

Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021951180200.htm>

**TNAU launches website**

Staff Reporter

COIMBATORE: Tamil Nadu Agricultural University (TNAU) has launched a website, [www.fcinaip.org](http://www.fcinaip.org), on "A Value Chain on Industrial Agro-forestry in Tamil Nadu" as part of the National Agricultural Innovation Project.

The project involves establishment of demonstration plots in farm land using high yielding clones of pulp wood and match wood species. It is being implemented from 2008 to 2012 in five districts of Tamil Nadu at a budget outlay of Rs. 3 crore.

Launching the website, Vice-Chancellor P. Murugesu Boopathi stressed the need for speedy transfer of industrial agro-forestry technologies across the State with the participation of various stakeholders.

The website has details about the project, consortium partners, project operational areas, cluster level farmers' information, innovative technologies, market information and value-addition in a dynamic mode.

M. Govinda Rao, Dean, Forest College and Research Institute, and K.T. Parthiban, Consortium Principal Investigator, spoke.

Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021954470500.htm>

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**Glaciers are indeed melting fast, says expert**

Special Correspondent

*Julian Hunt displays evidence from Beijing Climate Centre study*



**Julian Hunt, Emeritus Professor of Climate Modelling, University of Cambridge,**

CHENNAI: Supporting the argument on glacier melt, Julian Hunt, Emeritus Professor of Climate Modelling, University of Cambridge, U.K., showed evidence from a Chinese study to state that glaciers are indeed melting fast.

The study, conducted by the Beijing Climate Centre, showed that the depth of land frozen in the Tibetan plateau region is getting shallower every year, Prof. Hunt said.

Rajendra Pachauri, head of the Intergovernmental Panel on Climate Change, defending his position on the issue, had said on Tuesday that “contentions of snowfall discrediting the meltdown were incorrect and there was no ambiguity that the glaciers were melting.”

Prof. Hunt was in Chennai, at the Indian Institute of Technology-Madras, to talk on ‘Science and policies for Climate Change – What we should do now!’ during a visit coordinated by the British Council.

“The thing about science is that it is full of mistakes. We make them and then correct them,” he said.

For a long while the effect of aerosols were not incorporated into the climate models; it came in later.

It was important to keep collecting data, and for countries to have their own data on climate change. “We must keep on producing evidence for ways in which to proceed,” Prof. Hunt said.

Scientists must engage in and encourage rational discussion on climate change, the possible implications and the options available to nations.

Mitigate and adapt

While stressing on the need to evolve methods to mitigate and adapt, he said, “The capacity to do so will be immense.”

Integrating systems — such as building windmills on dykes in Holland, using thorium through nuclear fusion to generate reliable power, harnessing co-generation in power plants, building towns with green buildings, public transport and using food resources optimally — are all ways one could do this.

By not focussing on mitigation, it would only hasten the process of change and we would have to spend

more money at controlling the damage ensuing so.

If one could ensure that changes occur at a slower pace, it would provide the time to adapt better; rather than if there were a greater number of extreme events or sudden rises.

Bringing in the market into his lecture, Mr. Hunt said it was key to change the definitions and targets for economic growth periodically.

Nations would have to use markets to stimulate and effect change, as some carbon trading countries are already offering to do so.

**Date:**19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021952030300.htm>

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### **Experts suggest ways to check global warming**

Staff Reporter

DINDIGUL: Alternate fuel, common transport system, energy efficiency, extension of green cover and change in life style are essential to prevent global warming and to make the world the best place for all species including humans to live.

Reuse of shopping bags, travelling only when necessary, purchase of fresh vegetables every day, use of CFL are some meaningful measures to be taken by individuals to check global warming.

These were highlighted by experts at the 'National Science Day' celebrations held at Gandhigram Rural University at Gandhigram near here on Wednesday.

In his inaugural address, Professor A.R. Santhakumar, IIT Chennai, cautioned that a one-metre increase in sea level would affect six million people in the US and 183 million in India and Sri Lanka. Bangladesh would be worst affected owing to lack of adaptive capacity.

Developing countries were more vulnerable to global warming than developed nations.

Global warming had been intensified only after industrial revolution. In the last 20 years, there was a sharp rise in temperature.

Evidence

Flood in uncommon areas, drought in rainy areas, migration of butterflies from south to north, death of penguins and polar bears, destruction of coral reefs, increase in temperatures of surface area and rain in Arctic area were strong evidences for global warming, he pointed out.

