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Food processing: farmers, women, SHGs to get priority in aid

The Food Processing Ministry will give priority to farmers, self-help groups and women for providing grant-in-aid in setting up food processing enterprises. It has also identified Bihar, Orissa, Madhya Pradesh, Chhattisgarh and Jammu and Kashmir for preferential treatment in financial support to set up food processing units.

Announcing this here, Food Processing Minister Subodhkant Sahai said the Ministry was setting up three boards to promote processing of fisheries, soybean and guar gum.

The Ministry planned to approach the Union Cabinet with its proposal to set up a mega food park in each State to give a boost to the sector. Already six mega food parks are in the process of being set up and bidders have been short-listed for establishing four more.

At an entrepreneurs meet here where the Minister distributed sanction letters for grants to beneficiaries, the Minister said, the “the sky was the limit'' for the growth of the food processing sector that has great potential for employment generation. Grants-in-aid to the tune of Rs. 60 crore were distributed to 200 entrepreneurs.

Food insecurity

He said as the world was passing through a ‘food insecurity' crisis, it made it all the more imperative for those interested in setting up food parks or mega food parks with the help of government to have backward and forward linkages. “Only if you involve farmers in your enterprises for your raw material requirement, will you be successful.”

Announcing a slew of measures to facilitate the food processing sector, particularly entrepreneurs, he said the Ministry would soon draw up a State-wise panel of consultants whose particulars would be posted on the Ministry's website. The consultants would help entrepreneurs to draw up detailed project reports for funds.

A helpline would be set up for free information and consultancy. Transparency would be brought in on cases in the pipeline by putting their status reports on the website. To involve states in food processing, the Ministry would set up councils in each State that would be headed by a State Minister.

Food processing industry employs an estimated 1.6 million workers and accounts for 14 per cent of the total industrial output.

Published: July 3, 2010 20:58 IST | Updated: July 3, 2010 20:59 IST Kanpur, July 3, 2010

Economy to achieve double digit growth in 2-3 years: Manmohan

PTI Prime Minister Manmohan Singh said there were a number of inherent strengths in the country's economy which can contribute to rapid growth in the future. File photo

Prime Minister Manmohan Singh on Saturday said the Indian economy is poised to grow by double digits in the next two-three years, having successfully weathered the impact of the global downturn.

"Global economic recession did not have much impact on us, as it had on other countries. Our target is to bring India to double digit growth path in the next two-three years," he said at a function organised by the Merchants' Chamber of Uttar Pradesh here.

The Prime Minister said there were a number of inherent strengths in the country’s economy which can contribute to rapid growth in the future and they should be harnessed to push up economic growth to double digits.

“Our savings and investment rates are high. Our youth ratio in the population is higher as compared to other countries and our private companies have created their place at the international level and they are being considered as good companies,” he said.

“We should take maximum advantage of our strengths so that we can achieve the target of double digit growth,” he added.

He said the last two years were difficult for the economy because it not only had to face global recession, but also the drought last year.

“It is a sign of how strong our economy is that we have been successful in overcoming these problems,” Dr. Singh said.

India’s economic growth slowed down to 6.7 per cent during 2008-09 as it faced the ripple effects of global financial mess, after three successive years of nine per cent plus growth.

During 2009-10, growth recovered to 7.4 per cent, after the government provided stimulus packages to the economy. This fiscal, the growth is targeted to further rise to 8.5 per cent.

The Prime Minister said that economic growth in the last few years had created new hopes among the people in the country. “Today, our citizens are very hopeful of the future and India is being viewed with greater respect at the global level and attention is being on the issues being raised by us on the international forums,” he said.

The Prime Minister said that the government had hiked investment in education and health sectors, which was necessary to achieve high growth rate in the times to come. “Unemployment is a big problem before the country. For productive employment of youths their skill development is necessary for which a Skill Development Mission has been launched,” Dr. Singh said.

