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Flattering growth but risks ahead

A prolonged slowdown in advanced countries will have an impact on manufacturing and services sectors



Recent data on the Indian economy released recently by the Central Statistical Organisation (CSO) should remove any remaining vestige of scepticism on the growth story.

The data in question refers to just one quarter, the second quarter (July-September 2010), but its full import has larger messages.

A better than expected 8.9 per cent growth during the quarter on top of a similar growth in the first quarter (April-June) suggests that the economy is well positioned to move into a higher growth trajectory. For 2009-10, the revised growth estimate has been 7.4 per cent. Hence, if the economy maintains its tempo — at least maintain its 8.9 per cent of growth in the first six months of the year — it can realistically aim at double-digit growth in the coming years. The sharp increase in the estimates suggests that India has climbed out of the recession at a much faster pace, which was thought possible. That corroborates what the IMF and other global institutions have been saying: that the developing countries led by China and India are in the forefront of the global recovery. The world's advanced economies are witnessing feeble growth.

The official projections (of the Reserve Bank of India and the government) at 8.5 per cent with an upward bias will most certainly be marked up. Impressive as the recent acceleration is, two points are relevant. One, before the global economic crisis began to take hold in mid-2007, the Indian economy was already recording growth rates of above 9 per cent on the back of strong domestic consumption, investment and export demand. In fact the Planning Commission had visualised a double-digit growth at the end of the XI Plan.

Second, it is necessary to take note of the macro-economic conditions during the pre-crisis years and now to draw meaningful inferences on the sustainability of the current GDP growth. There are some similarities but also major differences in the factors underpinning the growth process then (pre-crisis period) and now.

Good news continues

Barely a week after the CSO's data for the second quarter was released, the mid-year analysis was placed before Parliament. The former had confirmed the continuance of the growth momentum: the second quarter growth was of the order of 8.9 per cent, the same as for the first quarter. The mid-year analysis is of the view that the 9 per cent pre-crisis growth rate can be achieved this year itself. But there are well known risk factors.

Faster growth is expected to continue in the third and fourth quarters. The optimism is based on the fact that agriculture has recovered smartly from last year's drought and rain.

Inflation is also expected to fall although there is plenty of uncertainty in the outlook for inflation.

Quite obviously there are major risks ahead which cannot be ignored or downplayed. The mid-year review and the RBI have drawn attention to them. High-up on the list of risks is the widening current account deficit, which is expected to exceed 3 per cent of the GDP. A widening trade deficit — the primary cause for the current account imbalance — is a related concern. The assumption that the current account deficit will absorb the burgeoning capital inflows — mostly to the stock markets — hides the fact that the size of the current account deficit and the copious flows pose independent policy challenges. Overdependence on short-term flows is unhealthy and can pose major liquidity and stability risks.

The inflation rate continues to be high although it has climbed down from double digits. The RBI's year-end target of about 6 per cent seems difficult to achieve at this stage. Persistently high inflation may force the RBI to hike rates or at least keep them at the present high levels, which in turn will impact negatively on growth.

Global scenario

The rather bleak international economic scenario is another cause for concern. Although India is sufficiently insulated and its exports form only a small part of the GDP, a prolonged slowdown in the advanced countries will have an impact on manufacturing and services sectors.

On many economic parameters, India is worse off today than during the pre-crisis period. The combined liabilities of the government have increased since 2008-09. The combined fiscal deficit has been between 8.3 per cent and 10 per cent in the last three years. Central government finances have no doubt received a boost this year from the 3G auctions and a reasonably successful public sector disinvestment programme. Still indications are that government finances will not be in a much better shape than in the previous years.

The main growth drivers

An analysis of the recent CSO data will help in understanding the current growth drivers. In

the second quarter of 2010-11, industry and services have performed according to expectations, expanding by 9 per cent and 9.6 per cent, respectively.

The big surprise was in agriculture (4.4 per cent). Good monsoons have boosted the kharif crop. The situation was different a year ago when successive draughts and floods hampered the farm sector. The performance of this sector is closely watched because its indifferent performance can pull down the overall growth. Though accounting for a small proportion of the GDP, it employs the maximum number of people.

A revival here will boost rural demand and most importantly it will have a direct bearing on inflation and inflation expectations.

However, manufacturing, which has recently been the star performer in the industry segment, has caused some concern despite its fairly impressive showing (9.81 per cent) in the July-September quarter. Although its growth is higher than last year's 8.36 per cent, it is sharply lower than the 13 per cent growth it clocked in the first quarter of the (current) year. It is likely that the quarter-on-quarter fall is due to declining investments, a point also corroborated by other parameters such as a fall in credit offtake from banks. The services sector's growth has been driven by the strong showing of trade, hotels, transport and communications.

The sub-segment — community services, social and personal services — which is seen as a proxy for government spending has fared well although it can no longer count on the stimulus measures. C. R. L. NARASIMHAN

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Consumers in a fix as vegetable prices rise

Special Correspondent

Officials attribute it to rains and wedding season

— Photo: G. Moorthy.



Inundation: Stagnation of rainwater on the Uzhavar Sandhai at Anna Nagar in Madurai emanating foul smell.

MADURAI: A sudden and steep fluctuation in the vegetable prices on Friday and Saturday at the “uzhavar sandhais” in the city came in as a shock to a large number of consumers.

However, officials at the sandhais attributed it to rains and wedding season (muhurtham) and described the fluctuation as “temporary”.

Except potatoes, the prices of almost every vegetable and greens raised phenomenally, consumers at the Anna Nagar and BB Kulam sandhais said.

