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THE HINDU

Championing the cause of millet farmers

Kodo Millet, also known as varagu, kodo, haraka and arakalu is grown in places including Uttar Pradesh, Kerala and Tamil Nadu. It forms the main stay of the dietary nutritional requirements. It has high protein content, low fat and very high fibre content. It is also rich in B Vitamins, B6, folic acid and minerals such as calcium, iron, potassium, magnesium and zinc.

Barnyard millet

These are tiny, white, round grains belonging to the millet family. Barnyard millet can produce ripe grain in 45 days from the sowing time under optimal weather conditions.

Small seeds of barnyard millet are processed and used for preparation of different types of porridges. The millet is predominantly starchy. Barnyard millet has the lowest carbohydrate content and energy value amongst all other varieties. Kudumbam, a Non Governmental Organization predominantly working with poor farmers in the rain-fed regions of Kunnandarkoil Union in Pudukkottai district has been promoting food security with the popularisation of millet and pulses. The activities include popularisation of cultivation and consumption of millets.

Training for farmers

Kudumbam has been encouraging farmers to revive their **fallow** lands through millet promotion. For the producers, it organises trainings and capacity building programmes on millet cultivation and millet seed production.

For the consumer awareness, the organisation organizes millet seed festival and seed exchange exhibitions in schools and colleges ajd recipe competitions on millets. It works for a favourable policy and support from State to encourage millet farmers.

Kudumbam also offers eco tourism for students from schools and colleges. The children at the local villages are also taken on a one-day Nature Walk, where they identify trees, shrubs, herbs, flowers and fruits.

Regional mela on organic farming today

The Agriculture Department will organise a ‘Regional Mela on Organic Farming and Products at Rythu Bazaar here on Wednesday. Agriculture officials and farmers from Nellore, Kadapa, Anantapur, Prakasam, Kurnool and Chittoor districts are participating in the one-day event.

Joint Director (Agriculture) Nirmal Nithyanand said that the event would focus on organic farming methods and awareness campaigns for farmers. “Different varieties of paddy, cereals and vegetables will be on display and organic farm product will be available for sale,” he said.

“The Agriculture Department is monitoring the organic farming practices in around 600 hectares in the district and we have plans to increase the acreage ,” he said.

Credit plan envisages higher outlay for agricultural and micro industries

The credit outlay proposed for agriculture and allied activities in the district during the next financial year (2015-2016) has been increased by 18.24 per cent to Rs. 5,127 crore and to the micro and small-scale sector it is expected to go up by almost 20 per cent to Rs. 5,028 crore.

District Collector Archana Patnaik released the annual credit plan for the district here on Tuesday. According to the plan, the district has potential in horticulture crops such as cut flowers, agri bio-tech projects, green houses, etc. There is also potential for development of allied infrastructure such as cold storage, rural godowns and, wasteland development, minor irrigation projects, and food processing. The focus will be on creation of assets (investment and development loans).

The outlay for the sector for the current year (2014-2015) is Rs. 4,336 crore. The lending has been mostly to crop loan, including coconut, sugarcane, banana and also jewel loan for farming activities.

In the case of micro and small-scale sector, the outlay has been increased by 20.63 per cent to Rs. 5,028 crore as against Rs. 4,168 crore this year.

The Central Government is focusing on this sector now. The credit plan for agriculture and allied activities and micro and small-scale sectors is slightly more than that proposed in the potential-linked credit plan.

Since 2001-2002 to 2013-2014, total annual lending had been higher than that proposed in the annual credit plan in the district.

For the next fiscal, the total credit outlay proposed is Rs. 12,150 crore, which is over 1,900 crore more than that for the current financial year (Rs. 10,226 crore).

Between April and December 2014, the banks in the district had lent Rs. 7,980 crore.

The district will achieve the proposed credit outlay by the end of this month, says the district lead bank manager K. Krishnamoorthi.

Other priority sectors provide the required backward and forward linkages to the agriculture and micro-industries and hence, the outlay for this will be up by 15.85 per cent next year at Rs. 1,995 crore.

Releasing the document, the District Collector said that the district has the highest annual credit plan in the State and it is also leading in implementation of several schemes of the Government.