The country, whose population crossed over 1.25 billion, has an estimated unemployment rate of 10.7 per cent of the working age population.

Referring to public private partnership in creating a world class airport terminal at Delhi, the Prime Minister said private sector had played an important role in the development of the country. "We are hopeful that by strengthening our partnership with the private sector, we will be able to improve our physical infrastructure," Dr. Singh said.

The government was of the view that country can only march forward, when every citizen is benefited by the development, he said. "Our effort is that all — poor, marginal farmers, socio-economically backward section should become a partner in the country's development and this thought clearly reflects from schemes like rural employment, loan waiver and mid day meal," the Prime Minister said.

hindustantimes

Reuters
Mumbai, July 04, 2010
First Published: 21:22 IST(4/7/2010)
Last Updated: 21:24 IST(4/7/2010)

India tea exports rise over 14.5 pct in May

India's tea exports rose by more than 14.5 per cent to 11.20 million kgs in May, while production also rose by 1.7 per cent to 72.63 million kgs, data from the Tea Board showed on Friday.

India exports CTC (crush-tear-curl), a variety of tea mainly to Egypt, Pakistan and the UK, and the premium orthodox variety of tea to Iraq, Iran and Russia. India is the largest exporter of tea followed by Kenya.

India's January to May tea exports rose to 71.18 million kgs from 59.60 million kgs a year earlier. Production also rose to 234.93 million kgs from 215.85 million.

http://www.hindustantimes.com/StoryPage/Print/567383.aspx

Delhi - INDIA

Today's Weather		Tomorrow's Forecast	
Cloudy	**Monday, Jul 5** Max Min 33.0º | 25.5º	Rainy	**Tuesday, Jul 6** Max Min 38º | 27º
Rain: 00 mm in 24hrs	Sunrise: 05:27		
Humidity: 79%	Sunset: 19:23		
Wind: Normal	Barometer: 1002.0		

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Jul 7	**Jul 8**	**Jul 9**	**Jul 10**	**Jul 11**
38º | 31º	41º | 30º	42º | 31º	44º | 33º	46º | 34º
Rainy	Rainy	Rainy	Partly Cloudy	Rainy

Business Standard

Monday, Jul 05, 2010

Moderate rise in castor oil on good demand

Press Trust of India / Mumbai July 03, 2010, 15:50 IST

Prices of castorseeds bold and castoroil commercial moved up moderately at the oils and oilseeds market here today due to good enquiries from shippers and soap industry.

Castorseeds futures firmed up on fresh export orders. Meanwhile, groundnutoil, refined palmolein and linseed oil were ruled steady in the absence of market moving factors.

In the futures section, castorseed's August contract resumed lower at Rs 3,485, but later recovered smartly to close at Rs 3,532 from yesterday's closing level of Rs 3,492, showing a gain of Rs 40 per tonne.

Turning to non-edible section, castorseeds bold moved up by Rs 10 per 100 kg to Rs 3,535 from Rs 3,525 and castoroil commercial edged up by Rs 2 per 10 kg to Rs 737 as against Rs 735 previously.

Linseed oil closed unchanged at Rs 495 per 10 kg. Moving to edible section, groundnut oil and refined palmolein both closed unaltered at Rs 775 and Rs 403 respectively.

Mustard oil rises on local buying

Press Trust of India / New Delhi July 03, 2010, 14:48 IST

In restricted activity, mustard oil gained by Rs 20 per quintal in the wholesale oils and oilseeds market today on local buying. Castor and neem oils in the non-edible section also moved up on increased industrial offtake.

Marketmen said increased buying by local parties, influenced the mustard oil prices. In the edible section, mustard expeller oil (Dadri) gained Rs 20 to 4,920 per quintal.

In the non-edible section, castor and neem oils also rose by Rs 100 and Rs 50 to Rs 7,200-7,300 and Rs 3,700-3,800 per quintal, respectively.

Following are today's quotations in Rs per quintal:

Oilseeds: mustard seed 2,500-2,600 and groundnut seed 2,100-2,850
Vanaspati ghee (15 litres tin) 720-830

Edible oils: Groundnut mill delivery (Gujarat) 7,500, groundnut Solvent refined (per tin) 1,250-1,260, Mustard Expeller (Dadri) 4,920, Mustard Pakki ghani (per tin) 685-840, Mustard kachi ghani (per tin) 840-940, Sunflower 6,300, Sesame mill delivery 5,850

Soybean Refined mill delivery (Indore) 4,400 Soyabean degum (Delhi) 4,300, Crude Palm Oil (Ex-kandla) 3,640, Cottonseed mill delivery (Haryana) 4,150, Palmolein (RBD) 4,120, Rice bran (phy) 3,750 and Coconut (per tin) 1,020-1,050

Non-edible oils: Linseed 4,000, Mahuwa 4,000, Castor 7,200-7,300, Neem 3,700-3,800, Rice bran 3,200-3,300 and palm fatty 3,225-3,300

Oilcakes: groundnut de-husk 800-850, sesame 950-1,150, Mustard (new) 1,025-1,050, Mustard 1,200-1,210 and Cottonseed 1,075-1,175

Basmati rice declines on sluggish demand

Press Trust of India / New Delhi July 3, 2010, 14:46 IST

In an other wise steady wholesale grains market today, rice basmati declined by Rs 100 per quintal on sluggish demand.Elsewhere, other commodities traded in a tight range on alternate bouts of trading and settled around previous levels.

Traders said sluggish demand against adequate stocks position mainly led to a fall in wholesale rice basmati prices.In the rice section, basmati common and Pusa -1121 variety prices lost Rs 100 each to Rs 5,150-5,250 and Rs 4,450-4,950 per quintal.

Following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,750-1,850, wheat dara (for mills) 1,250-1,255 chakki atta (delivery) 1,255-1,260, atta Rajdhani (10 kg) 175, Shakti bhog (10 kg) 175, Roller flour mill 630-650 (50 kg), Maida 750-780 (50 kilos) and Sooji 800-820 (50 kg)

Basmati rice (Lal Quila) 9,300, Shri Lal Mahal 9,300, Super basmati rice 9,000, Basmati common 5,150-5,250, rice Pusa-(1121) 4,450-4,950, Permal raw 1,750-1,800, Permal wand 1,825-1,975, Sela 2,050-2,100 and Rice IR-8- 1,575-1,600

Bajra 960-970, Jowar yellow 1,450-1,525, white 2,250-2,300, Maize 975-985, Barley (UP) 1,050-1,070 and Rajasthan 1,080- 1,090

Sugar ends flat on thin trade

Press Trust of India / New Delhi July 3, 2010, 14:05 IST

The trading pattern of sugar in the wholesale market at national capital remained unchanged today on less buying support.

Marketmen said sporadic buying and adequate stocks position mainly held sugar prices unaltered.

Following are today's rates in Rs per quintal:

Sugar ready M-30 2,900-3,000 and S-30 2,890-2,990
Mill delivery M-30 2,800-2,900 and S-30 2,790-2890
Sugar mill gate prices (excluding duty): Kinonni 2,775, Asmoli 2,790, Mawana 2,710, Titabi 2,700, Thanabhavan 2,690, Budhana 2,680 and Dorala 2,700

Groundnut, mustard oils rise in mixed trend

Press Trust of India / New Delhi July 3, 2010, 13:55 IST

In a mixed pattern of trading, groundnut and mustard oils rose on the oils and oilseeds market during the week on the back of fresh buying support from vanaspati millers and retailers.

Marketmen said increased offtake by vanaspati millers and retailers triggered by ongoing marriage season demand along with firming trend in producing regions led to a rise in select edible oil prices in the national capital.They said, however, a few oils remained weak and ended lower largely in tandem with weakening global trend.Meanwhile, palm oil hovered near the lowest in more than seven months in Malaysia, extending the worst performance in six quarters, as a stronger Malaysian currency pared the appeal of the world's cheapest edible oil used in food and fuels.