According to them, Brinjal which was selling at Rs.34 and Rs.38 (different varieties) was sold at Rs.44 and Rs.48. Onions (big) were priced at Rs.32 (while it was Rs.28 till last week) and small onions at Rs.26 (sold at Rs.20). The price of carrot was around Rs.36 (Rs.25), Beans Rs.36 (Rs.30) and cabbage was sold at Rs.20 (Rs.14), ladies finger was at Rs.26 (Rs.20) and snake gourd was quoted at Rs.32 against Rs.20.

Meanwhile, heavy downpour on Thursday led to inundation at the Anna Nagar uzhar sandhai, the first in the State which was inaugurated by the Chief Minister. Further, the poor maintenance of the sewage station resulted in flooding of gutter water into the sandhai bringing protests from the farmers and consumers. They could not enter the shandy as the stench was unpleasant. Many farmers complained that the commodities could not be sold on the day due to poor turnout, which was also attributed as a prime reason for sudden escalation of the vegetables.

Mayor G. Thenmozhi visited the sandhai and directed the authorities to pump out the gutter water and ensure that the area was free from such flooding in future.

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Its raining bonanza for cardamom cultivators

K. Raju

They expect a better yield, demand and prices

THENI: Continuous rains on the Western Ghats through the last fortnight has cheered cardamom growers as flourished plants indicate a better yield and more production.

The cardamom crop season started in September. The crops have grown well owing to constant moisture level in the atmosphere for a long time, thanks to the rains. Formation of new stems that precedes flowering promises sharp increase in production next year.

More than sufficient rain on the Western Ghats will surely help achieve a better yield, say planters in Bodinaickanur, pointing out that unlike other crops cardamom is not affected by excess rainfall. On the contrary, it favours production, say cardamom . And production is expected to be continuous throughout the year. Normally, the season ends by April. Size of the crop is also expected to be big with better quality. The cultivators expect that the production to surpass the annual average.

Timely rainfall was essential for growth of cardamom plants. This rain would also be favourable to coffee and other hill crops, they point out. Areas such as Kattappana and Kulamavu and adjoining areas — all in Idukki district in Kerala received heavy showers.

Most of the farmers in the Tamil Nadu-Kerala border areas plant only 'Nalayini' variety of cardamom. A total of 33,000 hectares are under cardamom cultivation.

Arrival of cardamom to auction centres is also picking up. At a time when the production was poor and slump in exports from Guatemala, Indian cardamom exporters want to

capitalise the demand in global market. They expect to fill the supply vacuum created by cardamom exporters in Guatemala.

Prices of cardamom was rising steadily from Rs.900 a kg and reached up to Rs.1,117 in November. Now, farmers would release their old stock because of better price realisation. Moreover, demand for good quality cardamom is also high.

Vandanmedu, Kumuli and Bodinaickanur, some of the major cardamom auction centres, receive at least 15,000 kg a week. All these centres received more than 60,000 tonnes last fortnight when the prices crossed Rs.1,000 a kg mark. Above all, stability of prices is totally dependent on monsoon rains, planters say.

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Training programme on farm produce

Staff Reporter

Photo: Special Arrangement



Sharing information: Aravind Pratap Singh (sitting at centre), Project Executive, Federation of Indian Chamber of Commerce and Industry, speaking at a training programme at Paiyur in Krishnagiri recently. -

KRISHNAGIRI: A two-day training programme for graduate farmers, research fellows and scientists at the Regional Research Station of the Tamil Nadu Agricultural University in

Paiyur was held recently.

A release from the Regional Research Station of the University said that the training programme was sponsored by the National Bank for Agriculture and Rural Development.

Mr. Aravind Pratap Singh, Project Executive, Federation of Indian Chamber of Commerce and Industry conducted the training programme.

The broad guidelines about traceability of the farm produce with identifiable code by the producer to know about what, when, how and where; maintenance of inventory records; nature of input/ stock/ quantity applied/ reasons for application and date; labourers hired/ family/ hygiene/ health history and random sampling for residue analysis by accredited laboratories were explained to the trainees.

Process

Mr. Singh explained the methodologies and process involved in the certification process. He said, the certification will help the farmers to reduce cost of inorganic input application and the certified produce to fetch maximum price in the local market and also function as an important tag for export.

The Regional Research Station has promoted 25 Farmers' Clubs in Kamandoddi, Yenusonai, Doripalli, Samanpallin and Sanamavu villages in Shoolagiri block under the Lead Crop Scheme project sponsored by NABARD.

The research station has obtained GGAP certification for farmers who are members of the above five Farmers' Clubs through FICCI, the Nodal Agency.

About 20 graduate farmers, five research fellows and five agriculture scientists participated in the training programme.

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21,000 hectares of paddy damaged in Pudukottai

Special Correspondent

PUDUKOTTAI: Paddy raised on an area of 21,000 hectares in the district has been damaged extensively following sharp showers in the district during November. The damage was caused due to inundation of paddy fields for several days and also due to the incidence of blast disease in the fields, said G.S. Ramadasu, District Revenue Officer.

Presiding over the Farmers' Grievances Day meeting held here on Friday, he said uneven distribution of rainfall for a fortnight between November 20 and December 5 had resulted in increase in the humidity of the climate, a factor favourable for the incidence of blast disease.

Agriculture Department officials clarified that under normal conditions, the blast disease could be controlled through crop protection techniques. But excess humidity had caused extensive damage to the standing crop.

Mr. Ramadasu said realisation of water in the tanks had stabilised following the showers. Water in as many as 100 out of the total 168 system tanks in the Cauvery Mettur Project area can be utilised for irrigation for the next three months; another 50 tanks for two months while 18 tanks could irrigate the fields throughout December. A maximum of 8,000 hectares was damaged in Avudaiyarkovil area followed by 7,400 hectares in Manalmelkudi area; 900 hectares in Arimalam and 300 hectares in Aranthangi.

