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THE HINDU BusinessLine

As Vietnamese imports flood market, domestic pepper growers threaten to abandon cultivation

Pepper output

	Area (in hectare)	Production (in tonnes)
2012-13	1,22,500	65,000
2013-14	1,22,400	37,000
2014-15 (P)	1,23,900	70,000
2015-16 (P)	1,31,790	48,500
2016-17 (E)	1,31,230	55,500

Pepper import

	Quantity (in tonnes)	Value (in ₹ lakh)
2011-12	17,565	53,339.88
2012-13	15,600	56,944.18
2013-14 (P)	15,680	61,620.37
2014-15 (E)	21,300	1,10,710.00
2015-16 (E)	19,365	1,16,296.43

Source: Spices Board P: Provisional E: Estimate

Seek floor price of $8,000 per tonne

As cheaper pepper from Vietnam continues to flood the Indian market through Sri Lanka, taking advantage of the lower duty structure under SAFTA (South Asian Free Trade Area), growers here have threatened to abandon the cultivation of the spices crop.

Growers and traders from the key producing States of Kerala, Karnataka, Tamil Nadu and Andhra Pradesh, who have formed a consortium, have demanded that the Centre impose a floor price for pepper imports at $8,000 per tonne to curb cheaper inflow of the spice.

Kishor Shamji, coordinator of the Indian Pepper and Spice Traders and Growers Consortium, and Navin Achaiya, its joint coordinator, said domestic pepper growers are in dire straits following flooding of the markets with cheap pepper imported illegally.

"If the Centre does not take this matter seriously, pepper growers in India may abandon cultivation. Ultimately India will become a totally import-dependent country for pepper as the domestic consumption is high, estimated at 60,000 tonnes — almost equal to American pepper consumption," a member of the consortium said.

Growers are considering cultivating cocoa and nutmeg, which are less labour intensive and have a lower cost of production. They are also looking at some fruit crops like mango and rambutan.

Pepper imports in general attracts a duty of 70 per cent in India. Under an ASEAN agreement, a duty of 54 per cent is levied on pepper imported from Vietnam. However, under SAFTA, pepper from Sri Lanka attracts a duty of just 8 per cent, making it attractive for a section of traders to route Vietnamese pepper through Sri Lanka.

Besides this, about 2,500 tonnes of Sri Lankan pepper can be imported without any duty. This year, 60 importers were granted licence, and they can bring in 40-42 tonnes each.

Indian normally imports around 7,500 tonnes pepper per annum. This includes duty free imports of 2,500 tonnes under SAFTA, and 2,500 tonnes under advance licence without duty and another 2,500 tonnes paying 8 per cent duty. This year, the total imports might cross 12,000 tonnes, following the arrival of Vietnam pepper via Sri Lanka, the trade claims.

Higher pesticide content

Vietnamese pepper is reported to have higher pesticide residue in it. In case such pepper enters the domestic market without being tested at the import port, it could turn out to be health hazard here, they said.

Citing statistics released by Vietnamese authorities, office bearers of the consortium said Sri Lanka does not import pepper for its domestic consumption, which is said to be negligible. They pointed out that even the Sri Lankan Primary Industries Minister, Daya Gamage, was quoted by a newspaper on July 15 as saying: "Pepper is not imported from Vietnam to Sri Lanka for local consumption."

And yet, Vietnam shipped 443 tonnes of pepper in October-December 2016 to Sri Lanka. In January-May 2017, Vietnamese statistics showed that they had shipped out 2,016 tonnes of pepper to Sri Lanka. These were obviously routed to India through Sri Lanka, they said.

The interests of pepper farmers in the South as well as the North-East need to be safeguarded, the consortium leaders said.

India's domestic demand for pepper is on the increase on account of changing food habits. The current demand is estimated at 60,000 tonnes per annum with an annual growth rate of 4 per cent, Shamji said.

(This article was published on July 20, 2017)

Excessive use of antibiotics in poultry farms, a big threat to human health, says CDDEP study

The chicken on your plate may be a mine of antibiotic-resistant bacteria, a new study suggests. It blames indiscriminate use of antibiotics on the chicken for the high incidence of antibiotic-resistant bacteria.

Researchers from the Centre for Disease Dynamics, Economics & Policy (CDDEP) have found that nearly two-thirds of the poultry and egg farms are using antibiotics to boost growth.

