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Aavin urged to disburse pending payments of farmers

Staff Reporter

Tamizhaga Vivasayigal Sangam wanted the district administration to intervene

— Photo: N. Bashkaran.

One voice:A farmer making a point at the farmers' grievances day meeting on Thursday.

KRISHNAGIRI: The farmers in the Krishnagiri district have expressed concerned over the loss being incurred by the Dharmapuri District Milk Cooperative Federation. They concern was expressed at the monthly farmers' grievances meeting held here on

Thursday. S.A. Chinnasamy, president, Tamizhaga Vivasayigal Sangam, demanded the district administration to urge the Aavin to disburse the payment for the milk supplied by the Milk Cooperative Societies pending for about seven weeks.

K.M. Ramagoundar, vice-president, Tamizhaga Vivasayigal Sangam, sought an explanation from the Federation on its profit and loss and asked why the milk supplied to Kerala at a premium rate was stopped.

Hearing their woes, C. Prakasam, District Revenue Officer, promised them to find out a solution.A farmer demanded the agriculture department to arrange for the procurement of pulses through the regulated market at Pochampalli, as

the farmers there are being exploited by the traders.

K. Rajan, Joint Director, Agriculture, assured the farmers that the department would take effective steps for procurement and also display the rates of the pulses in the market to prevent exploitation from the traders.

Mr. Chinnasamyalso demanded immediate withdrawal of the common power tariff imposed on the

horticulturists.

He also urged the district administration to protect the of the farmers from wild animals adjoining the Reserve Forests in Denkanikottai, Thaly and Anchetty.

In reply to the appeal of a farmer Mr. Prakasam assured that special camps would be conducted for patta transfer and for issuance of

legal heir certificate after the Pongal festival.

Mr. Prakasam also appealed to the farmers to bring in their problems related to agriculture at the grievances day.

If any of the farmer face difficulty in getting certificates from revenue officials, they are advised to contact him over his mobile phone: 9445000909.

Date:31/12/2010 URL: http://www.thehindu.com/2010/12/31/stories/2010123166311000.htm

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Rs. 48 crore relief for crop damage

Special Correspondent

TIRUVARUR: Thanjavur and Kumbakonam Central Cooperative Banks have been given Rs. 48 crore towards relief disbursement among farmers whose crops have been damaged in the incessant showers triggered by the North-East monsoon, said M.Thangavel, District Revenue Officer, here on Thursday.

Presiding over the monthly farmers grievances day meeting, the District Revenue Officer said over 50 per cent of 80, 017 hectares has been estimated as crop loss by the agriculture and revenue department officials.

Date:31/12/2010 URL: http://www.thehindu.com/2010/12/31/stories/2010123150910200.htm

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Co-op societies begin selling of onion

Special Correspondent

Coimbatore: In an attempt to bring down the soaring prices of onion, co-operative societies have started selling onion at Rs 44 a kg as against the price of Rs 55 even in Uzhavar Sandhais.

A release from the Special Officer for Coimbatore District Co-operative Union said that as per the State Government orders, in Coimbatore District finer quality onions would be sold at Rs 44 a kg in Chinthamani Super Market, Co-operative Marketing Societies, Pollachi Consumer Co-operative Society and TUCAS in Thudialur. C

Coimbatore Zone Joint Registrar of Co-operative Societies K.M. Vellingiri inaugurating the sale of onions at Chinthamani co-operative store in the city said that this initiative would help in controlling the price of onions in the open market.

Date:31/12/2010 URL: http://www.thehindu.com/2010/12/31/stories/2010123151810300.htm

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Sugarcane farmers file petition against Minister

Staff Reporter

SANGAREDDY: Alleging that injustice was meted to them, the sugarcane farmers of Zaheerabad filed a petition against Major Industries Minister J. Geeta Reddy, district officials and the management of the Trident Sugar Factory before SHRC.

They informed that the Minister formally inaugurated the sugarcane crushing in the factory even before deciding the purchasing price by the factory management with an assurance that the farmers would be paid Rs. 50 additionally than what the other factories were offering.

The SHRC admitted the petition and the case hearing was posted for Feb 7, 2011.

