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Farm sector crucial for overall growth: Montek

The 4-per cent growth is a good target for the XII Plan

NEW DELHI: The Planning Commission is hopeful of a good growth in the agriculture sector during the XII Plan (2012-17).

"The 4-per cent agriculture growth is a good target for the XII Plan, which could not be achieved so far as envisaged in the XI Plan (2007-12)," Planning Commission Deputy Chairman Montek Singh Ahluwalia told journalists here on Thursday.

"I think at the end of the XI Plan, our assessment is that agriculture would show a better performance than in the X Plan (2002-07). However the 4 per cent growth in agriculture has not been yet achieved," he said. Notably, the two previous Plans failed to achieve the desired growth in the agriculture sector.

Expressing concern over sluggish farm sector growth, Mr. Ahluwalia said: "Agriculture growth is crucial. We have already been emphasising on agriculture. But I think that we have to do even better." Regarding economic growth target for the XII Plan, he said Prime Minister Manmohan Singh was keen on achieving 10 per cent growth.

"The process of drafting the XII Plan will begin with the output from outside experts. This would help us in getting a realistic assessment. We will look at achieving 10 per cent growth. If it is not possible to do an average (of 10 per cent) then can we move from may be 9 per cent at the end of the XI Plan," he added.

Approach document

Talking about the approach document for the next Plan, Mr. Ahluwalia said: "Our approach here is to recognise what are the major drivers not only of growth but also of inclusiveness and many of them are cross-sectoral. Therefore, we are trying to conceptualise the approach document in a way that is different from the usual Plan document."

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Food inflation hovers around 16 %

NEW DELHI: Food inflation saw a marginal drop at 16.12 per cent for the week ended June 5, against 16.74 per cent reported for the previous week. However, for the eighth consecutive week food inflation remained over 16 per cent, which might prompt the Reserve Bank of India to consider hike in interest rates to arrest spiralling prices of food items and other commodities.

The slight decline in food inflation was primarily due to softening of prices of fruits, vegetables and tea. Meanwhile, RBI Deputy Governor K. C. Chakrabarty told journalists in Mumbai that inflation was a big worry for the central bank and hinted that monetary policy action could be done before the policy or after. The RBI will be reviewing its monetary policy on July 27. Notably, a few days ago, Union Finance

Minister Pranab Mukherjee had said that the food prices would decline by mid-July in view of the likelihood of a good monsoon.

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Mango exhibition from today

KRISHNAGIRI: Collector V. Arun Roy has instructed the officials to construct ramp and western toilets for the differently-abled persons visiting the 18th All India Mango Exhibition to be inaugurated on Friday.

Inspecting the preparatory works at the Government Boys Higher School ground here on Wednesday, he told reporters that 30 government stalls, a stall for SHGs, a stall by women SHGs undertaking agriculture, private stalls and enhanced entertainment facilities would be provided for the public.

Special buses would be operated for the exhibition and protected drinking water would be kept ready for the visitors.

Cultural programmes by leading artistes and school children had been arranged.

P. Prabhakar, District Revenue Officer, K. Rajan, Deputy Director, Agriculture, N. Nachiappan, Personal Assistant to Collector (Agriculture), T. Manoharan, Public Relations Officer and officers from Horticulture Department accompanied the Collector.

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Farmers question selection of dams for water supply in Tuticorin

Grievance day conducted; Collector rules out favouritism in water supply

WELL DONE: Collector G.Prakash handing over a crop yield prize to a farmer in Tuticorin on Thursday. —

Tuticorin: Farmers from various parts of the district, who gathered at a grievance redressal day meeting at Collectorate here on Thursday, raised apprehensions over the supply of water for agriculture .

Tamirabharani water is being channelised to 16, 510 acres of farm lands for irrigation through 15 dams in Srivaikuntam, Alwarthirunagari and Tiruchendur blocks. They alleged that water was being supplied to the blocks in a biased manner.The farmers questioned the selection of 15 dams among 53 for the supply of water. Presiding over the programme, Collector G. Prakash ruled out any favouritism. Meanwhile, a proposal for compensation for damaged banana crop in the recent storm was sent to the government.

Lauding the efforts of the farmers, Mr. Prakash presented cash prizes in honour of their achievements made at a district level crop yield competition. Seetha Lakshmi, wife of Kannan, Akka Nayakkanpatti received a cash prize of Rs. 10,000 for getting a yield of 7, 835 kilograms of maize per hectare.

Jayapandi, son of Pattani Nadar from Kattunayakanpatti of Ottapidaram taluk, who received a sum of Rs. 5,000, got 6,985 kilograms of maize per hectare. As far as the yield of ragi was concerned, Mr. Prakash handed over a prize of Rs. 10,000 to A. Murugesan of Govindanpatti, Kayathar block, who raised 4,615 kilograms per hectare.Mandhirathai, wife of Ramakrishnan, Kaapulingampatti, Kayathar, received Rs. 5,000 for the yield of 3,715 kilograms of ragi per hectare. Deputy Director of Agriculture, T. Ranjith Singh Dhanraj, Central Government schemes, Amuthan, Executive Engineer, Agriculture Engineering, A. Dhanasingh David, PA to Collector (Agriculture), officials from the Department of Horticulture and others were present.

indian express .com

Food inflation surges to 16.12 pct

Agencies Posted online: Thu Jun 17 2010, 11:59 hrs

New Delhi : The food price index rose 16.12 per cent in the year to June 5, while the fuel price index climbed 13.18 per cent, government data released on Thursday showed.

The pace of increase in food prices slowed from the previous week's annual rise of 16.74 per cent, while fuel price inflation eased from the previous week's 14.23 per cent.

The primary articles index was up at 16.86 per cent.

Wholesale prices, the most closely watched inflation gauge in India, rose 10.16 per cent in May from a year earlier.

Deccan Chronicle On The Web
Published on Deccan Chronicle (http://www.deccanchronicle.com)

Farm growth outlook to remain at 4%: Montek

Jun 18 2010

June 17: The Planning Commission today said the 12th Plan is likely to retain the farm growth target at 4 per cent, as the previous two Plans failed to achieve it. “The 4-per cent agriculture growth is a good target for the 12th Plan (2012-17), which could not be achieved so far, as envisaged in the 11th Plan (2007-12),” the planning commission deputy chairman, Dr Montek Singh Ahluwalia, said. “I think at the end of the 11th Plan, our assessment is that agriculture would show a better performance than in the 10th Plan (2002-07). However the 4 per cent growth in agriculture has not been yet achieved,” he said. Initiating the work on the 12th Plan, Dr Ahluwalia will preside over the first meeting with academics, experts and officials on Saturday. The panel will prepare an approach document for 12th Plan, which will be finalised by 2010-end.

About the sluggish farm sector growth, Dr Ahluwalia said, “agriculture growth is very crucial. We have already been emphasising on agriculture. But I think that we have to do even better.” Asked about the economic growth target for the next Plan, he said, “that is very clear. The Prime Minister has asked us to explore the feasibility of reaching 10 per cent growth. And the process of drafting the 12th Plan will begin with the output from outside experts. This would help us in getting realistic assessment.”

“We will look at achieving 10 per cent growth. If it is not possible to do an average then can we move from maybe 9 per cent at the end of the XIth Plan , which is our hope. On the need to give the major thrust to infrastructure in the next Plan, he said, “infrastructure is going to be important if you want a 7.5 per cent growth.”

Source URL:
http://www.deccanchronicle.com/business/farm-growth-outlook-remain-4-montek-100

Business Standard

Friday, Jun 18, 2010

Uncertainty on coffee export growth

Debasis Mohapatra / Bangalore June 18, 2010, 0:58 IST

With correction likely in international futures, opinion divided on impact beyond near term.

India's coffee exports may be hit due to higher prices the domestic produce is getting in the spot market. The domestic players are taking cues from high international futures prices.

However, international coffee futures have seen extreme fluctuation in the past week. They are now trading at an all-time high on the back of a supply crunch in major producer nations such as Brazil and Vietnam as well as speculation by hedge funds. While coffee for the July delivery recently ended four per cent higher at $1.5095 a pound on ICE Futures, Liffe July Robusta was up as much as 18.2 per cent over last week. Liffe July Arabica surged 11 per cent during this time.

"Usually, exports from India peak in December-June. In addition to the present slow pace, higher prices in the market may further restrict exports," said Jabir Asgar, vice-chairman of the Coffee Board of India.

He, however, also said that international futures prices were likely to see a correction quite soon, on the back of new arrivals from Brazil and Vietnam.

Indian coffee exports were up 48 per cent to 141,695 tonnes during January-June, in comparison to 95,662 tonnes in the same period last year. The country's exports, which dropped 13 per cent to 189,399 tonnes in 2009 from 217,993 tonnes a year ago, were expected to turn around this season, owing to revival of demand. However, the price disparity may act as a spoiler. "The current volatility is mostly due to fund buying. Due to higher prices, most buyers are not ready to enter into contracts at this point in time. They want prices to stabilise before entering into any commitment," said Asgar.