And these same farms are more than three times as likely to report multi-drug-resistant bacteria, as compared to farms that do not use antibiotics.

For the study, which was published in peer-reviewed journal *Environmental Health Perspective*, the researchers tested about 1,500 samples from 530 birds at 18 poultry farms across six districts of Punjab.

Antimicrobial resistance

"Meat producing farms had twice the rates of antimicrobial resistance as compared to egg producing farms, as well as higher rates of multi-drug resistance," the study noted.

The indiscriminate and extensive use of antimicrobials in animal feed poses a significant threat to human health, the study says, adding there are several direct and indirect pathways of human exposure to these resistant bacteria. Farm workers, in direct contact with the animals, are at the maximum risk. However, indirect gene transfer across bacterial species and release of pathogens into the environment are significant concerns as well.

Disconcertingly, the study also noted that some antibiotics, such as fluoroquinolones, banned for animal use in the US since as far back as 2005 because of their extensive use among humans, continue to be used in India.

"Fluoroquinolones were banned for veterinary use in poultry in the US in 2005 in response to numerous studies linking its use in treating respiratory diseases in poultry to the emergence and spread of fluoroquinolone resistance in humans and animals," the study pointed out.

Similarly, the EU banned the use of antimicrobials for growth promotion in food animals in response to evidence suggesting growth promoters drove the emergence and spread of resistance in 2006.

The CDDEP study also found high incidence of resistant bacteria from the farms that use antibiotics. They detected 39 per cent resistance to ciprofloxacin (which is used to treat respiratory infections), and 86 per cent for nalidixic acid (used to treat urinary tract infections).

(This article was published on July 20, 2017)

As buyers return, TN tea factories decide to withdraw stir

After a lull in trading activity at the auction centres in Coonoor and Coimbatore the past two weeks, the centres registered a comeback this week, with buyers and exporters (except the Tatas and Unilever) participating in trade.

They had earlier voiced strong objection to the billing system under the GST regime.

At Sale No 29, which took place in Coimbatore on Wednesday, as many as 52 buyers participated, against 30 bidders at last week's sale, for the dust category. The average sale price this week dipped to 83.94 a kg (93.21/kg). Around 80 per cent of the catalogued volumes were sold compared to 28 per cent last week.

The average price of the leaf rose marginally to 82.16/kg (76.56/kg). Close to 73 per cent of the offered volumes in the leaf category was sold.

In Coonoor, close to 90 per cent of the offer volumes of tea leaf was taken up at the sale that was held this morning. Coonoor Tea Trade Association sources said they expect the trend to continue at tomorrow's dust tea auction.

"This is in sharp contrast to the 95 per cent and 54 per cent left unsold in the last two auctions," said HB Ananthan, President of the Nilgiris Bought Leaf Manufacturers Association.

With normalcy returning, owners of tea factories, who had earlier announced a shutdown till July 21, have decided to withdraw the move.

"We have decided to operate our factories from Friday and will start procuring the green leaf from small growers from tomorrow," Ananthan said.

Small tea growers, who actually became the scapegoat in the stand-off between the sellers and buyers/exporters, heaved a sigh of relief.

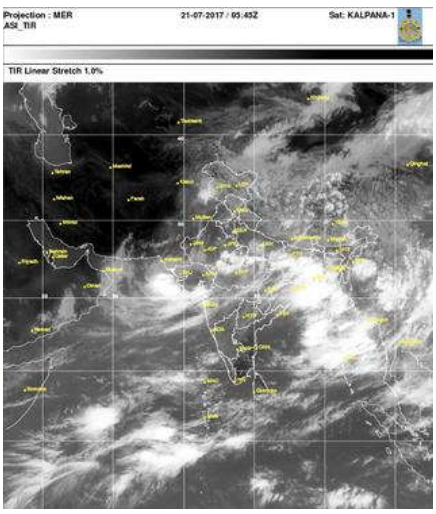
J Manigandan, a small grower at Avalanche in the Nilgiris, told *BusinessLine* the steep decline in the procurement price of green leaf, from an average of 17/kg at the start of the calendar year to 10-11/kg in recent weeks, "is unviable".

Emphasising the need to fix a minimum support price for the green leaf at (at least) 15/kg, he said: "The labour cost towards plucking is 5, and we incur another 1 each towards maintenance and fertiliser, taking the total cost to 7 per day. How can we possibly survive with a mere 3-4 a day?"