## Urbanisation

In his special address, S.R. Ramanan, Director of Regional Cyclone Warning Centre argued that global warming in India was mainly due to rapid urbanisation and turning cities into concrete jungles rather than emission of gases.

Temperature in Raj Bhavan area in Chennai was four degree less than the temperature that prevailed in other parts of the city only because of the extensive green cover.

Sharp increase in heat would create more high intensive cyclones, he cautioned.

Slump in food production, increase in drought hit areas and rise in sea level would be some of the worst impacts of global warming.

Eco-friendly design for housing with less cement covered areas, energy efficiency, stringent industrial standards, clean technologies, change in lifestyle, car pools, better public transport facility, maximum use of solar power were some measures to be taken to control global warming, he advised.

**Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021952040300.htm>**

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## **Direct procurement centres at four places**

Staff Reporter

DINDIGUL: The Tamil Nadu Civil Supplies Corporation has opened paddy procurement centres in four places in the district following the commencement of the harvesting season, said Collector M. Vallalar in a press release here on Thursday.

### First phase

In the first phase, procurement centres were opened at Vilampatti village in Nilakotti taluk Athoor and Chithayankottai in Athoor taluk and Balasamaduram in Palani taluk for direct procurement of paddy from farmers.

### Farmers

The TNCSC has started procuring paddy from farmers, the release added.

The State government had advised the TNCSC to procure A grade paddy at Rs.1,030 per quintal plus Rs.70 incentive and general variety of paddy at Rs.1,000 per quintal along with an incentive of Rs.50.

Mobile centre planned

The TNCSC was mulling over the introduction of mobile procurement centres in the district to procure paddy from farmers at their respective villages.

Appeal

The Collector appealed to farmers to bring all their produces to these procurement centres to get better price for their agro-produces, he added.

**Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021958600600.htm>**

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### **Samba harvest across district in full swing**

S.Ganesan

*There is a 30 per cent increase in yield in comparison to the previous year: Joint Director*

TIRUCHI: Farmers have reported a better yield this samba season, in comparison to last year, as harvest is under way in full swing across the district.

Harvest has been completed in nearly 50 per cent of total area of about 67,000 hectares covered under samba and thaladi in the district, Agriculture Department officials said. The average yield ranged from three to 3.5 tonnes an acre in the district this season, N. Ponnusamy, Joint Director of Agriculture, told The Hindu. There has been a 30 per cent increase in yield in comparison to the previous year, he says. Farmers in most part of the districts too concede that the yield was much better than last year.

“Though the yield was not as good as expected, it is definitely much better than last year,” said G.Kanagasabai, president, District Cauvery Delta Farmers Welfare Association. Reports indicate that the average yield was around three tonnes an acre, said P.Ayyakannu, general secretary, Bharathiya Kisan Sangh.

Mr. Ponnusamy said that more farmers were adopting the techniques promoted under the System of Rice Intensification (SRI) such as the use of cono weeders and better water management, though they have not fully taken to the SRI system. SRI was becoming popular. The district had exceeded the target of 24,000 hectares set for SRI coverage, he said.

Meanwhile, a large number of farmers were going in for mechanised harvesting as in the past couple of years, given the shortage of labour and rising wages. Given the heavy demand for combined harvesters, private companies renting out the machines were doing brisk business. The Agricultural Engineering Department too has made available a few machines, but farmers say that they were far too inadequate to

meet the demand though the rental was much cheaper. Private companies charge about Rs.1,800 an hour for the machines.

Yet, farmers said that the use of the machines help them save money and time, apart from sparing them the problem in finding labourers to do the job. "It works out cheaper. While farmers had to spend about Rs.3,500 for mechanised harvesting for an acre, they had to shell out anywhere between Rs.4,000 to Rs.6000 for manual harvesting depending on the location of the field and availability of labourers," said N. Veerasekaran, Organiser, Ayyan Vaical Ayacutdars Association.

However, manual harvesting too was under way in many places in the Lalgudi belt. The labour scarcity does not seem to be as bad as during the kuruvai season last year, observed Mr. Ponnusamy. With more harvesters being made available now by private companies, labourers seem to have reduced their rates, he added. But farmers' representatives unanimously refute the assertion and maintain that shortage of labourers continue to be a major problem.

**Date:19/02/2010** <http://www.thehindu.com/2010/02/19/stories/2010021952490300.htm>

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### "Go for value-addition of herbs"

Staff Reporter

*Demand growing in domestic, global markets: workshop*



***Nice:*** John Felix, Lead District Manager, IOB, left, and J. Suresh, Assistant General Manager, NABARD, look at a product displayed in an expo in Tirunelveli on Thursday.

TIRUNELVELI: Instead of selling medicinal plants as such, farmers anor cultivating the therapeutic flora or the buyers here should go for value-addition as annual demand for these vegetations has grown to Rs.5,000 crore in the country, opined speakers at an awareness workshop on 'Medicinal Plants' held here on Thursday.

Inaugurating the programme, organised by the Khadi and Village Industries Commission, Assistant General Manager, NABARD, J. Suresh said demand for medicinal plants within and outside the country

was growing phenomenally every year as the consumer base for the products being prepared with the herbal plants was expanding rapidly. To tap this market potential, cultivators and domestic buyers purchasing the medicinal plants should go for value-addition, which would fetch high profit.

“While concentrating on value-addition, those who market the herbal products in the domestic and international markets should give due importance to packaging also with the latest available technology,” Mr. Suresh said.

He noted that the tribes having exceptional knowledge about medicinal values of plants in hilly regions than those living in the plains should be tapped for bringing into use more number of species for medicinal applications.

Lead District Manager, Indian Overseas Bank, Tirunelveli, John Felix Fernando said India, blessed with 45,000 species of medicinal plants, had not fully used this advantage by preparing value-added products.

He suggested that different groups should be formed at the lower level itself for cultivating, collecting, processing, value-addition and packaging of medicinal plants so that the income generated out of this business would reach the grassroots level.

“To make this process more effective, cultivation of medicinal plants in clusters can be followed so as to the task of collection, processing, value-addition and packaging can be done in a particular area itself,” Mr. John Felix noted.

Former Research Officer of Survey of Medicinal Plants Unit – Siddha, Government Siddha Medical College, Palayamkottai V. Chelladurai, an authority in identifying and classifying the medicinal plants based on their family, said that harvesting medicinal plants from its habitat should be done in a sustainable fashion as it would not weed-out a particular species completely. Farmers or collectors of medicinal plants should also make earnest attempt to cultivate these plants scientifically so as to reduce the pressure on the naturally grown therapeutic flora.

He urged the State and Central Governments to waive certain unrealistic conditions for establishing medicinal plants processing units, “since it will kill the entrepreneurs’ interest for starting a manufacturing or value-addition unit”.

Assistant Director (Horticulture), Tirunelveli, N.A.M. Raja Singh urged the farmers to go for the lucrative bamboo cultivation.

Economic Officer, KVIC, Madurai M. Selvaraju, Assistant Director, KVIC, Madurai, P. Nallamuthu, Nodal Officer, Prime Minister’s Employment Generation Programme, KVIC, Madurai R.P. Asokan and others spoke.

### **Committee takes stock of progress of State schemes**

Staff Reporter

KARUR: The District Consultative Committee for bankers in the district was held here on Thursday in which the progress under the various government-sponsored welfare credit schemes came up for review.

Under the Swarna Jayanthi Gram Swarozgar Yojana Revolving Fund, against the target of sanctioning loans to 780 SHGs, credit has been extended to 758 SHGs amounting to Rs.4.54 crore. Under the economic activity component loans have been sanctioned for 61 SHGs to a tune of Rs. 2.51 crore against the target of sanctioning credit to 150 groups, Senior Regional Manager, Indian Overseas Bank, Erode Region, S. Balachander observed.

Under the Prime Minister's Employment Generation Programme, against the margin money target of Rs. 1.12 crore, banks in the district have so far extended credit amounting to Rs. 7.42 crore against the margin money of Rs. 2.48 crore.

Under the TAHDCO schemes for Adi Dravidars, a total of 107 individual loans have been sanctioned and among them 41 applicants have already got the loans for which subsidy has been granted.

In respect of group activity, 43 loans have already been sanctioned meeting the target and 28 group applicants have received credit. Under the SHG credit linkage scheme, a sum of Rs. 33.29 crore has been disbursed covering 3,002 groups up to January end, against a target of Rs. 37 crore.

While the bankers have issued 22,260 Kisan Credit Cards so far, the target to be met was 27,000 kisan credit cards for the current year, the meeting was told.