When a number of farmers complained of heavy damage to the standing crops and urged the district administration to take steps for relief from the state government, the official replied that a crop-wise and field-wise survey was being conducted in the district.

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Veppanthattai farmers worst-hit

Special Correspondent

Photo:R. Ashok



fresh hope:A woman examining the nursery raised for the second time this season at Perali village near Perambalur.

PERAMBALUR: Undaunted with the devastation caused by the recent spell of incessant rain, paddy farmers have started doing the spadework, what could be called another attempt, to cultivate the crop this samba season.

Though the nurseries have been damaged, they are still hopeful of reaping a rich harvest.

Manimekalai, a farmer of Perali, said she had raised paddy in about eight acres of which 1.5 acres were affected by the rain.

Shortly after the letup in showers, she cleared the damaged crop and decided to raise fresh nurseries.

According to the agricultural department officials, of the total 10,400 hectares of paddy cultivated in the district about 1,427 hectares had been destroyed. Farmers had cultivated ADT 39, ADT 43 and CR 1000 varieties.

R.Reghunathan, Joint Director of Agriculture, said cultivators of Veppanthattai village, where a breach occurred in a tank were the worst-hit. The department has been

recommending crop protection measures to the paddy farmers, he added

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CM urged to provide free power for horticulture crops

Special Correspondent

Some farmers charged with theft and slapped hefty fines

'A committee should be constituted to examine the issue'

Farmers associations threaten to launch an agitation

TIRUCHI: The Tiruchi District Cauvery Delta Farmers Welfare Association has urged Chief Minister M.Karunanidhi to ensure supply of free power to all farmers, including those raising horticulture crops.

There was much confusion among farmers and lack of clarity among officials on the issue. Mr.Karunanidhi's recent statement that free power has never been given to horticulture crops and the scheme was implemented only for paddy and sugarcane has agitated the minds of farmers.

Several farmers were raising horticulture crops in their farms even while cultivating paddy or sugarcane. Many had obtained farm power connections to irrigate horticulture crops such as banana even before power was made free for agricultural connections, the association said.

The Chief Minister, if necessary, should constitute a committee to examine the issue thoroughly and come out with an appropriate order in this regard, observed a resolution adopted at an urgent meeting of the association held here on Sunday with G.Kanagasabai, president, in the chair.

Some farmers in Tiruchi district have been charged with power theft and slapped with hefty fines by anti-power theft squads for using the free power for irrigating horticulture crops. A few of them have approached the High Court and obtained an interim injunction against the action, the resolution claimed.

However, all farmers would be not able to do so and farmers associations would be forced to launch an agitation on the issue. Farmers should not be humiliated with charges of power theft.

The government should set up a committee to go into the issue and direct it to submit a report within three months. Based on the report, the government should come out with an order, without affecting the interests of any section of the farming community.

Till such time, the Tamil Nadu Generation and Distribution Corporation should not initiate any action against farmers using free power to irrigate horticulture crops, the resolution said.

The association also urged the government to ensure that all farmers whose crops were damaged due to the recent heavy rain be provided adequate compensation.

A thorough enumeration should be conducted to identify all affected farmers. The relief should also be distributed quickly without any delay, another resolution adopted at the meeting said.

Mahadahanapuram Rajaram, working president of the association, Puliyur Nagarajan, president, Horticulture Crop Growers Association, and others participated.

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Bananas the apple of eye at exhibition

S.Ganesan

Farmers offered scientific information and insight into horticultural practices

—Photo:M.Moorthy



Weighing their options: Visitors at the banana exhibition at the Global Conference on Banana in Tiruchi on Friday.

TIRUCHI: For horticulture farmers with an eye for technology, the exhibition organised as part of the four-day Global Conference on Banana, currently underway in the city, should serve as a one-stop shop to glean all the latest scientific information and best agricultural practices.

Banana, as to be expected, hogs centre stage at the exhibition. As one enters the exhibition, a couple of giant size banana bunches strike the eye. Grown by G.Nathar Meeran, a progressive farmer and agro entrepreneur from Theni, the huge bunches stand nearly six feet in height and weigh 81 and 83 kg respectively.

The genial Mr.Meeran, who has previously bagged the best progressive farmer award from the NRCB, explains how he has successfully adopted the tissue culture technique and other technical inputs given by NRCB and other institutes to raise the Grand Naine variety banana bunches, which have 16 hands and over 300 fruits each. “All farmers can adopt these practices if only they show interest in adopting latest technologies and farm practices,” he observes. Despite his ability to absorb the scientific inputs, he concedes to facing difficulties in post harvest handling of the fruits. ‘We are midway, we got to move to the next stage with the help of research institutions,’ he says.

Rich and diverse information is on store at the other stalls covering various aspects of banana cultivation, including micro irrigation systems, post harvest handling, storage and

value added products derived from banana.

The various stages of post harvest handling and storage including the process of ripening cold storage, which could help extend the shelf life of banana up to a month, are explained in detail with exhibits.

Machines for producing banana value added products including banana fibre extractor are also on display by research institutions and voluntary organisations.

Banana, the exhibition also provides an overview of the latest technological advances and scientific inputs on several other horticulture crops too, says R.Selvarajan, Virologist, NRCB, and chairman of the exhibition committee. Apart from the National Research Centre on Banana (NRCB), which hosts the conference along with the Association for Improvement in Production and Utilisation of Banana, the Indian Institute of Horticulture Research, Directorate of Oil Palm, Central Tuber Corps Research Institute, Tamil Nadu Agricultural University, and Coconut Development Board have set shop at the exhibition.

There is a wealth of information for general visitors too as the stalls throw light on some exotic recipes for dishes made from tubers and vegetables and other food/agro products. For instance, interested visitors could even learn how to extract oil directly from coconut flesh with out drying it up.

The exhibition will be open till Monday at Hotel Sangam, the venue of the conference, in the city.

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“Identify farmers for insurance scheme”

Staff Reporter

For rabi season, Rs. 35 lakh-target fixed for agriculture crops, Rs. 18 lakh for horticulture crops

Tuticorin: To mitigate hardships of the farmers against loss on account of anticipated crop loss at critical growth stages resulting from incidence of adverse weather conditions and also the incidence of pests and diseases, the central and state governments were devising ways and means in the best interest of farmers. Under the guided principles of District Administration, the farmers could avail the benefits under National Agriculture Insurance Scheme through the implementing agency of Agriculture Insurance Company.

Collector C.N. Maheswaran has appealed to village panchayat clerks and Makkal Nala Paniyalargal to identify farmers for enrolment under the scheme. Tuticorin district witnessed an excessive rainfall in the current fiscal in the wake of North East monsoon.

The farmers could well utilise this opportunity for compensation. A lot of awareness about the importance of insurance coverage and financial support to farmers in the event of crop failure should be raised among them. The farmers had to enrol under the scheme to obtain insurance benefits.

Crops covered

S. Joseph Karunanidhi, Joint Director of Agriculture, said compensation could be availed for the insured crops such as food crops, oil seed crops, annual commercial crops and horticultural crops. These crops were being covered under the scheme. Farmers under categories of small, marginal and big could enroll themselves in the scheme.

Premium collected

The cooperative banks had collected premium amount of Rs. 10.14 lakh for agriculture crops, so far. As for horticultural crops, a premium of Rs. 7.2 lakh was collected from farmers. Under this scheme, a target of Rs. 35 lakh was fixed for agriculture crop for Rabi season. For horticultural crop, a target of Rs. 18 lakh was set for the same season from October to March every year.

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Kuttanad farmers seek higher compensation

Staff Reporter

ALAPPUZHA: The Kuttanad Vikasana Samithi (KVS) is organising a farmers' protest march and dharna on Monday, demanding higher compensation for the losses they suffered due to the recent spell of rain and to declare the Kuttanad agricultural region a flood-hit zone.

According to a press release here, KVS executive director Thomas Peelianickal would inaugurate the march at 10 a.m. from the Municipal Grounds to the District Collectorate, where after submitting a memorandum to the Collector, the agitators would stage a dharna.

The farmers, who are demanding a compensation of Rs.10,000 for acre, are also calling for an official study on the expenses incurred by them, since they feel this is the only way a government can decide on a justified compensation.

Fr. Peelianickal said a post-harvest insurance scheme was necessary as the farmers were prone to damage brought by natural calamities even after harvest. A climate-forewarning-based insurance system should also be put in place, he said.

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D.K. Aruna promises water for kharif season

Correspondent

MAHABUBNAGAR: Minister for Information and Public Relations D.K. Aruna informed that the first phase of works under four lift-irrigation projects in the district would be completed

by June and water would be released to the ayacut for the kharif season.

Speaking to media persons here on Sunday, Ms. Aruna, who visited the headquarter town for the first time after assuming charges as a Minister, said that the first phase of works were underway for Kalwakurthy, Nettempad, Bheema and Koilsagar lift-irrigation projects in the district and that the works were slated to be completed by June.

She said that over 80 per cent of works under these four projects were already completed. "Sufficient funds would be released soon as promised by the Chief Minister to all the four projects and adequate funds would be allocated to them in the next budget." She admitted that funds allocated in the last budget to these projects were not utilised to full extent, which delayed the completions of the works.

She said that there were some other hurdles such as payment of amount for railway crossings under Nettempad and added that all such hurdles would be cleared.

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DS inspects rain-hit paddy fields

VIZIANAGARAM: Pradesh Congress Committee president D. Srinivas on Sunday assured rain-hit farmers of assistance. As part of his north coastal Andhra tour, Mr. Srinivas interacted with farmers at Rawada and Nathavalasa villages in Bhogapuram mandal and Rellivalasa in Poosapatirega mandal. A number of farmers showed him germinated paddy crop in a sheet of water. The PCC chief said he would submit report to the government.

He told reporters that the government had already written a letter to Prime Minister Manmohan Singh seeking funds and added that all the affected families would be provided relief. Earlier, at Rajapulova junction, K. Veerabhadra Swamy, DCC in-charge president, and others accorded him a grand welcome.

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Agricultural fields in mechanisation mode

R. Avadhani

Farmers preferring to hire harvesting machines owing to dearth of labour, thanks to NREGS

SANGAREDDY: M. Hanumantu of Nawabpet village in Hatnoora mandal in Medak district recently destroyed his paddy crop. He was one among the thousands of farmers in the district who were unable to hire labour for harvesting crop.

Mr. Hanumantu has 4.18 acres of land, out of which paddy was cultivated in three acres. He grew cotton in the remaining 1.18 acres. When the crop was ready for harvesting, he tried to hire a harvesting machine.

Though the operator brought the machine to the field, he refused to start it saying the field was wet and it would damage his machine. His efforts to hire labour did not yield result as they preferred to work for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) instead of the hard labour. Vexed with that, he lit his crop.

Time saved

Contrary to the experience of Mr. Hanumantu, many farmers in the district are preferring to hire machines to harvest the crop. According to sources in the Agriculture Department, more than 100 machines are functioning in the district.

Each machine is replacing about 1,000 mandays if it is to assume that machines are working between six to eight hours a day. While it would take five days for eight persons from harvesting to packing paddy in one acre of land, it is consuming only one-and-half

hour for the machine to complete the job.

Farmers prefer these machines as it is becoming hard to find manual labour, in addition to consuming more time.

The labourers are also demanding wages between Rs. 100 to Rs. 150 to work in the fields.

Cost factor

“This is benefiting farmers as the operator is charging Rs. 2,500 per acre whereas it will cost about Rs. 4,000 if labour is hired. In addition, the trader will be ready to procure the produce once it is ready in bags,” said Chandrasekhar, Joint Director of Agriculture.

According to department estimates, out of the 45,000 hectares of paddy that was cultivated in the district during the current rabi season, at least 30,000 hectares will be harvested by the machines.

Doubts are being expressed in the official circles whether the labourers would lose work in the farms in the long run as the farmer, once habituated to harvesting with machines, would only prefer machines.

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Cooperative banks asked to provide crop loans

Special Correspondent

JAIPUR: Rajasthan Cooperative Minister Parsadilal Meena has asked the cooperative banks in the State to provide crop loans to farmers to meet their needs during the rabi season, while pointing out that the recipients of loans would also get insurance facility till December 15.

Addressing a meeting of cooperative officers in Ajmer over the weekend, Mr. Meena said the four central cooperative banks in the Ajmer division would disburse crop loans worth

Rs.351 crore during the current rabi season. He gave instructions for improving the recovery figures as well. According to an official release here, the Minister pointed out that the cooperative institutions had an “enormous potential” for benefiting farmers and added that mini-banks to be opened shortly at Rajiv Gandhi Vikas Kendras would provide additional finance facilities.

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Collector C.N. Maheswaran has appealed to village panchayat clerks and Makkal Nala Paniyalargal to identify farmers for enrolment under the scheme. Tuticorin district witnessed an excessive rainfall in the current fiscal in the wake of North East monsoon.

The farmers could well utilise this opportunity for compensation. A lot of awareness about the importance of insurance coverage and financial support to farmers in the event of crop failure should be raised among them. The farmers had to enrol under the scheme to obtain insurance benefits.

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Organic fertilizers make slow and steady progress

Special Correspondent



HEALTHY:A cotton field near Kurnool.

KURNOOL: Penetration by organic fertilizers and bio-pesticides has been slow due to the long wait needed for the result.

However, many farmers who switched over to bio-fertilizers are not complaining.

Vinnuthna fertilizers, a Hyderabad-based company, launched pilot project in Kurnool district by selecting demonstration plots in over 20 villages. Bio-products were supplied free of cost to farmers on trial basis. Representative of the company Ramesh Babu said farmers were asked to reduce their fertilizer and chemical consumption by 60 per cent and supplement it with bio-fertilizers and pesticides.

On the whole the savings per acre were calculated at Rs. 1,500 on fertilizer cost while yield was claimed to have increased by 10 per cent in the first year and 20 per cent the second year onwards.

Most of the farmers who were used to instant growth on account of use of urea and other chemicals were impatient to the slow result of bio-fertilizers. However, most of them agreed to the fact that bio-fertilizers and pesticides reduced pest attack and the plant remained healthier for a longer period.

Farmers of Devamada near Kurnool said the cotton crop which was cultivated under integrated pest management method was healthier and a drastic fall in pest attack was noticed. The 'kapas' yield from the plots in the first and second picking was higher.

Date:13/12/2010 URL:

<http://www.thehindu.com/2010/12/13/stories/2010121362930900.htm>

Food advisory panels create awareness among villagers

Gollapudi Srinivasa Rao

Several ration cardholders being cheated by dealers

Dealers were giving less rations to the cardholders citing different reasons

Revenue Department conducts surveys as part of social audit

JANGAON (WARANGAL DT): The 50-year-old tribal woman of Agapet village in Naremetta mandal has been getting just 4 kg of rice on her ration card as against the actual entitlement of 35 kg.

The dealer said she would not get anything more than that and the woman quietly believed it until recently the Tehsildhar and his staff visited the village and held a grama sabha. At the meeting, the villagers were given information such as number of ration cards, actual quota and price of commodities. Sadly, majority of them were not aware of these basic details.

Revolutionary move

Joint Collector Ms. Vakati Karuna initiated the social audit, which proved to be revolutionary in the rural parts of Jangaon revenue division. In Goparajupally village in Jangaon mandal, a dealer cut five kg rice from 35 kg as a member of a family died. "No such power has been given to anybody. An Anthyodaya card holder must get 35 kg at Rs. 2 per kg. In many cases, the consumers being illiterate and unaware, do not get their actual entitlement. Hence, this social audit," she explained.

During the social audit, the Tehsildhar along with his staff undertake a door-to-door survey asking people to list out their difficulties. Then, they will hold a grama sabha summoning the dealer and stakeholders.

With a view to implement the Public Distribution System (PDS) effectively, the revenue officials constituted village-level Food Advisory Committees involving a cross-section of society. Speaking to The Hindu, Jangaon Tehsildhar P. Venkateswar Reddy said in the same village they received a complaint that a dealer refused to give ration to the complainant as he did not have a card. But, the dealer was drawing that quota and selling it in the blackmarket. "We imposed a penalty on the dealer," he said.

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13 Dec, 2010, 12.32AM IST, Jayashree Bhosale,ET Bureau

Milk demand lures more players into dairy sector

PUNE: The Gurgaon-based Landmark Group has ventured into the dairy sector to set up large industrial farms in the next five years. The group that is into IT, BPO and real estate, is not the only one to venture into dairy business from an unrelated background. It is attracting entrepreneurs from varied backgrounds like real estate, mining, poultry and trading to set up large-scale farms which is poised to bring another revolution in the Indian dairy sector .

The reason for dairy becoming the most-sought after business is that there is a huge demand for milk in domestic as well as international markets. "Milk prices in the domestic market are growing at 20% per annum and the demand for milk is growing at 7%. Adulteration is such a big issue in front of the dairy sector in India, including the big brands, that there is huge market for good quality milk," said Mr Amit Kumar, promoter of landmark group.

Devendra Shah of the Parag Milk Foods, which owns Go cheese and Govardhan brands, said India will have to cater to a huge international market. "Dairy has become an unpopular business in Europe and leading dairy nations like New Zealand and Australia. India will have to meet the international milk demand." He said dairy is the ideal sector to invest and it doesn't require much marketing either.

Dr Abdul Samad, dean at Bombay Veterinary College, said: "The farm size and labour involved in dairy sector in Europe is declining, though their productivity is increasing. So the dairy industry from these countries will like to have cheaper milk from developing world". Currently only Saudi Arabia has huge cattle farms of sizes ranging between 5,000 and 25,000.

Nagpur-based Narayana dairy is promoted by the Nairsons Group which is into coal handling. The Schreiber Dynamix dairy at Baramati near Pune is promoted by KM Goenka of the Dynamix Balwa Group, which works in real estate and hospitality sector.

At least 15 modern cow and buffalo farms of herd size 2,000 to 10,000 are being set up in nook and corner of the country.

The new factory farms are going for full automation using technologies like the rotary parlours, which are sparingly adopted even in the leading dairy nations. The traditional system of collecting milk from farmers is prone to adulteration.

Kolhapur-based Warna dairy has acquired 400 acres wants to set up a farm with a capacity of 5,000 cows. H Desai, chief executive officer, Warna Dairy and Agro said: "The co-operative network is weakening. Adulterated milk is affecting our brand image."

While MNC's like Nestle and others want non-adulterated milk for various milk-based products. This has generated demand for pure milk. "We want to add one cow farm every year so that within five years we get at least half of our milk consumption from our own farms," said chairman of Dynamix dairy KM Goenka. The middle-class milk consumer is ready to pay more for quality milk, which has also attracted entrepreneurs to this sector.

This why the IB group has set up a dairy farm of 4,000 livestock in the dry belt of Chhattisgarh. "As our milk is pure, we are selling it at higher price than that of top national brands," said Mukesh Sharma, head of IB group's dairy division.

The trend of privatisation and centralisation is considered good for the country's dairy industry. Dr DK Gosain of National Dairy Research Institute, Karnal said: "The growth of organised cattle will facilitate more care, continuous monitoring and scientific feeding of the elite herd, which will result in improved productivity."

13 Dec, 2010, 10.45AM IST,REUTERS

NCDEX hikes special margin on guar contracts

MUMBAI: India's National Commodity and Derivatives Exchange (NCDEX) raised special margin on all long-side guar and guar seed contracts to 20 percent from 10 percent, effective Monday.

Business Standard

Monday, Dec 13, 2010

Jute mills losing Rs 1000 per tonne on faulty calculation

Jayajit Dash / Kolkata/ Bhubaneswar December 13, 2010, 0:59 IST

The jute mills in West Bengal are losing Rs 900-1000 per tonne on jute bags owing to a faulty calculation made by the Jute Commissioner's office. The mill owners have claimed that between July 2009 and August 2010, the industry has lost around Rs 42 crore.

The mill owners have alleged that they are being forced to buy low grade jute at high price and sell the manufactured jute bags to the government at low prices because of a faulty calculation being made by the Jute Commissioner's (JC's) office.

The JC office fixes the price of B Twill jute bags meant for Govt. purchase based on the average of three months' price quoted by the Jute Balers Association (JBA), a private raw jute agency and significant body in Kolkata.

While the raw jute prices quoted by JBA are shown as low, in actual practice, the jute mills are buying the fiber at higher prices from the market.

A number of jute mills in West Bengal have joined hands to take up the issue with the JC office.

"The jute mill owners are suffering because of this faulty calculation of the JC's office", said a mill owner on condition of anonymity.

The mill owners are purchasing the lower grade raw jute with a 21 -25 per cent moisture content at a higher price of around Rs 36000 tonne from the market.

But, they are forced to sell the manufactured jute bags to the government at a lower price as the JC office is making its calculation on the price of jute bags based on the average three months'

price of raw jute taken at Rs 35000 per tonne and that too with a lower moisture content of 18 per cent. "The government is now purchasing jute bags at a price of Rs 55350 per tonne while it should be purchasing that at around Rs 56350 per tonne", said an official of the Indian Jute Mills' Association (IJMA). The industry has been demanding a fair and justified price for a long time based on the latest recommendation of the Tariff Commission (TC) Report of June 2009 and this would to a very small extent offset a portion of that loss.

The Union government has scrapped the TC Report because of identified discrepancies and anomalies and is making a fresh study. The industry claims that in the past eight years, it has lost Rs 1200 crore as it has been denied a fair and justified price on jute bags from 2001.

The last TC Report was of 2001 and expired in 2003. The mill owners are mulling to move court soon against the Centre's decision to scrap the TC report. It may be noted that 35-40 per cent of the total jute bags produced in the country is purchased by the government through different state procurement agencies and Food Corporation of India (FCI) for food grain and sugar packaging in every agriculture season as per the Jute Packaging Materials Act (JPMA) of 1987.

THE HINDU Business Line

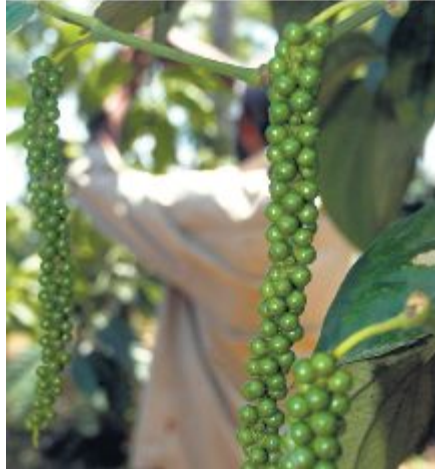
Business Daily from THE HINDU group of publications

Monday, December 13, 2010

Date: 13/12/2010 **URL:**

<http://www.thehindubusinessline.com/2010/12/13/stories/2010121350471200.htm>

[Back](#) **Pepper futures on the slide ignoring fundamentals**



Unfavourable weather in the growing areas of Kerala's southern districts, from where arrivals normally begin, has delayed harvesting.

G.K. Nair

Kochi, Dec. 12

Pepper futures have been witnessing a tug-of-war between bulls and bears, who get into the driving seat alternately. As a result, the market fluctuated heavily going from one high to the next bottom.

“In fact, the market was behaving contrary to the fundamentals,” trade sources said.

Bears were spreading the message that the market was “unnecessarily ruling high, widening the gap between the futures delivery and the spot prices”, therefore it needed to converge somewhere. Hence they have been pulling down the prices, market sources alleged.

Simultaneously on Friday, liquidation by long position holders, who had bought earlier speculatively, and switching over by others had aided bears to pull the market down. In fact, the market is being pulled down with no concern for the fundamentals, they alleged.

Domestic demand

Domestic demand for winter is yet to pick up, while arrival of the new pepper is awaited. Unfavourable weather in the growing areas of Kerala's southern districts, from where

arrivals normally begin, has delayed harvesting. The growers say they need three to four days of continuous sunshine, unlike the rains at nights now.

Meanwhile, abundant water in the growing areas this year could help growers convert their bold green pepper into white using the latest technology available with the Spices Board, trade sources suggested.

Retailers sell on 'measures'

The last week also witnessed sale of low bulk density pepper of 500-510 g/l of old stock by those who were holding it for some years to buyers from upcountry markets, where the retailers sell on 'measure' instead of weight. Since this pepper is bolder in size and look (low in weight), they bought good quantity at lower rates, thus helping to pull the market down.

Local arms of the South-East Asian multinational companies with multi-origin operations were also allegedly trying to pull down the market by circulating bearish reports internationally, driving away buyers creating the impression that overseas buyers have already fully covered for first quarter of 2011.

Surprisingly, they seem to have forgotten they were spreading news some time ago that buyers are uncovered for the first quarter onwards, hence good demand was anticipated. Suddenly, they have taken a U turn to become "strongly bearish", market sources told Business Line.

At the same time, some of the leading Indian exporters/importers have become bullish and expect a jump in the market by Rs 2025 a kg. Supporting this trend, 'expert analysts of leading brokers' also sent out bullish reports, which say prices will touch Rs 245 a kg. Meanwhile, some of the local brokers' analysts gave sell calls on Saturday morning, which helped confuse players across the board, they said.

High volatility in futures delivery coupled with fluctuations in exchange rates of the rupee against the dollar is dissuading exporters and importers from taking positions.

Since the Indian parity is at competitive levels with other origins, chances are orders will

come to India. However, the firm trend in prices for other origins implies there is a demand-supply mismatch.

Indian parity on Saturday came down to \$4,975,000 a tonne (c & f) making it competitive.

During the week, all contracts fell sharply. December, January and February fell by Rs 1,290, Rs 1,173 and Rs 1,181 to close on weekend at Rs 21,541, Rs 21,868 and Rs 22,072 a quintal.

Turnover dropped by 14,099 tonnes to 52,991 tonnes. Open interest also dropped during the week to 13,084 tonnes.

Spot prices fell by Rs 700 in tandem with the futures trend and on selling pressure for low bulk density old stock.

An overseas report from the US on the weekend said Indonesia and India have been easier. Brazil too seems to be more willing to offer now.

Prices quoted for black pepper of different origins in dollar a tonne (c & f) for New York at the weekend were: MG1 asta – 5,050-5,150; Lampong asta – 4,850-4,900 f.o.b; Lampong 550g/l – 4,800-4,825 f.o.b; Lampong 500g/l – 4,725-4,750 f.o.b; Brazil B2 - 500g/l – 4,700 f.o.b; Brazil B1 - 560g/l – 4,800 f.o.b; Brazil B asta – 4,900 f.o.b; Vietnam faq 500g/l – 4,675-4,875 f.o.b; Vietnam faq 550g/l – 4,875-5,175 f.o.b; Vietnam asta – 5,200-5,250 new crop March/April; spot US MLSV asta treated – 5,400 ex-warehouse New York/New Jersey.

White pepper prices quoted a tonne in dollar (c & f) for New York were Muntok – 7,325-7,350; Vietnam – 7,425-7,450 - new 2011 crop.

IPC Report

Black pepper prices increased during the week in origins except Sri Lanka, although a drop was indicated on the weekend in India. In Kochi, local price of ungarbled black was Rs 21,000 a quintal in the first half of the week. F.o.b. and futures prices also showed a declining trend. On an average, the price was higher than last week.

Local price of black pepper in Lampung was higher by IDR 500 a kg and f.o.b was stable as last week. In Sarawak, prices increased by 2 per cent locally and 1 per cent in fo..b. In HCMC, local price increased by 3 per cent, while in f.o.b was stable. In Sri Lanka, average pepper price in growing areas decreased by 3 per cent.

In Sarawak, white pepper prices increased by 3 per cent both in local as well as in f.o.b. In Vietnam, significant increase of 9 per cent took place in local price, but in f.o.b the price was stable. In Bangka local price dropped marginally, but stable in f.o.b price. In Hainan, stable prices were reported.

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<http://www.thehindubusinessline.com/2010/12/13/stories/2010121350501200.htm>

Back Rains wreak havoc on AP tobacco crop

Initial estimates of crop damage put at over 12,000 hectares.

Hard times

Production could come down by 40-50 per cent

Tobacco board to seek Rs 50,000/barn more in loans for farmers



Official figures put tobacco sowings in the State at 83,000 ha against 1.18 lakh ha last year.

K.V. Kurmanath

Hyderabad, Dec. 12

Mr Simhadri Srinivasa Rao of Jangareddygudem (West Godavari district), whose family is into tobacco farming for several decades, prays for a clear, sunny sky in the next few days.

He knows pretty well that only warm weather could save the remaining crop in the 15-acre plot as he plans to provide microfood by sprinkling urea-mixed water on leaves. "This is like putting a patient in ICU on drip. Plants are starving as roots could not get any oxygen due to water clogging. The rescue mission, however, needs sunny weather," he told Business Line over phone.

He said not a single mandal (revenue division) was spared. Production could come down by 40-50 per cent and quality of the produce too would significantly come down.

"Rains have started troubling us since the nursery stage itself. I have planted twice already this season," he said.

Expenditure

A progressive farmer, Mr Rao made a profit of 40 per cent last year as he produced 12 quintals an acre as against the average of 7-8 quintals.

Tobacco farmers spend up to Rs 4 lakh a barn (that covers crop in about 2 hectares). "This year, we may end up spending Rs 1.4 lakh more to salvage the remaining plants. If we were to replant, we need to spend another Rs 4 lakh," he said.

He is not a lone sufferer. Mr Paladugula Koteswara Rao, who had planted tobacco in 200 acres in the same district, said farmers virtually lost every rupee they invested. "Only those who still have some nursery (saplings) could hope for fresh sowings. For others, it is either loss of a season or going for alternative crops such as maize or sugarcane. We have not heard of this kind of losses in the last 50 years," he said.

Tobacco sowings happen over a period of 10 weeks, beginning October first week. In

Andhra Pradesh, it is a rabi crop.

Very bad year: Board

“It is a very bad year for tobacco farmers in Andhra Pradesh. Initial estimates said crop in over 12,000 hectares (ha) was damaged due to clogging of water,” Mr G. Kamala Vardhana Rao, Chairman of Tobacco Board, said.

Official figures put tobacco sowings in the State at 83,000 ha against 1.18 lakh ha last year. This was far lower than the season average of 1.34 lakh ha.

Mr Rao said the board would send a report to the Union Government in a day or two on the crop status. “We will recommend an additional loan of Rs 50,000 a barn,” he said.

Mr Koteswara Rao asked the board to tap the Rs 250-crore fund it built over a period of time to help the farmers.

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<http://www.thehindubusinessline.com/2010/12/13/stories/2010121350461200.htm>

Back No takers for one-fifth of Coonoor tea on offer

P.S. Sundar

Coonoor, Dec. 12

Homedale Estate teas, auctioned by Global Tea Brokers, topped the CTC market at Sale No: 49 of the auctions of Coonoor Tea Trade Association when Raj Traders bought them for Rs 141 a kg on Friday.

“Our Red Dust (RD) fetched this price — the highest among all teas of bought-leaf factories this week. This reflects buyers' appreciation of quality teas. The quality will further improve with the cold weather setting in,” Mr Raman Menon, Homedale Managing Partner, told Business Line. Vigneshwar Estate got Rs 133, Hittakkal Estate Rs 127, Kannavarai Estate Rs 121, Wavertree Rs 118 and Shanthi Supreme Rs 117. In all, 49 marks fetched Rs 100 and more. Among orthodox teas from corporate sector, Chamraj got Rs 198,

Curzon Rs 169, Kairbetta Rs 160, Havukal Rs 157, Highfield Estate and Tiger Hill clonal Rs 150 each. In all, 31 marks got Rs 100 and more. Teas worth Rs 1.86 crore remained unsold as there were no takers for 22 per cent of the 14-week high offer of 12.97-lakh kg.

“Orthodox leaf eased Rs 1-2 a kg. High priced CTC leaf was barely steady, while better mediums eased up to Rs 2 and plainers up to Rs 3. Some cleaner blacker plainers gained Rs 1-2. Quality primary orthodox dusts gained Rs 5-10. High priced CTC dusts lost Rs 3-5 and mediums Rs 1-2. Cleaner blacker bolder dusts gained Rs 2-5,” an auctioneer said. Quotations held by brokers indicated bids ranging Rs 40-45 a kg for plain leaf grades and Rs 80-120 for brighter liquoring sorts. They ranged Rs 50-56 for plain dusts and Rs 90-128 for brighter liquoring dusts. On the export front, Pakistan bought selectively for Rs 55-81 a kg and the CIS, in a wide range of Rs 41-90. Some volumes were bought for European ports and Tunisia.

Date: 13/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/13/stories/2010121351061300.htm>

Back Rains play havoc



Farmers carry paddy crop damaged in the recent rains on the outskirts of Srikakulam, Andhra Pradesh.

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Weather

Chennai - INDIA

Today's Weather



Cloudy

Monday, Dec 13

Max Min

29.4° | 24.7°

Rain: 00 mm in 24hrs

Humidity: 84%

Wind: Normal

Sunrise: 6:20

Sunset: 17:43

Barometer: 1006.0

Tomorrow's Forecast



Rainy

Tuesday, Dec 14

Max Min

31° | 24°

Extended Forecast for a week

Wednesday

Dec 15



26° | 23°

Rainy

Thursday

Dec 16



26° | 21°

Cloudy

Friday

Dec 17



24° | 22°

Cloudy

Saturday

Dec 18



26° | 20°

Rainy

Sunday

Dec 19



27° | 21°

Rainy