S. Suresh Kumar, General Manager of Canara Bank – Coimbatore Circle, and V. Saravanan, assistant general manager of Reserve Bank of India (Chennai), received copies of the plan from the Collector.

Govt. plans to create buffer stock of onions, potatoes

In order to insulate the city residents from the seasonal crisis of major agricultural produce during the summer months, the Delhi Government is planning to buy and create a buffer stock of onion and potato in the major growing States.

The government plans to supply those to traders, or even sell those directly to the residents in Delhi as and when required, if at all the crisis emerges in the coming months, sources said. Development Minister Gopal Rai held a review meeting over the issue on Tuesday during which an in-principle consensus was arrived.

“A decision to that effect has been taken. Now the modalities have to be worked out about the logistics involved like storage, and disposal in case those are not required to be brought to the city,” an official said.

Officials said the harvest season would arrive in two to three weeks. “Most likely the department would create the buffer from where we purchase in bulk in the producing State as it would be unnecessary to transport them here in advance as it would increase their cost. If the supply during the summer months remains normal in the Capital, they could be sold back in the mandis there ,” the official said.

‘Average yield of cashew is 314 kg per hectare in Pudukottai district’

Cashew is cultivated in a large scale in this district, next only to Ariyalur and Cuddalore, said Collector S. Ganesh here on Tuesday.

Inaugurating a district-level seminar on cashew cultivation, organised by National Pulses Research Centre, and Directorate of Cashew and Cocoa Development, Kochi, at Vamban Agriculture Science Centre in Alankudi taluk, he said the yield was 801 kg per hectare in Cuddalore district while it was 314 kg per hectare in Pudukottai district.

The average yield in Tamil Nadu is 500 kg while the maximum yield of 1,185 kg is recorded in Maharashtra. High yielding varieties of V.R.I.2 and 3 and V.R.I.4 give a yield of 2,000 to 3,000 kg. Cashew is cultivated in Andhra Pradesh, Maharashtra, Orissa and Tamil Nadu.

Certificates and prizes were distributed to S. Manonmani of Vadakadu for black gram cultivation and M. Thirupathi of Panankulam for brinjal cultivation.

K. M. Shajahan, Joint Director of Agriculture, Sampath Kumar and Arunachalam, Assistant Directors of Horticulture, participated in the seminar.

Call for holistic development of agri sector

KAU Vice-Chancellor P. Rajendran called upon the Krishi Vigyan Kendra scientists to prepare projects for the holistic development of the agricultural sector.

Speaking at the inauguration of the two-day workshop on the formulation of an action plan for 2015-16 of Krishi Vigyan Kendras in Kerala and Lakshadweep at the Directorate of Extension, Kerala Agricultural University (KAU), on Tuesday, he asked KVK scientists to restructure extension modules without compromising on the focus and objectives.

"All extension programmes should aim at holistic development of farming sector. There has to be a change in extension perspectives in tune with emerging trends in agriculture and prospective plans have to be appropriately moulded.

Soil nutrient management, agri entrepreneurship development, skill development, thrust on organic farming and credit and market support systems are the areas to be focused.

Technology dissemination has to match the technology generation in quality and quantity," Dr. Rajendran said.

The major issues discussed on the first day include integrated pest and disease management in different crops, correction of soil acidity and micro nutrient deficiency, column method of pepper propagation, performance assessment of varieties suited to different situations, wild boar management using repellents and value addition and marketing approaches involving self-help groups.

The annual workshop organised by ICAR Zonal Project Directorate in collaboration with the KAU.

Varsity to establish centre for cultivation of cashew crop

The University of Agricultural and Horticultural Sciences (UAHS), Shivamogga, will establish a Centre for Development of Cashew Crop in Tumari village in the Sharavathi backwater region in the district, said its Vice-Chancellor C. Vasudevappa.

He was speaking after inaugurating a training programme for farmers on cultivation of cashew crop on the university campus in the city on Tuesday.

He said that the area of cultivation of cashew crop has enhanced in a rapid manner in Karur and Barangi hoblis in the Sharavathi backwater region.

The proposed Centre would provide training for farmers on scientific methods of cultivation of cashew crop. High-yield varieties of cashew saplings would be distributed. The State government has allocated an amount of Rs. 30 lakh in the 2015-16 State Budget for establishing the Centre, he said.

A germplasm bank of cashew saplings has already been established on the main campus of UAHS, Shivamogga, where 20 varieties of cashew have been conserved.

Saplings distributed

The university is also distributing cashew saplings to interested farmers at a nominal price on its main campus and at its Agricultural and Horticultural Research Stations in Bavikere and in Ullal, he said.

He said that returns from cultivation of ginger, which is grown on vast tracts in Sagar, Hosanagar, Shikaripur and Tirthahalli taluk, is no longer lucrative.

The decline in ginger yield due to fungal infection and price fluctuations have led to losses for farmers.

Farmers growing ginger can switch over to cashew crop, which is conducive for the climate of Malnad region. He urged farmers to experiment with growing cashew under the high-density cultivation method, he said.

P. Narayanaswamy, Director of Research, UAHS, Shivamogga; Vishwanath Shetty, Assistant Director of Research; and Deputy Director of Department of Horticulture M. Vishwanath were present.

‘Sell black gram, green gram immediately after harvest’

The Agro Market Intelligence and Business Promotion Centre (AMI&BPC) of the Department of Agricultural Marketing and Agri Business has advised farmers to sell black gram and green gram upon harvest.

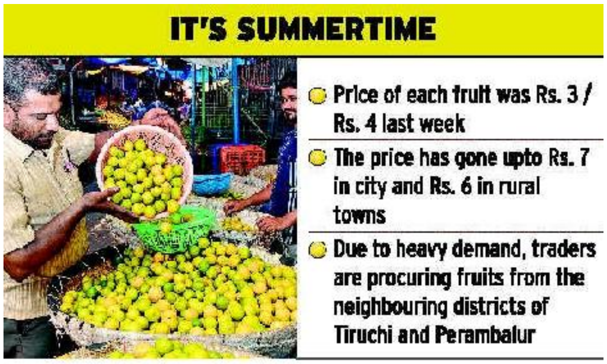
In a price advisory to farmers, the AMI and BPC said the price of black gram could increase slightly by up to Rs. 3 a kg and there was no chance for increase in the price for green gram in June and July.

The advisory was based on an analysis of the prices of black gram and green gram at the Villupuram regulated market. The analysis was conducted by the back office of AMI and BPC at the Centre for Agricultural and Rural Development Studies (CARDS) in Tamil Nadu Agricultural University.

As per the analysis the price of black gram is expected to hover in the range of Rs. 57 to Rs. 59 a kg and green gram would be in the range between Rs. 64 and Rs. 65 a kg between March and May.

At present, the price of black gram was Rs. 54 a kg and green gram was ruling at Rs. 64 a kg at the Villupuram regulated market. Now, harvesting season has commenced for green gram and black gram, especially in the rice fallows areas. In Tamil Nadu, black gram was mainly cultivated in Cuddalore, Nagapattinam, Villupuram, Thanjavur, and Tiruvarur districts. Green gram was grown in Nagapatinam, Tiruvarur, Thiruvallur, Thoothukudi, and Salem districts.

Price of acid lime shoots up in Salem



Thanks to the heavy demand following the commencement of summer, the price of acid lime has shot up in Salem markets in the last one week.

The price of a lime fruit which remained Rs. 2 to Rs. 3 last week, has shot up to Rs. 6 to Rs. 7 on Tuesday. The steep hike in the price is also said to be due to short supply from the traditional villages, which are major lime fruit production centres in the district.

Meanwhile, there is good arrival of lemon from Mecheri and surronding areas to Salem city markets.

However, due to heavy demand, the price of a normal size fruit has shot up to Rs. 7 in retail stalls. Small size fruits are sold at Rs. 3 each. In the rural towns too the price of the fruit has registered an upward trend.

The acid lime fruit crop yield has come down in Thammampatti town and the surrounding villages this season due to various factors. Due to this, traders have been procuring the fruits from the neighbouring Tiruchi and Perambalur districts.

“We were selling the fruit at Rs. 3.50 each last week. With good demand, the price has gone up to Rs. 6 now”, say a cross section of traders of Thammampatti. With summer season picking up soon, the price of the fruit is expected to go up further in the coming weeks, they point out.

Stable

However, the price of acid lime fruit remains stable in the eleven Uzhavar Santhais in Salem district.

The santhais have been receiving adequate stock from Mecheri and other areas and the price has been fixed Rs. 3 / 4 per fruit on Tuesday, say Uzhavar Santhai sources.

State government targets 140 lakh tonnes of foodgrains for 2015-16

The State government has set itself an ambitious target of producing 140 lakh tonnes of foodgrains in a reduced area of 79.76 lakh hectares during 2015-16 in all the three seasons.

As per the official information, the targets fixed for the Kharif, Rabi and summer season for 2015-16 was more than the revised target of 130 lakh tonnes fixed for 2014-15.

Initially, the government had fixed a target of 135 lakh tonnes in an area of 82,03 lakh hectares, but revised it due to the failure of rain in the State last year.

The foodgrain production target of 140 lakh tonnes is the highest in the past three years.

Official sources told *The Hindu* here that just like the previous years, the major portion of the foodgrain production target will be met by cereals and the target fixed for the current year is 124 lakh tonnes in an area of 52.75 lakh hectares. This is in comparison to the target of 114.77 lakh tonnes in 49.45 lakh hectares in 2014-15.

The anticipated production of the pulses for 2015-16 is 15.80 lakh tonnes in an area of 27.01 lakh hectares.

Last year, the government had fixed a target of 15.50 lakh tonnes of pulses in an area of 27.92 lakh hectares. Under cereals, maize had the highest production target of 46.17 lakh tonnes followed by 41.81 lakh tonnes for rice.

Jowar occupied the third place with a production target of 14.81 lakh tonnes.

Among pulses, Bengal gram was top with a production target of 6.89 lakh tonnes in an area of 10.61 lakh hectares followed by Red Gram with a production target of 5.57 lakh tonnes in an area of 8.16 lakh hectares during 2015-16.

The target for oilseeds has been slightly raised from 14.90 lakh tonnes to 15 lakh tonnes covering 17.40 lakh hectares for 2015-16. The area proposed to be under commercial crop is 13.20 lakh hectares and this was in comparison to 13 lakh hectares last year.

THE TIMES OF INDIA
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Veggie prices go up 60% from mandi to retail cart

Prices of vegetables and pulses are spiralling upwards relentlessly, despite a bountiful winter crop. Onions, tomatoes, peas, and cabbage are costlier by more than 50% compared to last year, while brinjal and cauliflower prices have shot up by up to 40%. These figures are based on the average of prices in 30 cities collected by the National Horticulture Board (NHB).

In several cities, prices are higher than average. In Jaipur, Chandigarh, Dehradun, Delhi, Mumbai and Ahmedabad, tomatoes are selling at Rs 30-Rs 40 per kg, over 100% more than last year's price. In Chennai, Jaipur, Shimla and Thiruvananthapuram, onions are priced at over Rs 30 per kg, almost 70% more than last year. In Bhubaneshwar, Mumbai, Chennai and Ahmedabad, cauliflower is selling at over Rs30 per kg, almost twice the price last year.

Meanwhile, prices of already costly pulses have climbed up further by up to 25% in the past year, going by data collected from 68 cities and towns by the consumer affairs department. Moong has touched Rs100 per kg while turarhar and urad have crossed Rs 80 per kg.

The question harried families are asking is why do prices of these crucial food items keep soaring, and what is the government doing about it.The position of the government, articulated by finance minister Arun Jaitley in Lok Sabha while replying to the Budget debate, is that inflation is under control.

Experts offer differing views on the subject. "Vegetable prices have gone up in some parts of the country while they have crashed in other parts. For example, potato and onion prices have come down.This is due to the rigidities in the market system," said Saumitra Chaudhuri, former plan panel member, and called for an urgent overhaul of Agricultural Produce Marketing Committee (APMC) laws.

But Chaudhuri's assertion that vegetable prices have crashed in some parts of India is not validated by data. And APMC laws were overhauled nine months ago. It had been declared "vegetables, fruits and other perishable commodities, which are price sensitive, will be removed from the ambit of the APMC Act. It was also declared that "in the interim, States will exempt these perishable commodities from the APMC yard taxes local fees, if any, to provide some relief on pricing". Onion was also declared an essential commodity to check hoarding.