Meanwhile, H Thiagarajan, President of the Nilgiris Small Tea Growers Association, hailed the bought leaf factories' decision to start operations from Friday. "It means a lot to us as there are over 65,000 small grower families depending on the factories for procuring the green leaf," he said.

(This article was published on July 20, 2017)

Reigning 'lows' put western half of country on weather alert



Two low-pressure areas looking eye to eye from both sides of an imaginary border separating West and Central India will sustain strong monsoon conditions today.

Both are feeding into each other to maintain the status quo ante; normally, one blinks the eye in such a scenario, giving the other the right to dictate weather.

'FUEL LINES' OPEN

But no such quarters are either sought or given here, since each is able to draw in moisture from the seas closest - the Arabian Sea to the West and the Bay of Bengal to the East.

The 'low' that gains from the fuel lines traced to the Bay of Bengal is situated over North Madhya Pradesh this morning. This was a full-fledged monsoon depression to begin with.

The counterpart 'low' is of recent origin, spinning up over Gujarat as an aftermath of enhanced flows that the depression had triggered from the Arabian Sea as well.

This 'low' has since been pushed west over Kutch, where it has been traced this morning.

COMBINED STRENGTH

The two systems have combined to put extreme North India, the entire western half of the country, Central India, and extreme South India under a weather alert today.

The situation might ease once the 'low' over Kutch weakens and signs out, though the other one will continue to loiter over Rajasthan and adjoining North-West India.

The respite might not last long since there are signs that another low-pressure might be shaping up over North Bay of Bengal over the next four or five days.

This too is expected to take a belt of heavy rain from East to Central India and to the West along a track made familiar by two predecessors.

Parts of the North and North-West and Peninsular India are also expected to make gains as the wet spell sustains variously into practically the whole of the next week, forecasts suggest.

(This article was published on July 21, 2017)

The Indian EXPRESS
JOURNALISM OF COURAGE

A new (agri)culture

Unless we quickly get our act together, we must be prepared to face the consequences. In any food crisis, it is the top of the food chain that suffers the most. In the case of farmer’s distress, the top of food chain is us — the end consumer.

On top of all this we now have repeated droughts and floods — problems that are compounded by climate change.

In the last 20 years, according to the government's statistics, more than three lakh farmers have committed suicide in India. The situation of the farmers was never very good to begin with, but has been steadily declining and has reached its nadir right now. That is why we are seeing spontaneous eruptions of farmers' agitations in state after state across the country. Gradually, these spontaneous agitations are getting organised and now, a coordinated all-India farmers' movement is beginning to take shape which promises to be the beginning of one of the most significant farmers' movement in the history of this country.

The question is: What has brought the farmers to their present state of desperation? The roots of this crisis, in my opinion, lie in the Green Revolution and the policies adopted therein. The situation has also been exacerbated by the government's apathy towards the poor in general and towards farmers and rural folk in particular. The Green Revolution led agriculture towards chemical fertilisers, pesticides, irrigation through large dams and massive irrigation projects. This did lead to higher yields initially and, therefore, that period became known as the Green Revolution with most of the gains coming from the introduction of hybrid variety seeds.

However, with chemical fertilisers and hybrid seeds came the problems of resistance in pests and that led to the wider use of pesticides and also of higher potency. This infused poison in the food — especially for farmers, who also inhale the pesticides and, therefore, the higher incidence of cancer and other diseases — it also led to higher input costs and thereafter a gradual decline in productivity because of soil depletion. The chemical fertilisers added only a few chemicals like nitrogen, potassium and phosphorus to the soil without replenishing it with micro-nutrients and the pesticides kill even the soil bacteria. Eventually, the productivity started coming down and with greater use of pesticides, the input cost began to increase. Simultaneously, canals and canal irrigation also led to water-logging and a substantial part of the land became wasteland. In areas which were not irrigated by canals, there was a rise in the unregulated and unsustainable usage of tubewells to mine groundwater, leading its levels to fall rapidly. This led to even deeper tubewells, adding once again to the input costs for the farmers.

The Bhakra Dam was famously called one of the "temples of modern India" by Jawaharlal Nehru and has often been regarded as a boon to agriculture. Many large irrigation projects were thereafter taken up on similar lines, the most famous being the Sardar Sarovar project in Gujarat, which has been called the lifeline of the state by successive chief ministers. That project has taken up more than 90 per cent of Gujarat's irrigation budget for the last 50 years and today irrigates less than 2 lakh hectares of agricultural land which is roughly 10 per cent of what was promised. It still doesn't irrigate any part of Kuchh or Saurashtra — the arid regions for which it was supposedly made. If instead of this, even half this money had been spent on rain-water harvesting by giving every village of Gujarat a couple of crores for small check dams, every inch of agricultural land in Gujarat would have been irrigated many years ago.

On top of all this we now have repeated droughts and floods — problems that are compounded by climate change. We must also note that the government has fixed minimum support prices (MSP) for just wheat and rice, not for other crops and the MSP so fixed is just about adequate for farmers to meet their costs without giving even minimum wages for their own labour. The Swaminathan Commission had gone into this issue of MSP and had recommended that it should be extended to all crops and should be at least 50 per cent above the average cost price of farmers in each state. Despite a promise by the BJP in its manifesto to implement the Swaminathan Commission's recommendations, nothing has been done. In fact, there have been successive cutbacks in the funds allocated to the MGNREGA and other such schemes.

Payments for the loss of crops during droughts and floods have not been made despite loan waivers and the ever-greening of loans to big industrialists, who have defaulted on payments to the tune of thousands of crores, by banks. It is only after widespread agitations that some state governments have decided to waive loans to farmers.

However, this is only a temporary solution. If farmers are to be rescued from this crisis we desperately need to change the whole agriculture policy and move it towards organic farming, irrigation by rain-water harvesting and micro-water irrigation, shifting from chemical to organic fertilisers, which will also use less pesticides. It may be noted that contrary to popular belief, the government's data shows that the productivity from organically farmed lands is no less than those farmed with chemicals and pesticides. In addition, the Swaminathan Committee's recommendations must be implemented which will require a considerable amount of money. But that money has to be found. Some of it could come by way of discontinuing the subsidy on chemical fertilisers and some from stopping large irrigation schemes which come at a huge cost and deliver very little.

In India, 50 per cent of the people are still dependent, directly or indirectly, on farming. We cannot ignore their plight anymore. We have been sowing the seeds of the farmers' distress for a long time. Unless we quickly get our act together, we must be prepared to face the consequences. In any food crisis, it is the top of the food chain that suffers the most. In the case of farmer's distress, the top of food chain is us — the end consumer.

Paddy straw burning: Punjab government bans harvesting with existing machines

Manufacturers and machine owners told to upgrade equipment at a minimum cost of Rs 1.5 lakh

Punjab CM Amarinder Singh. (File/Photo)

The Punjab government has issued instructions to all deputy commissioners in the state to immediately ban harvesting of paddy crop with the existing harvesting machines in all districts. Meantime, the Punjab Agriculture Department has also taken up the impossible task of convicing all the manufacturers and owners of harvesting machines in state to get a new equipment called the Super Straw Management System (SSMS) before upcoming paddy harvesting season with objective to make farmers stop paddy straw burning.

Harvesting machines manufacturers and machine owners have their reservations about the order as they claim that it would affect performance of their machines, and also increase the cost of harvesting at least by Rs 500 per acer. Cost of upgrading the existing harvesting machines with SSMS starts from Rs 1.5 lakh per machine.

However, biggest question is if the agriculture department has capacity and resources to install this system in all the machines before upcoming paddy harvesting season.

Manmohan Kalia, Joint Director, Agriculture, said, "There have been around 12500 harvesting machines in state. Around 5000 of these machines are tractor operative. This SSMS cannot be installed on such tractor operative machines and it can be installed only on rest of the 7500 harvesting machines. Instructions has been issued to all the deputy commissioners and work will start it from today to implement this decision."

He said, “Manufacturers have reservations on this decision as they think that this system will affect the capacity of their machines. Besides owners of these machines will have to increase their charges by Rs 500 per acre, because it will reduce their daily harvesting capacity. Earlier, they have been charging Rs 1000 to Rs 1200 for harvesting of paddy crop now they may have to charge between Rs 1500 to Rs 1700 per acer from farmers.”

Main function of the new equipment is that it will harvest paddy in such a way that stems of the paddy plant will be cut in small pieces and spread equally in the field. Existing system make heaps of paddy straw and farmers find it easy to burn this straw. With equal spread in the field in small pieces, this paddy straw will create no problem for farmers in sowing paddy with happy seeder.

However, farmers will have to use happy seeder for wheat sowing after harvesting paddy with SSMA operative harvesting machine. “It is true that happy seeder will be the only best option to sow the wheat after harvesting paddy with SSMA machines,” said Kalia.

When asked if it would be possible to install such a costly equipment on all 7500 harvesting machines in coming three months, Kalia said,”We have started work on it and we are hopeful that we will do it.” There are around 800 harvesting machines in Amritsar and 500 in Tarn Taran.

Ranbir Singh Randhawa, Engineer Implements Agriculture Department Amritsar, said,”We have been expecting that we will be able to convince 50 to 60 owners of harvesting machines to install SSMS in Amritsar district. There has been no subsidy on installing this system. But subsidy may be announced soon and we hope that we will able to pass this subsidy to at least 20 owners.”

With aarti by 2,000 priests, PM Modi to inaugurate Narmada dam

This will be Modi’s first visit to Narmada district after becoming PM in '14. He will later address a rally in Dabhoi about 60 km from the Sardar Sarovar Dam. According to BJP sources, Deputy CM Nitin Patel will visit Narmada to take stock of the preparations later this week.

Prime Minister Narendra Modi. (REUTERS/Wolfgang Rattay/Files)

Prime Minister Narendra Modi will inaugurate the Sardar Sarovar Dam on river Narmada on August 12. Chief Ministers of 12 states ruled by the BJP and its allies will attend the ceremony where Modi will perform a grand Narmada aarti in the presence of at least 2,000 priests from across the country, mainly from Varanasi.

This will be Modi's first visit to Narmada district after becoming Prime Minister in 2014. He will later address a rally in Dabhoi, about 60 km from the Sardar Sarovar Dam.

The inauguration of the dam, which has now been raised to a height of 138 metres after the installation of the gates, will also mark the end of the two week long Maa Narmada Yatra to be initiated by the state government from July 27. As many as 85 raths, each carrying an idol of Goddess Narmada, will roll out from 24 districts. The rath will reach Kevadiya colony ahead of PM's visit after criss-crossing through various districts of the state.

According to BJP sources, Deputy Chief Minister Nitin Patel will visit Narmada to take stock of the preparations later this week.

District officials said that the state government has instructed officials of Sardar Sarovar Narmada Nigam Limited (SSNNL) to suggest the best place to hold the inauguration ceremony. "We have been asked to suggest which of the three locations — View Point 1, A-frame (top of the dam), and Glass Cabin — would be ideal for the guests. From most of the discussions that we have had with government representatives, it appears that A-frame or the top of the dam will be the final choice," an official of SSNNL said.

According to officials, special arrangements have been made to accommodate close to 2,000 priests, who will also arrive to perform the first-of-its-kind Narmada aarti. "The dais will be designed in such a way that the priests will get prominence," the official added.

Modi has been credited for clearing the way for installation of the gates of the dam within a fortnight of assuming office as Prime Minister in 2014. "Till 1997, the Narmada project was moving at snail pace, but Narendra Modi put it on a fast track after taking reins of Gujarat as chief minister in 2001," said Chief Minister Vijay Rupani at an event in Gandhinagar on Thursday.

Calling the project as "Gujarat's lifeline", the Chief Minister said that the agriculture income and production of farmers in the state more than doubled in the past 15 years becuase of the project. "In 2001, agriculture production of Gujarat used to be of Rs 18,895 crore. In 2016, it reached Rs 1,26,806 crore. Farmers (of Guajrat) have become prosperous," Rupani told a gathering of NGOs on the "constructive role" they played in bringing the project to reality.
He said that Narmada project and other associated projects like Sujlam Suflam and SAUNI Yojana helped to bring Narmada water to people of Saurashtra, North Gujarat and Kutch.

Govt asks Punjab co-op bank to borrow money to pay NABARD

Agri bank faces poor recovery due to farm loan waiver, state says raise term loan, will pay installment.

Unable to bail out Punjab State Co-operative Bank Limited from the setback of poor recovery of loans due to farm loan waiver, the cash-strapped Punjab government has asked the bank to borrow Rs 3600 crore to pay its instalment to NABARD. The amount of Rs 3600 crore, however, was to be paid by the state government that had promised to take over the short-term loans of 6 lakh farmers.

The bank, having 802 branches across that state, provides short-term crop loans to farmers. Since the bank was not able to recover the loaned money to repay Rabi instalment of Rs 3600 crore, it had sent a SOS to the state government for a bailout.

With its coffers empty and state being barely able to manage a Rs 2200 crore monthly bill of salaries, the government has virtually thrown its hands in the air and asked the co-operative bank to raise a loan from the National Cooperative Development Council, and repay NABARD. But the government has assured it would stand guarantee for the loan.

The issue came up for a discussion at a meeting of Finance Minister Manpreet Singh Badal with Finance Commissioner (Cooperative) D P Reddy, CMD of co-operative bank Dr SK Batish and CMD of Punjab State Cooperative Agriculture Development Bank HS Sidhu on Wednesday.

Government sources, however, said, “The government does not have any money. They have assured the co-operative bank to raise a term loan for now and the state would pay back the instalment. Chief Minister Amarinder Singh had to take up this issue with Union Finance Minister Arun Jaitley as we will need RBI’s sanction for this also.”

A source added that they would get more clarity after hearing from the RBI, but till then the issue will stay a spot of bother for the government and the bank too. If the bank defaults on this instalment by July 31, it could pose a serious problem for the state.

“There has been a discussion that if the RBI denies permission, the government will spare some money from Rural Development Fund (RDF) for the bank to keep going,” said a government functionary.

The agri bank had also sought a fiscal help of Rs 150 crore from the government to repay NABARD.

Business Standard

Spot sugar price jumps to three-month high of Rs 4,050 a quintal
Sugar companies' stocks jumped by up to 10 per cent on Thursday, with Shree Renuka Sugars in lead

Photo: Shutterstock

Spot sugar prices rebounded sharply from a recent low to hit the highest in three months, following a global move and traders returning to the market after almost three weeks.

The benchmark M-30 variety at the Vashi wholesale market jumped to trade at Rs 4,050 a quintal on Thursday, from a low of Rs 3,914 a qtl on June 29. The M-grade contract for delivery in July hit the upper circuit on the National Commodity & Derivatives Exchange (NCDEX), to trade at Rs 3,816 a qtl. The far month sugar contract for delivery in October, however, remained relatively resilient on NCDEX, to trade at Rs 3,590 a qtl on concern regarding surplus carry-forward stocks from the current season and estimates of a bumper cane output for the next season.

"A cold wave has certainly hit the standing sugarcane crop in some areas in Brazil. Sugar prices in India have followed a global move," said an analyst with a large stockbroking entity. Raw sugar futures on the Chicago Mercantile Exchange jumped to the highest in nearly seven weeks on Thursday, on report of a frost attack on the crop in Brazil, the world's largest producer.

Sanjiv Babar, managing director of the Maharashtra State Federation of Co-operative Sugar Factories, said: "Traders were away from active purchase in the past few weeks, which reduced pipeline inventory. Their absence had created downward pressure on prices. Since traders have returned, sugar demand has improved, with a shallow pipeline stock resulting in an increase in prices."

Dealers and stockists have also started short covering in anticipation of rising festival demand during the next two months. Normally, the festival season beginning July witnesses a sharp increase in sugar demand and continues till Diwali. So, dealers and stockists build their inventory for the entire season.

In the domestic market, the price rise can also be attributed to increase in import duty from 40 per cent to 50 per cent on raw sugar. The government raised the duty two weeks earlier, in anticipation of increased production this year, following a normal monsoon.

"The current sugar price rise is a temporary phenomenon, due to: a) filling of the pipeline inventory through extra offtake in July, after having dried up in the second fortnight of June due to merchants' not lifting in protest at the GST (goods and services tax) levy (b) the initial impact of GST through channelising of e-way bills, which interrupted transportation and has since got sorted; and (c) supply disruption due to the movement of kanwarias (seasonal pilgrims in the north this month)," said Abinash Verma, director general of the Indian Sugar Mills Association.

Sugar companies' stocks jumped by up to 10 per cent on Thursday, with Shree Renuka Sugars in the lead.

Rating agency ICRA estimates India's sugar production in the 2017-18 crushing season (beginning October 1) at 23.5-24.5 million tonnes, an increase of 16-20 per cent from the previous year.