Assistant General Manager, Reserve Bank of India, S. Selvaraj and Assistant General Manager, NABARD, A. Parthiban, urged the bankers to forward the reports for the quarter ended December 2009 immediately to the Lead Bank. The Lead District Manager K. Chandrasekaran requested all the bankers and line departments to speed up sanction and disbursement process under all the credit linked programmes as there was only one month left for the end of the current financial year.

Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021959700300.htm>

### **Mettur level**

The water level in the Mettur dam stood at 75.68 feet on Thursday against its full level of 120 feet. The inflow was 868 cusecs and the discharge, 1,800 cusecs.



Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021959710300.htm>

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#### Water level

MADURAI: The level in the Periyar dam on Thursday stood at 111.10 feet (full level 136 feet) with an inflow of 121 cusecs and a discharge of 300 cusecs. The level in the Vaigai dam was 38.16 feet (71 feet) with no inflow and a discharge of 60 cusecs. The combined Periyar credit stood at 784 mcft.

Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021954850500.htm>

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#### Union Minister announces Rs. 25-crore fund for IFGTB

Staff Reporter

*Farmers urged to pursue agro forestry for their benefit and that of the country*

— Photo: K.Ananthan



**Farmer-friendly:** Union Minister for Environment and Forests Jairam Ramesh (left) presents a new tree clone to a farmer at the 'Tree Growers Mela' at the Institute of Forest Genetics and Tree Breeding in Coimbatore on Thursday.

Coimbatore: Union Minister for Environment and Forests Jairam Ramesh on Thursday announced a financial aid of Rs. 25 crore to the Institute of Forest Genetics and Tree Breeding (IFGTB) here over a period of next two to three years to carry forward research activities.

Announcing the launch of Annual Indian Forestry Congress from this year in December in Dehradun and in 2011 in Coimbatore, Mr. Ramesh called upon the farming community to pursue agro forestry for their own as well as for the good of the country.

He was speaking at a function organised by the IFGTB and the Indian Council of Forestry Research and Education (ICFRE) after releasing four new clone varieties of eucalyptus and casuarinas besides booklets, pamphlets.

He also gave awards and prizes to those who took part in the marathon research that had yielded results in the form of new varieties in tree species.

Mr. Ramesh said the new clone varieties would be launched in Andhra Pradesh, Kerala, Karnataka and Tamil Nadu. Next year, IFGTB would possibly release a new variety of acacia and every year the institute would release such new varieties. Referring to the criticism on him as a person against science, Mr. Ramesh clarified that "he was a strongest supporter of science". On Bt. brinjal Mr. Ramesh said: "Let Indian scientists decide for our people, let farmers and political leaders decide on what is good and let us not run after America for a seed."

Mr. Ramesh said now farmers growing acacia had to wait for four to five years to cut. It was seven years for eucalyptus. Farmers wanted tree species that could be grown and cut in three to three-and-a-half years. It would be a challenge for scientists to release such varieties. He exhorted the scientists to go to the field and not sit in laboratories.

Mr. Ramesh said Dr. M.S. Swaminathan's efforts led to Green Revolution. Now, it was the turn for 'ever green' revolution. He urged the scientists to focus on soil fertility, crop productivity and climate change resistance besides erratic rainfall and increasing dry days.

IFGTB Director N. Krishnakumar said the long gestation period in tree species was over and the farmers wanted species that grew fast. Holistic information was being generated to achieve the 33 per cent green cover.

ICFRE Director G.S. Rawat called for insect resilient varieties. V. Irulandi, Chief Conservator of Forests (Extension), Forest Department, said owing to projects such as trees outside the forest land, Tamil Nadu was able to achieve the one-crore trees target in three years.

Full-time member of Planning Commission G. Kumaravel said land and land-based assets were paramount and there was need for agriculture/forestry to keep pace with other sectors.

Collector P. Umanath said initially there were apprehensions about viability and possibility, but thanks to the Forest Department's initiative, now funds allocated were proving to be inadequate.

Principal Chief Conservator of Forests, Kerala, T.M. Manoharan said of the chosen 1,400 villages in Kerala, rules had been liberalised to fell trees without pass or permit in 1,350 villages. But Tamil Nadu insisting on pass for transport of such timber was proving to be a problem. He appealed to the government to look into it.