Despite this overhaul, prices of vegetables have continued to rise. So, is there a demand-supply mismatch? Production data doesn't seem to indicate that. Total vegetable production zoomed up by 84% between 2001-02 and 201314. The area under vegetable cultivation has increased by nearly 50% since 2001, and yields have also gone up. Production of fruits rose by 107% and spices by 57%. In pulses, there is a definite gap between the annual consumption need of about 22-23 million tons and production of about 18-19 million tons. But that is made up by duty-free imports of about 3-3.5 million tons every year.

In vegetables, the crucial issue appears to be the supply chain from the farmer to the consumer. The average difference in wholesale and retail prices ranges between 40% and 60%. Note that this margin is largely within cities where wholesale markets are located. It does not count transport costs from the farm to the wholesale market.

SKYROCKETING

AVERAGE VEGETABLE PRICES (₹PER KG) - 30 CITIES

W (Wholesale) ; **R** (Retail)

	Mar 2015		Mar 2014		Change (%)	
	W	R	W	R	W	R
Brinjal	14	24	11	19	26	24
Cabbage	9	16	6	11	59	51
Cauliflower	14	22	9	16	45	38
Onion	17	24	11	16	54	52
Peas	23	35	19	23	18	53
Potato	8	13	11	15	-25	-15
Tomato	15	24	10	16	54	50

Source: NHB; till 18 March 2015. Figures rounded off

PULSES: CLIMBING RATES (₹/KG)

	2014	2015	Change (%)
Gram	46	50	9
Tur/ Arhar	70	82.5	18
Urad	66	80	21
Moong	88	100	14
Masoor	60	73.33	22

Source: Department of Consumer Affairs (average of 68 cities)

In certain cases, there is clear evidence of cartelization of traders -they act in tandem to hold back produce and jack up prices artificially.

This is most pronounced in onions where production is largely concentrated in certain districts of Maharashtra and Karnataka. In 2012, a study by the Competition Commission of India had nailed this conspiracy of onion traders in the Nashik region.

"The perishable nature of fruits and vegetables causes bigger spikes in prices whenever there is a small shortfall in output.

To stabilize these prices the government will have to build value chains, more cold storages and food processing facilities, " says Ashok Gulati, agriculture expert at ICRIER.

While this techno-fix will take time and may not work for many vegetables given their low storage potential, the aam aadmi continues to pay through his nose.

BusinessLine

How modernisation is vital for national agricultural market

It will bring in more transparency, uniform market fee structure and continuous movement of produce

In his Budget speech, Finance Minister Arun Jaitley stressed the need to create a National Common Agricultural Market and work with the States to increase the incomes of farmers by passing the incidental benefit of moderating price rises.

The national common market will be the backdrop for standardised and transparent trade practices across States under one single licensing system to break the entry barriers, monopoly and cartelisation that have crept into the functioning of the current agricultural marketing system.

The national common market is expected to bring more transparency due to wider participation, uniform market fees structure and uninterrupted inter-State movement of commodities.

Currently, agricultural commodities are traded in *mandis* established and regulated under the State Agriculture Produce Marketing Committee (APMC) Act. These *mandis* are accessed predominantly by local traders. Thus, farmers have no other alternative but to sell their produce to them through the licensed commission agents in the *mandi* .

APMC fails to upgrade

Over the years, APMCs have acted as a trading platform for farmers and traders. They handle huge volumes (in the peak arrival season) and varieties of agricultural commodities throughout the year with optimum efficiency. They ensure fair price for the farmers by monitoring the auction process. However, APMCs have failed to modernise the distribution network and shorten supply chains irrespective of whether they generate good revenue or not (through cess and other market fees). This would have potentially, improved the returns to the investment made by the farmer.

APMCs are expected to develop alternative marketing channels for producers by providing direct access to remote traders, bulk buyers, wholesale traders, star export houses and processing units through the technological intervention. To offer alternative marketing channels and bring transparency in the trading process, the government has approved Rs. 200 crore to promote development of a common national market for agricultural commodities through e-platforms.

E-platforms – what and how?

E-platforms are the online market place which provides real time connectivity and data transfer of the trades happening in the *mandi* . It offers to disseminate real time market information which assists in marketing decisions, regulates competitive market process and simplifies marketing mechanisms for the participants. It also increases the competitiveness by allowing common registration of market intermediaries.

Karnataka implemented e-platform facilities through the single licensing system for 51 main market yards and offers automated auction and post auction facilities. However, APMCs of other States should look to implement e-platforms in phases. In the initial phase, *mandis* should digitise daily arrivals data, auction prices and trade volumes for one or two main commodities. Real time arrivals data collection should be done by licensed commission agents while the APMC staff should record auction prices and trade volumes. The price and trading information must be broadcast to stakeholders such as farmers, traders and other registered members on a real time basis. *Mandis* , on the other hand, should build the infrastructure for grading, sorting, weighing, storing, etc.

In the later phases, *mandis* should go in for online bidding of commodities. Registered traders, bulk buyers and processors can participate from remote locations. Online biddings are acceptable for standard lot size in the case of quality certified commodities as done in electronic commodity exchanges. Successful bidders should be provided with the post-auction facilities such as transportation, warehousing, commodity funding, etc.

Alternate channels

State APMCs, need to provide more alternatives other than regulated wholesale markets/ *mandis* so that the producer can opt for most remunerative option. Bulk buyers and processors should be allowed to set up seasonal procurement centres in various places during the peak season.

Similarly, the Farmers Producers Organisations and local aggregators should be given free hand to sell their produce to the registered buyer of any State APMC. However, the buyer has to declare the quantity he/she is buying and the price through e-platform, monitored by the State APMCs.

States to step-in

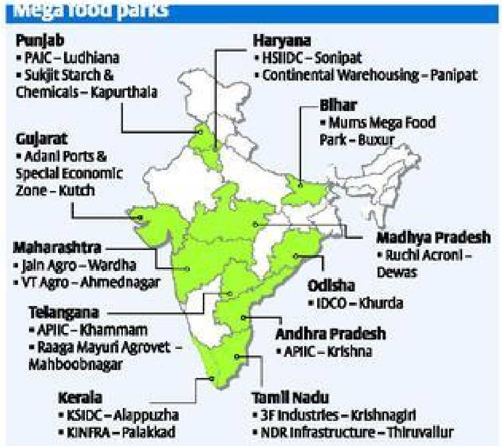
Now that the Centre has proposed for setting up the national agriculture market, the States have to take quick steps to modernise existing infrastructure. They have to step-in and take initiatives to deploy e-platform and options to provide alternate marketing channels.

They are required to adopt the Model APMC Act and somehow facilitate ownership of alternative markets to accelerate private investment and help build a national common market. Modernising existing mandis certainly attract more participation, creates competition and strengthen the marketing of the agricultural produce in the country.

The writer is Asosciate Director – Commodities & Currencies, Angel Commodities Broking. Views are personal.

Adani group, 16 others bag projects to develop food parks

Parks to help 5 lakh farmers, cut food wastage, bring down food inflation



The Central government’s ambitious plan to have mega food parks across the country took a big stride forward with 17 such parks awarded to State government bodies as well as private sector units.

These parks are expected to draw investments ofRs. 6,000 crore, including Rs. 850 crore grants from the Centre. Expected to generate a turnover of Rs.8,000 crore annually, they could provide jobs to 80,000 people and benefit 5 lakh farmers.

Out of these 17, Tamil Nadu, Telangana, Kerala, Punjab, Maharashtra and Haryana will have two parks each, while Andhra Pradesh, Odisha, Gujarat, Bihar and Madhya Pradesh have got one each.

Seven have gone to State Government entities, and the rest to private players, including Adani Ports & Special Economic Zone, Jain Agro, Continental Warehousing, among others.

“Almost all of them have land and most of them have CLU (change of land use) permission,” Food Processing Minister Harsimrat Kaur Badal told reporters here on Tuesday. This means availability of land will not be a problem. Projects have to be completed within 30 months. With the latest award, total number of projects approved has gone up to 42.

Link to market

The mega parks are meant to link agricultural production to the market by bringing together farmers, processors and retailers to ensure maximising value addition, minimising wastages, increasing farmers' income and creating employment opportunities, particularly in the rural sector.

Currently, projects in Haridwar (Uttarakhand), Chittoor (Andhra Pradesh), Tumkur (Karnataka) and Fazilka (Punjab) have already became operational, while projects one each in Jangipur (West Bengal) and Khargone (Madhya Pradesh), are expected to start soon.

The scheme aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain, which includes collection centres, primary processing centres, central processing centre and cold chain Infrastructure.

The Ministry believes that such mega food park will help curb wastage of perishable items such as fruits and vegetables. Citing a study, Badal said that the wastage was between 6 per cent and 18 per cent in cereals, perishables etc. which meant a loss of Rs. 44,000 crore (based on 2009 wholesale prices) annually. Now 22 States have got Mega Food Parks.

Badal said that her ultimate aim is to ensure that each of the States should have at least 2-3 parks in future. "This will play catalyst role in bringing down inflation and providing nutritious food to common man," she assured.

The promise of horticulture

Fruit and vegetables provide more income than foodgrains. But they need infrastructure and price support

The ongoing debates on rural India are mostly aimed at scoring political brownie points, and thus much of it is rhetorical. But there is some serious policy attention that India's agricultural sector deserves.

We must first acknowledge that farming has become unremunerative and is riddled with insecurity, thus rendering it highly unattractive to its practitioners, as a recent Lokniti survey shows. Even as farmers are faced with dwindling farm incomes, most of the rural population already don't consider farming their main source of income. Agriculture in India is contingent on a range of factors and rescuing the sector from its current state will require multifaceted responses.

Battle of the crops

Indian farmers overwhelmingly grow cereals — rice, wheat and lentils. Aside from the fact that the minimum support prices (MSPs) act as an implicit incentive for doing so, a number of factors hinder farmers from growing vegetables and fruits, which are inherently higher income-generating crops.

Among them are, first, lack of cold storage facilities and inadequate transport infrastructure. Second, vegetables and fruits are more labour intensive than cereals. Let's deal with the second problem first.

While rural labour is not scant, farm labour has become so. This is because farmers tend to complement their incomes with non-farm jobs out of need. Increasing farm incomes in the first place will automatically undo this trend.

While rising productivity and mechanisation will likely slice farm employment in the coming days anyway, one way to generate more cash flows for farmers is through a measured and gradual shift towards vegetables and fruits.

Although the latter are more profitable, the following qualification obviously applies: that fluctuations in this segment can be wild, rendering farmers vulnerable to crashing prices, like, say, tomatoes selling at ₹2 a kg as it recently happened in Maharashtra. This can be cushioned by appropriate financial arrangements.

By way of an initial push, one can argue for rolling out MSPs for vegetables and fruits in the initial years and gradually phasing them out. Any added pressure on the exchequer can be eased through rationalisation of fertiliser subsidies and leaky food subsidies, now overdue.

Peculiar paradox

Additional measures should include a price stabilisation fund for vegetables and fruits which should be used to scale up prices (to cushion farmers) as much as to scale down prices to ease food inflation. It should also be noted that small holdings, which in fact 85-90 per cent of Indian farmers have anyway, are conducive for fruits and vegetables. Now, the first problem — infrastructure and farm-firm linkages. The perishables business in agriculture entails quick turnaround periods.

This points to the urgent need for beefing up rural infrastructure — warehouses, metalled roads connecting up to the last village, cold storages, pack houses, chains and silos, and so on. Of course, micro-irrigation is crucial too. Toiling farmers must be convinced that they are not looking at spoilage worth half their produce even as they are encouraged to diversify.

While India remains the second largest producer of fruits and vegetables in the world, exports haven't quite matched up. During 2013-14, India exported fruits and vegetables worth ₹8,760.96 crore. This, compared to ₹23,161.56 crore worth of rice exports in the first half of FY 2014-15 alone. While India's share of global rice exports hovers around 20 per cent, our horticulture represents less than 1 per cent of the global market. More importantly, horticulture covers only about 5-10 per cent of India's total cultivable land. Ironical, given that India's farm productivity is highest in the vegetables and fruits segment.

Better sales and exports

In horticulture, a combination of perceptive policy and local institutional support can further shore up farming incomes. For one, local government bodies can help producers move up the value chain (grading, cleaning, cutting) through dissemination of knowledge and expertise.

The food processing and agriculture ministries should work in tandem at a time when demand for processed food is increasing within and outside India, an opportunity that should be tapped. Plus, to make product upgrading a reality, farmers should also be sensitised about the sanitary and phytosanitary requirements of exports and standards imposed by organised retail entities. Above all, the existing inefficient and corrupt supply chain should be overhauled and middlemen weeded out. Ideally, farmers (and farmers' groups) should be able to gainfully sell directly to private/cooperative entities and retailers, who would then, if required, further engage third party logistics providers.

India is a grain-surplus and grain-exporting country — the world's largest exporter of rice. It is time to explore further potential in production, value addition and export of vegetables and fruits too. In due course, if sustaining farmers' incomes is the end, then only a long-term view will help. It is all very fine to propose direct monthly income support to farmers, but that does not sound like a 'sustainable' solution, much less a long-lasting one.

Cheaper Indian cotton garners overseas orders

Neighbouring nations, Indonesia, Vietnam and Turkey hunt for produce here

Blooming prospects Ample supplies of the fibre prove to be a plus point for Indian cotton.

Cotton exports have begun to pick up as the Indian natural fibre has become the cheapest in the global market from February-end.

"We are at least 5 cents a pound cheaper than US cotton and 2-3 cents than African cotton. Lower shipping charges to nearby destinations give us an added advantage," said Anand Poppat, Chairman and Managing Director of Jalaram Cotton and Proteins Limited in Gujarat.

Currently, the Shankar-6 variety, in demand for exports, is quoted at 66-68 cents a pound f.o.b (Rs.32,300-33,500 for a candy of 356 kg). In the domestic market, the average price is quoted at Rs.32,000.

Chinese appetite fades

"Demand from China is almost nil but we are getting enquiries from Bangladesh, Pakistan, Turkey, Indonesia and Vietnam," said Poppat, also an official of the Saurashtra Ginners Association.

According to Edelweiss, China has not issued any additional import quota this year. It has been trying to reduce record stocks that have been built up over the last couple of years.

The International Cotton Advisory Committee (ICAC) has said that China's ending stock (12 million tonnes) will account for 56 per cent of global inventory despite its efforts to cut it.

For the first time this season ending September, Indian cotton became the cheapest in mid-February.

Strong demand

Usually, this trend emerges in November-December and as a result, exports peak during December-February, Edelweiss said, adding that Indian cotton finds good demand when it rules 3-5 cents below the global Cotlook A Index.

"The working price for exporters is 68-70 cents since the rupee has increased to 62.15 from 62.70 against the dollar. Otherwise, we were comfortable with 66-68 cents," Poppat said.

Even if China were to buy cotton, the gain would be less since Indian exporters have already locked their stocks in bonded warehouses there, he said.

Currently, ample cotton is available in India, while the US and Brazil have almost sold out their produce.

Export projections

At least 35-40 lakh bales (170 kg) each have been exported since the beginning of the season ending September. They are, however, lower compared with the same period year ago, said Poppat.

Edelweiss said that exports are estimated to be 58 per cent lower compared with last year.

The Cotton Advisory Board (CAB), a body comprising growers, traders, exporters and the textile industry, has projected exports at 90 lakh bales this season against 117.92 lakh bales last season.

The ICAC has also forecast lower exports, though it sees domestic demand growing four per cent year-on-year. CAB predicts domestic demand rising to 311 lakh bales against 298.88 lakh bales.

Referring to data from the Textiles Ministry, Edelweiss said demand for cotton till December increased 3.4 per cent over last year.

Though exports are picking up, there is no danger of the domestic market being starved of supply.

CCI procurement

The Cotton Corporation of India, which has bought from farmers as part of the Centre's market intervention programme, will sell in the domestic market, said Poppat.

The Corporation has bought 74 lakh bales till February-end, said Edelweiss. Industry sources expect the corporation to buy some 90 lakh bales.

Edelweiss said if the CCI locks the produce it has bought from farmers, then, it will ensure that the carryover stocks are lower than last year. This is against the CAB projection of 38 lakh bales carryover stocks from 32 lakh bales a year ago.

As a result, domestic cotton prices could rule bullish in the medium term.

However, if the CCI times its domestic sale badly, then prices could come under pressure. The practice of spinning mills in South India buying cotton from West Africa later in the season could also help keep prices on leash, Edelweiss said.

The ICAC sees global prices ranging widely between 62 cents and 76 cents a pound with 68 cents being the mid-point.