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Manmohan: Double farm growth rate to ensure food security

"Sustainable technologies that can produce more needed"

Uttarakhand Governor Margaret Alva confers the honorary degree of 'Doctor of Science' (honoris causa) on Prime Minister Manmohan Singh "in recognition of his long and distinguished contribution to the field of economics and as the chief architect of Indian Economic Revival," in Pantnagar on Saturday.

NEW DELHI: Prime Minister Manmohan Singh said on Saturday the agricultural growth rate must be doubled to 4 per cent to ensure food security for the growing population.

"We must endeavour to raise our agricultural growth rate from around 2 per cent per annum to 4 per cent. I have no doubt that we can overcome challenges, given sustained efforts and an approach different from business as usual," he said at the convocation of the Govind Ballabh Pant University of Agriculture and technology at Pant Nagar. The university is celebrating its golden jubilee this year.

Agriculture growth rate in 2009-10 was 0.2 per cent owing to drought in 399 districts during last year's kharif. As against this, the government set a target of 4 per cent agriculture growth per annum in the 11th Five-Year Plan (2007-12).

"To increase production we must increase farm yields because the scope for increasing the area under cultivation and under irrigation is rather limited. Yields must go up, particularly in those parts of India where they have lagged behind compared to other parts of the country," he said.

Asking agriculture scientists to lend "solid support" to achieve production targets, Dr. Singh rued there had not been any major breakthrough in agriculture technologies since the green revolution in the late 1960's. This was the real challenge for the Indian Council of Agriculture Research (ICAR), farm universities and scientists, the Prime Minister said.

"India commands about 2.3 per cent of the world's land area and about 4 per cent of the earth's fresh water resources, but feeds 17 per cent of the world population. This puts tremendous pressure on our resources and makes the need for newer and better technologies even more critical."

Agriculture extension

Identifying agriculture extension as the "weakest link" in the chain of transfer of technology from the research lab to farmers' land, the Prime Minister called for innovations in extension models and urged agricultural universities and the ICAR system to develop successful public-private-partnership models in extension of farm-related services, which could later be replicated by the public and private systems. "Just pouring in more resources in public research and development without commensurate institutional reforms is not likely to make the existing system deliver efficiently.”

Noting that the country's growth processes had put huge pressure on our resources, particularly natural resources, Dr Singh said policy makers and scientists must develop sustainable technologies that could produce more from less, particularly in the background of the new challenges of global warming and climate change. “Ecological and agricultural sustainability go hand in hand and we must follow the three fundamental principles of sustainable agriculture; a live soil, protection of biodiversity, and precision farming and nutrient cycle.”

Expressing concern over the “low number of students from rural families who join agriculture universities because students with rural education were at a disadvantage,” the Minister urged farm universities to impart more knowledge and skills on post-harvest technologies to the students so that there was higher value addition and better diversification in agriculture. “This would help in the shift of our work force from agriculture to non-agriculture activities.”

Appreciating the picturesque setting of Pant University, the Prime Minister observed that agricultural development in the mountains required a special approach. It should be sensitive to the need for preserving the ecosystem and should respect the social and cultural traditions of the people. The Himalayas needed to be saved from the invasion of exotic species. Their biodiversity, most of which was endemic, should be allowed to flourish in its original habitats.

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Vegetable price rise keeps off buyers, puts vendors in the soup

Traders at Koyambedu market say cost of vegetables has doubled in two years

PULLING ALONG: Mobile vegetable vendors too feel the pinch of the escalating cost as customers have started reducing their daily purchase.

CHENNAI: With vegetable prices going through the roof, many people have begun scaling down the quantity of vegetables that they purchase.

Traders at the Koyambedu market said the cost of vegetables has doubled in the past two years. The price of even relatively cheaper ones, including cabbage, has shot up.

Residents said most of the vegetables are priced at Rs.20 a kg at the retail market. Many of them manage with the seasonal vegetables and buy cheapest among the produce sold.

R. Kavitha, a resident of Ayanavaram, said, “I spend about Rs.300 for a week's supply of vegetables. I don't have a choice than to cut down on portions of vegetables and fruits that I purchase. It's been a few months since I stopped buying carrots, beans and green peas. Salads have become almost luxury now.”

Hoteliers also struggle to meet their end as they cannot increase the price of the dishes. M. Ravi, president of Tamil Nadu Hoteliers Association, said the cost of vegetables and fruits has been on the rise for the past one year. “The profit margin has undergone a drastic cut as the food cost has doubled in the past few months.

Many restaurants and small hotels face the danger of closure as they are unable to cope with the sky-rocketing cost," he said.

The mounting wholesale price has had severe impact on the retail market.

Brinjals priced at Rs.20 a kg in wholesale market cost Rs.30 in retail shops. Vegetables such as beans (Rs. 54 a kg), carrot (Rs.45 per kg) and broad beans (Rs.44 a kg), have become out of reach of common man. Green plantains cost Rs.5.50 each.

However, onion, one of the stable vegetables, is priced at Rs.17 a kg in retail market. Mobile vegetable vendors feel the pinch as they have to shell out more money for the same quantity of produce and their profit margin has become very low.

S. Chandran, a trader at Koyambedu market, said the substantial decrease in agricultural lands and escalating transportation and labour charges have reflected on the productivity and widened the gap between growing demand and supply. The transportation charges increases by 10 per cent every year.

Normally, the market receives 400 trucks of vegetables daily. But, only 300 truckloads of produce arrive at the market due to low yields. Each truck has a capacity of carrying a load of 8-10 tonnes, he said.

Though customers say fruits have become expensive, traders say the price has not increased much compared to last year. S. Srinivasan, a fruit merchant at Koyambedu market, said though arrivals of mangoes are less this year, many customers preferred not to buy them out of fear of artificial ripening.

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Vegetable prices shoot up

COIMBATORE: Vegetable prices have shot up in the city during the last few days.

According to M. Rajendran, president of Kovai Thyagi Kumaran Market Vegetable Vendors Association, prices have been going up not just during the last two days but even before that because of various reasons.

The price of cabbage was Rs. 15 a kg on Friday and it was Rs. 12 on Saturday.

However, tomatoes were Rs. 250 a basket (22 kg) on Friday and it shot up Rs. 400 on Saturday.

The cost was Rs. 400 three or four days ago too.

Coimbatore was mostly dependent on Karnataka for vegetable supply.

A number of transporters were unsure if they would be able to come into the city from June 23 to June 27 when the World Classical Tamil Conference would be held here.

Hence, there was a possibility of a shortage in supply.

Demand

Though there might not be a huge increase in demand during the conference days, the impact of the event in terms of demand, supply and prices would be known only next week. Coimbatore was new to such an event.

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Farmers' grievances meeting

ERODE: The district administration will conduct the farmers' grievances redressal meeting at the Collectorate premises at 10.30 a.m. on June 25.

A press release issued by the district administraiton said the farmers and representatives of farmers' associations can participate in the meeting and express their grievances, if any.

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Poultry training programme

MADURAI: An eight-day training programme on commercial poultry and quail farm is being offered by Rudset Institute free of cost.

Those in the age group of 18 to 45 with a minimum qualification of Standard VIII are eligible to apply.

Boarding facility

Boarding and hostel facilities would be provided.

Applications, to reach the institute before July 15, must be sent to The Director, Rudset Institute, Airport Road, Perungudi, Madurai 625 022.

Telephone No: (0452) 269 0609, mobile no: 90038 31002, a press release said.

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Conference to discuss issues confronting farm sector

‘Wrong policies of Centre have ruined rural economy'

SALEM: Core issues that confront agriculture sector and farm workers and problems in the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) are the primary subjects for discussion on the agenda of the three-day 7 {+t} {+h} National Conference of All India Agricultural Labourers' Union (AIAWU), which Tiruchi will host from July 17 to 19.

West Bengal Chief Minister Budhadev Bhattacharya will participate in the conference and the decision to this effect was taken at the Tamil Nadu State Council meeting of AIAWU, held here on Saturday.

Explaining the need for such a conference, its National General Secretary and former MP from Kerala P. Vijayaraghavan said that the wrong policies of the UPA-led Congress government had affected the livelihood resources of villagers and agricultural labourers and ruined the rural economy.

“The country is facing a serious agrarian crisis and policy-makers have to address the vital problems immediately to avert it,” he said and added that the working days for village people had started dwindling from 120 days per annum to a mere 60 days. The ambit of MGNREGS should be widened and each family should be ensured 200 days of work instead of the present 100 days per annum with Rs. 150 as wages.

Wages Act

He insisted that the Centre should bring in an integrated Wages Act that would ensure the mandated wages for farm workers.

Their social security had to be safeguarded and guidelines to implement the same must be immediately evolved. The Land Ceiling Act should be enforced in letter and spirit in the States, including Tamil Nadu, where large tracts of lands are being assigned to MNCs.

The State Council, Tamil Nadu Secretary, A. Laser, said, the meeting had urged the Tamil Nadu Government to enhance the Rs. 60,000 per unit under the Kalaignar Concrete Housing Scheme to Rs. 1.5 lakh.

The meeting decided to mobilise farm labourers at each village against the anti-poor policies of both State and Central governments. Tamil Nadu Vivasayeegal Sangam State Secretary K. Balakrishnan and others took part in the meeting.

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‘Produce good quality tea or be prepared to perish'

Special Correspondent

R. Ambalavanan takes charge as Executive Director (South), Tea Board

Honour: Small tea growers handing over a memento to the outgoing Executive Director, Tea Board, R.D.Nazeem (second left) in Coonoor on Sunday. The new Executive Director R. Ambalavanan is at the left.

Udhagamandalam: The tea planting community in the Nilgiris should either strive to produce good quality tea or be prepared to face the consequences. With this message the outgoing Executive Director (South) of the Tea Board R.D. Nazeem bid adieu at a function organised by small tea growers in Coonoor on Sunday to acknowledge the services rendered by him to the tea sector particularly in the Nilgiris over the last five years.

Reflecting on the fluctuating fortunes of the tea industry over the past few years, he said that if quality is compromised the sector will perish.

Inspections

Adverting to the efforts made by the Tea Board to enhance quality consciousness among growers and manufacturers, he said that over the last about five years around 800 inspections and raids had been carried out in fields and factories.

Focus was on increasing awareness over the harm caused by harvesting tea leaves with sickles. Stating that the need of the hour is an attitudinal change, Mr. Nazeem said that henceforth importance should be given to the formation of tea growers' societies and self-help groups.