## Navigate a middle path, says Jairam Ramesh

Special Correspondent

Udhagamandalam: The need to adopt an economic growth path that is ecologically sustainable was stressed by Union Minister for Environment and Forests Jairam Ramesh while inaugurating a three-day Save Western Ghats meet organised by the Keystone Foundation at Kotagiri on Thursday.

Stating that a call to halt all economic activities was unacceptable, he said, it had no time for both eco and growth fundamentalists. Efforts should be made to navigate a middle path, he said and added, "a mindset change is required on both sides." While being concerned about the environment, the legitimate economic aspirations of the people should be recognised.

However anybody who violates the law or resorts to extra legal methods should be punished.

Pointing out that the ecological value of the Western Ghats was well known, he said that its green cover was qualitatively far superior to the rest of the country. As a carbon sink, its contribution was significant and its ecological resources were good.

Referring to the Green Tribunal which had been set up, he said that shortcomings would be looked into.

The decision on the BT brinjal issue was a tribute to the civil society. Both Prime Minister Manmohan Singh and UPA Chairperson Sonia Gandhi were very sensitive to environmental issues.

Nilgiris Collector Anandrao V. Patil said that there were over 10,000 elephants in the Nilgiri Biosphere Reserve and added that steps were being taken to protect elephant corridors. He expressed the confidence that the younger generation would protect the environment. "Development can be controlled but not stopped."

Save Western Ghats veteran B.J. Krishnan said that development should be sustainable and conservation of the environment should be part of the development process.

Environmentalist Claude Alvaris wondered of what use was a lot of money when there is no ecological sense.

The Director, Keystone Foundation, Pratim Roy, regretted that the NBR and the Nilgiris were today not what they used to be.

Latha Ananda of the River Research Centre, Appico movement activist Panduranga Hegde, activist Carmen Miranda, Trustee, Keystone Foundation Philip Mulley and advocate Ritwick Dutta were among

those who also spoke.

Director, Keystone Foundation, Sneh welcomed the gathering.

Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021960770400.htm>

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### Western Ghats Ecology Authority to be set up



***For nature:* Union Minister for Environment and Forests Jairam Ramesh at the launch of the Nilgiris Natural History Society in Kotagiri on Thursday.**

Udhagamandalam: A Western Ghats Ecology Authority (WGEA) will be set up under the Environment Protection Act, said Union Minister for Environment and Forests Jairam Ramesh, addressing a press conference at Kotagiri on Thursday.

Announcing that it would be notified shortly, he said within three months the proposed body would identify places to be declared as 'no development areas' in 51 districts of six States which form part of the Western Ghats.

It would also identify areas where development had to be regulated and where development could take place without restrictions.

Claiming that nine such authorities had been set up under the Environment Protection Act in various parts of the country, he disagreed with a suggestion that they were toothless.

Under grave threat

Conceding that the Western Ghats was under grave threat, he said he was committed to protecting it, referring to projects such as the Athirapally power project in Kerala, which had been shelved on environmental grounds. The situation in Goa had attained crisis proportions.

Pointing out that the Western Ghats was a continuous eco-system, he said a parliamentary forum on the Western Ghats would be brought into being. Mr.Ramesh said a meeting of MPs concerned would be convened soon.

Earlier, he launched a forum called the Nilgiris Natural History Society, promoted by the Keystone Foundation at Kotagiri.

**Date:19/02/2010** <http://www.thehindu.com/2010/02/19/stories/2010021958180300.htm>

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### **"Innovation in every field vital for rural development"**

Staff Reporter

*National workshop focuses on ways to improve rural economy*

— Photo: G. Karthikeyan



***Need of the hour:* Garry Jacobs, vice-president, The Mothers Services Society, Puducherry, addressing a workshop at Gandhigram Rural University near Dindigul on Thursday.**

DINDIGUL: Innovation in every field is essential for rural development and growth of rural economy. Technological and political innovations and academic research development are the need of the hour, said T.K. Jose, Managing Director, Roads and Bridges Development Corporation of Kerala.

Inaugurating a national workshop on 'Innovative strategies in grassroots development' held at Gandhigram Rural University near here on Thursday, he said that identifying and sharing of knowledge and technology were very important for development. There was no dearth of innovations. Many do not know where and how to get it. Increase in accessibility, availability and affordability were important for economic growth. We need much more innovative strategies for providing affordable education, better health services and protected drinking water, he added.

