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Rs.584.51 crore earmarked for agriculture

Annual Credit Plan released in Nagapattinam

NAGAPATTINAM: The Annual Credit Plan for the year 2010-11 has made a special allocation of Rs.3 crore for the differently abled and Rs.0.50 crore for transgenders. The plan was released at the District Consultative Committee meeting of banks held here on Monday.

The plan has earmarked Rs.770.43 crore for the district. The credit outlay envisages Rs.584.51 crore for agriculture, Rs.250.65 crore for non-farm sector and Rs.160.27 crore for other priority sector.

During 2009-10, priority sector lending stood at Rs.842.12 crore as against the target of Rs.701.30. According to the district lead bank, Indian Overseas Bank, this has been recorded as the highest lending performance during the last five years.

The district is said to have outperformed other districts in the State with about 184 new projects taken up under the Prime Minister's Employment Guarantee Programme on an outlay of Rs.188.08 lakhs.

Under the SGJY and Bank Direct Linkage Programme, over 2,500 revolving fund and 100 economic activity loans were sanctioned to SHGs. Under the State Government subsidy Scheme, Rs.73.87 crore was sanctioned against the target of Rs.62.33 crore.

The banking network has registered a positive expansion with number of branches increased from 122 to 127. This has led to a 19 per cent growth in deposits and a 15 per cent growth in advances. Advances under Differential Rate of Interest loans have increased from Rs.3 crore to Rs.4.5 crore.

Further, the lead bank has projected three model projects namely joint liability groups for accelerating investment in agriculture; vermicompost project for supporting organic cultivation in association with INTACH, Tharangambadi, and Central sector goat rearing scheme for augmenting subsidiary farm income.

Earlier, the plan was released by Collector C.Munianathan.

R.Muthusami, Chief Regional Manager, IOB, K.Venugopal, Assistant General Manager, NABARD, A.Thanikachalam, Lead Bank Manager, were present.

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Fishermen happy over hefty catch

FRESH:A fisherman collecting fish in Tuticorin on Monday.

Tuticorin: The fishermen expressed satisfaction over the outcome of a hefty catch when the forty five day period of fish ban along the coastal water was lifted.

The atmosphere at fishing harbour in Tuticorin was hectic. Coming back to shore after venturing into the sea at night, the fishermen with a glittering smile on their faces, said that a huge catch would fetch rich dividends. The arrival of prawns was higher than expected. Delighted consumers thronged the auction hall at the harbour.

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Business Standard

Wednesday, Jun 02, 2010

Coffee exports climb 50% as demand recovers

Bloomberg / June 02, 2010, 0:44 IST

Coffee exports from India, Asia's third-biggest producer, gained 50 per cent in the five months ended May as demand recovered in the biggest importing countries, the state-owned Coffee Board said.

Tata Coffee and its domestic rivals shipped 129,815 metric tonnes between January and May, compared to 86,654 tonnes a year earlier, Deputy Director N.V. Nagarajaiah said by telephone from Bangalore today. Exports fetched $275 million, 42 per cent more from a year earlier, he said.

India is betting on a rebound in European orders to sustain the gain in exports as the region purchases more than 75 per cent of the nation's output, Ramesh Rajah, president of the Coffee Exporters' Association of India said May 10. Italy, Germany and Spain are among the biggest buyers of green coffee from India.

Shipments fetched an average Rs 1,00,311 ($2,150) a tonne in the January-May period, compared to Rs 1,08,161 a year earlier, data from the board showed.

Overseas sales since the beginning of the crop season on October 1 jumped to 174,593 tonnes from 122,803 tonnes a year earlier, Nagarajaiah said. Shipments for the period were valued at $371 million, up from $286 million a year earlier, he said.

Gram dal, sooji rise; urad dal falls

Press Trust of India / Chennai June 02, 2010, 10:13 IST

Prices of gram dal and sooji rose, whereas urad dal fell in the wholesale foodgrains market here today.

All other commodities remained unaltered.

Gram dal and sooji rose by Rs 50 per quintal to Rs 2,700 from Rs 2,650 and Rs 1,800 per quintal from Rs 1,750, respectively, while urad dal fell by Rs 200 to Rs 7,600 per quintal from its previous rate of Rs 7,800.

Thoor dal, moong dal, sugar, wheat and maida remained unchanged from their previous rates.

Following are today's rates per quintal: Thoor dal Rs 7,000, urad dal Rs 7,600, moong dal Rs 9,400, gram dal Rs 2,700 sugar Rs 2,800, wheat Rs 1,650, maida (90 kgs) Rs 1,550 and Sooji (90 kgs) Rs 1,800.

Business Line

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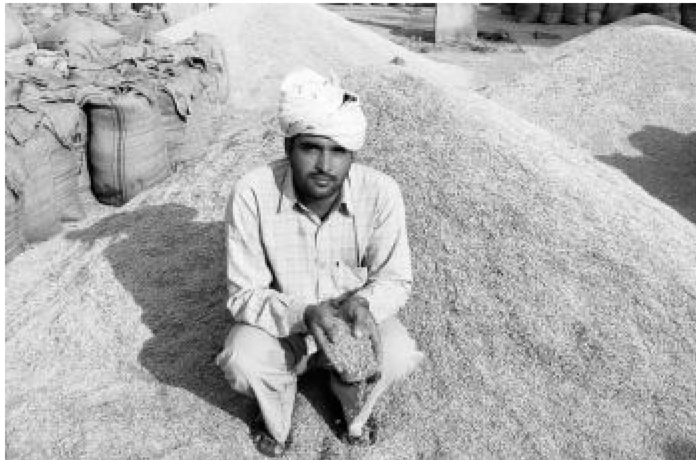
Do farmers gain from high prices?

How can the farmer share the gains from higher prices when they rise beyond his markets or much after his harvest time? The solution lies in the futures markets and co-operatives rather than in assured prices, says SHASHANKA BHIDE.



Rarely do higher retail prices for produce translate into more money for the farmer.

The persistence of a high rate of increase in food prices in the last two years has been a distressing aspect of the economy. Although the price rise has happened across several commodities, the rise in food-grain prices has affected consumers the most. The wholesale price index of wheat rose by 20 per cent in December 2009 and the rate of increase dropped to less than 10 per cent only in April 2010.

The annual increase for rice was in double digits throughout 2009 and declined to under 10 per cent in March and April this year.

The rise is most prominent in pulses, the price index for which has increased by at least 30 per cent on an annual basis since November 2009. Clearly, the Public Distribution System (PDS) has been critical in supporting consumers holding below the poverty line (BPL) cards by supplying grains at near constant prices. It has been a period of high food-grain stocks and also rising prices. Non-BPL consumers have paid high prices for the grains through these couple of years but have the farmers gained?

It is generally accepted that, for an average agricultural producer, high retail prices for produce often do not translate into more money — unless, of course, the high prices prevail at the time of harvest. As the stocks held by the average farmer are rather insignificant, the rise in prices much after the harvest does not flow back to him. This is not a new problem. The most common remedy to this anomaly in the last six decades has been co-operative marketing.

Futures market

The more sophisticated approaches, such as a futures market which may even out the price variations, have not yet found widespread favour. These markets are perceived to introduce more uncertainty than reduce risk. A lot more experience with these markets seems necessary before they become the main instruments that even out the price variations within a crop year.

In practice, the alternative solution has been awkward: to raise the minimum support prices in the next season which may only benefit those farmers who sell to the agencies buying at these prices. The minimum support prices do eliminate downward risk on prices for the farmers. If the rise in price is because of supply shortages that are not just temporary, the next season will bring higher prices for

the farmer, irrespective of the minimum support prices.

If the shocks are a temporary phenomenon, the higher support prices would put more money in some farmers' hands, and place more stocks with the government, and therefore warrant more subsidies. The judgment in fixing MSPs would have to be based on long-term considerations rather than merely what happened the previous year. It cannot bring to the farmers benefits of any price increase that occurs immediately after the harvest season.

Although poor rainfall last year has been a significant behind in the sharp rise in prices, the high food prices of the last two years should not have been a surprise. The minimum support prices of rice and wheat had, in fact, increased by an average of about 16 per cent per year between 2006-07 and 2009-10.

Sharing the gains

In pulses the increases was lower. The farmers did benefit from these higher prices to some extent. But if the price rise in the retail markets was even greater, as has been the case now, the farmers may not have benefited from these higher prices.

Farmers may not have benefited from the higher prices of the other crops such as pulses and sugar either, unless the co-operatives paid them back the benefits of higher prices, especially in sugar. They may have benefited from the higher prices of milk and poultry, either because the output is continuous through the year, rather than all at one time, or due to some effective co-operatives reaching benefits to the members.

The battle between the farmers and the government over minimum support prices and bonuses can be expected to continue. Although the strategies are unclear, it now appears that the food-grain prices have caught up with international prices. The markets, which have been so far been assigned a secondary role, may yet become important, especially with respect to international markets. The

international trade is likely to be more active than before as there will be no reason to be excessively protective or repressive. The aggressively higher minimum support prices for select crops also push the other ‘less incentivised' substitute crops to more marginal lands.

Production in such conditions is more vulnerable to supply-side shocks, such as a weak monsoon. And it would still leave the old question alive: Who would let the farmer share the gains when the prices rise either beyond his markets or much after his harvest time? The solution lies in the futures markets and co-operatives rather than in assured prices.

(The author is a Senior Research Counsellor, NCAER. His views are personal.
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Balancing farm, industry interests

The move to ban cotton exports would have ruined farmers, had it not been for a timely rollback. Likewise, the government may be forced to relook at wheat trade norms.

.It appears unlikely that the government will respond favourably to the industry's demand to build up a massive buffer stock, post-rollback.

Sharad Joshi

Two events this week bring out the strange relationship between agriculture, on the one hand, and organised industry in tandem with the government, on the other.

The first event relates to the ban on the export of cotton that has, fortunately, been lifted. The Union Minister of Commerce might have imposed the ban after coming under pressure from the textiles industry.

This is an old game with the textiles industry. Its spokesmen, in league with the Textiles Commissioner, start clamouring for a ban on export of cotton, year after year, sometime before the harvest. This is almost an annual ritual. Textiles magnates do not talk in their own name; they talk as though they are worried about the handloom and powerloom industries.

UNTIMELY, IRRATIONAL MOVE

This year, the Commerce Minister's decision to effectively ban the export of cotton was extremely unfortunate. It is only in the last few years that India is producing a palpable exportable surplus, thanks mainly to the introduction of Bt cotton. Indian farmers now produce cotton of superior quality, fineness as also staple length.

Coincidentally, the cotton crop in most of the major cotton-producing countries has

been mediocre, and the prices prevailing in the international market are quite attractive. This was a God-sent opportunity for consolidating traditional export markets for Indian cotton and securing new ones.

The effective ban on the export of cotton had brought down the prices of cotton in the domestic market by Rs. 400-500 per quintal.

There was a serious apprehension that this might lead to a new spate of suicides by cotton growers who had exerted themselves to produce a good crop in spite of general drought conditions, albeit with a much higher cost of cultivation than in the normal years.

The Gujarat Government was the only one to come out openly against the ban on cotton exports.

This shows it is now more sensitive to the interests of cotton growers in south Gujarat than the interests of the textiles industry in northern Gujarat, around Ahmedabad.

Now that the Centre is going back on the ban on exports of cotton, some of the spokesmen for the textile industry have formally demanded that the government build up a massive buffer stock, as much as 30-70 per cent of the annual production, to ensure smooth supply at reasonable prices to the industry.

It would seem that the Centre, having become wiser after the reversal of its export ban, is not inclined to respond favourably to this demand.

WHEAT IMBROGLIO

The second instance relates to the supply of wheat in the domestic market. Unfortunately, the government, as a part of its policies relating to the “aam aadmi”, has decided to give 25 kg of foodgrains to all BPL families at lower than the

minimum support price (MSP).

The Centre has announced that in this regard it will allocate an additional 30 lakh tonnes of wheat to BPL cardholders, among others. It has also cleared export of wheat and wheat products. This extravagance comes out of the overflowing granaries of substandard wheat procured by the Food Corporation of India (FCI) and a situation of plenty in international markets.

Obviously, the government's announcement is motivated by overflowing granaries, thanks to FCI's policy of buying substandard wheat, irrespective of the quality. Most of the granaries are full of wheat unfit for human consumption. The government is issuing this substandard wheat to the ration cardholders.

In spite of the general ambience of global warming, the international market is overflowing with wheat supplies. The flour mills in India are not able to take advantage of this situation. The government has rejected the demand for slackening the phyto-sanitary conditions imposed on wheat. Worse, India lacks the infrastructure for handling container traffic.

The stipulations that the consignments of wheat imported from abroad should be free from all ergot and pathogens was relaxed in 2006 and 2007 when India needed to import wheat.

It remains to be seen if the government would prefer to permit simultaneously both imports and exports of wheat and for that purpose have a second look at the phyto-sanitary stipulations.

In the case of cotton, the government appears to be moving towards a policy set-up which would better balance the cotton producers' and the textile manufacturers' interests. In case of wheat, the government is caught between its promise of cheap supplies to BPL families and a situation of abundant, but substandard domestic stocks. It would be interesting to see if the government displays the managerial

acumen to handle this kind of tricky situation.

(The author is founder, Shetkari Sanghatana and a Rajya Sabha MP. blfeedback@thehindu.co.in)

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Multinational pesticide firms plump for formulation imports

Data exclusivity through backdoor.

The multinationals say that inadequate data protection makes it unviable for them to even introduce new pesticide molecules.

Harish Damodaran

New Delhi, June 1

Multinational pesticide firms are increasingly resorting to import of formulations (as opposed to the 'technical' or active ingredient) as a means to obtain indirect

protection for the marketing approval-related test data submitted by them.

The Union Agriculture Ministry has till date registered roughly 30 pesticide formulation products for imports – the bulk of them granted to Indian subsidiaries of multinationals such as Bayer Crop Science, BASF, Syngenta, DuPont, Chemtura Corporation, Arysta LifeScience, FMC Corporation, Sumitomo Chemicals and Stoller.

While the imported formulation registrants also include some Indian companies, the sources of supply in their case are, however, mainly Japanese or Israeli agro-chemical majors having proprietary rights over these products. This is unlike multinational subsidiaries that import either from their parents or related affiliates.

Take Nagarjuna Agrichem Ltd, which has got approvals for imported insecticide formulations containing Milbemectin and Clothianidin technicals. The company is importing and marketing these products under the ‘Milbeknock' and ‘Dantop' brands owned by Sankyo Agro Co. Ltd (a Mitsui Chemicals subsidiary) and Sumitomo Chemical Company, respectively.

Likewise, the K.K. Modi-controlled Indofil Chemicals has obtained registration for imported Novaluron 10 per cent emulsifiable concentrate, which it is sourcing from Israel's Makhteshim Agan Industries and selling under the latter's ‘Rimon' brand. Indofil is also importing a similar Propaquizafop-based formulation from the same group.

The Delhi-based Dhanuka Agritech and PI Industries Ltd, too, have entered into tie-ups with Japan's Nissan Chemical Industries and Kumiai Chemical for distributing their proprietary Quizalofop-p-ethyl (‘Targa Super') and Bispyribac Sodium (‘Nominee') herbicide formulations in India.

The Agriculture Ministry has been granting registrations for marketing of imported pesticide formulations since 2004. Till December 13, 2007, such registrations

(without which the product cannot be sold in the country) were being given without the importer having to obtain registration for the technical (upon which the formulation is based).

Test data

Under the existing Insecticides Act, once a pesticide is registered in favour of an entity based on test data (demonstrating its bio-efficacy and safety) generated by it, this information can be used to grant approval to others wanting to market the same product. The ‘me-too' registrant does not have to submit any fresh data for the purpose.

Allowing import of formulation without registration of the active ingredient (despite the applicant having to submit complete test data in respect of the latter) was opposed by domestic manufacturers, as it prevented them from reverse engineering or sourcing the technical from alternate suppliers and selling the final product at lower prices.

In India, the original registrants of most pesticide molecules have been multinationals, who have sought ‘exclusivity' for the test data furnished by them. On December 13, 2007, the Ministry issued guidelines providing for automatic registration of the technical along with that of the imported formulation. But this deemed registration of the technical would take effect only after three years.

Disincentive to manufacturers

“The fact that nobody else can apply for registration during this period effectively translates into a three-year data protection. It, moreover, encourages multinationals to import formulations rather than manufacture them here, which works out much cheaper for the farmer”, a domestic industry source said.

The multinationals, on their part, say that inadequate data protection makes it unviable for them to even introduce, let alone manufacture, new pesticide

molecules in the country. Formulation imports, to that extent, protects against 'unfair' competition from me-too registrants, "who ride piggy-back on our test data".

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Panel to study production cost of arecanut

Our Bureau,Mangalore, June 1

The Arecanut Research and Development Foundation (ARDF) has constituted a six-member expert committee to study the production cost of arecanut.

Recently, the Karnataka Government had asked Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd to come out with a report on the production cost of red and white varieties of arecanut.

Panel members

Following this, Campco requested the ARDF to constitute an expert committee to study the production cost of the commodity in a scientific manner.

The committee consists of an economist, a chartered accountant and four farmers. The committee is headed by Prof G.V. Joshi, Member of the Karnataka Planning Board and professor at Justice K.S. Hegde Institute of Management at Nitte. Other members of the committee are: Mr A.P. Nagesh Rao Agali (farmer from Koppa in Chikmagalur district), Mr K.M. Hegde (from Bhairumbe in Sirsi taluk of Uttara Kannada district), and Mr Padaru Ramkrishna Shastri and Mr Ramesh Kaintaje (both farmers from Dakshina Kannada district), and Mr R.D. Shastri (chartered accountant from Mangalore).

A press release by Campco said here that the committee will visit the arecanut growing areas in the State, and come out with an interim report in two months. It

requested the growers and organisations dealing in arecanut trade to provide necessary information to the committee.

It may be mentioned here that Karnataka Government had earlier fixed the production cost of white arecanut at Rs 81 a kg and red arecanut at Rs 109 a kg, while sending a proposal to the Centre for declaring the minimum support price.

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Pepper futures slip on bearish activity

G K Nair,Kochi, June 1

Pepper futures witnessed high volatility on Tuesday, and eventually closed marginally down from the previous close.

The money power of both bull and bear operators has been controlling the market and it is evident from the high volatility of the market, market sources alleged. Total turnover fell by around 32 per cent from yesterday. There was switching over from June to nearby position and liquidation resulting in the prices declining today, they told Business Line.

In the “spot market nobody wanted to sell. Everybody was on a wait-and-watch mode. Dealers were not interested to sell below Rs 165 a kg,” sources said.

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hindustantimes
Wed,02 Jun 2010

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Wednesday, Jun 2
Max Min
40.0° | 28.0°

Rain: 00 mm in 24hrs
Humidity: 60%
Wind: Normal

Sunrise: 05:41
Sunset: 18:31
Barometer: 1004.0

Tomorrow's Forecast

Partly Cloudy

Thursday, Jun 3
Max Min
39° | 29°

Extended Forecast for a week

Friday **Jun 4**	Saturday **Jun 5**	Sunday **Jun 6**	Monday **Jun 7**	Tuesday **Jun 8**
39° | 29°	40° | 29°	39° | 28°	40° | 29°	39° | 29°
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy