangalam, Usilampatti and Kalligudi blocks, the Agriculture Department has indentified 12 beneficiaries each and offers them subsidy and expertise on setting up of integrated farms. This is being done to help farmers in the dry belt overcome drought. A subsidy of Rs.55,000 is currently given to each farmer to set up an integrated farm which will cover the expenses of setting up a vermicompost unit and a fish pond.

### **Delayed monsoon: ryots fear drought-like situation**

R. AVADHANI

#### *Cultivation of green gram and jowar put off*

A delayed monsoon this year has kept the farmers on tenterhooks in the district. As against the average rainfall of 113 mm, the district has recorded only 60 mm so far, a disturbing trend that has sparked speculations that the region may face drought-like situation. Last year, the region recorded 123 mm rainfall. The rainfall in the district a few days ago was scanty to the level that the seed, sowed by farmers expecting rains, may not sprout and eventually die. At several places in the region, the farmers managed to get water from outside to save their seed. Green gram cultivation, expected to be taken up in 23,000 hectares, and jowar in 10,000 hectares has been put off. "Had we sown cotton, the plant would have grown to the height of one-and-a-half feet now. The farmers fear taking

up sowing operations as they are unsure of rains,” said Anand, a farmer from Peddapur. But if they wait for rains and sow seed later, it may damage the crop. Mr. Anand also said that they were anxious as they fear facing drought-like situation if there was no shower by the end of next month. As the season for taking up green gram and jowar cultivation was already over, the officials in the Agriculture Department were suggesting the farmers to not opt for such crops as they may face loss in future. “The farmers can still go for cotton, red gram, maize and soya even if it rains by the end of July. In case of less or no rainfall, we have to think of alternatives,” Hukya Naik, Joint Director, Agriculture, told *The Hindu*. The officials expected 25,000 hectares to be cultivated this kharif, but no major crops were sown. Those farmers who took the risk of sowing seed were already in distress. Meanwhile, farmers are offering prayers at temples and are trying to appease the rain god in several places.

### **Subsidised zinc sulphate, gypsum for T-farmers**

The Government of Telangana will supply zinc sulphate and gypsum to farmers on subsidy. Telangana Markfed and AP Agros have been picked up as the nodal agencies to supply the two fertilizers. Zinc sulphate will be sold at Rs. 35,400 per tonne for 2014-15 agriculture year. Principal Secretary (Agriculture) Poonam Malakondaiah issued orders on Wednesday granting permission to the Agriculture Department to sell the fertilizer through Telangana Markfed. The subsidy portion (50 per cent) would be met from normal State plan, National Mission for Sustainable Agriculture and NFSM programmes. Zinc is essential for the healthy growth and reproduction of plants. Crop yields are reduced and the quality of crop product is impaired when the supply of plant-available zinc is inadequate. External supplementation will help overcome that deficiency. Similarly, gypsum is a source of calcium and sulphur for plant nutrition.

### **Tenant farmers' sadassu today**

A.P. Tenant Farmers' Association is holding district-level convention at Parvathipuram on Thursday. Association president K. Gangu Naidu and secretary T. Pydipu Naidu said association State general secretary Nagaboyina Ranga Rao would address the gathering. They said the meeting would discuss problems of tenant farmers. It would also seek issue of crop loans directly to tenant farmers. There were 62,000 tenant farmers in the district and they appealed to them to attend the sadassu.

### **Farmers in trouble as rain eludes Chittur taluk**

Though a week has gone since the onset of Southwest monsoon, rain has not yet reached the traditional rice bowl of Chittur taluk in Palakkad district. As the rain continues to play hide and seek, rice farmers in the region have turned a worried lot as the cultivation season has already started. Farmers have started taking pump sets on rent to irrigate their fields. The water flow in Chittur River also receded due to over-consumption. The dry spell is very much visible in the rice fields of Chittur, Kozhinjampara, Vatakarapathi, and Eruthempathy. Vegetable cultivation in the region has also been affected severely due to

lack of rain. “It is an unusual situation. Reports indicate moderate rainfall in all other parts of the State. Here the rain is yet to grace our fields. The situation will affect the food security,” said G. Jayan, a farmer of Eruthempathy. According to P.K. Devan, another farmer, wells and ponds of the region are still remaining dry and so the irrigation process is also in trouble. Bore-wells fail to support the farmers. Since May 1, the taluk received only 8.4 mm of rain. At Nallepilly grama panchayat, agricultural activities in 3,000 acres have been badly affected for want of rain. Vast stretches of agricultural land remain barren in the area this season. At Eruthempathy, even drinking water is scarce and tanker lorries supply water.

### **Sarcasm in the House over agriculture varsities being compartmentalised**

Ridiculing the present trend of compartmentalising the universities of agricultural sciences in the name of constituting specialised universities, Ramesh Kumar of the Congress on Wednesday sarcastically advised the government to “constitute separate universities dedicated to the tomato and potato”. MLAs could be appointed as vice-chancellors for these universities as it may be difficult for Chief Minister Siddaramaiah to accommodate all the MLAs in the boards and corporations, Mr. Kumar remarked while participating in a debate on the demand for grants related to the Agriculture Department in the Legislative Assembly. He urged Minister of State for Agriculture Krishna Byre Gowda to revamp the Agricultural Department and reform the agricultural universities, while alleging that they were not of much use to farmers. He alleged that the farmer was not the centre of focus for the department and stressed the need for re-orienting its priorities. He said farmers were in dire straits due to the agrarian crisis, and urged the Minister to ensure that the resources of the department were spent primarily to address these concerns. He suggested that unproductive posts in the agriculture and allied departments should be scrapped and efforts should be made to outsource technical support. Expressing concern over the proliferation of private companies which lent money by mortgaging gold in small towns and rural areas, he said this was an indication of the seriousness of the crisis gripping farmers. He urged the Minister to prove his mettle by bringing about a positive change in the lives of farmers by reforming the department.

*Why not set up farm universities for tomato and potato, with MLAs as VCs, asks Ramesh Kumar*

### **Want yummy and pesticide-free fruit? Look up**

*But more than 75 per cent of jackfruit produce in the State is being wasted*





Ready-to-use jackfruit products are in high demand in north India and abroad.: At a time when people complain about high pesticide content in fruits and vegetables, tonnes of pure, tasty fruit is being wasted in our country. More than 75 per cent of jackfruit produce, which grows in abundance in Kerala, Karnataka and Maharashtra, is going unused, says eminent agriculture journalist Sri Padre. He was here to address a seminar on value-added products of jackfruit, organised by the Peringandur Service Co-operative Bank in connection with their rain festival. Though it is considered as a staple food from old days, it is underestimated as poor man's fruit, Mr. Padre says. The exact area under cultivation of jackfruit is unknown. "There is huge scope for value-added products in jackfruit. The ready-to-use and ready-to-cook jackfruit products have high demand in north India and abroad. Raw jackfruit can be used as a vegetable while the pulped version can be used in ice creams and jams. There are some hotels, which exclusively serve jackfruit products. In north India it is used as dummy meat, says Mr. Padre. The gum latent in the whole fruit makes the process of removing the edible part a bit tedious. So ready-to-use products have huge potential. As the largest known tree-borne fruit, it can keep millions of people from hunger. It can very well replace staple crops like wheat, corn and rice, which are under threat from climate change. The draught-resistant tree needs very little care and maintenance. It can survive high temperature. Everything in the fruit — from seed to young fruit and mature varieties — is edible. Its wood is also very valuable. The jackfruit is rich in potassium, calcium and iron. Mr. Padre says Sri Lanka is the only country which utilises the potential of jackfruit. It produces many value-added products such as flour, noodles, pulp and ice creams.

### **Rs. 11-crore project to spice up horticulture development**



Project envisages development of planting materials of spices. KAU allotted Rs. 1.46-crore for production of planting materials. A two-day annual review meeting on the National Horticulture Mission (NHM)-sponsored research programmes, which concluded at the College of Horticulture (CoH) of the Kerala Agricultural University (KAU) here on Wednesday, decided to implement a Rs. 11-crore spices development programme during the next financial year. The programme to be implemented through different spice research centres in the country under the banner of Mission for Integrated Development of Horticulture (MIDH) envisages production, popularisation and distribution of high-quality planting materials of pepper, ginger, turmeric and tree spices. The KAU has been allotted Rs. 1.46 crore for production of planting materials and variety improvement.



programmes. It has also been sanctioned a special project for rejuvenation and replanting of black pepper plantations in Cheruthazham panchayat of Kannur district. Addressing the meeting, KAU Vice Chancellor P. Rajendran stressed the need for focussing on crop improvement, quality enhancement, farmer education and market stability.

### **Govt. mechanism**

“The productivity aspect may be addressed through increased production of quality planting materials. Labour issues may be resolved through introduction of suitable machinery. Price fluctuations may be prevented. There should be a government mechanism for prediction and efforts to stabilise price,” he said. Homy Cherington, director, Directorate of Arecanut and Spices Development (DASD), said that conservation of germplasm of indigenous varieties needed attention. “Technological interventions have led to an annual growth of four per cent in areas under spice cultivation and six per cent increase in production. Much more needs to be done,” he said. Nirmal Babu, project coordinator (Spices), Indian Institute of Spices Research, said quality planting materials fortified with organic inputs were the best bet for increased productivity. The meeting critically reviewed research projects taken up in 42 centres across the country and formulated new ones.

### **‘Krishna water crucial until monsoon’**

K. LAKSHMI

*With reservoirs on a low, officials write to A.P. government*



Krishna water is imperative, particularly when the pre-monsoon showers have failed to replenish the waterbodies in the State —Photo: K. Pichumani Amidst depleting storage in reservoirs and the soaring temperature, the water resources department (WRD) has written to the Andhra Pradesh (A.P.) government seeking release of Krishna water from July 1. This will help meet Chennai’s requirement of nearly 600 million litres a day (mld) until October, when the northeast monsoon sets in, said officials. The optimum demand for the city is 1,000 mld for nearly 7 lakh consumers, including in the added areas. At present, the reservoirs at Red Hills, Chembarambakkam and Poondi have storage of 2,600 million cubic feet of water (mcft), less than 30 per cent of their total capacity.

Cholavaram reservoir has remained dry from last year. Sources at WRD said Chennai residents can be supplied with drinking water with the available resource in the reservoirs for another three months. Water from Veeranam tank in Cuddalore district will also help augment the city's needs to the tune of 180 mld. However, Krishna water, suspended last month as the first spell is over, is imperative in meeting Chennai's requirements, particularly when pre-monsoon showers have failed to replenish the waterbodies. On an average, the reservoirs lose about five mcft of water due to evaporation daily, said an official. To ensure the supply of drinking water to Chennai households, WRD has emphasised on the release of water from A.P.'s Kandaleru reservoir, which has sufficient storage. "We received 5,600 mcft of Krishna water, last year. We were able to ensure water supply and also maintain storage. If we get 300-400 cubic feet of water per second, we will be able to step up storage until the monsoon," said the official. Sources at Metrowater said, "We have reduced the volume of water supplied from 810 mld to 600 mld, and reorganised distribution in such a way that residents receive water daily. Water from well fields in Poondi and Thamaraiakkam and the desalination plants are also being used. We have well fields in Tiruvallur and the Neyveli aquifer, as reserve, in case of a water crisis."

### **AMIBPC issues price advisory for kharif crops**

*To help farmers take proper pre-sowing decision*

**PRICING STRATEGIES**

*Price advisory issued for maize, sorghum, gingili, and groundnut*



<ul style="list-style-type: none"> <li>• 'Adipattam' is an important cropping season in rainfed areas in TN</li> </ul>	<ul style="list-style-type: none"> <li>• Cereals, oil seeds and vegetables are sown during the season</li> </ul>	<ul style="list-style-type: none"> <li>• Price of maize might rule around Rs.1,480 per quintal till June end</li> </ul>
<ul style="list-style-type: none"> <li>• Centre analysed prices of maize over the past 20 years to issue the advisory</li> </ul>	<ul style="list-style-type: none"> <li>• Price of sorghum to rule at Rs.18 to 19 per kg from September to October 2014</li> </ul>	<ul style="list-style-type: none"> <li>• Red gingili to hover around Rs.7,800 to Rs.8,000 a quintal during September to October</li> </ul>

The Agro Market Intelligence and Business Promotion Centre (AMIBPC) of the Department of Agricultural Marketing and Agri Business has indicated that the price of maize would rule around Rs.1,480 per quintal till June end. In a price advisory for kharif crops such as maize, sorghum, gingili and groundnut, the centre said the price of maize during the harvest season from October to November is likely to be around Rs.1,400 a quintal. The 'adipattam' is an important cropping season for farmers in rainfed areas in the State. Cereals, oil seeds and vegetables are sown during the season. To help farmers take proper pre-sowing decision, the back office of the AMIBPC in the Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University, provides price forecast for the crops. The centre analysed prices of maize over the past 20 years price at the Udumalpet regulated market and also conducted a survey among traders to issue the advisory. Perambalur, Ariyalur, Cuddalore, Dindigul, and

Tirupur are major maize cultivating districts in Tamil Nadu. Currently, price of maize is ruling around Rs.1,480 per quintal. According to the advisory, trade sources indicated that farmers have stocked about 15,000 tonnes of maize which was sown during 'thai pattam' anticipating an increase in price. The Karnataka government has procured and stocked around seven lakh tonnes. Besides, arrivals from Bihar are currently flowing into Tamil Nadu market at less than Rs.1,400 per quintal curtailing the anticipated increase in price. The advisory also said that the price of sorghum ('cholam') would prevail around Rs.18 to 19 a kg during the harvest period from September to October 2014. The projection is based on an analysis of the price that had prevailed during the last 10 years at the Tirupur regulated market. Sorghum is currently ruling at Rs.19 per kg at the regulated market. In Tamil Nadu, sorghum is cultivated for mainly grain and fodder purpose. The major sorghum growing districts are Dindigul, Coimbatore, Tiruchi, Salem, Karur and Tirupur. Tamil Nadu is also the home of the largest number of traditional sorghum varieties. The price of red gingili, an important oilseed crop cultivate widely in Erode, Karur, Salem, Cuddalore, Villupuram, Thanjavur, Tiruppur, Pudukottai and Thiruvannamalai districts, would hover around Rs.7,800 to Rs.8000 a quintal during the harvest period of September to October. The advisory also said econometrics analysis of the price of groundnut over the past 14 years at Tindivanam and Sevur regulated markets and traders survey indicate that farmers in Tirupur and Coimbatore districts could get a price of Rs.4,200-4,300 a quintal of groundnut pods in Sevur Regulated Market of Tirupur district and Rs.3,500-3,600 at quintal at Tindivanam.

### **Poultry farming a lucrative alternative**

#### **C. JAISANKAR**



In two years, more than 50 farms have come up in and around K. Paramathi.— Photo: B.Velankanni Raj  
The State government's ambitious plan to popularise poultry farming, with 50 per cent subsidy, in the non-traditional areas of the State has started yielding dividends. An extensive tour of the interior parts of Karur district, which borders with Namakkal and Coimbatore districts on the western and the northern side that are known for broiler farms, showed that poultry farming was set to become a premier occupation of farmers in the rain shadow region of the State. As per the plan, if a progressive farmer comes forward to set up a poultry unit for rearing 5,000 birds, the government will provide 50 per cent subsidy, of which 25 per cent will be borne by the National Bank for Agricultural and Rural Development (NABARD). Besides helping and guiding farmers to avail bank loan to the tune of Rs. 8.25 lakh (total cost of the project), the Department

of Animal Husbandry will provide technical assistance to set up the unit. Farmers can go for lesser number of birds. Less than two years of the launch of the scheme, more than 50 poultry units have sprung up in different parts of Karur district, mostly in K. Paramathi. Several of them have cleared the first batch of chicks, and are preparing for second batch. Some of the beneficiaries had already gained sufficient knowledge on broiler farming thanks to the training provided by the University Training and Research Centre, Karur, a peripheral unit of Tamil Nadu Veterinary and Animal Sciences University. M. Thangaraj, Joint Director, Department of Animal Husbandry, Karur, told *The Hindu* that the Poultry Development Scheme had taken off to a good start. The response was excellent. The initial results showed that poultry farming would get the imagination of entrepreneurs of the region, who wanted to take up new initiatives boldly. N. Kulandasamy, Assistant Director, said that many of the 103 beneficiaries, who had been given training and obtained the provisional sanction from banks, had set up modernised poultry units. The sheds continued to get visitors from the neighbouring villages. They had entered into buy back arrangements with leading private companies, who supplied all raw material, including chicks, equipment, feed, medicine, and vaccines. Besides ensuring correct temperature in the shed, the entrepreneurs had just to provide feed to the chicks for 40 days. "I feel happy to say that I am a proud owner of poultry unit. It promises a good return to the investment. The 50 per cent subsidy is a boon to the rural poor farmer to start poultry unit," says V. Maheswari, a progressive farmer in Pallamarudhu Patti in K. Paramathi block. Her husband Velusamy hoped that if the birds were raised as per the standard, a farmer could get a revenue of around Rs. 80,000 per batch (40 days) for raising 5,000 birds. G. Mohanraj, K.B. Tamilarasan, and S. Senthilmuthu Kumaran, veterinarians, who offered technical advice to the beneficiaries, said that poultry had possessed one of the most profitable live stock enterprises in the State.

*Department of Animal Husbandry provides technical assistance to farmers*

### **Integrated farming, a means to achieve drought mitigation**

S POORVAJA

*Fisheries and Animal Husbandry Departments help farmers to rear fish, goats*

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the vermicompost unit,” he explains. The coconut grove I have in my farm has provided me with steady income since coconuts fetch a good price locally,” Mr. Krishnan adds. “There is no farm nearby that has an integrated set up like this and many farmers have evinced interest in it since most of them have incurred losses due to water scarcity,” he explains. V. C. Velaichamy, an agriculturalist in Mulaikuruchi near Samayanallur, points out that the clay soil in his farmland helps to retain water in the fish pond. “I introduced 500 ‘Katlas’ in the fish pond eight months back. Farmers should make it a point to dig farm ponds in a small area which will effectively conserve water and rear fish, which will provide an additional income,” he says. A number of farmers, including Mr. Velaichamy, who have vermicompost units in their integrated farms, have reduced the use of chemical fertilizers and are growing organic produce. In Kallipatti, Tirumangalam, Usilampatti and Kalligudi blocks, the Agriculture Department has indentified 12 beneficiaries each and offers them subsidy and expertise on setting up of integrated farms. This is being done to help farmers in the dry belt overcome drought. A subsidy of Rs.55,000 is currently given to each farmer to set up an integrated farm which will cover the expenses of setting up a vermicompost unit and a fish pond.

### **Fresh crop loans only in July**

STAFF REPORTER

#### *Banks await State government's stand on loan waiver*

Banks in the district have decided to give fresh loans to farmers only after the announcement of government’s policy over loan waiver. The bankers have decided not to yield to the pressure from influential farmers and political representatives for fresh loans. However, they assured that the gold pledged with banks will not be auctioned and notices will not be served on farmers till July first week. It has been targeted to disburse Rs. 1,700 crore worth loans to farmers in 2014-15. In Kharif alone, the banks are expected to allocate Rs.1,300 crore to farmers to take up agricultural activity. Outstanding loans are around Rs.1,500 crore in the district. Lead Bank manager M. Ramireddy and Andhra Bank General Manager A.V. Ramakrishna Rao said the banks are expected to get clear cut instructions from head offices over the loan waiver. “We will have clarity in the first week of July, 2015. The banks may reschedule existing loans and help farmers in getting new loans,” said Mr. Ramakrishna Rao. Meanwhile, YSRC leader Tammineni Sitaram asked the government to clear its stand as early as possible since farmers were forced to depend on private lenders for the financial needs. “The government should not delay the loan waiver process if it is sincere over implementing its commitment,” he added.

### **Mettur level**

The water level in the Mettur dam stood at 42.75 feet on Wednesday against its full level of 120 feet. The inflow was 2,331 cusecs and the discharge 2,000 cusecs.

Chennai - INDIA

### Today's Weather



Sunny

**Thursday, Jun 26**

Max 37° | Min 29°

Rain: 0

Humidity: 35

Wind: normal

Sunrise: 05:44

Sunset: 06:38

Barometer: 1004

### Tomorrow's Forecast



Partly Cloudy

**Friday, Jun 27**

Max 38° | Min 30°

### Extended Forecast for a week

Saturday  
**Jun 28**



39° | 30°  
Cloudy

Sunday  
**Jun 29**



36° | 30°  
Cloudy

Monday  
**Jun 30**



37° | 30°  
Partly Cloudy

Tuesday  
**Jul 1**



37° | 30°  
Partly Cloudy

Wednesday  
**Jul 2**



38° | 29°  
Cloudy

### Airport Weather

Chennai

Chennai

Rain: 0

Humidity: 35

Wind: normal

Sunrise: 05:44

Sunset: 06:38

Barometer: 1004



## THE NEW INDIAN EXPRESS

### Changes in Foodgrain Procurement Policy

In a major change in its procurement policy of paddy and wheat, the Centre has asked the state governments to avoid bonus over and above the Minimum Support Price (MSP). In such cases, the Central agencies will limit the procurement and states will have to bear the financial burden for surplus grain and its storage costs. This is considered as a big move by the government to tackle the rising food prices by keeping the surplus quantity of grain in the market. A letter by the Ministry of Consumer Affairs, Food & Public Distribution, accessed by Express, revealed that state governments are announcing bonus



over and above the MSP which is recommended by the Commission for Agriculture Costs and Practices (CACP).“Such declaration of bonus by the state government distorts the market of commodity concerned and keeps private buyers out of the market in the state. This also generates possibilities of malpractice,” Consumer Affairs Ministry letter on ‘change in policy’ dated June 12, 2014, said.The Ministry said the Central agency will limit the procurement from the states which falls under Decentralised procurement system (DCP), but providing bonus above an over MSP.Under the DCP system, the state governments undertake procurement and distribution of food grain by themselves. The excess quantity is taken into the Central pool to distribute elsewhere while shortfall is met from the Central pool. However, the states found to be flouting norms will not get Centre’s support and it will limit the procurement for Central pool to extent of requirement of food grain for Targeted Public Distribution System (TPDS) only and will provide acquisition and distribution subsidy to the state accordingly.“The Food Corporation of India (FCI) may acquire any additional quantity of food grain from the state government/its agencies for augmenting its stocks elsewhere, but it would not be under any compulsion to do so. The state government will be solely responsible for the disposal of any surplus quantity procured in the state over and above this quantity and bear the financial burden in that regard,” the letter added. In case of non-DCP states, which announces bonus over and above the MSP, the FCI will not take part in MSP operations in the state concerned and state agencies will have to mobilise resources and take care of entire MSP on their own including the arrangements to be made for storage of procured food grain.The FCI, in consultation with the Department of Food and Public Distribution, will decide as to how much stock of wheat or rice it should acquire from the concerned state in a particular season.

### **Govt Releases Rs 176 Crore Dues to Cane Farmers**

The state government has released the pending subsidy of `176 crore to be disbursed among sugarcane growers.Informing this in the Assembly, Chief Minister Siddaramaiah on Tuesday said it was the responsibility of the government to ensure that all pending dues to farmers by factories are cleared.As soon as the Assembly resumed its business, the BJP and JD(S) trooped into the Well of the House and demanded that the government act tough against mills which have not paid the minimum price of `2,500 a tonne fixed by the Sugar Control Board.They also demanded that the government release the pending subsidy to farmers.Responding to the Opposition’s demand, Siddaramaiah said that there was no question of sparing anyone. “Whether it is a factory owned by the Congress, BJP or the JD(S) leaders, we will take action,” he said. He pointed out that the government’s hands were tied because of a court order which had asked it not to apply any “coercive measures”.On the subsidy, he said the government had so far released `398 crore as against the total `574 crore.The remaining `176 crore was released by the finance department on June 21, he said, adding that “it will reach the district deputy commissioners in a day or two”.Siddaramaiah said the government had already issued recovery notices to all sugar factories and added that barring 18, others had responded to the notice. “We have already initiated a process to confiscate sugar stocks at these



factories,” Siddaramaiah told the House. According to him, the court had given permission to initiate action against all those who didn't pay the fair and remunerative price (FRP) fixed by the centre. The FRP for 9.8 per cent fructose sugarcane is fixed at ₹2,100 a ton, the Chief Minister informed. He also said that once the stay order expires in July, the government will go all out to recover the money and disburse it among farmers. Opposition leader Jagadish Shettar demanded strict action against erring factories and sought an assurance on when the government would initiate action.

### **Farmers Yet to Get Procurement Dues**

Farmers of the district are yet to get their paddy procurement dues. This despite the fact that their paddy stocks were purchased by Large-sized Agricultural and Multi Purpose Cooperative Societies (LAMPS) over 20 days back. Over 1000 farmers had sold their paddy at Kumuliput and Umuri LAMPS in Koraput. As per the guidelines, LAMPS should deposit the payment towards paddy procurement in the farmers' bank accounts on the very day of purchase. However, more than three weeks have passed ever since paddy was bought but farmers have not received their dues. While LAMPS officials clarified that they have deposited the money in the bank accounts of farmers, bank officials concerned denied receipt of any money. “We want the dues to be cleared as the money would help us take up rabi cultivation works. Monsoon has arrived and any further delay would only affect crop works”, said R Patnaik, a farmer of Haldi gram panchayat. Secretary of Koraput Central Cooperative Bank, RN Sahu, who is in charge of payment to farmers whose paddy has been procured, said the payments were delayed due to technical errors. “Farmers have accounts in different banks, but the money is disbursed through the Koraput Central Cooperative Bank. Since there were some technical errors in feeding their account numbers into our computer systems here, the process was delayed. Efforts are on to make the payments soon,” he said. Koraput Collector Yamini Sarangi said she would look into the matter.

### **Kerala, a Monsoon Destination**

Kerala, popularly called “God's Own Country”, is perhaps one of the most ideal locations to experience monsoon. Situated in South-West India, this coastal state receives abundant rainfall in two seasons: from May-end till mid-August and from September to late October. The rain brings out the lush green environment, home to a vast variety of flora and fauna. Farmers rushing to their paddy fields, with plantain leaves over their head, to protect their crop from the rain water; children playing on the streets in puddles; overflowing canals with fishes. These are some of the sights that you can hope to see in between sipping a hot beverage at the half-open village teashops. You could also take the opportunity to rejuvenate your body through Ayurveda treatments here. One of India's oldest medical systems, Ayurveda attracts many tourists from across the world who visit Kerala for its herbal treatments. The cool yet dust-free monsoon climate aids these therapies. For those who would like to avail any of these services, government-run, well-established centres are recommended. The geographical diversity that the region offers woos foreign tourists as well. The tranquil backwaters, with more than 40 rivers and

several serene lakes; houseboats and day-long cruises; the beaches on the western coast along the Arabian sea, especially Kovalam are some of the attractions that never lose their ability to fill the senses with peace. The eastern stretch is no less, with its evergreen forests and hill stations covered by dense vegetation and interspersed by spice plantations. Art forms, both classical and folk, and the delectable cuisine add to the appeal.

## THE HINDU BusinessLine

### **Watts of energy from sugarcane, soon**

The Sugarcane Breeding Institute in Coimbatore has developed two types “energy canes” – one which can provide sugar and energy and the other which can be a feedstock for ethanol. The canes are being field tested, according to institute Director N Vijayan Nair said. He told *Business Line* on the sidelines of a National Symposium on “Bio-energy for sustainable development – the Potential Role of Sugar crops” that a few clones of energy canes are being tested at Samalkot in Andhra Pradesh. The institute has registered the clones with the National Bureau of Plant Registry. Stating that the energy canes were only at the testing stage, he said that the can which can produce sugar and energy can be processed in the existing sugar factories. The second type, which can be handy for generating energy, has high fibre and biomass yield. It has been developed with an eye on the future. “This can be used for production of cellulosic ethanol,” Nair said. The Institute plans to promote cultivation of such canes in marginal lands, he said adding that the initial results have been positive. Nair also said that the technology for cellulosic ethanol was changing rapidly. It nevertheless offers enough opportunity in the coming years. The Institute, he said, was not a front-runner in this technology, but foreseeing the requirement of feedstock for ethanol, developed bio-energy canes. “While the development this far has been appreciable, the issue is, we are not integrated on feedstock development or integrating other technologies or in development of research labs that work on process optimisation and other related technologies. Each exist in silos,” he said.

### **Volume rises at Coonoor tea sale**

A volume of 18.89 lakh kg is being offered for Sale No: 26 of Coonoor Tea Trade Association auction to be held on Thursday and Friday. This is as much as 3.20 lakh kg more than last week. Of this, a volume of 13.03 lakh kg belongs to the leaf grades and 5.86 lakh kg belongs to the dust grades. As much as 17.74 lakh kg belongs to CTC variety and only 1.15 lakh kg, orthodox variety. In the leaf counter, only 78,000 kg belongs to orthodox while 12.25 lakh kg, CTC. Among the dusts, only 37,000 kg belongs to orthodox while 5.49 lakh kg, CTC. A volume of 1.82 lakh kg of teas unsold in previous weeks is being re-offered this week. Last week, Vigneshwar Estate tea, auctioned by

Paramount Tea Marketing, topped the CTC market at Rs. 187 a kg followed by Homedale Estate tea, auctioned by Global Tea Brokers, at Rs. 181. In the Leaf auction last week, among corporate buyers, Hindustan Unilever Ltd bought brighter liquoring varieties. Tata Global Beverages Ltd., Godfrey Philips India Ltd and Duncans Tea Ltd showed interest on good medium bolder broken. In the Dust auction, Godfrey Philips was selective on medium smaller grades. Indcoserve was active on good medium smaller grades. There was good demand for brighter liquoring teas from upcountry buyers. Overall, internal buyers were less active. Exporters chose mostly plainer grades.

### **Cotton planting in Gujarat hit by scanty rains**



With the monsoon getting delayed by almost a month, sowing of kharif crops (planted during June-August) has been affected in Gujarat. While overall planting in the State during in June is down 64 per cent against last year, cotton is the worst-affected crop as its sowing is down by more than half.

### **Acreage dips**

Latest data from the State Agriculture Department show that cotton planting was 5.35 lakh hectares as on June 25 against 11.25 lakh hectares in the corresponding period a year ago. Cotton was planted on 26 lakh hectares last year. "In the absence of the necessary rains for sowing during June, there has been a sharp decline in overall sowing in the State especially in cotton," a State Agriculture Department official told *Business Line*. "Most of the reported sowing has happened on irrigated lands, while planting on the rain-fed lands will begin only when the Monsoon sets in," the official said.

### **Challenges ahead**

Gujarat being the largest cotton producer in the country, a sharp drop in the sowing area in the initial sowing season has raised concerns among the stakeholders. "Normally, by the end of June we see most of the sowing in cotton being completed. Looking at the current situation, we see a challenging year ahead for cotton," said NM Sharma, Managing Director, Gujarat State Cooperative Cotton Federation (GujCot). Earlier this month, the State had got some rains in the coastal regions. This prompted many farmers to initiate sowing. But with no follow-up rain since then affecting soil moisture, planting is likely to be affected. Gujarat has already announced contingency plan for kharif 2014 season, asking farmers to go in for alternative crops and cultivation methods in case of

delay in monsoon. Currently, there is a carryover stock of 35-40 lakh bales (of 170 kg each). Of this, some 12-15 lakh bales are with ginners and farmers in Gujarat. In current season ending September, cotton production has been estimated at a record 385 lakh bales with the acreage rising to 115 lakh hectares.

### **Price outlook**

“Despite a prolonged dry spell, cotton prices have not surged. We see prices ruling in the current range since July and August may see more rains,” said Arun Dalal, an Ahmedabad-based cotton trader. Currently, cotton prices are quoted at around Rs. 41,200-43,800 a candy (of 356 kg each). The Met department has said that Gujarat will see rains only in the first week July. So far, the State has received only 3 per cent of the season’s rainfall.

### **Spot rubber rules steady**



Spot rubber ruled steady on Wednesday. Sharp declines in the domestic futures and the absence of active market participants kept sentiments under pressure during the day. But prices managed to sustain at the prevailing levels on supply concerns. Sheet rubber was quoted unchanged at Rs. 147.50 a kg by traders. The grade improved to Rs. 148 (147.50) and Rs. 145 (144.50) a kg respectively, according to Rubber Board and dealers. July futures weakened to Rs. 145.15 (148.36), August to Rs. 145 (148.22) a kg on the National Multi Commodity Exchange (NMCE). RSS 3 (spot) slipped to Rs. 129.92 (130.14) at Bangkok. The June futures dropped to ¥206.5 (Rs. 122.07) on the Tokyo Commodity Exchange. Spot rubber rates (Rs. /kg): RSS-4: 147.50 (147.50); RSS-5: 142.50 (142.50); Ungraded: 137.50 (137.50); ISNR 20: 132 (132) and Latex 60%: 122 (122).

### **Mcleod Russel buys Vietnam tea factory**

The world’s largest tea planter Mcleod Russel Ltd on Wednesday announced the acquisition of a tea processing factory in the Doan Hung District, Phu Tho Province, in Vietnam. The acquisition was made from the Ngoc Hai Company Ltd for approximately

Rs. 12.56 crore (\$20,93,700) through its step-down subsidiary Phu Ben Tea Company Ltd in Vietnam. The factory has an annual capacity of 12 lakh kg.

### **Govt hikes support prices of key kharif crops**



The Government on Wednesday raised the minimum support price (MSP) for paddy by Rs. 50 to Rs. 1,360/quintal. The MSP for pulses has been hiked by Rs. 100/quintal. The MSP, raised after being approved by the Cabinet Committee on Economic Affairs on Wednesday, will not result in inflation, the Government said, adding that it was done to primarily encourage farmers to cultivate rice. Paddy is a major kharif crop, sowing of which starts with the onset of monsoon in June. Briefing the media after the CCEA meeting, Law and Telecom Minister Ravi Shankar Prasad said paddy MSP of Grade 'A' variety had been raised by Rs. 55 to Rs. 1,400 a quintal. Prasad discounted any impact of these decisions on inflation, saying, "We are taking several measures to control inflation." In view of possibility of below normal monsoon, the Government has got into action and taken several steps to control prices, he said. The MSP for cotton has been increased by Rs. 50 to Rs. 3,750 for medium staple and to Rs. 4,050/quintal for long staple. For pulses, the CCEA approved a Rs. 50 hike in the support price of tur and urad to Rs. 4,350 each, while that for moong was raised by Rs. 100 to Rs. 4,600 a quintal. In oilseeds, an increase of Rs. 50 was announced in the support price of sunflower seed to Rs. 3,750, besides a Rs. 100 hike in MSP of sesamum and nigerseed at Rs. 4,600 and Rs. 3,600 respectively. The Government also approved hike in jowar MSP by Rs. 30 to Rs. 1,530 for the hybrid variety and Rs. 1,550 a quintal for the maldandi variety for this year. Ragi's MSP was raised by Rs. 50 to Rs. 1,550. The Agriculture Ministry had recommended retaining the MSP of bajra and maize at Rs. 1,250 and Rs. 1,310 respectively and had proposed keeping the MSP of groundnut and soyabean unchanged for this year at Rs. 4,000 and Rs. 2,500-60 a quintal, respectively.

### **Met sees fresh rain breaking out along coasts from weekend**

An upper air cyclonic circulation has sprung up over north-east Bay of Bengal in what constituted the best news on the monsoon front on Wednesday. This brings to successful closure the process of cloud building over an area extending from the Southwest Bay to the Head Bay that was on view over the past two to three days.

## **Clouds spread**

Satellite pictures showed that the clouds have spread out over to land, along the West Bengal, Odisha and Andhra Pradesh coasts. India Met Department said that the circulation persisted into the evening, sustaining hopes of its endurance in an otherwise dismal scenario of a weak and delayed monsoon. Monsoon watchers would be monitoring the circulation, especially any sign of its descending to lower levels of the atmosphere to set up a low-pressure area. The European Centre for Medium-Range Weather Forecasts had earlier predicted that a 'low' would show up around the Head Bay by July 3 or 4.

## **Rain for coast**

In its outlook for the four days from Saturday, IMD said that rain or thundershowers would break out at many places along the West Coast and at a few places along the East Coast. Thundershowers would also grow into a few places over the rest of South and the Andaman and Nicobar Islands. The ongoing activity at most places over the North-Eastern States and Sub-Himalayan West Bengal and Sikkim also would continue. The Met also said that thundershowers would occur at isolated places over rest of the country outside Rajasthan.

## **Heat wave off**

Meanwhile, most of the North-West slipped under thundershower activity during the 24 hours ending Wednesday morning. Himachal Pradesh, east Madhya Pradesh, Jammu and Kashmir, west Rajasthan, Haryana, Delhi and west Uttar Pradesh were among the affected areas. The activity continued until noon over parts of Punjab, Himachal Pradesh, west Uttar Pradesh, Rajasthan and north Madhya Pradesh. This has helped drive away the heat wave from these areas but the air has become oppressively sultry. The heat wave has migrated now to parts of Central and adjoining East-Central India.

## **Agricultural market risk: Abnormally normal**



TijanaM/shutterstock

Risk management departments, which oversee agricultural markets, are present in broadly two types of institutions. The first type are in the, "me too" category, by that I



mean that these institutions are large and have a great focus on many asset classes including agriculture. In these types of institutions, agriculture asset exposure is very small. The second type of institutions is where agriculture asset is the key asset to be managed. The focus in the second type of institutions is managing overall agribusiness. The key difference is that the risk management innovation happens in the first set of institutions and the second set of institutions borrows the model and applies it to suit its needs. In either case we have a problem. Let us consider the first set of institutions where agriculture is in a “me too” category. Typically, banks are such institutions where they have either a large lending or derivative exposure to the agriculture assets. These institutions have, over the years, developed tools for risk management, which focus on assets such as fixed income, foreign exchange, credit, etc. These asset classes have few things in common such as the availability of large pools of data, immense liquidity and a mathematical framework that can explain their asset price behaviour (not every time but most of the times!). Now given the size of the agricultural exposure relative to these other asset classes, these institutions do not have an incentive to develop tools to accommodate the vagaries of the agricultural markets. Agricultural exposure is very limited relative to other exposures in a bank.

### **Agri assets**

The above situation leads to some easy assumptions. First, fitting the agriculture assets into a pre-existing framework of risk management. Second, oversimplifying properties of agricultural markets making it normally distributed, or top it up with a mean reversion, and dump a seasonality assumption. This does solve one problem, namely management can show regulators that they have a department focusing on this asset class. Little does the management or the risk managers know how this market behaves. The second set of institutions is the one which understands every bit of the agricultural markets. They are fortunately and unfortunately ignorant of the behaviour of the other asset classes. The unfortunate part pushes them to outsource the risk management methodology. They end up buying tools from the first set of institutions and try to adapt it to their local environment. The fortunate part of ignorance helps them to stay away from oversimplifying things and trying to relate non-relatable assets. The second set of institutions is usually corporations involved in agribusiness.

### **Risk management**

Risk technology transfer from the first set to the second set of institutions in itself is risky. First, the banks could take inordinate amount of tail risk. Second, banks could become overcautious cutting their agribusiness exposure sub optimally. This results in lower returns for both the lender and borrower. Third, lack of incentives to create new model for agricultural asset class leads to an intellectual barrier insurmountable by the risk managers. Fourth, corporations end up paying for risk management tools, which are worth a fraction of what they pay for. This leads to inefficient transfer of capital from



corporations to banks. The solution to the above problem needs to be addressed by the both sets of institutions together, but the lead has to be taken by the corporations. They have the intellectual resources to direct the solution design. The banks can play a pivotal role in lending their infrastructure to the corporation for such a solution design. The writer is based in London and is the founder and Managing Director of OpalCrest ([www.opalcrest.com](http://www.opalcrest.com)).

### **Govt imposes \$450/tonne minimum export price on potato to curb rising prices**



The Government has imposed a minimum export price of \$450 per tonne on potatoes to prevent shortage in the domestic market and put a check on rising prices. Exporters will not be allowed to ship out consignments of potatoes, both fresh or frozen, priced below \$450 per tonne with immediate effect, according to a notification by the Directorate General of Foreign Trade issued on Thursday. Due to adverse weather conditions, including hailstorm in some parts of the country, the potato crop is estimated to be lower by 13 per cent compared to the previous year. With the West Bengal Government stating that it would impose a ban on potato sale to other states if the prices do not cool by July 8, the prices may spiral in other eastern and north-eastern states. Earlier this month, the Government had imposed a MEP on onions in an attempt to check food inflation.

## **Business Standard**

### **Cardamom up 0.6% on spot demand, tight supply**



Supported by strong domestic and export demand, cardamom prices traded 0.56% higher to Rs 945.10 per kg in futures trade today as speculators enlarged positions. Besides, tight supplies from producing regions influenced cardamom prices. At the Multi Commodity Exchange, cardamom for delivery in July rose by Rs 5.30, or 0.56%, to Rs 945.10 per kg in a business turnover of 570 lots. Similarly, the spice for delivery in August gained Rs 4.80, or 0.52%, to Rs 919.80 per kg in 116 lots. Analysts said apart from strong domestic and export demand in the spot market, tight supplies from producing belts mainly led to the rise in cardamom prices in futures trade here.



### **Agriculture department fails educate farmers on spurious BT cotton seeds**

State agriculture department seems to have not learnt lessons from the failures and sufferings of BT cotton growers of North Karnataka region. Neither it is making any effort to prevent farmers from buying spurious BT cotton seeds nor it is serious on ending the free run of a particular seeds company which has got stayed the ban imposed by the agriculture department on sale of its seeds from the high court. Last year farmers of North Karnataka who raised BT cotton crop from the seeds bought from a particular private seeds company suffered heavy losses when the crop failed to reproduce and blossom . After a long fight by the farmers and farmers associations, the company came out with a relief package and promised to pay Rs 36 crore to the farmers at a rate of Rs 6000 per hectare of cotton crop . For instance farmers from Haveri district alone got Rs 13.5 crore as compensation from the company . It was said that last year BT cotton crop from the seeds of this particular seeds company was sowed in 55000 hectares spread over seven districts of North Karnataka. When the saplings despite achieving vegetative growth failed to reproduce farmers grew panic and approached the agriculture department . Agriculture department officials who initially failed to act later succumbed to the pressure from farmers agitation and their organizations persuaded the government to ban the sale of seeds by this particular seeds company. But seeds company approached the high court and got stayed the ban imposed by the state government. Now with the sowing season of cotton in existence , farmers are said to be again buying the seeds from that particular company forgetting previous year's experience and failure of the crop to yield. Farmers leader from the region Ramanna Kenchalli who single handedly fought the injustice to farmers and succeeded in getting compensation paid by the company alleged the government for the present situation. " We cannot blame farmers who are gullible to company's marketing tactics, it is the government which lacks seriousness on the issue" he said , alleging government officials and the private company of being in connivance. " What prevents the government from implementing the laws like one being in Maharastra where no private companies have no scope to question governments decisions on such issues" he said adding that the state government has no seriousness on the issues related to farmers and their life. However Ganesh Naik Joint director of agriculture from Haveri

where BT cotton crop raised from seeds of particular company on an area of 26268 hectares of land failed initially stated that they cannot prevent the company from selling the seeds owing to stay on the ban . When pointed out that stay is on ban on sale of seeds and not on agriculture department's extension works where they can caution farmers from buying spurious seeds, Naik said they are suggesting farmers not to buy spurious seeds and go for genuine seeds. This time seeds sale of this particular company has come down by 50% and only farmers who are not aware of the issue or whose crops have yielded partially are going for the seeds of this company" he said disclosing that they are making sincere efforts to educate farmers on the issue of fake seeds.