In his special address, The Mother's Service Society Pondicherry Vice-President Garry Jacobs said planning

based on opportunities instead of resource-based planning would have better results. Resource planning would tell us what we have, but opportunity based planning would explain what was possible.

The Government was not responsible for development and could not develop a country. Only people could develop a nation, he added. "Development is a human process and not a programme."

Development process needed aspiration, conscious awareness, pioneering individual initiative, social acceptance and recognition, imitation and multiplier effect and institutionalisation. Untapped potential that was available enormously in the country should be tapped properly.

#### Farm school

Establishment of a farm school with advanced soil testing labs, would double crop productivity and half irrigation water consumption. Most Indian labs lacked capacity to test 13 nutrients, essential for plant growth. World class soil labs were urgently needed. Furrow irrigation and deep chiselling could reduce water consumption by 50 to 70 per cent. Adapting advanced technologies would raise crop productivity by 100 to 200 per cent, application of micro nutrients doubles average crop productivity and modern land preparation techniques drastically scale down irrigation water consumption that constituted 80 per cent of water usage. Real problem was wastage and not shortage, he stated.

The development of a nation depended on development of knowledge, skills, character and values in each of its individuals. Ultimate objective of all development efforts should be to enhance values of man, providing people with greater freedom, self confidence and self-respect, he added. "Ultimate power and resources of development is not money or technology or even social organisation, it is the individual human being."

In his address, University Vice-Chancellor M.S. Ramasamy said that GRU has been developing a village development model providing all information including government schemes.

**Date:19/02/2010 <http://www.thehindu.com/2010/02/19/stories/2010021958310300.htm>**

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**"We should realise our mastery in many subjects"**

*"Not many aware of our potential in Vedic Mathematics"*



***OUR EXPERTSE:*** N. Gopalaswamy, former Chief Election Commissioner of India, speaking at a conference in SASTRA University in Thanjavur on Thursday.

THANJAVUR: N. Gopalaswami, former Chief Election Commissioner, said, "We Indians must realise our mastery in various subjects and become number one in the world."

"People are slowly realising our potential but still not many are aware of our vast potential in subjects such as Vedic Mathematics," he said here on Thursday.

Inaugurating a national conference on 'Vedic and Ancient Mathematics' at Shanmugha Arts Science Technology and Research Academy (SASTRA) University, he said that knowledge was available in India on various science subjects from the very old days.

For agriculture, one could learn from 'Krishi Parsara.' Construction technology was explained in 'Manasara Mayamatha' in the sixth century itself. Now we are talking about sustainable agriculture.

Now we have started using 'Amirthakaraisal' prepared using cow dung and urine as replacement for pesticides and fertilisers. This conference should help in unlocking our vast potential, Mr. Gopalaswami said. Our Vedic chanting had been recognised as oral heritage by the UNESCO. This helped in getting funds from Central Government in nurturing and popularising Vedic chanting, he said. He released the second volume of Vedha Vaibavam on the occasion.

R. Sethuraman, Vice-Chancellor, and Swami Omkaranand of Vedhapuri Ashram participated.

## Exporters of spices urged to ensure quality, timely delivery

Staff Reporter

*Spices Board of India also details them on expectations of importers*

MADURAI: Tamil Nadu Chamber of Commerce and Industry and Spices Board of India conducted a seminar on export of spices here on Tuesday. The Board works under the Union Ministry of Commerce and is the apex body for the export promotion of Indian spices.

M.P. Suresh, Deputy Director (Marketing) of the Board, Bodinaickanur, highlighted the need for maintaining high standards in 3 Qs— quality, quantity and quickness (timely delivery). He spoke on quality parameters for exports, expectations of those importing spice products from India and the challenges for exporters globally.

He also gave details of the Board's schemes for promoting exports and promotion of Indian spice brands in international markets, and how Indian exporters of spices could participate in international trade fairs and meetings.

R. Viswanathan, Head, Department of Food and Agricultural Process and Engineering, Tamil Nadu Agricultural University (TNAU) - Coimbatore, said that more than 39,000 employment opportunities were generated by the food processing industry for every Rs. 1,000 crore of investment.

However, the same amount of investment would entail only 31,300 jobs in textile industry and 22,300 jobs in paper industry. He also spoke about different types of cultivation process and post-harvest practices for spice varieties.

ECGC cover

Moorthi of Export Credit Guarantee Corporation (ECGC) said that the Central Government body, which worked in the promotion of exports by covering the risk of exporting on credit, offered 14 types of policies. It had a dossier of around two lakh buyers and was providing risk coverage to Indian exporters trading with 236 countries

S. Rethinavelu, senior president of the Chamber, said that export of spices must be scaled up as many international markets still remained unexplored.

He called for establishing a quality control and testing laboratory in Madurai which would benefit spice exporters in southern districts. N. Jegatheesan, president, also spoke, according to a release.



## **Focus on farm growth, food security bill**

Gargi Parsai NEW DELHI: Surging food inflation, decline in agriculture growth rate and the impending food security bill are expected to be at the centre of the coming Union budget. With a bumper wheat harvest expected this rabi, there are projections of a turnaround in the farm sector from the present growth rate of 0.2 per cent. Food prices, which grew at an unprecedented rate of nearly 20 per cent in January, are expected to stabilise for a few commodities at least in the short-term. With the supply side constraints still a concern, the duty structure for import of sugar, pulses and edible oils is likely to be retained to augment availability.

After the noise made over the National Food Security Bill at the Chief Ministers' conference earlier this month, there is an expectation that the Finance Minister will make an allocation for food grains subsidy for this purpose. The allocation may be a token one, as the requirement of food subsidy is estimated at about Rs. 37,000 crore to implement the Congress' election promise of 25 kg food grains to the Below Poverty Line population at Rs. 3 a kg.

The Bill will take some shape after the Planning Commission firms up its poverty estimates in the light of the recommendations of the Medullar Task Force figures. The States have already disputed the Central government's estimates of poverty.

Along with this, it is certain that the Food Subsidy Bill, which was budgeted at Rs. 60,000 crore last year will swell by at least Rs. 12,000 crore. The reasons for this are the higher minimum support price and the procurement costs of wheat and rice that the Food Corporation of India undertakes. At the same time, the Central issue price of wheat and rice sold through the public distribution system has remained the same since 2002.

However, there are deeper expectations from the budget of a long-term vision in agriculture and food sector. The attempts at raising production and productivity through the Rashtriya Krishi Vikas Yojna and the National Food Security Mission have so far not yielded the desired results. But these remain the flagship programmes of the Agriculture Ministry along with the Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize (ISOPOM), the Macro-Management of Agriculture (MMA), the National Horticulture Mission (NHM), micro-irrigation and SEEDS scheme to maintain stocks of certified seeds to meet exigencies during calamities.

But, with the Damocles sword — a hike in diesel prices — hanging over their head, farmers are wary about what to expect in the budget. Their biggest fear is that with growing input costs, the generous hike in the minimum support price of wheat and rice in the last two years will get offset if the prices of diesel and petrol are raised.

While there is no expectation of a bail-out package for farmers in debt as was extended two years ago for some districts on the eve of general elections, farmers do expect that the Finance Minister will look into their demand of setting aside some planned funds as pay-outs for climate change consequences or for dealing with vagaries of weather.

This crop year, for instance, farmers in the north were given a pay-out of over Rs. 1,500 crore for excessive use of diesel to pump out water for irrigation during the drought-hit kharif that reported a substantial loss of rice production.

This is a grey area that is crying for attention, along with the comprehensive crop insurance scheme that has been in the making for several years.

## Fall in share

Despite the decline in the share of agriculture in the gross domestic product (GDP) from 36.4 per cent in 1982-83 to 18.5 per cent in 2006-07, the sector sustained the country's years of recession and, that too, without a stimulus package for industry. However, the latest estimates say the worst monsoon in 37 years will bring down the farm growth rate to 0.2 per cent from 1.6 last year.

It cannot be expected that the agriculture growth rate will meet the expectations of 4 per cent when 60 per cent of cropping is rain-fed and dependent upon the rain god.

Despite that allocations in the budget must per force address the requirement of not only increasing production and productivity but also of per capita consumption, per capita nutrition and the purchasing power. More funds need to be allocated to ensure that production is supported by infrastructure in farm-to-shelf-food processing, warehouses, pre-cooling, cold storage chains, marketing and supporting services in a public-private mode if need be. Along with the business-as-usual sectors getting attention, transgenic and the research and development sector is up for higher allocation.

**Date:19/02/2010**

**<http://www.thehindu.com/2010/02/19/stories/2010021951750300.htm>**

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## Flavour of the season



***Beating the heat:*** Erode markets are witnessing the arrival of watermelons in large numbers.

### Fertilisers show way for fuel price hike

NEW DELHI: Thursday's decision to decontrol non-urea fertilisers and raise urea prices indicates the firmness of the government's intent to tackle the mounting subsidy bill and is a pointer that similar reform in transportation fuels could follow the budget.

That motor fuel prices are to be raised is almost given. The timing and whether decontrol will be full or come with some sort of a rider are the questions that remain. The answers will in all likelihood, come about after the budget. This is because of two reasons. One, the oil ministry wants to wait and see how much the budget allocates for fuel subsidy. That amount may well decide the quantum by which fuel prices will have to be raised immediately. Two, it is also hoping that the budget may pare some taxes to minimise the hike.

One view is that the budget may reduce some taxes on fuels but may slap a similar levy on some other head. That way, the quantum of the needed hike will be reduced and state-run firms will get some reprieve but the government will still get its money.

Last Sunday, oil minister Murli Deora and FM Pranab Mukherjee failed to work out a way to skirt opposition from within UPA-2 and agree on a mutually-acceptable solution to prevent state-run oilmarketing companies from going bankrupt if pump prices are to be kept artificially low.

Sources said at that meeting, the FM stuck to his guns that his ministry could not hand out anything more than the Rs 12,000 crore cash promised to cover oilmarketers' losses on motor fuel sales. This implied a pressure on Deora to either steer the Parikh report through the Congress' core group and the Cabinet for implementation -- at least partially -- or pilot an increase in motor fuel prices.

With allies such as Trinamool and DMK opposing any increase in fuel prices, Deora insisted that the government should compensate the oilmarketer for their losses on both motor and kitchen fuel sales as was decided by the Cabinet Committee on Political Affairs in July last year. The oilmarketers are projected to lose Rs 45,571 crore this fiscal on their motor and kitchen fuel sales. Of this, Rs 13,997 crore is likely to be on petrol and diesel.

After receiving the Parikh report a fortnight back, Deora had promised he would take his ministry's recommendations to the Cabinet within a week. The broad contours of the recommendations his ministry had prepared indicated a Re 1 a litre hike in diesel price and Rs 3 a litre increase in petrol. The option on cooking gas was kept open with an increase of Rs 25 a cylinder.

But with the allies raising the banner of opposition to such moves, the idea of moving the Cabinet was dropped and the matter has once again reverted to a tug-of-war for dole between the oil and finance ministries. Deora's immediate concern is the losses already incurred, which are threatening to erode the net worth of some bluechip oilmarketers. In his opinion, any hike in pump prices will only temper future losses.

If the Parikh committee's suggestions were to be accepted, petrol prices will immediately go up by Rs 4.63 a litre and diesel by Rs 1.89. Similarly, cooking gas prices will go up by Rs 100 a cylinder, still leaving a subsidy of over Rs 187, and kerosene Rs 6 a litre. While the allies are ready to go along with some hike petrol price, they want other fuels to be left untouched. The ball now is in the court of Congress interlocutors to find a workable solution with the allies.



### **Smart fertiliser subsidy signals bold farm reform**

Posted: Friday , Feb 19, 2010 at 0146 hrs New Delhi: Discussion

In a bold move that will not just prune the humongous fertiliser subsidy bill but also change the face of agriculture, Prime Minister Manmohan Singh, aided by several Cabinet colleagues, today brought in a nutrient-based subsidy (NBS) regime.

This will incentivise companies to innovate beyond a handful of products sold in the market presently and offer farmers choice based on soil needs. This is expected to trim the subsidy bill by about Rs 44,000 crore a year.

The NBS regime, approved by the Cabinet today, replaces the age-old product-based subsidy regime for fertilisers, and comes despite serious reservations by DMK and Trinamool Congress, key partners in the UPA government. DMK chief M Karunanidhi's son M K Alagiri is the Chemicals and Fertiliser Minister.

Proceedings in the Cabinet took a rather curious turn when Alagiri first proposed the new regime in the meeting and then openly expressed doubts in writing about its timing. He requested his other DMK colleague in the Cabinet, Textile Minister Dayanidhi Maran, to read out a two-page note in English in which the DMK's stand seeking postponement of the NBS was recorded.