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Farmers' meet on January 2

Staff Reporter

BANGALORE: Rashtriya Kisan Sangha, Karnataka, will hold a farmers' convention in the city on January 2 to discuss various problems of growers.

President of the sangha P. Ramareddy told presspersons here on Thursday that leaders of different farmers' organisations were expected to participate in the convention.

Resolution

The convention was expected to adopt a resolution urging the Government to present “farmers' budget”, besides calling for intensifying the struggle against land acquisitions and related scams in the State, Mr. Ramareddy said.

Nearly 200 farmers, representing about 20 farmers' organisations from different parts of the State, were likely to attend the event, he said.

“We are planning to hold a similar meeting at all-India level to secure minimum support price for agricultural produce, uniform subsidy and stabilisation of prices of agricultural products,” he said.

hindustantimes

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Last Updated: 01:36 IST(31/12/2010)

Government stumped as food inflation hits 14.4 per cent

The Cabinet Committee on Prices, an inter-ministerial panel, met on Thursday to review runaway prices of essential commodities as food inflation rose to 14.44% from 12.13% last week, but experts said there is only so much the government can do to rein in prices.

The price spike, which the Reserve Bank of India termed “a new risk” for the economy, caught the government unawares. And its response suggested it was doing too little too late (see graphics for decisions taken at the CCP meeting).

"This (price rise) is an area of concern... earlier, we had thought it was because of the base effect but it is not merely that. There has been real increase in the prices of certain food items,” finance minister Pranab Mukherjee said.

Base effect is a statistical phenomenon that makes prices look high compared to a previous period of low prices, although the real increase may not be very large.

Latest price data released on Thursday showed that vegetable prices were higher by 30%, eggs, meat and fish by 20% and milk by 17%, while prices of staples, such as wheat and rice, were falling.

If prices continue to rise, RBI may be forced to increase key interest rates to control inflation. This can lead to higher EMIs for home loan and other borrowers and a contraction in demand and lower growth for the overall economy.

Prime Minister Manmohan Singh, who chaired the CCP meeting, was briefed by agriculture minister Sharad Pawar on production trends, availability and price movements of fruits, vegetables, meat, fish and eggs. He was also given a lowdown on current stocks of pulses and sugar. Finance minister Pranab Mukherjee and petroleum minister Murli Deora were also present.

Experts, however, warned that rising prices were not merely a factor of demand and supply.

Changing consumption patterns due to rising incomes have resulted in higher demand (and higher prices) for protein-rich foods, RBI deputy governor Subir Gokarn said.

"And there’s nothing much you can do about rising prices of perishable items like vegetables,” Planning Commission member Abhijit Sen added.

Price trends in global markets are also being transmitted from abroad due to interconnected commodity markets, Nagesh Kumar, chief economist of the UN’s Economic and Social Commission for Asia and the Pacific said.

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Friday, Dec 31

Max Min

28.8° |20.7°

Rain: 00 mm in 24hrs

Humidity: 62%

Wind: Normal

Sunrise: 6:28

Sunset: 17:49

Barometer: 1010.0

Tomorrow's Forecast

Rainy

Saturday, Jan 1

Max Min

28° |22°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jan 2	**Jan 3**	**Jan 4**	**Jan 5**	**Jan 6**
				
27° | 22°	25° | 22°	26° | 24°	27° | 24°	26° | 24°
Rainy	Rainy	Cloudy	Rainy	Rainy

Airport Weather

Delhi Delhi

Rain: 00 mm in 24hrs

Humidity: 88%

Wind: Normal

Sunrise: 7:11

Sunset: 17:30

Barometer: 1014

DECCAN Chronicle On The Web

Food inflation rises to 14.44%, RBI may act

December 31st, 2010

Dec. 30: Soaring onion prices pushed food inflation to a 10-week high of 14.44 per cent for the week ended December 18, a development that may prompt the Reserve Bank to hike key policy rates next month to check price rise. “This is an area of concern, no doubt. There has been real increase in the prices of certain food items. We are looking into it,” the Union finance minister, Mr Pranab Mukherjee, said.

Food inflation rose for the fifth consecutive week on the back of onion prices which rose by almost 40 per cent on an annual basis touching Rs 75-80 per kg in the retail market. Onion prices, however, have declined since then. The Reserve Bank too expressed concern on the high rate of price rise, which it says, has emerged as a new risk factor. “Growth has rebounded strongly but inflationary pressures persist, driven both by domestic demand and increasing global commodity prices,” RBI said in its second Financial Stability Report. The price rise was also quite steep in case of vegetables, fruits and protein-based products like milk, egg, fish and meat. The price rise in these products ranged between 17 to 30 per cent.

“So far as onion is concerned, we have taken care of it but the fluctuation in milk, fruits, vegetables and certain commodities have contributed to the inflation. We are waiting for the full monthly figure,” Mr Mukherjee said.

“Weekly variations are there. Whether these are corrected in the coming week is to be seen. But I am still holding that year-end inflation may be around 6.5 per cent,” he added. Mr Mukherjee’s estimates of yearend inflation, however, is higher than 5.5 per cent indicated by the Prime Minister, Dr Manmohan Singh, earlier this month.

The rising in food inflation by 2.31 percentage points from 12.13 per cent in the previous reporting week, experts said, will force the central bank to review its pause on hiking the short-term key policy rates at its quarterly review of the credit policy on January 25. Food inflation was 21.29 per cent a year ago.

Moreover, the impact of the recent hike in petrol price by about `3 per litre, also pushed up the index of fuel and power by 11.63 per cent year-on-year during the week. The rise in index on account of increase in price of petrol was over 25 per cent. The RBI deputy governor, Mr Subir Gokarn, had last week hinted that more tightening monetary measures were likely to be taken by the apex bank at its next policy review.

This is due to headline inflation not easing as fast as the apex bank would like and the upside risks still remaining high.

THE ECONOMIC TIMES

Market outlook 2011: Tea and edible oil

31 Dec, 2010, 06.37AM IST, Sutanuka Ghosal,ET Bureau

KOLKATA: Tea prices are expected to remain firm in 2011 as global tea deficit may reach as much as 130 million kg by April 2011 compared with the 110 million kg forecast in September 2010. The shortage in tea production in India alone is likely to reach 80-100 million kg in the new season beginning April 2011, which will push up prices.

Average price in Assam, which accounts for more than half of production, may reach Rs 180 per kg by April from Rs 150 per kg, said Azam Monem, director at McLeod Russel India (MRIL). “We’re at the thin edge where any inconsistency in weather or cropping pattern has an immediate spiking effect on prices,” said Mr Monem.

In fact, tea production in India during the initial part of 2010 was higher but fell during the second part of the year due to pest attack in North-eastern states. Production in south India dropped during the third quarter of the year due to incessant rains.

According to Tea Board, production during the first ten months of 2010 stood at 813 million kg as against 830 million kg during the same period of last year. CK Dhanuka, chairman of Dhunseri Petrochem and Tea, said: “Tea production in the world’s three major producing nations namely India, Kenya and Sri Lanka is not expected to go up significantly next year. On the contrary, consumption of black tea in the world market is expected to increase.

In India alone, the black tea consumption is expected to grow 3.5%. Therefore, there will be a pressure on the supply which is expected to push up prices.”

Globally, tea prices have seen a rally on the back of a lower production. In Africa, tea prices rose to a record $3.12 a kg at the world’s largest auction of the leaves in Mombasa, Kenya. Kenyan tea output dropped 9% to 278 million kg in the first 11 months of the year, the Tea Board of Kenya said.

Similarly, prices of Sri Lankan tea has remained firm over the last few months. Sri Lanka produced 263.8 million kg tea in the 11 months to November — 12% less than the year ago production — according to the Sri Lanka Tea Board.

In India, prices of quality tea had fetched Rs 15-20 higher per kg in 2010 compared to the previous year. Aditya Khaitan, MDof MRIL, feels that tea is the lowest priced commodity in the country. “Input and labour costs have gone up significantly. In this backdrop, tea price should go up.”

Edible oils to remain firm on climatic changes

31 Dec, 2010, 01.10AM IST, Sutanuka Ghosal,ET Bureau

KOLKATA: Edible oil prices, which have increased about Rs 10-12 per litre in last two-three months across the country, are likely to remain firm till the end of March. The price may ease after March if the production of rabi crop goes up this oil year — from November 1, 2010, to October 31, 2011.

The branded edible oil manufacturers feel that there will be pressure on the margins this oil year. Angshu Mallik, vice-president (sales and marketing) of Adani Wilmar, said: “The supply position of edible oil will be tighter in 2011 as the availability of edible oil in the world market may come down. This is largely because of weather conditions in Argentina and Brazil — two main soyabean producing nations.

Similarly, the palm oil production has been affected due to adverse weather conditions in Malaysia. This means that imported edible oil becomes costlier. Therefore, all these factors put together will push up edible oil prices and our margins will be under pressure.”

As per the report from Australian Bureau Of Agricultural Resource And Economics (ABARE), total world oilseed production is forecast to be almost unchanged in 2010-11 at around 440 million tonne. Production for each of the major oilseeds — soybeans, canola and sunflower seed — is forecast to decrease but it is expected to be offset by increase in peanuts and cottonseed production. For soyabeans, the forecast decline in production follows last season’s record crop.

In India, the estimated kharif crop this year has been pegged at 172.74 lakh tonne compared to 156.63 lakh tonne in the previous year. “There has been a substantial increase in kharif crop this year. But due to volatility in international market, prices of edible oils may go up in 2011 by at least 10%.

But there will not be an abnormal increase in edible oil prices compared to other commodities," said PK Sardar, executive director of Central Organisation for Oil Industry & Trade .

Incidentally, edible oil consumption in India is increasing 5%. The price of soya oil has increased Rs 11 in national capital in the last two months to Rs 77 per litre and Rs 8 in Kolkata to Rs 62 per litre from Rs 54.

Mustard oil, however, has turned dearer by Rs 2-3 per litre across the country.

The government has kept a target of 125 lakh tonne rabi oil crop production in 2011.

Shortage of cotton in store as arrivals drop

31 Dec, 2010, 01.06AM IST, Bhargav Trivedi,ET Bureau

AHMEDABAD: Cotton has risen by 1,000 per candy (a candy weighs 256 kg) in the last two days and traders suspect a shortage for a fortnight. Arrivals have dropped due to unseasonal rains while domestic mills are buying aggressively ahead of the government decision to allow exports. Bulk of the buying is by south Indian mills.

A Gujarat-based trader said arrivals dropped to 1.75 lakh bales from 2 lakh bales last week, which is lower by 50,000 bales when compared to the arrivals for the same period last year. "We can see supply shortage at least for the next fortnight as arrivals from Gujarat have slowed down due to unseasonal rains. The situation may improve after January 20 as the third round of cotton picking (from farms) will begin," said Harshil Patel, a Kadi-based ginner. "Prices will remain close to the current level," he added.

Maharashtra will benefit from the delayed arrivals from Gujarat. Ginners in Madhya Pradesh and Saurashtra too are sourcing from Maharashtra, said the Kadi-based ginner. Kadi, the biggest ginning hub in the country, is processing 10,000-15,000 bales everyday fulfilling 60% of requirements from Maharashtra.

Ginners source 40% of their requirements directly from farmers and 60% from market yards. Maharashtra ginners are offering higher rates and hence supplies to Gujarat have fallen.

“Maharashtra ginners are buying at Rs 4,250-4,300 per quintal and traders find the prices attractive than those offered by Gujarat ginners,” said Mr Patel. Gujarat ginners are offering them Rs 4,600-4,650, but there is a transportation cost of Rs 300-400 per quintal. Hence, it makes little sense for Maharashtra traders to sell the crop to outsiders.

Cotton Corporation of India (CCI), a central agency that buys to support market prices, too has boosted the sentiment among farmers. “Farmers in Gujarat are not ready to sell their crop below Rs 900 per 20 kg,” said Aakash Chapdiya, a Rajkot-based exporter. “They are closely watching the market developments. The announcement of export revival made their case strong and so they are eyeing higher rates,” added Mr Chapdiya.

CCI has set a target of buying 30 lakh bales for the current year (October 2010-September-2011). And till date, they have procured close to 7 lakh bales, said a CCI official. “We don’t require much interference this year as prices are already hovering at 25% premium to the minimum support price fixed by the government.

There is a big difference between the crop size estimation by various stakeholders. While the Cotton Association of India has set a target of 346 lakh bales in its just-revised target, the South India Cotton Association, a consumer organisation, has predicted a crop of 308 lakh bales during the production year 2010-11. The Cotton Advisory Board , a government body, has made a estimation of 325.48 lakh bales.

Cotton export registration to start on Friday

31 Dec, 2010, 01.01AM IST, S Sujatha,ET Bureau

COIMBATORE: The Union government will open registration for cotton exports for a second time this season from Friday for one week. The quantity to be shipped has not been specified.

The circular on the conditions and modalities for registration of contracts — uploaded on the website of the Director General of Foreign Trade (DGFT) on Wednesday — said exporters must apply between December 31 and January 6 with DGFT through email. The allocations are expected to be declared on January 10.

Exporters need to produce original documents such as letters of credit or foreign inward remittance certificates from banks showing receipt of remittance from foreign buyers as proof of having received a minimum of 25% advance payment.

Once the registration certificate is issued, exporters need to ship the consignment within the next 30 days. The last date for exports is mentioned as February 25 in the circular.

Further, the government has announced penalty for defaults. The non-performers during the first round will be punished this time by reducing their allotment by the percentage of quantum that was not shipped by them in the earlier instance.

“The conditions and formalities are rigid, but also look unbiased. We have to wait and watch for any loopholes,” said Coimbatore-based cotton analyst A Ramani.

“These stringent measures actually prove that the government has accepted that the last quota was manipulated," said an industry expert in Mumbai. "While the shipped quantity is projected at 35 lakh bales, nearly 5 lakh bales are still to be moved out of the country," he added.

Following the announcement, the prices of Shankar-6, the widely-used Indian cotton, rose by 3.45% to Rs 43,500 per candy on Thursday at the spot market. "Cotton is not available in the market as farmers are expecting prices to rise further in the coming days," said KPR Mills managing director P Natraj.

On the International front, the prices saw a sharp fall in anticipation of more flow from India into the global market. At ICE futures, prices fell by 3.92 cents to close at $1.4043 per pound on Wednesday night for March 2011 delivery.

The country had capped export at 55 lakh bales for the 2010-11 season that began on October 1. The Office of Textile Commissioner, Mumbai, has frozen the registration once the volume touched 55 lakh bales. But now, after 45 days allotted for shipment, nearly half of the exportable quantity is said to be not shipped.

Business Line
Business Daily from THE HINDU group of publications

Costlier onion, milk drive food inflation to 10-week high

Primary Articles Index up at 17.24%.

Our Bureau

New Delhi, Dec. 30

Food inflation sharply surged for the fourth consecutive week in mid-December to touch a 10-week high.

Egg, meat dearer

Inflation in food items, based on the annual Wholesale Price Index, zoomed to 14.44 per cent on an annual basis in the week to December 18, up from 12.13 per cent a week ago, with items such as onions, milk, fruits, along with eggs, fish and meat products contributing to the spurt.

The Primary Articles index was up 17.24 per cent in the latest week compared with an annual rise of 15.35 per cent a week earlier.

The index for Food Articles in the week to December 18 increased 1.1 per cent from the previous week while fuel products rose 0.8 per cent on a sequential basis, according to data issued Thursday by the Ministry of Commerce and Industry.

Pricey fruits

On a year-on-year basis, fuels surged 11.63 per cent against the previous week's annual rise of 10.74 per cent.

Among food items, inflation in vegetables gained about 5 per cent from the previous week and about 30 per cent year-on-year, with onion prices up 3.5 per cent on the week and 40 per cent on a year-on-year basis.

Fruits were up 22 per cent, while milk surged 18 per cent on a year-on-year basis during the week under review. The group including eggs, meat and fish clocked 20 per cent inflation during the latest week.

Expressing concern over the rise, Finance Minister Mr Pranab Mukherjee indicated the Government will take more steps to check rising prices. “We are looking into it. So far as onion is concerned we have taken care of it... but the fluctuation in milk, fruit, vegetables and certain commodities have contributed to the inflation,” he told reporters here.

Food articles contribute about 14 per cent in the WPI. “We are waiting for the full monthly figure (for December, which will be out in the second week of next month). Weekly variations are there. Whether these are corrected in the coming week that is to be seen,” Mr Mukherjee added.

Headline inflation for November had eased to 7.48 per cent on a year-on-year basis from 8.58 per cent in October, but still remains well above the RBI's tolerance level. The central bank expects the overall inflation rate to ease to 5.5 per cent by the end of March.

DIESEL PRICE HIKE

According to analysts, an extremely severe winter in most of Europe and the US has led to a surge in prices of international commodities, including crude oil.

There are indications that the Government might hike prices of diesel in the near future in the light of the surge in global prices, which would further stoke inflation.

45% of farmers want to quit farming: Swaminathan

‘Country entering new state of agrarian crisis'.

— P.V. Sivakumar

Finding solutions: Prof. M. S. Swaminathan, Chairman, M.S. Swaminathan Research Foundation, at the 43rd Annual Convocation of the Acharya N. G. Ranga Agricultural University in Hyderabad on Thursday.

K.V. Kurmanath

Hyderabad, Dec. 30

Prof M.S. Swaminathan, the father of Green Revolution and Chairman of National Commission on Farmers (NCF) that called for revamp of policies to revitalise agriculture, says agricultural sector in India is entering a state of serious crisis.

Quoting figures from National Sample Survey Organisation, he says half of the farmers in the country want to quit farming. Prof Swaminathan, who was here to deliver the Convocation Address at the Acharya N.G. Ranga Agriculture University here on Thursday, called for the creation of specific mitigation policies for each of the 128 agro-climatic zones. In an interview, he speaks on the current problems Indian agriculture faces and possible solutions to tackle them.

Farmers continue to commit suicide. Hundreds of tenant farmers are reported to have committed suicide in the last few days. Why this crisis continues to haunt farmers?

We are entering a state of agrarian crisis. This crisis has many dimensions. It is not a single or simple cause that is responsible for this. There is the problem of high investments in some crops. There are problems peculiar to rain-fed and irrigated lands. Farming has become unviable. The NCF has recommended cost of production plus 50 per cent. At present, they are giving 15 per cent more as against manifolds more in other industries such as pharmaceuticals.

Probably, the Food Security Act would force the Government now to look at this issue seriously. Unless we revitalise farming and make our farmers enthusiastic it is difficult to feed 100 crore people and 100 crore farm animals. It is going to be a difficult period.

Youth are shying away from agriculture. Why is this happening and how do we make them look at farming as a profession?

If farmers are committing suicide, why should they come to farming? Farming sector is facing a number of problems. Unless we attend to them, the younger generation will not take to farming. I have asked the students to look at different aspects of agriculture in order to bring in technology and value addition into the system. Besides, we need to minimise risks and increase support services such as insurance and credit.

For different reasons more and more farmers are moving out of farming activity. Reports of shift in land use patterns from agriculture to non-agriculture are also causing a serious concern. How do you view this problem?

About 45 per cent of farmers interviewed by National Sample Survey Organisation wanted to quit farming. The pressure on land is increasing and average size of land holdings is dwindling. Farmers are getting indebted and temptation to sell prime farm land for non-farm purpose is growing as land prices go up steeply. We need to improve productivity and profitability of small holdings.

How is climate change going to impact agriculture sector and what could be the strategies to minimise risks?

We need to set up Climate Risk Management Research and Training Centre in each of the 128 agro-climatic zones. We also should evolve policies for each of these zones and develop codes for drought and flood management.

Calamity relief mechanism too needs a change. The traditional way of sending Central teams to assess the damages and bargain with States on relief will not work. This is not a way to deal with calamities. Money never reaches farmers on time to invest in the next cropping season.