Possible correction

Some market analysts and traders see a correction in domestic prices. "At present, domestic coffee prices are higher than in other producing nations like Vietnam or Colombia. As a correction of eight to 10 per cent is expected in international futures, prices in the domestic market should follow," said Suresh Babu, a Hyderabad-based trader.

As the Arabica variety was usually exported during January-June, it was exports of robusta that would be impacted due to such pricing, he added.

Chowda Reddy, an analyst at JRG Wealth Management, said exports might come down due to higher prices, as overseas buyers were reluctant to enter the market at this level. However, he said the retail market was yet to be affected, as the price fluctuation would percolate with a lag effect.

But some planters have a different view. "Domestic prices of coffee have come down in comparison to February. Also, it's too early to take a view about the recent upward price trend and its impact on exports," said Ajoy Thipaiah, a Karnataka-based planter.

He said prices could rule at the current level due to the ongoing supply crunch, which had been reflected in the recent revised production estimate of the International Coffee Organisation. It recently revised downward its forecast for world output in the 2009-10 season by 1.1 per cent to 120.6 million bags (each weighing 60 kg) due to disappointing harvests in Africa, Central America and Mexico.

Rains 8% below normal till June 16

Reuters / New Delhi June 18, 2010, 0:14 IST

India’s annual monsoon rains, vital to the trillion-dollar economy's farm output and economic growth, were eight per cent below normal in the week to June 16, said the India Meteorological Department on Thursday, reflecting slow progress.

Countrywide rainfall was 32.5 mm during the week against a normal of 35.2 mm, the Met office said, adding the rainfall was 64.3 mm-five per cent below normal-between June 1 and June 16.

After last year’s weakest rains in nearly four decades, a good monsoon will help the government tame the headline inflation, which surged to 10.16 per cent in May owing to higher food and fuel prices.

High prices have lead to street protests, mounting pressure on the Congress-led coalition government to bolster food supplies in the domestic market.

Lower inflation will also encourage the government to free up the fuel prices and cut subsidies on diesel, kerosene and cooking gas which would not only help trim the 2010-11 fiscal deficit from the projected 5.5 per cent of GDP, but also free up revenues for other programmes.

The seasonal rains were above normal in southern and northwest India and below normal in some of the central and northeast regions.

The monsoon-after an initial lull this month, has entered the rice, cane and oilseed growing south-western region of India, but is yet to reach the soybean-growing areas of central India, as also northern Uttar Pradesh, the country's top cane growing state.

Govt raises rice buy aim on robust levy arrivals

Newswire18 / New Delhi June 18, 2010, 0:00 IST

The government—buoyed by a surge in rice buys over the last few weeks—has raised its procurement target for the current season ending September 30 to 32 million tonnes, a senior government official said on Thursday. Last year, the procurement was a record 33.6 million tonnes.

“Rice procurement is going better than expected and we now expect it to touch 32 million tonnes as against the earlier target of 28 million tonnes,” a senior government official said.

The government had, initially in the season, pegged the 2009-10 (October-September) rice buys at 30 million tonnes, but had subsequently lowered the procurement estimate to 28 million tonnes on concerns of a drop in output.

HIGH HOPES (in million tonnes)

State-wise rice procurement as on Tuesday:

State	2008-09	2009-10	Change
Andhra Pradesh	7.183	5.767	-19.7
Bihar	1.010	0.822	-18.6
Chhattisgarh	2.554	3.109	21.7
Haryana	1.425	1.816	27.4
Kerala	0.234	0.260	11.1
Madhya Pradesh	0.198	0.174	-12.1
Maharashtra	0.230	0.201	-12.6
Orissa	2.357	2.138	-9.3
Punjab	8.531	9.273	8.7
Tamil Nadu	1.114	1.066	-4.3
Uttar Pradesh	3.611	2.663	-26.3
West Bengal	1.274	1.096	-14.0
Total*	30.295	28.860	-4.7

*The total may not tally as some states have not included in the table

The official said rice procurement had already crossed 28 million tonnes this season, and given its strong pace, it was now seen at around 32 million tonnes.

He said rice procurement was lagging seven to eight per cent on year in February-March. The gap had narrowed to around four per cent and may narrow even further as rice inflows from mills had increased.

“Milled rice inflows from rice mills have picked up over the last few months as open market prices for some grades of rice are lower than the government’s purchase price,” the official said.

Under levy orders, it is mandatory for rice mills to sell a certain percentage of their total paddy buys to the government after milling.

The official said millers were selling more than the mandatory limit of rice to the government as open market prices were lower.

The government is purchasing common grade paddy from farmers at Rs 1,000 a quintal and fine grade paddy at Rs 1,030 a quintal.

From mills, it is buying milled rice at around Rs 1,650-1,750 a quintal. The price varied across states after factoring in milling costs and effective procurement price of rice, taking paddy to rice conversion at around 67 per cent.

Open market price of raw permal—a common grade rice variety—is currently around Rs 1,650-1,670 a quintal.

Open market rice prices have eased over the last few months as production estimates for the crop have been raised. The government now expects rice output in the current crop year ending June 30 at 89.3 million tonnes, up from its February estimate of 87.6 million tonnes.

Wheat lifting in 2010-11 down 8%

Press Trust of India / New Delhi June 17, 2010, 17:33 IST

Wheat procurement since April is eight per cent down to 22.48 million tonnes compared to the previous year, despite record production. In comparison, wheat procurement stood at 24.36 million tonnes in the corresponding period of 2009-10 marketing year (April-March).

A senior government official attributed the decline in procurement to more buying by private traders. "It is a good thing if private traders are buying, as it will mean more availability in the market."

Food and Agriculture Minister Sharad Pawar last month said the government expects to procure 24.5-25 million tonnes of wheat in the current marketing year against a record 25.4 million tonnes last year.

However, the states have set a target for procuring 26.2 million tonnes of wheat. Wheat procurement, the bulk of which is conducted between April and June, is down in all major states, barring Madhya Pradesh.

According to Food Corporation of India (FCI) data, Punjab's contribution of 10.20 million tonnes of wheat to the central pool was the largest by any state this marketing year so far, though this is nearly five per cent less than the 10.71 million tonnes of wheat it purchased during the same period last year.

FCI has procured 6.33 million tonnes from Haryana, over eight per cent lower than the 6.91 million tonnes it purchased last year in the corresponding period.

Wheat procurement from Madhya Pradesh, on the other hand, has registered over two-fold growth so far this year to 3.53 million tonnes from 1.78 million tonnes a year ago. FCI and other state agencies have procured 1.65 million tonnes of wheat from Uttar Pradesh this year against 3.48 million tonnes in the corresponding period last year.

The Centre procures foodgrains at a minimum support price (MSP) to protect farmers from market fluctuations. The MSP for wheat has been fixed at Rs 1,100 per quintal for the 2010-11 marketing year.

India's wheat production was pegged at a record 80.98 million tonnes in 2009-10 crop year as per the third advance estimates floated by the government, which is marginally higher than the output of 80.68 million tonnes in the previous year.

Select copra firms up on good demand, Copra Rajapur drops

Press Trust of India / Mumbai June 17, 2010, 16:33 IST

Copra edible and copra Alapuzha prices firmed up at the spices market here today on increased buying from retailers and traders amid restricted arrivals. Meanwhile, copra Rajapur dropped owing to fresh selling from stockists coupled with reduced offtake.

Copra edible Mumbai and copra office Alapuzha, both rose by Rs 50 per quintal to Rs 4,300 and Rs 3,750 from yesterday's closing level of Rs 4,250 and Rs 3,700. However, Copra Rajapur Mumbai declined by Rs 100 per quintal to Rs 5,200 from Rs 5,300 previously.

Other spices ruled steady.

Following are today's closing rates in rupees with previous rates in brackets:

Black Pepper (per kilo) 168/188 (168/188), ginger bleached (per kilo) 200 (200), ginger unbleached (per kilo) 220 (220), copra office Alapuzha (per quintal) 3,750 (3,700), copra office Kozhikode (per quintal) 3,550 (3,550)

copra Rajapur Mumbai (per quintal) 5,200 (5,300) and copra edible Mumbai (per quintal) 4,300 (4,250)

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Food, fuel inflation down

Our Bureau,New Delhi, June 17

The annual food and fuel price inflation, based on the Wholesale Price Index, eased in early June, with items such as vegetables and cereals showing a year-on-year dip.

The Food Products index rose 16.12 per cent in the week ended June 5, lower than the previous week's annual reading of 16.74 per cent, even as inflation in items such as milk, lentils and some other essential commodities remained sharply higher than that over a 52-week period.

Government data released on Thursday showed that the rise in the fuel price index also slowed to 13.18 per cent during the latest reported week, well below the annual rise of over 14 per cent in the previous week.

According to the data, the annual rate of inflation in the primary articles group was recorded at 16.86 per cent compared with 17.21 per cent in the previous week and 5.91 per cent during the corresponding week of the previous year.

On a sequential basis, the index for ‘Food Articles' group declined by 1.1 per cent due to lower prices of fruits and vegetables (6 per cent) and tea (2 per cent). However, the prices of urad (6 per cent) and maize, bajra and gram (1 per cent each) moved up.