Palm oil futures for September-delivery fell 0.5 per cent to $724 a metric tonne on the Malaysia Derivatives Exchange, the lowest since November 17. The contract lost 2.1 per cent this week to drop for a second week.In the national capital, groundnut mill delivery attracted buying support from mills and climbed by Rs 150 to Rs 7,500 per quintal, while groundnut solvent refined rose by Rs 30 to Rs 1,250-1,260 per tin.

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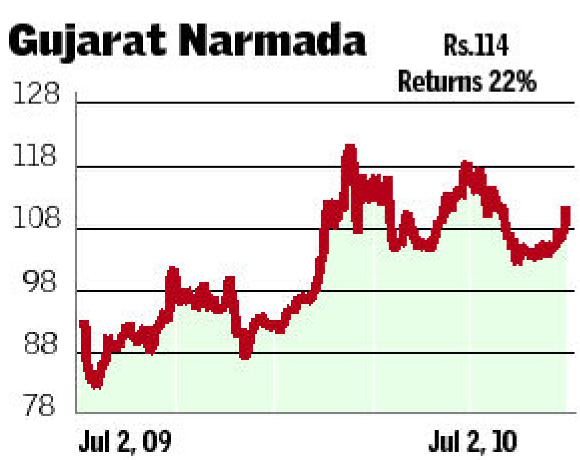
Gujarat Narmada Valley Fertilizers Company – Buy

Chart Focus.



Investors with medium-term perspective can consider investing in the stock of Gujarat Narmada Valley Fertilizers Company (Rs 114.2). In late 2008, the stock found support at Rs 50 and started to trend upwards.

While trending upward, the stock emphatically penetrated key resistances at Rs 80, Rs 90 and Rs 105. However, after recording a 52-week high at Rs 135 in January 2010, the stock had been on a medium-term downtrend until it found support at Rs 105 in late May this year.

The 200-day moving average, which was poised around Rs 105, also provided support for the stock. It appears to have resumed its long-term uptrend following a 4 per cent surge accompanied with heavy volume on Friday.

This move has helped breach its 50-day moving average.

The 14-day relative strength index has entered in to the bullish zone from the neutral region and weekly RSI is heading towards this zone. Buy signal in the daily moving average convergence divergence and price rate of change oscillator featuring in the positive territory implies that the stock's short-term up move can sustain. The stock's intermediate-term up trend-line is also intact.

Our medium-term outlook on the stock is positive. We believe that the stock has the potential to climb higher to our price target of Rs 136 in the upcoming weeks. A minor pause is however possible around Rs 125.

Investors with medium-term perspective can buy the stock while maintaining stop-loss at Rs 102. Short-term traders can buy with target of Rs 125 and with stop-loss of Rs 108.

Follow up - Pidilite Industries (Rs 128.4)

As anticipated the stock rallied last week and achieved our short-term price target of Rs 132. The stock ended the week with 4.6 per cent gains. We re-affirm our bullish medium-term outlook on the stock. Investors with medium-term perspective can hold the stock with stop-loss at Rs 108 and target of Rs 147.(This recommendation is based on technical analysis. There is a risk of loss in trading.)Yoganand D.BL Research Bureau

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http://www.thehindubusinessline.com/2010/07/05/stories/2010070550501200.htm

Haryana, Punjab paddy sowing hit by water, power shortage

Farmers had been expecting a good amount of rainfall and bumper production of non-basmati.

Karnal, July 4

Water and power shortage has affected sowing of rice, particularly non-basmati, in Haryana and Punjab.

Till now, only 50 per cent of the sowing has been completed and any further delay in monsoon could lead to fall in the production.

Haryana has set a target of 11.50 lakh hectares to be brought under paddy crop in the current kharif season compared with 12.05 lakh hectares last year. Of this 7 lakh hectares are to be brought under non-basmati cultivation and the rest basmati.

Till now, 4.5 lakh hectares have been brought under non-basmati.

According to agricultural experts, due to late sowing the production could fall, while Basmati sowing is yet to begin. During the same period last year, 6.5 lakh hectares were brought under non-basmati.

On the other hand, Punjab is planning to bring 27 lakh hectares under paddy crop against 28.20 lakh hectares last year.

Monsoon delay

Impatient farmers are waiting for heavy rainfall so that cultivation can gather pace. However, rains on Sunday offered a ray of hope for them.

On the other hand, the ground water level is low in the region and in view of this, the State Government has imposed a ban on the cultivation of sathi or summer paddy. Farmers were asked to take up non-basmati sowing from June 15 to take the full advantage of monsoon.

Farmers had been expecting a good amount of rainfall and bumper production of non-basmati but the delay in monsoon has disturbed their schedule.

Mr Vijay Setia, President, All-India Rice Exporters Association, said, the climate conditions are improving and the loss would be made good.

Farmers are used to cultivation of early variety (sathi) but since it involved tapping ground water, the Government imposed a ban, he said.

Mr B.S. Duggal, Additional Director of Agriculture, Haryana, said that only 3.5 lakh hectares have been brought under paddy but farmers could sow paddy in the first week of July as well. Lower rainfall is the reason for the coverage being affected, he said.

Mr Seva Singh Aarya, State Secretary, Bhartiya Kissan Union, said that shortage of water and electricity is causing problems for the farming community. If the situation continues for another week to 10 days, even basmati cultivation would be affected, he said.In Haryana, Karnal, Kaithal, Yamuna Nagar, Panipat, Ambala, Sirsa and Kurukshetra are the prime paddy-producing districts but farmers in these regions hardly get 6-8 hours electricity a day.

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Sugar production set to rebound, but price risks persist

G. Chandrashekhar,Washington DC, July 4

With the crop weather watch group saying that as on June 25, area sown to sugarcane was reported to be 47.4 lakh hectares (up from 41.8 lakh hectares of previous year), the prospects of a rebound in domestic sugar production during 2010-11 have become more real. Yet, even after a 5.6 lakh hectares area expansion (which was not unexpected), the country is unlikely to be in a state of genuine surplus. If anything, some imports may become necessary to contain price pressures.

National average yield of cane is 65 tonnes a hectare. There are of course regional variations. Monsoon will have a crucial bearing on cane yields and juice content. Assuming there is no major revision to the cane acreage of 47.4 lakh hectares, the country can hope to harvest about 300-310 million tonnes (mt) of cane.

This expectation surely presupposes normal weather conditions next 2-3 months. At this point in time, the southwest monsoon is actually running behind schedule by over two weeks. Large parts of key cane growing regions, especially Uttar Pradesh, are yet to enjoy adequate precipitation. So, concerns persist and cannot be wished away.

Be that as it may, from out of the anticipated harvest under normal rainfall conditions, necessarily, anything between 80 and 100 mt will be diverted for traditional sweeteners, direct use and so on. That would leave for sugar production 200-220 mt of cane.

Tightly balanced market

At this point of time, given these expectations, it would be appropriate to assume that sugar production may record 20 mt on the lower side and 22 mt on the higher side, unless some dramatic developments change this tight range. Sugar consumption may be assumed at 24 mt. There is no reason to discount this because of generally rising incomes and demographic pressure. Additionally, if rural incomes were to increase this year courtesy satisfactory monsoon, consumption should generally rise.

So, even an optimistic cane harvest and sugar production estimate based on acreage numbers would result in sugar production in 2010-11 trailing consumption by at least 2 mt. Closing stocks for the current year are being variously estimated at between 3 and 4.5 mt. There is reason to believe, stocks on the books of mills may not exactly tally with physical goods in the warehouse. Additional consumption demand during the festival season from August to October will have to be factored in too.

Assuming that opening stocks for next season are 3 mt, total availability would range between the low of 23 mt and high of 25 mt. In other words, the domestic sugar market may be tightly balanced. Such a tightly balanced market is fraught with possibilities.

When commodity demand and supply are tightly balanced, even a small change in either demand or supply or both will exert a disproportionately larger impact on prices. On current reckoning, the risk to sugar production next year is to the lower side, rather than to the higher side because of ongoing weather concerns. This will have implication for market prices which can potentially spurt unless appropriate price policies are put in place.

The Food Ministry will have to continually monitor the emerging situation and undertake assessment of price risks. The aforesaid numbers are obviously not sacrosanct and some variations are possible; but overall, it is clear, a bumper crop of sugarcane or record production of sugar with genuine export surplus is currently not in the realm of certainty.

Therefore, there is no great urgency to clamp restrictions on imports by raising tariffs; in any case, now is not the time. New Delhi will have to wait until September to get a clear picture of the next sugar season .

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Indian tomato yet to sprout global demand

Focus: Tomoto.

G. Chandrashekhar

Being the world's fourth most cultivated crop, with a production estimated at 130 million tonnes and an acreage of 5.2 million hectares, the tomato is an indispensible vegetable crop world over and, of course, for India. China is the world's largest producer of the vegetable (33.8 mt) followed by the US (12.6 mt) and India (11.3). Turkey, Italy, Iran, Egypt, Brazil, Spain, Mexico and Russia are also significant producers.

In India, tomato cultivation has expanded progressively in the last 20 years in terms of area coverage and production.

Currently, it accounts for about eight per cent of the country's total vegetable production of about 133 mt. Vaishali, Rupali, Rashmi, Rajni, Pusa and Ruby are some of the popular varieties cultivated.

For 2008-09 (latest available data from the Government), tomato was cultivated in 6,08,000 hectares and production was an estimated 11.3 mt.

In 2007-08, the area planted was 5,67,000 hectares and output was 10.5 mt as compared with the previous year's 5,96,000 hectares and 10.1 mt output.

Currently at 18.5 tonnes a hectare, yields are struggling to reach 20 t/ha, far below global norms (high at 60-75 t/ha and normal at 25 t/ha) because of seed quality and agronomic practices.

Farm losses are reported to be heavy because of poor post-harvest practices resulting from lack of knowledge and, of course, inadequate rural infrastructure.

Although a significant part of tomato production is still consumed in fresh form – by households and catering institutions – the vegetable also lends itself to processing and value addition. There is large production and trade in processed form including paste, ketchup/sauce, puree and canned tomato. Current world consumption in processed form is estimated at about 35 mt. International trade in tomato is currently estimated at about 18 mt. Italy, Spain and Greece are among large exporters of processed products.

Marginal player

Huge internal market, perishable nature of product and inadequate logistics make India a marginal player in world tomato trade. Small volumes are shipped out to neighbouring markets in South Asia and West Asia.

Tomato trade is largely regional. The product does not travel far because of its weight and high transportation costs.

There are periods of glut and scarcity. It is necessary to invest in research to evolve newer varieties of the vegetable, especially those that lend themselves to processing into value-added products.

Standardisation of quality is the key to successful marketing. Investment in appropriate infrastructure for post-harvest handling, including storage and movement would help.

Rising purchasing power within the country, urbanisation, changing lifestyles and, therefore, rising demand for processed foods makes tomato an ideal candidate for entrepreneurs to focus on. Some corporate have successfully tried out contract farming.

Growing market

Promotional agencies such as the National Horticulture Mission and APEDA have schemes and programmes for raising production and productivity as also for processing and value addition. India is sure to continue to be a major producer and consumer of tomato. The emerging market opportunities are immense.

(Responses are invited from readers. They may be sent to agribiz@thehindu.co.in)

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India may garner overseas orders on competitive pepper prices

G.K. Nair,Kochi, July 4

Indian pepper (MG 1) with its current competitiveness in the international market, where all the other origins are also ruling high, indicating a tight supply position amid moderate demand, has the potential to corner some orders from the overseas markets.

“Overall we are now competitive at $4,000 a tonne. However, about getting orders we have to see how Indonesia is going to react to our parity”, market sources told Business Line.

However, it may turn out to be a reality only if the Indian parity remained stable at the current levels without much fluctuation. At the same time, availability of the material, also, has to be ensured.

The bearish operators have been spreading the news that around 8,000 tonnes of pepper are outstanding for July delivery and the working days left are around 15 for July maturity. The quality of the material might be a problem as it may require reprocessing involving additional costs, they said.

Tight Supply

At the same time the market feels that there is a tight supply position. Ready pepper was not available here. Rise in price is a clear indication of it. Meanwhile, contrary to the projections, many don't believe that there is a serious shortage of material in Vietnam citing the previous experiences. Till the Indonesian new crop hits the market by late this month there could be some tight supply position, they said. Indonesia, closely watching the Indian market trend, has been undercutting its prices and booking orders for the new crop also.

During the weekend bearish sentiments were being created by spreading apprehensions, such as that there were no export orders for about a week and the domestic demand had been met almost fully from Kerala and over about 8,000 tonnes of pepper are outstanding in July delivery with 15 working days left. Add to this the sell and buy calls from analysts.

On Friday some of the international players were frantically liquidating their positions, which also paved the way for the decline.

In fact, there was heavy liquidation in the futures with a record total of 1,447 tonnes of which 1,052 tonnes were of July, they said.

Those holding farm grade pepper were liquidating it and simultaneously buying back their sales from the exchange as processing of the farm grade pepper would involve an additional investment because of the unfavourable weather conditions. The moisture content in the pepper now, after the onset of the monsoon, is said to be around 13-14 per cent as against the permissible 11-11.5 per cent, trade sources told Business Line.

At the weekend trading, investors were offering farm grade pepper at Rs174 a kg, while buyers were quoting Rs 172 a kg. In fact, the market witnessed profit booking. All the contracts at the week dropped on bearish activities. July, August and September contracts fell by Rs 204, Rs 196 and Rs 215, respectively, to Rs 17,640, Rs 17,848 and Rs 18,018 a quintal.

Total turn over during the week shot up by 21,565 tonnes to close at 95,447 tonnes on Saturday. Total open interest declined only 87 tonnes to 15,665 tonnes. Spot pepper prices during the week moved up by Rs 200 a quintal on strong buying support amid limited supply to Rs 17,200 (ungarbled) and Rs17,700 (MG 1).

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Land of agriculture

Focus: Nagaland.

Nagaland, the 16 th State of the Indian Union, was carved out of Assam in 1963. It is bounded by Myanmar on the east, Arunachal Pradesh on the north, Assam on the west and Manipur on the south. The State is mostly mountainous except those areas bordering Assam valley. A mountain range forms a natural barrier between Nagaland and Myanmar.

Out of total land area of 16.6 lakh hectares, forest area occupies approximately half. If power supply is an index of development, Nagaland has achieved 100 per cent village electrification. A combination of abundant rainfall, sunshine and rich soil conditions mean tremendous biodiversity - abundant and varied natural vegetation.

Land of Agriculture

As the State is basically a land of agriculture, the farm sector's contribution is significant. There are no major or medium irrigation projects. The irrigation works are mostly meant to divert small hill streamlets to irrigate valleys used for rice cultivation. Total area under irrigation is a little over 90,000 hectares.

Over two-third of the population depends on farm and related activities. The major land use pattern is ‘slash and burn' cultivation locally known as jhum, area under which is about one lakh hectares. Terraced cultivation is also practiced.

Total food production is close to four lakh tonnes. Rice is the staple food. Paddy occupies close to 70 per cent of total area under cultivation and constitutes about 75 percent of the State's total food production. Other grains cultivated, albeit on a small scale, include maize, millets and pulses. As for oilseeds, in addition to groundnut, soyabean and sesame seeds are grown. As Nagaland is severely deficient in grains production, consumption demand is met through large-scale imports from the other States. The State Government has drawn up plans for boosting food grains output. Given the salubrious climate, horticulture holds immense potential in terms of variety and production.

The agro-climatic conditions are suitable for perennial fruit crops such as mango, litchi, guava, orange and lime; annual fruit crops such as banana, pineapple and papaya; spices including ginger, turmeric, pepper and chillies; as well as a variety of roots and tubers and a whole range of vegetables. The State enjoys natural comparative advantage for horticulture. Area under horticulture crops is close to 30,000 hectares.

Organic Cultivation, Livestock

The virgin nature of the soil also offers near-ideal conditions for organic cultivation. Traditionally, the farming systems have been sustainable and nature-friendly. With market for organic food growing, the strong and sustainable production base offers huge potential that can be tapped by entrepreneurs.

As the hilly terrain limits scope for cultivation of large-scale field crops, livestock has assumed importance. Rearing of cattle, pigs, goat and poultry is gaining in popularity. As the State is milk deficit and demand for dairy products as well as meat and eggs is rising, newer market opportunities in the dairy and livestock sector are opening up.

Supportive Policies

The State government policies are supportive of agriculture and allied activities. Supportive policies such as crop zoning concept optimises land use while horticulture development is given primacy with focus on multiplication and distribution of quality seeds and planting material.

In sum, it can be asserted that Nagaland offers huge investment opportunities in cultivation of a wide range of horticulture crops, including organically-grown crops, as well as in setting up of food processing facilities covering horticulture and livestock products. Entrepreneurs, who move in quickly, are sure to enjoy early-mover advantage.

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Green leaf tea prices hit year's lowest

P.S. Sundar,Coonoor, July 4

Tea green leaf in the Nilgiris is now fetching Rs 4-6 a kg – the lowest rate so far in 2010. It is some Rs 4 lower than the levels three months ago and Rs 6 a year ago.

Normally, four kg of green leaf are required to manufacture a kg of black tea. Arising from the recent rains, the supply of green leaf has increased, but factories are unable to take more leaf.

Consequently, some growers have dumped harvested leaves on roadsides. Some have abandoned tea field without harvesting.

“The current prices are not remunerative enough for the growers to make both ends meet. The falling trend in green leaf price must be arrested to save the livelihood of the nearly 75,000 small growers,” Mr T. Rangaiah, President, Nilgiris Small Tea Growers' Association, told Business Line. Factories are complaining of low prices for their black teas.

“At the Coonoor Tea Trade Association (CTTA) auctions, the bottom edge of the price band for black tea has fallen to Rs 34/kg – the lowest level so far in 2010. Until a couple of months ago, no tea was available for less than Rs 50. We have to divide the auction price by four to calculate the price we can pay for a kg of green leaf. Also, there are our manufacturing costs besides the element of profit. Hence, we have called for aggressive promotion to activate demand for black tea," said Mr Ramesh Bhojarajan, Secretary, Nilgiris Bought Leaf Tea Manufacturers' Association.

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Turmeric slumps on poor demand

Erode, July 4

On Friday, 921 bags (of 75 kg each) of turmeric arrived for sale in the regulated market. Of this, 766 bags were sold.

The finger variety fetched Rs 14,368 to Rs 14,932 a quintal, while the root variety was sold at Rs 14,360-14,786 a quintal.Turmeric prices dropped over Rs 400 a quintal within three days last week. Similarly, in the private turmeric market, the prices dropped Rs 100 a quintal on Friday. The finger variety sold at Rs 14,600-14,700 a quintal and the root variety was quoted at Rs 14,550-14,600 a quintal.Out of 6,000 bags that arrived in the market, 3,000 bags were sold on Friday. Totally, 13,700 bags of turmeric were sold with 10,000 bags being sold in the private market.