The in-coming Executive Director R. Ambalavanan said that the Tea Board would continue to maintain transparency in all its activities and schemes. The head, United Planters Association of Southern India-Krishi Vigyan Kendra (UPASI-KVK), P. Kumaravadivelu and member, Tea Board Koshy Baby also spoke. The President, Nilgiris District Small Tea Growers Association T. Rangaiah welcomed the gathering.

The Subject Matter Specialist, UPASI-KVK Shanmugham proposed a vote of thanks.

The inauguration of two small tea growers' societies marked the occasion.

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Double farm growth rate to 4 pc to achieve food security: PM

Prime Minister Manmohan Singh today said that farmers should be paid remunerative prices and the country must aim at achieving four per cent annual growth in agriculture production to ensure food security.

"Our agricultural production should increase at a rate fast enough to ensure food

security for our growing
population," Singh said in his convocation address at the GB Pant Agriculture University here.

He said investment in the agricultural sector needs to increase and farm markets should be reformed. "Farmers need to
be provided remunerative prices for their produce," he said.

The Prime Minister said efforts must be made to double the farm production. "We must endeavour to raise our
agricultural growth rate from around two per cent per annum tofour per cent."

In view of drought and floods in some parts of the country, growth in India's farm production was merely 0.2 per
cent in fiscal 2009-10 against an overall economic expansion of 7.4 per cent.

The Prime Minister said the economic growth has to be inclusive but it cannot happen "if it does not benefit our
farmers, especially those who are small and marginal".

Complimenting the G B Pant University, which is completing 50 years of its inception, Singh, however, said
that "there is a widespread feeling that there has not been any really big breakthrough in agricultural technologies since
the Green Revolution of the late 1960s".

He said this was a big challenge for the Indian Council for Agriculture Research, agricultural universities and
scientists.

http://www.hindustantimes.com/StoryPage/Print/560091.aspx

Weather

Chennai - INDIA

Today's Weather

Clear	**Monday, Jun 21**
	Max Min
	37.2° | 26.5°
Rain: 0.2 mm in 24hrs	Sunrise: 05:43
Humidity: 89%	Sunset: 18:37
Wind: Normal	Barometer: 1007.0

Tomorrow's Forecast

Rainy	**Tuesday, Jun 22**
	Max Min
	35° | 26°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Jun 23	**Jun 24**	**Jun 25**	**Jun 26**	**Jun 27**
35° | 29°	34° | 29°	34° | 28°	34° | 28°	33° | 28°
Rainy	Rainy	Rainy	Rainy	Rainy

Business Line

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Back **Storing grains, the Chinese way**

K. V. Thomas

Drawing on China's experience, it is necessary for India to create an SPV to spur investment and modernisation.

There is a major infrastructure deficit affecting stable farm incomes, price stability and grain security — the lack of grain storage in terms of quality and quantity.

The warehousing system, developed under the public sector (FCI, CWC, and SWCs) and some private sector investment (for example, Adani Grain Logistics, under public guarantees, stores grain procured under minimum support price operations and issues it through the public distribution system, using a huge network of shipping, rail and road logistics.

In 2000, a High-Powered government committee estimated that an additional 12.7 million tonnes of warehousing were required in view of the higher quantum of procurement, owing to high overall productivity and increasing demand in the PDS. The estimated investment was about Rs 6000 crore. Warehousing being a commercially feasible operation, the consensus was in favour of facilitating private sector investment, as in airports and highways, on a cost-plus basis. The operational costs of FCI's own warehousing were considered prohibitive for higher levels of investment.

STATE OF STAGNATION

Although a series of incentives, such as relaxed FDI norms, income-tax waivers, relaxation in import of technology and viability gap funding, have been offered over the last 10 years, only a fraction of the target has fructified. The National Policy on storage, handling and transport promised 20-year guarantees on private sector investment, but the schemes formulated by the Food Department on five-, and now, seven-year, guarantees have led to poor response, as the return on investment is restricted.

Meanwhile, avoidable storage losses of procured grains continue. Though the FCI estimates a modest 0.4 per cent as storage and 0.2 per cent as transport losses, studies show up to 10 per cent losses between harvest and consumption. The National Institute of Grain Management, Hapur, computed 4.75 per cent losses of wheat in the procurement mandis. In a country where the lowest income quintiles of population suffer malnutrition, this is a shortfall we cannot afford.

The quality of our existing storage infrastructure has also stagnated in terms of technology. The bag storage system involves labour-intensive, time-consuming and quality-compromising transport methods. Our bag-stocked silos do not have temperature control, or scientifically monitored fumigation. Rodent control looks fine on paper, but the media does bring out stories where rodents emerge as beneficiaries of the procurement system.

While our Asian neighbours have marched forward with scientific management of grain storage, our technology has not keep pace. Managerial efficiency, innovative climate control technology, rodent control and logistics intelligence have not been adopted for efficiency gains.

CHINA'S ADVANCES

It was against this backdrop that I led a delegation of professionals from the public sector to study the Chinese experience in grain storage and management early this month. The visit took us to the Chinese State Administration of Grain, (SGA), the state grain laboratories and the grain standards organisation (all in Beijing). The state-of-the-art commodity exchange in Dalian, the Beiliang Corporation handling logistics, the Guamao grain storage engineering company and the provincial storage godowns of Shanghai and Guangzhou were part of our visit.