The index for ‘Non-Food Articles' group rose 0.04 per cent due to higher prices of raw jute (2 per cent) and raw cotton (1 per cent). However, prices of raw silk (5 per cent), sunflower (4 per cent) and raw rubber (1 per cent) declined.

The Fuel index too dropped 0.6 per cent on a sequential basis due to lower prices of aviation turbine fuel (8 per cent), naphtha (5 per cent), furnace oil (3 per cent), bitumen (2 per cent) and light diesel oil (1 per cent). The annual rate of fuel inflation, calculated on a point-to-point basis, stood at 13.18 per cent for the latest week compared with 14.23 per cent in the previous week and minus 12.59 per cent in the corresponding week of the previous year.

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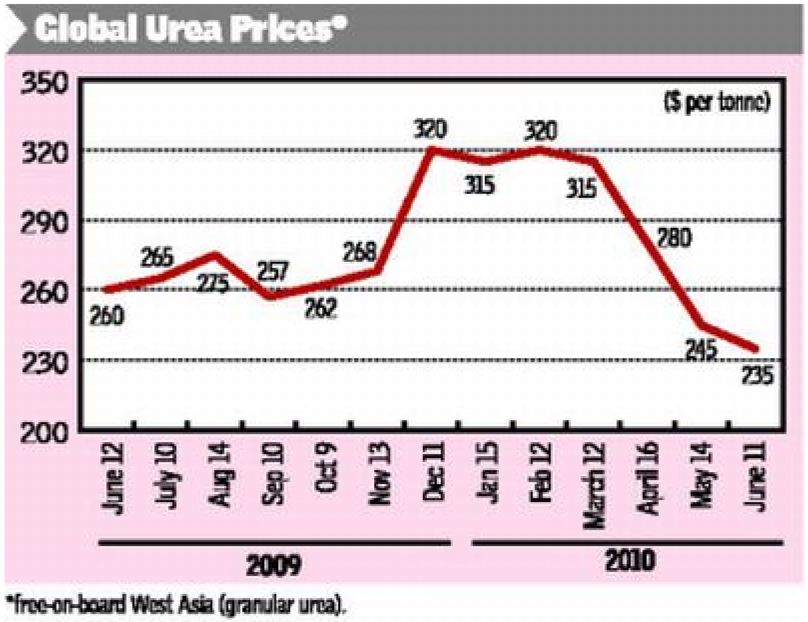
Declining global prices aid fertiliser decontrol move

Govt under no compulsion to raise subsidies now.



Harish Damodaran

New Delhi, June 17

The Centre's decision to decontrol prices of all non-urea fertilisers simultaneous with the grant of a fixed nutrient-based subsidy (NBS) on individual products seems to paying off.

The significant decline in global prices of most fertilisers and their intermediates in recent months has meant the Centre is under no compulsion now to raise subsidy payable to companies. And the latter have no apparent grounds to hike maximum retail prices (MRP) charged to farmers even in a decontrolled environment.

In other words, contrary to earlier fears of decontrol leading to substantially higher farmgate prices or an expanded subsidy bill for the Centre, a bearish international market has ensured there is no pressure on either front at least for now.

Raw materials

Currently, urea of West Asia origin is quoting at $235 a tonne free-on-board (f.o.b.), as against $315-320 just three months ago. Inclusive of freight of around $12, the landed price at Indian ports would be hardly $247 a tonne.

Likewise, prices of ammonia and sulphur – both used for manufacture of di-ammonium phosphate (DAP) – have eased considerably. Since mid-March, ammonia has dropped from $380 to $300 a tonne (f.o.b. West Asia), with landed prices here now at around $330 a tonne.

Sulphur prices, which had touched $200 a tonne (cost & freight India) in March, have since slid to $120 or thereabouts.

Fixing subsidy

The Centre had, on March 16, fixed the per kg NBS rates at Rs 23.227 for nitrogen (N), Rs 26.276 for phosphorous (P), Rs 24.487 for potash (K) and Rs 1.784 for sulphur (S). These rates formed the basis for fixing the subsidy on individual fertilisers.

For example, one tonne of DAP contains 180 kg of N and 460 kg of P. The subsidy payable to its manufacturers/importers, then, came to Rs 16,268 a tonne, while working out to Rs 10,133 for a tonne of '20:20:0:13' NPKS complex fertiliser.

For arriving at the per kg NBS rates, the Centre had benchmarked them to import parity prices (IPP) of urea (for N), DAP (for P), muriate of potash (for K) and sulphur (for S), which were taken at $310, $500, $370 and $190 a tonne at Rs 46-to-the-dollar.

