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Rubber Board introduces a new system of tapping

The Rubber Board has developed a new system of tapping in which tapping can be done on only one-fourth the circumference of the tree, instead of the present half spiral.

By adopting this new system, a tapper can tap more trees, as the length of the tapping panel is reduced by half of the normal.

The present general recommendation of the Board is to tap on half the circumference of the tree, after the tree attains a girth of 50 cm. Rubber plants attain this girth in seven years after planting.

After initiation of tapping, the rate of growth is reduced to 2 cm in a year, even in the holdings where tapping is good.

However, in the new system, where one-fourth the circumference of the tree is tapped, and tapping takes place once in three days, growth is unaffected.

Yield stimulant (ethaphone) should be applied at 2.5 per cent concentration six times a year, so that no drop in yield is experienced, it said.

When contacted, KU Thomas, Joint Director, Rubber Research Institute of India, told *BusinessLine* that rubber tapping in India is carried out on a frequency of half spiral cut under once in three days frequency. To start this tapping, the tree should have at least 50 cm girth. However, growers start tapping at an early stage of 44-45 cm. But they tag on a half spiral, which leads to poor growth of the tree.

In the newly recommended practice of quarter spiral, he said trees can be opened at 45 cm. In the initial years, the tapping followed in this system does not influence the tree's growth pattern during the immature phase. Another advantage of the new system is that the entire circumference of the tree is divided into four quarters and the recommendation is to tap once in three days. Under once in three days frequency, each panel can be tapped for seven years, which means 7x4=28 years of tapping on the virgin panel.

Longer economic life

However, in the existing model of half spiral once in 3-days frequency, virgin panel tapping is possible only for 14 years. Hence, the news system will lead to a quantum jump in the economic life of the tree, he said.

Rubber growers can contact the Board Call Centre at 0481-2576622 to get more details about this system.

Small growers keen on switching to Orthodox, green tea production

Small tea growers in the Nilgiris region have appealed to the government to extend a two-year moratorium to the Bought Leaf Factories (BLF) to enable the latter to switch their production process from Black tea to Orthodox tea, Green tea and value-added teas.

Submitting their plea to the KPMG evaluation team — deputed by the Tea Board for implementation of the XII Plan scheme — HN Sivan, Founder-President of the Nilgiris Nelikolu Micro & Small Tea Growers and Farmers' Development Society (NSTF), cited the findings of the Food and Agriculture Organization about the falling demand for black tea in the coming years.

"Being suppliers of the green leaf to these factories, small growers have every right to demand about the end product also. Mini and micro-factories designed for production of Speciality Teas must be encouraged," Sivan said and alleged the Tea Board was receiving the applications from small growers for establishment of such factories but was not processing the applications.

"The Board, on the other hand, is urging the applicants to change to establishment of BLFs, and the Centre's scheme for establishment of such factories (announced three years back) has remained only on paper. This should be implemented without further delay," he said.

"The formation of the District Green Leaf Price Monitoring Committee is a welcome move, but small growers are yet to realise the actual benefits," Sivan said, seeking an amendment in the existing (65:35) price sharing formula to 75:25, as in Kenya.

Demonetisation : Farm sector hit hard

Farmers as well as farm labour in villages are facing hardships due to demonetisation and unless urgent steps are taken to improve cash flow the sector may suffer a huge blow.

Kharif crops are being harvested in many parts of the State and the farmers have to prepare for the rabi season. Demonetisation could not have come at a worse time.

Gandhi, a farmer from Kalipatnam village near Narsapur town in West Godavari district, says the new 500 note should be released in large numbers.

"The new 2,000 note is not of much use. It is not easy to exchange it for twenty 100 notes," he says.

According to Bh. Ramachandra Murthy, a farmer from Krishnapuram vilage in Thondangi mandal of East Godavari district, "the old notes are being accepted right now, as there is still time till the end of December to exchange them. But it is getting increasingly difficult and the problem is getting out of hand. It is not easy for farmers or farm workers to stand in queues to exchange notes."

Rice millers, commission agents and merchants are unable to lift harvested paddy and other crops from villages, and they complain that the limits on daily withdrawal of money is hampering their activities.

“Farmers do not accept cheques, even if they have bank accounts, as they are so used to cash transactions. Old habits die hard,” says A Ramakrishna Reddy, a rice miller from East Godavari district.

Y Sivaji, former member of the Rajya Sabha, who has recently participated in the pre-Budget consultations in New Delhi, has welcomed demonetisation, but feels steps should be immediately taken to cushion the blow for on farmers and labour.

“We have suggested that the government allow purchase of farm inputs such as seeds, fertilisers, and pesticides with old notes for the coming rabi season and the government has responded positively. It is also high time that the NREGA scheme is linked with agriculture,” he said.

He also feels that the credit flow to the agricultural sector should be enhanced substantially after demonetisation.

“Moneylenders will be left cashless and therefore banks have to rescue farmers,” he added.

Mild winter may impact wheat yields this year

For wheat farmers, who are already grappling with the currency shortage triggered by the demonetisation of high value notes in the ongoing rabi season, there's more to worry about in the coming days.

The India Met Department, in its seasonal outlook for South Asia, has said that most parts of India are likely to witness a mild winter this year with higher-than-normal average temperatures in November, December and January.

Yields under threat

Higher-than-normal temperatures could mean that the wheat yields will get impacted, thereby influencing the output, said analysts and experts.

Wheat is the main rabi crop and sowing has kept pace with last year's levels in most States (see table). The IMD said average temperatures in the November-January period could be above normal by 0.5-1 degree Celsius over the country as a whole.

This, however, doesn't mean that the winter would be uniformly mild in all regions.

"The general assumption is that winter should be good when the rainfall is normal and this year we have received normal rains. We need to see how the winter actually progresses," said an official at the Karnal-based Indian Institute of Wheat and Barley Research.

Output, imports

However, studies have shown that higher-than-normal temperatures generally impact wheat yields, the source added.

Wheat yields in India are estimated at 2,750 kg per hectare as compared to world average of 3,289 kg per hectare.

The Central government has pegged the wheat production target at 96.5 million tonnes (mt) — higher than last year's 93.5 mt. The trade, however, had pegged wheat output last year at between 82 and 84 mt.

Lower output this year had led to imports of the cereal.

Trade estimates suggest that the country has imported about 1 million tonnes and another 1.2-1.5 mt has been contracted for imports in the current quarter.

"Mild winter and a slight delay in sowing, as witnessed in some States like Punjab and Haryana could impact the yields," said Amit Bharadwaj, CEO of Level A Commodities.

However, Bharadwaj expects the output to be better than last year.

Warm winter

According to the Inter-governmental Panel on Climate Change (IPCC), winter in India is expected to turn warmer, with temperatures rising between 0.4 and 0.8 degrees over the next 20 years — starting from 2016 to 2035.

The temperatures will again rise by 2-3 degrees between 2046-65. North India will be 3-5 degrees hotter by the end of the century from what it is today.

The temperatures in North India will become comparatively warmer than south India during this period and thereafter.

Global weather models suggest a warmer-than-normal winter this year for most parts of the northern hemisphere in the December-January-February period.

Global models

The European Centre for Medium-Range Weather Forecasts and the Application Laboratory of Jamstec, the Japanese national forecaster, have issued outlooks suggesting this.

Both also find that rainfall would be normal in most of North-West India with a few exceptions — but they differ over where the rain deficits are likely to crop up.

The European agency points to parts of Uttar Pradesh (especially the central parts) while the Japanese model cites areas further north-west — Jammu & Kashmir, Himachal Pradesh, Punjab and Uttarakhand.

The standing rabi crop, especially wheat and mustard, is known to flourish in cooler climates when temperatures dip significantly below normal. But current forecasts do not suggest such a trend anytime from December to March.

Western disturbances

There is also a significant correlation between winter-time precipitation over North-West India and the El Nino/La Nina phase in the Equatorial Pacific.

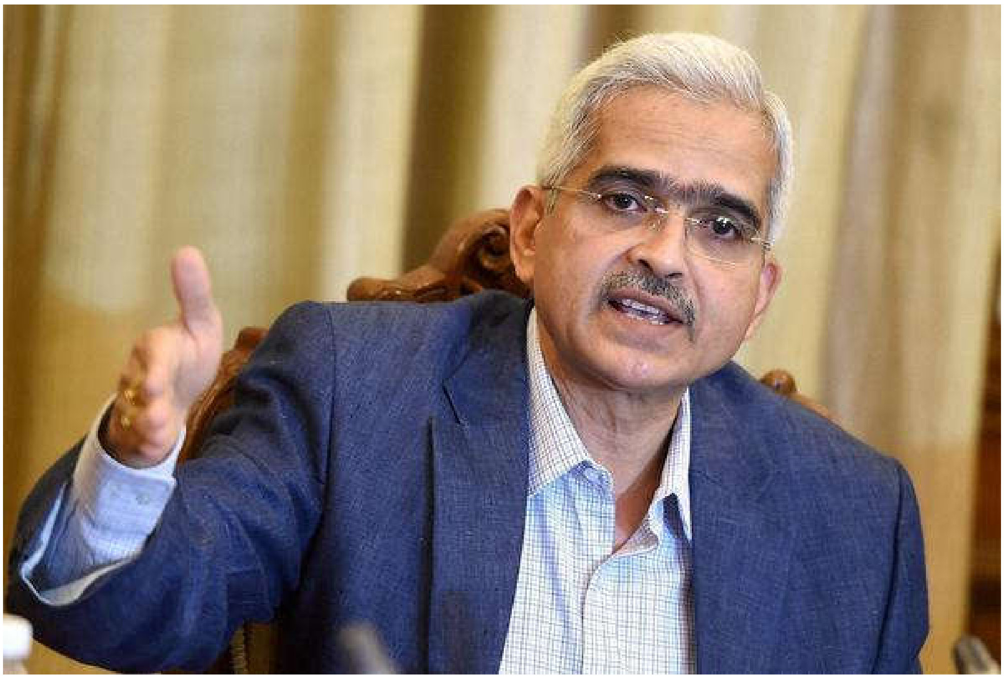
It is principally caused by western disturbances, the low-pressure wave that originates over the Mediterranean and Caspian Sea.

They travel east towards Iraq, Iran, Afganistan and Pakistan before entering India through the Rajasthan/Gujarat border.

The disturbances are intensified during an El Nino. The Pacific is currently transitioning into a ‘neutral’ (neither El Nino nor La Nina), which may partly explain the forecast of an indifferent winter here.

On an average, six to seven disturbances per month move across India during the winter.

Nabard to allocate 21,000 cr for district coop banks



Economic Affairs Secretary Shaktikanta Das addressing the media on demonetisation issue in New Delhi on Wednesday

Finance Minister announces slew of measures for digital payments

Hoping to offset the impact of the demonetisation of high value currency notes, the government on Wednesday announced fresh measures to benefit farmers in the *rabi* season and boost digital transactions.

The Finance Ministry has asked the National Bank for Agriculture and Rural Development (Nabard) to sanction 21,000 crore to district cooperative banks in order to fund the crop loan demands of small and marginal farmers.

"About 40 per cent of the credit needs of farmers are taken care of by such banks," said Economic Affairs Secretary Shaktikanta Das, adding that this will ensure unhindered credit availability to farmers.

"This will enable them to pass on or grant funds to the primary agriculture cooperatives and help in meeting crop loan requirements of farmers in rabi season," he said, adding that as and when required the sanctioned limit to Nabard will be increased.

Banks have also been advised to make cash available to district cooperative banks and the issue has been reviewed by Prime Minister Narendra Modi.

“DCCBs will get their cash from currency chests of banks and State cooperatives. Nabard has created list of DCCBs and their list of requirements have been given to banks,” Das said.

The decision was reportedly taken after a meeting that the Prime Minister had with NDA ally Shiv Sena on Tuesday. The Sena is said to have flagged the issue of cooperative banks facing a squeeze and farmers being hit during sowing season. The party had also joined an Opposition march to the President to protest the currency ban.

Easing digital transactions

To encourage digital payments, the charges on debit cards by public sector banks, some private banks as well as service providers will also be waived until December 31, 2016.

The National Payments Corporation of India has already waived the charges on Rupay cards.

“The intention of this decision is to ensure greater penetration of digital transaction in our economy,” said Das. The Finance Ministry said 30 crore RuPay Debit Cards had been issued and 300 per cent growth in usage in the last 12 days has been witnessed.

Similarly, the teleocm regulator TRAI has also reduced the USSD charges from the current 1.50 per session to 50 paise per session for transactions relating to banking and payments and has also simplified the procedure.

Das said telecom companies have also agreed to waive the balance 50 paisa USSD charge per session up till December 31.

Meanwhile, the Indian Railways has also decided to waive the service charges on online booking, till the end of the year.

To ensure smooth movement at toll plazas, the Ministry of Road Transport and Highways will advise vehicle manufacturers to provide ETC-compliant RFID tags in all new vehicles.

All government organisations and public sector undertakings have also been advised to use digital means for payments.

Das said the government has been reviewing the position of cash availability on a daily basis. Of the two lakh ATMs, 82,000 have already been recalibrated.

To replace the defunct 500 and 1,000 notes, printing presses have been printing new denomination currency notes on a 24x7 basis, in three shifts. Das, however, declined to comment on the amount of money that has been replaced.

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