The experience was very instructive. First, China has moved in favour of public sector-facilitated operations in all the phases of farmgate to home-gate grain movement. It procures and stores in the range of 150-200 million tonnes, but grain selectively bought from high productivity provinces.

State prices are only available to provinces which excel in productivity and not as a rule. Due to high demand on account of double-digit growth, Chinese output of 0.52 billion tonnes of wheat and rice and continues to be supplemented by import arrangements.

Procured grain is cleaned, packed, and marketed by about 3000 ‘private' sector companies, most of which have state support or party guidance, at market rates. Price control exists at procurement and wholesale points.

The Chinese storage capacity has witnessed a quantum jump under the SGA, thanks to the state-of-the art, multi-modal (ship-to-track, rail, barge and ship-to-ship), automated grain transmission capable of handling 2,000 tonnes per hour. The highly mechanised provincial granary in Guangzhou, with temperature-controlled and fumigated 100,000-tonne storage, is proof of China's intensive infrastructure upgradations, funded by high taxes, World Bank assistance and trade surplus.

The investment ranges from farm-based scientific storage instruction to state-of-the-art standardisation labs in Beijing. China has positioned a 176,000 strong extension workforce in its grain-producing areas to educate farmers on storage practices. Granaries are effectively managed at near full capacity and storage costs are built into cost of grain at the consumers' end.

LESSONS FOR INDIA

The Chinese experience shows that a dedicated, single-window approach is inevitable in grain storage, as in highways or airport development. It is time we learnt from these impressive achievements and emulated the same.

The Food Department must develop a blueprint for augmenting scientific storage with the following pillars. First, a dedicated special purpose vehicle (SPV) is to be floated with private sector participation, project financing capability and marketing skill. All the private sector guarantee schemes have to be repackaged upon consultation with industry and storage policy amended to recognise the fact that built storage has to have some redundancy and this does not become later an object of attack from our intricate audit system.

Storage capacity has a lag phase before full utilisation and this has to be factored in as an additional cost. The SPV can showcase international and national investment opportunities and facilitate such projects.

It has to prepare an upgradation plan for existing warehousing with state-of-the-art gadgetry. It should develop a globally competitive grain quality and standards organisation in the public sphere, if possible by building on the existing infrastructure.

Last but not least, it has to develop quality grain storage professionals encompassing a range of skills in IT, agriculture, engineering and management.

It is hoped that this new initiative, proposed to be called 'Dhaanya Raksha Mission', will be a success in the coming years. We simply cannot afford to wait to act on this front.

(The author is Union Minister of State for Agriculture, Consumer Affairs, Food and Public distribution. The views are personal. blfeedback@thehindu.co.in)

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Pepper prices firm on tight supply

G.K. Nair

Kochi, June 20

Pepper futures during the week moved up after dropping sharply early this week. In fact, the decline had made the Indian parity competitive and that in turn resulted in some overseas business coming to India for MG 1.

But, during the latter part of the week the prices moved up and coupled with strong rupee against the dollar the Indian parity increased and became non-competitive.

However, the prices in other origins were also firm at the weekend on tight supply position.

The exporters who had commitments bought back June delivery, which was cheap, and sold futures. Even planters in Karnataka became exporters and got orders.

As the prices in Karnataka were Rs 5-7 a kg below the Kerala price, it turned out to be competitive and therefore, exporters from Kerala also covered from their Coorg pepper, which is almost equal to MG 1 in quality, market sources said.

The July, August and September contracts on the NCDEX during the week moved up by Rs 368, Rs 343 and Rs 364, respectively, to Rs 16,490, Rs 16,697 and Rs 16,680 a quintal.

Total turn over dropped by 7,090 tonnes to 46,081 tonnes. Total open interest also dropped by 1,086 tonnes to 14,002 tonnes during the week.

Spot prices up

Spot prices, in tandem with the futures market trend and buying support of late, increased by Rs 500 to close at Rs 16,300 (MG 1) and Rs 15,800 (un-garbled) at the weekend close.

There is said to be a tight supply position, at present, in the international market which is reflected on the price trend in all origins.

The growth in consumption without a corresponding rise in output this year is also likely to keep the prices firm, market sources said.

Given this scenario, a report from the US said, "…as it seems that a trend or direction is being established, we feel that the more reluctant buyers shall enter the market and not wait for new crop Lampung."

But, the problem with India is that it does not have enough exportable surpluses because of its strong domestic market and stagnant output at around 50,000 tonnes.

According to the report, the pepper market was on the move during the week.

Though the US market has remained reasonably quiet, Europe, West Asia and Asian markets were more active, it said. “Vietnam with solid exports to date remains very firm and continues to move upward with the constant demand. Indonesia has also moved up as well, as the attempt to push the market down earlier is not working at the moment. There is too much support from certain directions willing to buy pepper at the prevailing prices,” the report said. The Indonesian crop looks to be on target with mid-July heavy harvesting. Brazil remains steady without much pressure. White pepper in Vietnam is also moving upwards and it is expected the black prices will pull up the white prices very shortly, it said.

The International Pepper Community (IPC) report for the week said the Lampung initial crop at some areas has started to arrive. Peak crop is expected to come by July/August. At local market, prices were stable at around IDR 26,000 a kg, with very limited activity. Vietnam continued to control their sales, since the available stock at local market is limited. Prices at HCMC remained stable at VND 55,000 a kg. F.o.b prices were also stable at $2,975 and $3,075 a tonne for black 500 GL and 550 GL, respectively. In India, prices increased further by around 3 per cent, both in local and f.o.b. Futures prices have increased by 2 per cent. Trading at the Commodity Exchange in the last two days has increased slightly, but average has decreased from last week. In Sarawak, local prices increased further to MYR 10,430 a tonne from MYR 10,300 last week and f.o.b prices increased by 3 per cent. Average prices at growing areas in Sri Lanka increased marginally by 1 per cent. Prices of white pepper in Sarawak increased, by 3 per cent locally and 1 per cent f.o.b. In Bangka and Vietnam stable prices were reported as last week.

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Financially sustainable models key to agricultural extension system

Rana Kapoor

A robust and dynamic agricultural extension system is the primary vehicle for transfer of technology, information and knowledge to the farm. Based on the philosophy of “helping farmers help themselves,” conventional agricultural extension has strived to provide the right information and advice to the farmers to help them improve their methods of farming. However, the changing paradigm of agriculture in the country calls for a close review of the current extension system being followed so as to re-align this critical developmental instrument into a cutting edge change agent in the agriculture development process.

A historic perspective

The first four decades of post independent India, boast of a “research-led green revolution” that heralded the country from a nation dependent on food imports to a nation that became self sufficient in food grain production. In the context of the green revolution, improvement of farm productivity was the prime development goal for agricultural extension. It was assumed that a “top-down approach to transfer of technology” alone could trigger the overall development of agriculture. Hence, the only objective of an agricultural extension system was to facilitate transfer of scientific knowledge from research stations to the field. Consequently, public funded agricultural extension programs such as the National Extension Service Blocks (NES), Intensive Agricultural Area Programme (IAAP), High Yielding Variety Programme (HYVP) and the Training and Visit Programme (T&V programme promoted by World Bank) were developed.

Though this publicly driven extension agenda met the then agricultural development requirements, it was fraught with constraints that hindered long-term sustainability of such an approach. First, the approach was largely top-down with little scope for participation and feedback of important stakeholders such as farmers, NGOs and the private sector. Secondly, the extension programme was narrowly focused just on increasing farm productivity. Thirdly, the system isolated itself from important factors such as market demand, sustainability in use of inputs and the income generating propensity of the technology being propagated vis-à-vis other options such as crop diversification.

Changing Paradigm

The post liberalisation era has resulted in a qualitative change in the way agriculture is progressing. On one hand, agricultural development has increasingly become demand-driven rather than production-driven while on the other hand, rising input costs and stagnant staple prices has expedited diversification into high value agriculture such as horticulture and livestock rearing. Further, globalisation and the implication of WTO agreements call for greater focus on quality, hygiene and certification so as to address the global market. These developments are resulting in new and diverse learning needs for the farming community. The expectations from an extension programme have become more oriented towards income generation and sustainable agriculture rather than just increasing productivity.

Government Reforms

The changing paradigm of agriculture is demanding an extension system that moves away from a top-down technology and production-driven approach to a bottom-up, participatory, decentralised and market-driven approach.

Recognising this need, policy makers have introduced an innovative extension model in the form of ATMA (Agricultural Technology Management Agency) which brings in new institutional arrangements that envisages stitching together the efforts of different agencies involved in extension at the district level. ATMA entails managerial reforms such as decentralised decision making (at district level), multi-stake holder participation, setting of an extension agenda that is demand driven and bottom up planning. In addition, the model also provides scope for infusing the principle of cost recovery into the extension system.

Implementation challenges

While the pilot ATMA projects carried out in 28 districts (between 1999 and 2003) were largely successful, the subsequent expansion of this model to more than 590 districts across India has faced numerous implementation bottlenecks. Some of the key challenges include:

–Lack of qualified manpower especially at block and village level.

–Lack of formal mechanism to support delivery below the block level

– Insufficient technical and financial support: The support provided during the pilot stage has been largely absent post expansion

–Inadequate infrastructure support especially at village level

–Lack of a clear operational framework for implementation of Public Private Partnership models

Solution Themes

Clearly, a vast and diversified country such as ours would require an extension system that is financially self-sustained and pluralistic enough to address specific regional requirements of the nation. Some of the options that could address these requirements and look promising in the Indian context include:

Fee for Service Contracts with Commercial Farmers: A promising model for cost recovery is to have fee for service contracts with commercial farmers who not only appreciate the value of knowledge and information provided to them but also have the capacity to pay for such services.

An interesting model of cost recovery from farmers is being used in France, where each farmer pays a flat tax based on the number of hectares farmed, regardless of what crop, livestock or other agricultural products are produced. This model can be tried in regions that predominantly produce high value horticulture and livestock products.

Farmer Organisations as Extension Agents: Market oriented farmer organizations and cooperatives such as MahaGrape and Gujarat Cooperative Milk Marketing Federation (GCMMF) can be effective and sustainable extension agents due to the services they already provide to their members. Given that such organisations have a network of extension agents in place, they could become lead agencies for implementing models such as ATMA in their regions. Policy makers need to look at options of partnering with such farmer organisations to extend their extension services to more crops and products.

Partnering with Private Sector Extension Providers: Most of the farm input providers and food processing companies have dedicated extension teams to impart knowledge and training to farmers. Policy makers need to systematically record the agro-climatic region-wise extension activities of the private sector and look at developing region and crop specific “consortium of private players” with whom a PPP model could be structured so as to extend their services to a wider range of rural audience.

Conclusion

In conclusion, by introducing the ATMA model of extension, policy makers have done a commendable job in transforming the agricultural extension system into a more decentralised, participatory and market-driven approach.Successful expansion of this model would require a policy environment that allows structural arrangements that are financially sustainable and adapt to location-specific requirements. Thus, it is imperative for policy makers to experiment with some innovative extension delivery solutions that uniquely address specific requirements of farmers in a particular region and context.These unique solutions need to be integrated into the current activities so as to achieve a financially sustainable, dynamic and result-oriented extension system.(The author is Founder/Managing Director & CEO, YES Bank.)

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Spices export up 7% in 2009-10

Exceeds targets in value and volume terms.

C.J. Punnathara

Kochi, June 20

Indian spices exports grew by seven per cent and touched 5.02 lakh tonne (lt) in 2009-10, crossing the threshold of five lakh tonne for the first time. Despite the economic slow down in the major consuming countries, spices exports have recorded an all time high in value and volume, Mr V.J. Kurian, Chairman of Spices Board said.

Rupee realisation from spices exports grew by five per cent to Rs 5,560 crore while dollar realisation grew by 0.5 per cent to $ 1.17 billion last year. Spices exports have exceeded the targets in both volume and value.

Value added products continued to dominate the exports basket with items such as spice oils and oleoresins along with mint products such as mint oils, menthol crystals and menthol powder contributing to 34 per cent of the total export earnings. Chilly contributed 23 per cent followed by cumin with 10 per cent, turmeric seven per cent and pepper six per cent.

Addressing a press conference here, Mr Kurian said the Indian spice and spice products reached more than 140 countries last year, led by US which accounted for 16 per cent, Malaysia with eight per cent, China with seven per cent, UAE with six per cent and UK five per cent. Export of cardamom small hit an all time high last year in both volume and value. The country exported 1,975 tonnes (750 tonnes) of cardamom valued at Rs 166 crore (Rs 47 crore) last year.

Chilly exports

Chilly was the largest spice item exported from India, accounting for 41 per cent of the total volume and 23 per cent of the value. India exported 2.04 lt (1.88 lt) of chilly and chilly powder fetching Rs 1,292 crore (Rs 1,081 crore). The mandatory quality testing of chilly and chilly products has made Indian chilly more acceptable in the international markets and helped to achieve higher level of exports. Traditional buyers like Malaysia, Sri Lanka, Bangladesh and Indonesia were active in the market. However, export to Pakistan fell drastically to 175 tonnes as against 22,375 tonnes last year.

Export of turmeric hit an all time high in terms of value this year. Although there was a nominal fall in volume to 50,750 tonnes (52,500 tonnes) the value realisation moved up smartly to Rs 381 crore (Rs 249 crore). The average price during the year shot up to Rs 127, up from Rs 92 last year. India is the largest turmeric exporter in the world and the increasing demand for medicinal and cosmetic purposes is expected to drive up demand in future. Major buyers were UAE (6,675 tonnes), Iran (4,225 tonnes) Bangladesh (4,120 tonnes), Malaysia (3,955 tonnes) and Japan (3,150 tonnes).

Seed Spices

The export of seed spices has shown an increase in both value and quantity. Export of seed spices like cumin, coriander and fennel recorded all time highs in terms of value during last year. Seed spices accounted for 29 per cent of the total volume and 18 per cent of the value of spices exports. The major export markets were Pakistan (10,700 tonnes), Malaysia (8985 tonnes), UAR (7175 tonnes) and Saudi Arabia (4200 tonnes).

The export of processed spices such as curry powder, spice oils and oleorsins, mint products and spice powders accounted for 53 per cent of the total value. During last year 14,300 tonnes of curry powder and blends valued at Rs 189 crore were exported registering an increase of eight per cent in volume and 16 per cent in value.

The export of curry powder hit an all time high in both quantity and value. UK was the largest importer of Indian curry powder and spice blends and accounted for

22 per cent or 3,100 tonnes, followed by Saudi Arabia (1,455 tonnes), UAE (1260 tonnes) and USA (1,200 tonnes).

However, the economic slowdown in major importing destinations – the US and EU – has hit the exports of spice oils and oleoresins last year which registered a nominal decline to 6,750 tonnes valued at Rs 708 crore.

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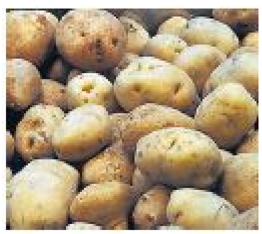
A crop that is the hope of millions

FOCUS POTATO.



G. Chandrashekhar

One of world's important food crops belonging to the tuber and root family, potato is popular in both developed and developing parts of the world for its nutritional value. Global production is currently in excess of 300 million tonnes (mt) a year with China, Russian Federation, Poland and Ukraine leading the way. Cultivation of this important crop provides livelihood for millions of growers as it is hardy, adaptable, grows fast, high-yielding and responsive to low inputs.

India's output

Importantly, it is a good source of dietary energy and some micronutrient while its protein content is high in comparison with other roots and tubers. Although potato is not strictly a tropical crop, India is a major producer of this tuber accounting for a tenth of the acreage and 10-12 per cent of the world output. At 17-18 tonnes a hectare, India's yields are just about half of the developed country average.

Potato accounts for about a quarter of India's total vegetable output and about a fifth of acreage. It is largely a rabi crop grown during the cool months between October and March.

Area under this tuber has been expanding marginally in our country. In 2009-10, it stood at 1.87 million hectares (up from 1.83 mha the previous year) concentrated mainly in Uttar Pradesh, West Bengal and Bihar (65 per cent of national area). In 2007-08 and 2008-09, potato output was in the 34.4-34.6 mt range. In 2009-10, it increased to 36.3 mt. Because of inadequate infrastructure for storage and movement, prices usually decline during the peak harvest and arrival period beginning November. After April, prices begin too climb because of carrying costs and paucity of stocks. Obviously, there is a huge opportunity to capture value by creating infrastructure for potato storage for marketing during the lean season. The vegetable is amenable to processing in many ways and it is one of the most processed crops. Potato flour can be blended with wheat flour which can provide poor people with nutritious food. The crop is, therefore, highly recommended for advancing food and nutrition security.

Huge potential

Expansion of the food processing sector driven by consumption demand and changing food habits is seen creating huge usage potential for potato. To ensure captive production, some corporate houses have begun to establish backward linkage. Contract farming is becoming popular. India exports a small quantity of potato to neighbouring markets.

In the overall government scheme of raising horticulture production to 300 mt by the terminal year of the Eleventh Five Year Plan (2011-12), potato will play a major role.

The National Horticulture Board is already implementing schemes for production and post-harvest management.

With a view to facilitating price discovery and price risk management, futures trading in potato was launched.

Potato is traded on two futures exchanges MCX and NCDEX.

From 2007-08 to 2008-09, trading volumes fell sharply.

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An untapped farm treasure

FOCUS MEGHALAYA.

G. Chandrashekhar

Created first as an autonomous State within the State of Assam in April 1970, India's 21 st State Meghalaya came into full-fledged existence in January 1972. Bound on the north and east by Assam and on the south and west by Bangladesh, this hilly state has an imposing plateau with rolling grasslands, hills and river valleys.

Meghalaya is basically an agrarian State with about 80 per cent of the population dependent primarily on agriculture for livelihood. Due to varied agro-climatic conditions, the State offers scope for horticulture especially cultivation of temperate, sub-tropical and tropical fruits and vegetables.

Besides the major food crop of rice and maize, Meghalaya is renowned for its oranges (Khasi Mandarian), pineapple, banana, jackfruits, temperate fruits such as plum, pears and peaches, etc. A variety of vegetables are also grown here. Cash crops, popularly and traditionally cultivated, include potato, turmeric, ginger, black pepper, areca-nut, betel-vine, tapioca, short staple cotton, jute and roselle, mustard and rapeseed. Special emphasis is laid on non-traditional crops such as oilseeds (groundnut, soyabean and sunflower), cashewnut, tea and coffee, mushroom, medicinal plants, orchids and commercial flowers. Because of the paucity of plain land, scope for cultivation of large-scale field crops such as foodgrains is limited.

Abundance

Rich and largely untilled soil, abundant water, sunshine and salubrious climate make the state ideal for organic cultivation, the market for which is expanding. In particular, spices and medicinal plants hold tremendous potential for supplying not only to the domestic market but also to overseas markets. Similarly, floriculture is another area waiting to be tapped. While hilly terrain limits the scope for large-scale agriculture, conducive climate favours animal husbandry which includes rearing of cattle, pigs, goat and poultry.

No wonder, farmers depend on livestock to a large extent. However, Meghalaya is short of milk because of limited milch-cattle.

As most (85 per cent) of the population consumes meat almost daily, there is potential for increasing farming of dairy and other livestock can be improved. Keen to augment the production of milk, meat and eggs, the State Government is putting efforts for all-round improvement. The various schemes for strengthening agriculture and allied activities include scientific water management through water harvesting, delivery of inputs such as fertilisers, seeds and plant protection chemicals.

Given the suitable production base for a wide variety of crops, there is huge opportunity for entrepreneurs to set up processing facilities for a wide variety of foods, not only for primary processing but also value addition. District Industries Centres have been active in promoting small-scale, tiny and village industries. Financial assistance is available to local entrepreneurs through State-level agencies.

Treasure

In conclusion, Meghalaya is a substantial producer of fruits and vegetables and has tremendous potential for investment and development in the food processing sector. There is ample scope for setting up a large-scale fruit processing unit in the state.

Attempts are also being made to can bamboo shoot pickles, chilly pickles and meat products such as pork pickle, smoked ham and poultry products such as kebabs, nuggets and pickles.

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Plantation Corpn to take up hi-tech vegetable farming

Our Bureau

Kozhikode, June 20

As part of its diversification programme, the State-owned Plantation Corporation of Kerala Ltd., is entering the area of hi-tech vegetable cultivation.

Besides, the corporation will join hands with Kerala Feeds Ltd, another public sector company, for the production of bio-ethanol and cattle feed from cashew fruits, according to the Chairman of the corporation, Mr T.J. Anjalose.

The corporation will take up replanting of rubber and cashew in 481 hectares and

245 hectares, respectively, in the current year.

The modern centrifuge factory being set up at the Kodumon Estate in Pathanamthitta district will be inaugurated in August.

Record profit

Mr Anjalose said here on Friday that the corporation made a profit of Rs 32.69 crore in 2009-10, which was an all-time record. The production was to the tune of 103 per cent of the target for the year.

He said the corporation made a total profit of Rs 78.75 crore after the present board of directors took over the administration.

The State Government was paid Rs 15.27 crore as sales tax, dividend, lease rent and other taxes.

Also, around 4,000 persons were employed in the various estates of the corporation during the period. The Plantation Valley resort set up at Athirappilly, as part of the farm tourism project, has started making profit.

Mr Anjalose said the foundation stone for the research centre and commercial complex coming up under the Cashew Division of the corporation in Kozhikode would be laid by the Minister for Agriculture, Mr Mullakkara Ratnakaran, on June 22.

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Cashew market active on Asian consumption

G.K. Nair,Kochi, June 20

Cashew market was steady during the week with fair amount of business taking place in different markets at prevailing prices.

Prices were more or less unchanged.W240 was at around $3.15, W320 around $2.95, W450 around $2.80 (f.o.b). As usual, some processors sold at lower levels and some were able to sell at higher levels, trade sources said. Indian domestic market moved up a bit on broken grades, but not much on wholes, they said.

Currently, there seems to be fair amount of buying interest in the middle of $2.80 and $3 range with buying resistance when prices come close to $3 and selling reluctance when prices drop close to $2.80.

“As we enter the peak Asian consumption period, we can reasonably expect firmness in the market and increased volatility due to the spot buying nature of these markets. If there is need for any large contracting in this period, we could see prices break the current range,” Mr Pankaj N. Sampat, a Mumbai-based dealer told Business Line.

No selling pressure

Despite a long period of inactivity, there has not been so far any big selling pressure that “we normally see when market is quiet for even a couple of weeks,” he said.Although some processors did sell at lower levels, larger proportion seems to be willing to wait and make sales when some buyers came in to pay the levels they wanted. Reduced kernel availability and the continued nearby buying by some market or the other gives processors the comfort of being able to sell when they want to, he said.Exports of cashew kernels from India showed a decline during first 2 months of the current fiscal from that of the same period in 2009-10. During April-May 2010, total shipments stood at 16,548 tonnes valued at Rs443.94 crore as against 17,260 tonnes valued at Rs461.45 crore in the same period the previous fiscal, according to Cashew Export Promotion Council of India (CEPC) sources.

The average unit value realisation was at Rs 268.27 a kg this fiscal (Rs 267.35). RCN marketAt the same time, imports of Raw Cashew Nuts (RCN) also showed a decline probably due to rise in the unit value to Rs 39.83 a kg from Rs 37.13 a kg in the first two months of the current financial year from that of the previous year. As against 1,13,923 tonnes imported in April-May this fiscal, it was at 1,32,810 tonnes in the same period last fiscal.

According to trading sources, there was not much activity in the RCN market during the week. Traders were selling small lots, holding on for their prices (close to $1,100 for Bissau and around $900 for Ivory Coast). As there is not much good quality stock available with origin suppliers, processors who have not bought enough are paying the higher prices. “As shipments have been slow, it is still not possible to have realistic estimate of the shortage but we feel that it will be near the lower end of the trade estimates, ranging from 7 to 12 per cent,” they added.

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Coonoor tea prices fall on slack buying

P.S. Sundar,Coonoor, June 20

Teas worth Rs 3.47 crore remained unsold at Sale No: 24 of the Coonoor Tea Trade Association auctions with as much as 37 per cent of the six-week high volume of 17.36 lakh kg on offer had to be withdrawn for want of buyers.

Among CTC teas from bought leaf factories, Homedale Tea Factory topped. “Our Red Dust (RD), auctioned by Global Tea Brokers, fetched Rs 140 a kg – the highest bid in the sale. Our Broke Pekoe (BP) topped leaf market at Rs 120”, Mr Prasant Menon, Homedale Managing Partner, told Business Line. Among orthodox teas from corporate sector, Chamraj got Rs 166, Curzon Rs 154, Corsely Rs 137, Kairbetta Rs 134, Glendale Rs 133, Havukal Rs 132, Quinshola clonal Rs 128, Coonoor Tea Estate Rs 121 and Mailoor Rs 120.

Quotations held by brokers indicated bids ranging Rs 36-42 a kg for plain leaf grades and Rs 80-110 for brighter liquoring sorts. They ranged Rs 36-42 for plain dusts and Rs 90-130 for brighter liquoring dusts.As much as 39 per cent of the dust and 34 per cent of the leaf on offer remained unsold. On the export front, Pakistan bought for a wide range of Rs 39-58 a kg, the CIS Rs 37-42 and European ports Rs 42-48.

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CIFT organises seafood festival

Kochi, June 20

The Central Institute of Fisheries Technology (CIFT) organised a seafood festival at Moothakunnam near here as part of the Department of Science and Technology funded project ‘Location specific livelihood interventions in fisheries sector for the empowerment of fisherwomen in Kerala.' The harvest of ‘rack and ren' culture of edible oysters was also inaugurated during the function. Women groups participating in the project came out with flying colours with a bumper harvest of edible oysters and prepared exquisite seafood items and exhibited the same before the panel of experts..The evaluators found it tough to rate from the variety of ‘home made' seafood delicacies exhibited by the women groups. An exhibition was also organised during the function demonstrating the mandate and significant research output of CIFT, its Director, Dr B.Meenakumari, said. — Our Bureau