MRP hike unlikely

But with current landed prices – at $247-248 for urea, $470-475 for DAP and $120 for sulphur – actually ruling below the assumed IPPs, the Centre has two options. The first one would be to reset the unit NBS rates to reflect the lower import prices and, thereby, reduce the subsidy payable to manufacturers/ importers.

The second option would be to force companies to slash farmgate prices, though this is theoretically inconsistent with a decontrolled regime. “They are unlike to do either immediately. What is more likely is that the industry would be informally directed not to raise MRPs in the coming rabi season, just as they were asked to cooperate and keep price increases within limits for this kharif,” sources pointed out.

In fact, for the ongoing kharif season, companies had given undertaking that they would not raise the MRP of any non-urea fertiliser beyond Rs 30-35 a bag. Accordingly, DAP is now selling at a uniform Rs 9,950 a tonne (excluding local taxes), against Rs 9,350 prior to April 1, when prices were ‘decontrolled'.

Moreover, companies have been made to clearly print the MRP along with the applicable subsidy on every bag of fertiliser they sell, with any sale above the printed rate punishable under the Essential Commodities Act. “The Centre's sole concern is that decontrol should not have any adverse political fallout. The decline in global prices is welcome to that extent,” the sources added.

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Pulses need more than MSP hike ,G. CHANDRASHEKHAR

The causes for low yields in pulses need to be addressed. Pulses must be used for crop rotation to restore soil fertility in Green Revolution areas.

Faced with flak from all quarters over the failure to control price rise, the government has announced a steep hike in the minimum support price for 2010 kharif season pulses -- tur/arhar, urad and mung. This is perhaps in the pious hope that an assured higher minimum price would encourage growers to expand acreage for the legume.

Tur/arhar has been raised by Rs 700 to Rs 3,000 a quintal. The MSP for urad is Rs 2,900 (up Rs 330) and mung Rs 3,170 (up Rs 410). Will the latest increase in MSP achieve anything?

Nothing much really, if the recent past is any guide. Between 2007 and 2009 kharif, MSP for the three pulses was raised (45-55 per cent); but output numbers are far from impressive. If anything, output of the three pulses actually declined from 2007 levels.

This does not come as a surprise. Acreage has stagnated. Output is trapped between 13 million and 15 million tonnes. Yields continue to be rather low at about 600 kg per hectare. In developed economies pulses yields are in excess of 1,500 kg/ha.

ADDRESSING LOW YIELD

India's first target should be to attempt to raise pulses yields by 150 kg/ha to about 750 kg/ha. On 24 million hectares, such a small increase in yield would generate 35 lakh tonnes of additional production, the quantity the country imports at present. India can, therefore, become less reliant on imports even by raising yields marginally.

This is a challenge for our policymakers, scientists and input suppliers. If technology can help increase productivity, it should be promoted. In their eagerness to focus on rice and wheat, successive governments have simply ignored the various basic issues that hold up pulses growth.

Planting in small and marginal lands, suspect quality of inputs, lack of irrigation facilities (only 15 per cent of the acreage is irrigated), no breakthrough in seed technology, susceptibility to pest and disease attacks, lack of rural infrastructure and absence of strong government-backed marketing support (similar to rice and wheat) have all combined to cause stagnant acreage, poor output growth and woefully low yields.

Kharif Pulses MSP and Output

Pulse	2007	2008	2009	2010
Arhar/Tur				
- Output	30.8	22.7	25.6	
- MSP	1590	2000	2300	3000
Urad				
- Output	11.2	8.4	8.6	
- MSP	1740	2520	2520	2900
Mung				
- Output	12.5	7.8	4.4	
- MSP	1740	2520	2760	3170

(MSP Rs per quintal and Output in lakh tonnes)

NOT BY MSP HIKE ALONE

The government is probably barking up the wrong tree by attempting to fix the problem of inadequate production through the MSP mechanism, without addressing the structural issues. A mere increase in MSP, however steep, is unlikely to deliver the desired results.

Under the seriously challenged farm conditions in India, a higher minimum support price cannot guarantee higher output.

In other words, the supply response to prices is rather limited, given the onerous conditions under which pulses growers operate. If Krishi Bhawan rests content with raising the MSP, hoping that price alone would result in a production miracle, then the country is likely face a far more serious shortage of pulses in the coming years, as demand continues to expand, given the rising purchasing power, demographic pressure and low level of existing consumption.

While higher MSP may be a motivating factor, it is simply not good enough to boost output. A growing population with rising purchasing power may well be able to afford pulses at the current high prices and have other protein choices.

But it is the poor who are genuinely hurt by higher prices of pulses; and it is the poor who certainly deserve to consume more pulses because of their malnourishment or under-nourishment. In the last five years, New Delhi has done almost nothing worthwhile to mitigate this huge nutrition problem of the poor.

Ideally, pulses should be aggressively promoted in the grain mono-cropping areas of Punjab, Haryana and western Uttar Pradesh where soil health needs to be restored and an impending ecological disaster avoided.

Pulses offer an ideal option for crop rotation to break the rice-wheat-rice cycle. Either by incentivising or through law, crop rotation should be stipulated. For the growers, an assured marketing output may be provided.

IDEAL FOR CROP ROTATION

Encouraging pulses cultivation in traditional grain mono-cropping areas and procuring the output for supply through the public distribution system is a strategy that is sure to deliver multiple benefits.

It will help address soil health problems, expand pulses output, boost growers' confidence by providing ready marketing outlet, enable the poor across the country consume pulses at affordable rates and reduce dependence on imports and global market volatility. The potential benefits would far outweigh the financial implications of the strategy.

For too long have policymakers overlooked the merit of boosting pulses cultivation. The Technology Mission for Pulses is hardly noticed. We need to think differently to raise pulses output; but political will to change is important.

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‘We need new cane varieties to withstand global warming'

SUGAR INDUSTRY

Efforts are being made to increase yield. The idea is to increase average cane yield from 65 tonnes to 100 tonnes a hectare. – Mr Prakash Naiknavare, MD, MSCSFF

The Maharashtra State Cooperative Sugar Factories Federation Ltd (MSCSFF) oversees policymaking for over 190 member factories in the country's largest sugar-producing State. In an interview with Business Line Mr Prakash Naiknavare, Managing Director of the federation, shared his views on the problems of the industry and possible solutions.

How has the changing monsoon patterns due to global warming impacted the sugar industry in the State?

Global warming, which we have been reading about in the newspapers, has finally hit our doorsteps. In June and July 2008, major cane-growing areas in Maharashtra went dry without rainfall. There was less sucrose formation. The sugarcane cycle has a window of about 60 days critical for sucrose formation in cane.

Higher sucrose leads to more juice while crushing. The same year in December, there was heavy unseasonal rain, especially in the cane catchment area.

As a consequence, in 2009 the mills were saddled with excess cane. The cane area remained the same but the output tonnage increased dramatically. So now we had more cane to crush; all our estimates went haywire.

In the 2009-10 crushing season the federation had anticipated 410 lakh tonnes of sugarcane and estimated sugar production of 48 lakh tonnes. But due to the rains sugarcane output touched 625 lakh tonnes.

As a consequence, sugar production today has climbed from 48 lakh tonnes to 72 lakh tonnes. It has led to sugar glut in the mills.

In 2009, in Brazil there were such heavy unseasonal rains between April and November that cane-cutting machines could not enter the fields.

As a result 550 lakh tonnes of cane was standing in the fields by the end of 2009. Brazil has also been badly hit due to excess cane.

Global warming is real and it is a part of life. In future I don't think there would be three seasons in India. There would be overlapping of seasons and the cane industry would be hit in some manner.

So what is the strategy to cope with this problem?

We have asked Vasantdada Sugar Institute, which is the backbone of our R& D efforts, to find new varieties of sugarcane which can withstand vagaries of rainfall.

Usually cane is a 12- to 18-month crop. Now the institute is working on cane that will mature in nine months, which would perhaps be a good way to cope with the changing weather.

Infrastructure projects across the country are facing scarcity of water. How are sugar cooperatives surmounting the problem?

Efforts are being made to increase yield. The idea is to increase average cane yield from 65 tonnes to 100 tonnes per hectare. It is an intensive farming practice and 110 cooperative mills are participating in this exercise.

Land irrigated by canals is being earmarked for other crops and cane is being brought under drip irrigation. Promoting drip irrigation in sugarcane growing areas and providing subsidy for it is the way ahead.

We are also asking farmers to have thinly planted fields to ensure each and every sugarcane frond gets adequate sunlight and the photosynthesis process is more efficient, so that the farmers can get more sugar from less sugarcane.

How are you overcoming the labour shortage for cane harvesting?

The number of manual labourers for cutting cane is dwindling rapidly, which is posing immense problems for the sugar industry.

The children of the older labourers are getting better education, so they don't want to undertake hard manual labour; and the farm owners don't enter the fields to cut cane. Therefore, mechanical harvester is the way ahead.

In 2010-11 about 20 per cent of the cane under production is likely to be cut by harvesters. In three to five years, cane cutting would be totally mechanised. The machines have arrived and demonstrations are on for farmers.

The growth of the sugar cooperative movement in Maharashtra has been stunted in the last 20 years. Are new ways being thought of to rejuvenate it, especially given the fact that it has a legacy of 60 years?

The initial 15 to 20 years of the movement were very successful, and the next 20 to 25 years were very bad. Today we have a choice to go from bad to worse or from bad to better or good.

Fortunately the new generation of cooperative leaders, who are chairmen of sugar mills, are better educated and have a better vision. They are well travelled and open to new ideas.

Although they are inactive in politics, sugar mills are being run professionally by them.

Typically, every sugar mill has departments like finance, accounts, engineering, agriculture practices, labour relations and chemical lab. The heads of each of these departments are the pillars of the mills.

Our federation arranges training programmes for them in hill-stations where specialists refresh their knowledge and there is a healthy exchange of ideas. Such exercises yield good results, as the department heads are away from work and bring in fresh ideas.

In these three-day programmes, along with subject-specific training, we also have short courses in stress management and yoga, personality development and human relation management.I'm banking on these training programmes to have a positive impact on the heads of the departments who, in turn, will run the mills more professionally.

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Pepper futures recover on ‘ground reality'

G.K. Nair,Kochi, June 17

Pepper futures, which has been kept unnecessarily “at too lower levels” on Thursday bounced back on ground reality and all the contracts ended up significantly from the previous close.

It happened despite a number of sell calls from expert analysts of the brokers who were spreading bearish reports without having any fundamental support, market sources alleged.

Export front

Spot pepper was not available in the market while the exporters were covering from the exchange, buying back their sales.Meanwhile, some of the exporters and even some planters in Karnataka, who got export orders from the overseas markets, were covering at Rs 5-7 below the Kerala price.This has also pushed up the prices there in the local market to Rs 159-160 a kg. This, in turn, has also influenced the futures market here, they told Business Line.Thus, the Karnataka pepper has kept the Indian parity very much competitive in the international market, they said.At the same time the domestic demand has not picked up yet, they said.In the futures market there was liquidation, switching over and buying back, they said.

June contract on NCDEX shot up by Rs 425 to close at Rs 16,100 a quintal.July and August went up by Rs 367 each to Rs 16,243 and Rs 16,481 a quintal, respectively.Total turn over moved up by 103 tonnes while total open interest declined by 235 tonnes to 14,942 tonnes.June open interest fell by 664 tonnes to 931 tonnes while that of July and August increased by 291 tonnes and 142 tonnes respectively.

Spot prices

Spot prices in tandem with the futures market trend increased by Rs 300 to close at Rs 15,600 (un-garbled) and Rs 16,100 (MG 1) a quintal.Spot pepper was not available as the sellers were not ready to part with at lower levels, they said.The rise in the futures market coupled with a strong rupee today, the Indian parity has moved up to $3,700 a tonne, they said.All other origins following closely the Indian futures market might raise their prices also, they said.According to an overseas report today the pepper market continued to remain steady.

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Nilgiri tea production rises 6.6%

P.S. Sundar

Coonoor, June 17

Tea production in the Nilgiris, the largest tea producing district in the South, has increased by 6.6 per cent in the first five months of current calendar over the same period of 2009.

“Between January and May, production in our member estates increased to 5.49 million kg (mkg) from 5.15 mkg in the same months of 2009,” said Dr B. Radhakrishnan, Assistant Director, Nilgiris Regional Centre, UPASI Tea Research Foundation.

This increase of 0.34 mkg posted a growth of 6.6 per cent. But, production was 6 per cent lower than the five year average production of 5.84 mkg for the period.

USEFUL SHOWERS

After prolonged dry conditions, plantations received some useful showers in May. Although production fell in Coonoor and Kundah zones, it increased in Udhagamandalam, Kotagiri and Kullakamby zones. Consequently, the overall production in the Nilgiris during the month touched 1.33 mkg – the same as in may 2009. It was, however, 9.52 per cent lower than the five-year average production of 1.47 mkg for May.Compared to May 2009, the total rainfall received in May this year was lower in all the agro-climatic zones of the Nilgiris. It was far lower than the decennial average for the month.

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Fri,18 Jun 2010

Weather

Chennai - INDIA

Today's Weather

Cloudy

Friday, Jun 18

Max Min

33.0° | 27.2°

Rain: mm in 24hrs	Sunrise: 05:42
Humidity: 56%	Sunset: 18:36
Wind: Normal	Barometer: 1004.0

Tomorrow's Forecast

Rainy

Saturday, Jun 19

Max Min

33° | 27°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jun 20	**Jun 21**	**Jun 22**	**Jun 23**	**Jun 24**
33° | 28°	35° | 28°	34° | 28°	33° | 28°	33° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy