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‘Expertise hunting’ on in Rajasthan for farm sector

Jaipur, November 9:
Rajasthan is reaching out to countries across the globe such as Israel, Australia, New Zealand and Serbia, to gain from expertise in all facets of agriculture — from seed technology to post-production.

“A farm product which perishes in two days in India stays fresh for up to ten days in Israel. We need to adopt such technologies to increase the shelf life of our food items so that they can be sent to far-off markets,” Rajasthan Chief Minister Vasundhara Raje said speaking at the inauguration of the three-day Global Rajasthan Agriculture Meet (GRAM) meet in Jaipur on Wednesday.

At the global meet, an expert from Serbia will share expertise on seed technology, while another from the Netherlands will talk about climate change issues and solutions in agriculture. An olive expert from Israel will speak on technologies related to olive cultivation and an Australian expert will give a presentation on dairy and animal husbandry. The event is jointly organised by the Rajasthan government together with industry body FICCI.

Israel, which has already assisted Rajasthan in excelling in a number of farm produce including horticulture, is ready to take the partnership further. “The President of Israel is visiting India next week and the two main fields in which he wants more engagement are agriculture and water,” pointed out Daniel Carmon, Israel’s Ambassador to India, speaking at the event.

“Improving shelf-life of horticulture products, modern warehousing, cold-chain management, agri-logistics and easy access to national and international markets are issues that concern us,” Raje said.

“We have tried to get the best countries in various farm technologies, innovations and know-how in the on-going global agriculture meet so that they can share their know-how with us and our farmers can benefit,” she added.

Despite focusing on technology and growth, the fate of a farmer in Rajasthan still depends on the mercy of nature, like in many other parts of the country. For instance, last year due to untimely hail, a number of farmers in the State suffered huge damages leading to alleged suicides. The Prime Minister's crop insurance scheme launched this year is expected to provide better risk coverage, but it has to be put to test.

Rajasthan already leads in production of more than ten items in India such as barley, maize and seed spices. It was ranked third in the 'Agricultural Marketing and Farmer Friendly Reforms Index' of the Niti Aayog this year.

"The Centre will assist Rajasthan in whatever it aspires to do," promised Parshottam Rupala, Minister of State for Agriculture.

Raje already held meetings with the Ambassadors of Israel, Australia and New Zealand in New Delhi discussing with them the kind of co-operation in the area of farm technology she envisaged with the countries.

NMCE to offer deliverable castorseed contracts

Ahmedabad, November 10:
The National Multi Commodity Exchange of India Ltd (NMCE) on Thursday announced modifications in the castorseed contract, thereby making it deliverable as per the required market specifications.

NMCE had constituted a Trade Advisory Committee (TAC) on castorseeds to review all existing contract parameters of the contract and make them deliverable. The changes in the specifications were necessary to achieve wider participation from all the stakeholders.

Currently, three futures contracts — for November, December and January 2017 — are active.

The February 2017 series will be offered as per the delivery specifications, said a senior exchange official.

"The first meeting of TAC comprising, of Traders, Brokers, Millers of Castor Seed and exchange officials, was held on October 27 at Deesa. After exhaustive deliberations on various aspects of the contract, the Committee recommended certain changes related to Quality Specifications, Delivery Centre, Tick size, Assayer, Packing, Delivery Lot, Ware-house Management etc. These will be made effective," said Dinesh Shukla, Chief Compliance Officer, NMCE.

Manifold increase seen

"Castor is a huge crop in India and we are the only national exchange offering futures in castorseed. To meet the requirements of the stakeholders and achieve proper price discovery, the February 2017 contract will be made deliverable. We expect this will increase the volumes on the exchange multi-fold in coming time," Shukla said.

Currently, NMCE has a daily average turnover in the range of Rs. 10-20 crore, with about 40 clients trading in the commodity.

"NMCE has also sought suggestions from the public and stakeholders on the TAC recommendations by uploading the minutes on its website. On Monday, we will inform SEBI about the same and subsequently issue a notification in this connection," Shukla added.

Initially, the exchange will notify delivery centres at Deesa, Patan, Bhabhar and Mehsana, which shall be reviewed by the TAC after three months.

Rain deficit shrinks tea crop in South India

Bengaluru/Kochi November 10:
After the South-West monsoon, with the North-East monsoon also playing truant, tea growers in South India are staring at the prospect of a major crop loss this year. The South-West monsoon deficit had already impacted output, resulting in a firm trend in tea prices. Officials at the United Planters' Association of Southern India (Upasi) — the apex body of tea growers — expect the overall output in the region to drop by over 15 per cent.

South India, where tea is grown on about 1.19 lakh hectares across Tamil Nadu, Kerala and Karnataka, produces around 230 million kg (mkg), accounting for a fifth of the country's total output of 1,200 mkg.

Ramesh Bhojarajan, Secretary, Nilgiris Tea Growers Association, also pegs the crop loss, so far, at approximately 30 per cent. "Somehow, the prices in the South are holding up as compared to the North because of the crop failure. We are paying Rs. 16-17/kg for the ordinary leaf as compared to a maximum of Rs. 10 paid last year for the same," Bhojarajan added.

Scanty rains

While admitting that the rainfall failure has impacted output in the region, Tea Board officials said the exact crop loss could not be quantified at this juncture. However, the price prospects are looking good and quality is expected to improve, they added.

“In the Nilgiris, the largest tea producing district, the output is down by 30-35 per cent due to the failure of both the monsoons,” said B Radhakrishnan, Director, Upasi Tea Research Institute, Valparai.

“The North-East monsoon has been only 30 per cent of last year. Assuming the rains pick up during the remaining part of the North East monsoon period, it would be difficult to make up for the production losses,” Radhakrishnan added.

Rainfall in most of the tea growing areas ranged between 53 and 92 cm in the January-October period as compared to 153-162 cm the previous year, said N Dharmaraj, Chief Executive, Harrisons Malayalam, and past President, Upasi.

The South Indian crop has registered an almost 15 per cent drop in the January-September period, by 19 million kg, vis-a-vis higher the North Indian production, at 43.2 mkg.

Price outlook

The forecast for the October-January (which was 20 mkg last year) looked ominously low and could well end up in the region of 15 mkg. The prices for 2016, so far, stood at Rs. 106/kg compared with Rs. 83 last year.

With a further drop expected in output as well as the North Indian season coming to an end, prices are expected to go up by at least another Rs. 10. Retailers have already increased prices by 5-8 per cent, Dharmaraj added.

Officials at Forbes, Ewart & Figgis, tea auctioneers in Kochi, said that prices started moving up in the last fortnight by around Rs. 2 per kg for dust grades, and touching Rs. 115.64 for CTC leaf.

The Kerala government’s declaration of a drought might also influence the prices in the coming weeks. According to officials, tea exporters will be at receiving end due to low arrivals, forcing them to buy at higher prices.

Prices may rise further following the decision of North Indian buyers to impose a 10-15 per cent hike in packed tea.

However, in Coimbatore, contrary to the perception about a drop in tea production volumes, the quantities offered at the auctions are actually going up, say industry sources. The offered quantities at the auction centre in Coimbatore have actually risen as compared to the previous year, hovering around 5-5.5 lakh kg a week.

The prices have shot up 25-30 per cent in the past year. Tea leaf, which was quoting at Rs. 70 a kg last year, rose to Rs. 96 this year, while the price per kg of tea dust rose from Rs. 87 to Rs. 103, on an average. “We expect that prospects will be better during the January-February period for the industry as North Indian production will be closed due to winter. This will benefit the sector with prices both for North Indian and South Indian tea moving up further,” said Dharmendra D Vora, committee member, Tea Buyers Association.

The retail tea market is holding on without any significant change of late, says Cherian George, Head of Tea Business, Harrisons Malayalam Ltd.

The average price in the retail market is hovering at Rs. 100-120, while the loose tea market is at Rs. 180 per kg.

Drip irrigation

However, prices have now started moving up, registering a 2-3 per cent increase since November because of the shortage in South Indian production.

This is expected to continue till the end of the season, in March, he added. In fact, due to the drought, some growers have even faced higher losses. “We estimate the production loss in our estates at around 47 per cent,” said Lakshmanan N, of Golden Hills Estates Pvt Ltd in Coonoor.

As the rainfall pattern has been erratic over the past few years, planters are being forced to look at alternatives such as drip irrigation to sustain their production levels.

However, the high cost of installing drip irrigation infrastructure is prohibiting the planters to adopt such systems. The government should look at providing long-term financing solutions to planters willing to install the drip irrigation systems, Lakshmanan added.

On the possibility of artificial irrigation, Dharmaraj said the sources of irrigation have completely dried up, ruling out prospects of any overhead irrigation. Drip irrigation, which delivers substantial water economy, is not an option for tea, considering the high density of population of tea and consequent heavy capital expenditure, which the industry can ill afford, he said. With inputs from LN Revathy in Coimbatore

Myth of excessive edible oil imports

Trade bodies must stop extracting State favours in the name of protecting farmers
Of late, India's vegetable oil industry has been claiming that the country imports 'excessive' quantities of vegetable oils, hurting interests of oilseed growers here. There is demand for a hike in customs duty on imports and for a wider duty differential between unrefined and refined oils — which at present is 7.5 percentage points. Palm oil is the principal commodity in the vegetable oil basket and the share of refined oil import has been rising steadily.

How valid is the assertion that 'excessive' quantities are being imported and whether the recommendation of a duty hike has merit?

Import stats

India's oil year runs from November to October. During the current oil year (November 2015 to October 2016), India imported 13.4 million tonne till September 2016, of which the share of palm oil (both crude and refined) was 7.7 million tonne.

While total import (covering all oils) has increased from 12.8 million tonne in the first 11 months of 2014-15 to 13.4 million tonne in the corresponding period this year, the share of palm oil has actually declined from 66 per cent in the previous year (8.4 million tonne) to 57 per cent in the current year. Palm oil has been substituted by higher import of soyabean oil.

Projected import for the entire oil year 2015-16 is about 14.4 million tonne, nearly unchanged from the previous year. The value of India's vegetable oil import is really large at about $10 billion (Rs.65,000 crore). Palm oil continues to dominate India's import basket. It is most economically priced and well accepted by consumers. Also, transit time from origin to destination is short.

Industry bodies have alleged that India is being used as a dumping ground for unloading the excess supplies in the world market. They claim this is putting tremendous pressure on local prices. Also, they assert that current prices are at levels where Indian oilseed growing farmers are in distress and 'losing interest in oilseed crop'.

However, acreage data do not bear this out. According to the union agriculture ministry, oilseeds were planted to 19.0 million hectare in kharif this year, slightly higher than the 18.5 million hectare in kharif 2015. Another set of data relate to port and pipeline stocks. As of October 1 this year, such stocks were an estimated 2.1 million tonne, slightly lower than 2.2 million tonne the same date last year.

According to Solvent Extractors' Association, India's monthly requirement of edible oil is 1.6 million tonne which translates to total annual consumption demand of 19.2 million tonne. It is unclear how this demand estimate has been arrived at.

The apex body, Central Organisation for Oil Industry and Trade (COOIT), has estimated domestic production in 2015-16 at 7.2 million tonne, unchanged from the previous year.

Lacks rationale

In the light of these data, I find the representations for a steep hike in import duty or for creating wider duty differential between unrefined and refined oils lacking in rationale. First of all, it is unclear what constitutes 'excessive' import.

One is not sure if the trade bodies have any benchmark for 'normal' and 'excessive' import. Is there a cut-off point to decide if the import volume is normal? It would be interesting to hear from the trade bodies.

But I want to come from another angle. Why do these associations want the government to do everything or solve every problem of the trade and industry including the so-called excessive import? Can these bodies not put their own house in order or 'discipline' their members?

Come to think of it, all veg-oil importers — certainly the big boys and everyone knows who they are — are members of this association. What has prevented the association and its enlightened leadership from talking to these big boys and directing them to 'reduce imports in order to save the Indian oilseed farmer'? Indeed, senior officials in New Delhi pose the same question to the delegations of trade bodies seeking duty hike.

The tragedy is, it stands to reason to believe that India is becoming a dumping ground for palm oil. A part of our import is merely stock transfer from origin to destination; and we have in this country a few accomplices to play along with overseas suppliers.

Importantly, there is massive amount of stock building in the country in anticipation of a duty hike, hoping that policymakers will at some stage succumb to pressure brought on by the trade bodies. If the duty is hiked, it is these speculative interests who will win and reap windfall gains as has happened many times in the past.

Import debt trap

Importantly again, one does not hear noises against some of the undesirable and wholly avoidable trade practices. Take for instance, the long credit period Indian edible oil importers enjoy. The credit period of 90 to 150 days is exploited to the hilt to create an unending chain of imports and payments. Many of the importers here are actually falling into an ‘import debt trap’.

Policymakers must take cognisance of this. Hypothetically, if edible oil import on credit is stopped today, most importers will face a deep payment crisis; some may go bust.

Last but not the least, it is sad, trade bodies try to extract favours from the government by talking about farmers or using their name. Farmers know to look after themselves and the policymakers know how to look after the farmers. Trade associations must ask themselves what they have done for farmers’ welfare or whether they have done enough.

The writer is an agribusiness and commodities specialist

The Indian EXPRESS
JOURNALISM OF COURAGE

Farmers’ verdict: Sharing water no problem, depleting ground water is

Farmer unions like Bharti Kisan Union (Ekta) and Bharti Kisan Union (Dakaunda) were also of the opinion that politicians should focus on real farming issues of Punjab which are farmer suicides, low income in agriculture, depleting ground water, polluted water etc.

Though Congress is ready for mass resignations following the Supreme Court’s verdict on the SYL, farmers, the affected party, are muted in their reaction.

Some of the farmer unions called it a political stunt, saying the state should rather focus on water recharge instead of fighting over water.
Another union suggested that their fight should be against the state.
Jhanda Singh Jethuke, president of Bathinda unit of Bharti Kisan Union (Ugrahan), said, “No political party is going to help farmers. Our union is soon going to call a meeting in which farmers will be told to rather fight against the state government which is anti-farmer.”
“We have eight farmer unions which are of the view that the state needs to be more serious on water recharge as more than 70 per cent of irrigation comes from ground water,” he said.
Sukhdev Singh Kokrikalan, general secretary of the union, said they would ask farmers not to fall into the trap of any political party and fight against the state government.
Gurtej Singh, a progressive farmer from Sirianwala in Bathinda district, said, “We are one country. If Punjab’s water is doing good for any other state, our state should seek funds for some other projects rather than creating an emergency-like situation. As polls near, farmers will be used as a tool. What is the problem in sharing of water? We should focus more on ground water recharge as majority of our irrigation happens through tubewell bores, which will make Punjab dry in the coming years.” Gurtej does farming on 22 acres of land, apart from making innovative agriculture implements.
Farmer unions like Bharti Kisan Union (Ekta) and Bharti Kisan Union (Dakaunda) were also of the opinion that politicians should focus on real farming issues of Punjab which are farmer suicides, low income in agriculture, depleting ground water, polluted water etc.
Amarjeet Singh, member of Punjab Kisan Sabha formed by PAU and a vegetable grower in Bhurekalan village of Ferozepur, however, said, “The decision is not in favour of Punjab. The Centre did no good for Punjab and I believe no central government favours Punjab. If water share to Haryana is given, a large part of Punjab will face drought-like condition. So it is a time to fight back on this issue.”

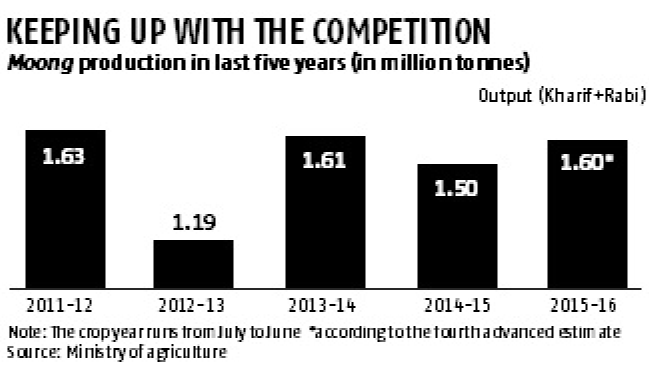
Business Standard

After arhar, government plans to expand area under new moong variant

After arhar, the government is now planning to expand the acreage under a new moong (Green Gram) variety, which, just like the newly launched arhar variant, takes lesser time to mature and produces better quality crop.

The moong variety, which has cleared all the field trials and has been circulated among farmers, gives an average yield of around 10-12 quintals per hectare, almost the same as the existing available variants, but more importantly matures in around 52-53 days as against all the current varieties which take 65-70 days to mature.

The window of 12-20 days gives farmers ideal time to prepare the field for the next crop and could expand its reach in areas where moong is traditionally not grown. The Centre plans to bring around 1 million hectares of land of the total 2-4 million hectares under “summer moong” this year, of which almost five per cent could be under the new variant. Called IPM-205-7 or ‘Virat’, this moong is ideal for growing in the summer season after wheat is harvested.



Officials said though the new moong not only takes lesser time to mature, but the grains are bolder and shinier than the existing varieties, which is expected to fetch growers better price in the market.

“We have started distributing this moong variety among farmers and it has been notified few months back; our target is to expand its area in the coming summer moong season, sowing for which will start around April,” N P Singh, director of Kanpur-based Indian Institute of PulsesResearch (IIPR) said.

Moong is one of main pulses grown in the country and India is the world's largest producer and consumer of moong.

Moong is cultivated both during the kharif and rabi seasons and the annual production is 1.5-2.0 million tonnes, which is 10-12 per cent of country's total annual pulses production. In summer season, moong is grown mostly in the North, while in winters it is cultivated in southern parts of the country.

Earlier, this month, the Central government unveiled a brand new dwarf arhar variety called the PUSA Arhar – 16, which if successful could solve the perennial shortage of arhar in the country.

Unveiled by Finance Minister Arun Jaitley, the pulses variety has been developed by scientists of the Indian Agriculture Research Institute (IARI) under the Indian Council of Agriculture Research.

PUSA-Arhar 2016, gives a per hectare yield of around 20 quintals, the same as many existing arharvarieties, but matures in around 120 days, roughly around four months, while all current arharvarieties mature in around 170-180 days, while some even take longer.

Not only this, the crop also grows into synchronised maturity, which means that the pod size are uniform and flat. The Centre plans to release this variety by January to enable farmers to plant this crop in the next kharif season.

Fertiliser council ICFNR to adopt international best practices in research

Indian Council for Fertilizer and Nutrient Research(ICFNR), which was established last month and aims to operate on the lines of Indian Council of AgriculturalResearch (ICAR) and Indian Council of Medical Research(ICMR), will adopt international best practices in researchto ensure farmers get good quality fertilisers at affordable rates.

“Wellbeing of the common man depends upon food Security, which in turn, is contingent on the fertilisersecurity of our farmers. Areas of operation of ICFNRinclude promotion of research in area of fertilisermanufacturing technology, use of raw material and innovation in fertiliser products, eco-friendly micro nutrients and pesticide coated slow release fertilisers, bio-fertilisers & organic fertilisers and their derivatives,” said Ananth Kumar, Minister of Chemicals & Fertilizers, while chairing the first meeting of governing council for ICFNR in New Delhi on Tuesday.

India is the second largest consumer of fertilisers in the world after China. Indian fertiliser requirement is largely dependent on imports - around 25 percent in case of urea, around 50 percent in case of natural gas (feedstock), more than 50 percent in case of phosphatic and around 100 percent for potassic fertilisers. India is also dependent on foreign players for sourcing of technology & licensing and technological up-gradation. Hence, it is of prime importance to have an indigenous research environment in India to achieve food security for the common man, the Minister added.

Though there are a number of private companies & institutions which are doing research in the field, there is hardly any dedicated national research institute which is exclusively devoted tofertiliser and nutrient research, indigenising the available technology and developing innovativefertiliser products to suit Indian requirement. Hence, government decided to set up ICFNR, set up under the administrative control of Department of Fertilizers (DoF), to promotion of research infertiliser sector

ICFNR will have a governing council and an executive committee for monitoring the progress in the field. The governing council is chaired by the Minister of Chemicals & Fertilizers and executive committee is chaired by Secretary, Fertilizers. While governing council will meet every six months, executive council will meet every quarter.

ICFNR is located at National Fertilizers Limited (NFL) office, Noida. NFL will also provide secretarial assistance including staff for ICFNR. For the initial funding, seed money from the three fertilizer PSUs, viz NFL, RCF and FAGMIL will be provided on annual basis. Subsequently, Government of India will provide budgetary support and the ICFNR will be funded by Department of Fertilizers through plan fund allocation for which a separate plan head will be created.

Bayer group hints at continuing crop research in India

Bayer group, which has entered a global agreement to acquire Monsanto, has indicated that it would want to continue with fresh research in countries like India.

Richard van der Merwe is the vice-chairman, managing director, and CEO of Bayer CropScience said, “IP rights protection is very important for promoting research in life science and crop science segment.”

Monsanto India had recently said it would put off further research in genetically modified seeds technology after a disagreement with the government over licenses for BT Cotton seeds and controlled trait fee. Monsanto India has termed the government move as anti-intellectual property.

In a conversation with Business standard after inaugurating an exhibition — Science For A Better Life Tour — in Mumbai, Merwe said, “Spurious agro chemical is a big challenge, not only in India but in countries like Russia, South Africa, and others, and we have sought the support of the government to meet this challenge. Bio diversity is damaged chiefly because of use of spurious agro chemicals."

Bayer group is setting up a new plant at Vapi in Gujarat with €30-million fresh investments. The plant is likely to go on stream in June 2017.

On merger with Monsanto, which was announced three months ago, he said "that is a part of global exercise and requires approval of 30 different jurisdictions. In India, we have applied to the Competition Commission of India for approval for merger of Indian businesses of both companies. We hope to complete merger process by end of next year."

"So far as merging Monsanto is concerned, there is hardly any overlapping in businesses," he added.