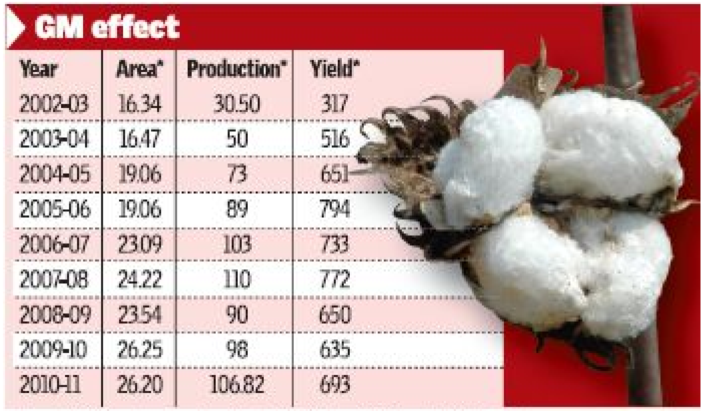
Tenant farmers seem to be the worst hit as crisis hits agriculture sector. How do you view this problem and what are your suggestions to overcome this?

It is a very serious problem. Tenancy reforms need to get focus as part of agrarian reforms. The issues of owner cultivation, tenant cultivation, absentee landlords should get immediate focus. They should have a security of tenancy. Also, we are seeing increase in contract cultivation. This also requires changes in regulation. It must be a win-win situation (for owners and producers).

We need to have new systems of management. We need to put all pieces together. We don't have an integrated approach. In the West, they call it farm to fork. So many Ministries and departments are there to take care of water, rainwater, foodgrains and food processing. How are we going to deliver it as one offering to farmers would hold the key.

None of these problems are insurmountable. They are problems created by us and we can find solutions. It is right time to abandon indifference to agrarian problems.

Bt cotton helps Gujarat top in production


GM effect

Year	Area*	Production*	Yield*
2002-03	16.34	30.50	317
2003-04	16.47	50	516
2004-05	19.06	73	651
2005-06	19.06	89	794
2006-07	23.09	103	733
2007-08	24.22	110	772
2008-09	23.54	90	650
2009-10	26.25	98	635
2010-11	26.20	106.82	693

*Area in lakh hectares; production in lakh bales of 170 kg; yield in kg/hectare
Source: Ministry of Agriculture

M.R. Subramani

Chennai, Dec 30

Mr Narendrabhai N. Limbasaya of Kotada Nayan village in Gujarat's Rajkot district has been growing cotton on 15 acres of land he owns for the last 7-8 years. Unlike in the previous years, he had to face problems this year due to unseasonal rain.

“Rains have affected the quality of crop and the first flower was hit,” he told Business Line.

Does it mean that he will switch over to another crop next year? “Quite unlikely,” he says.

Similarly farmers in the State's other parts – Mr Parbatbhai Khemabhai Varu of Kotada village in Porbandar district and Mr Anilbhai B. Patel of Gondak district – say they will stick to cotton in the years to come.

Better times

“Gujarat farmers have begun to see better times ever since Bt cotton was introduced in the country in 2002. They have gained a lot and there is no better proof than the rise in area, production and yield since 2003-04," says Mr Anand A. Poppat, Saurashtra Ginners Association Vice-President.

Bt cotton is a genetically modified one in which a gene from Bacillus thuringiensis has been inserted to resist pest attacks.

"Before the advent of Bt cotton, traditional varieties such as Shankar-6 were affected by pests such as bollworm. It was the main headache and pesticide expenses to control these were high. Now, expenses for controlling pesticide are low," said Mr Shamjibhai Raiyani, a pesticide distributor in Rajkot.

Rise in acreage

Data from the Cotton Corporation of India show that since 2002-03, cotton cultivation in Gujarat has increased from 16.34 lakh hectares (lh) to 26.20 lh this year.

Production has gone up from 30.50 lakh bales (170 kg each) to an estimated 106.82 lakh bales this year with yield rising to 693 kg a hectare from 317 during the period. During 2005-06, yield was a record 794 kg a hectare in the State.

Not just this, Gujarat now accounts for nearly one-third of the cotton grown in the country.

"But for a meagre quantity of V-797 and Wagad, it is fully Bt cotton that arrives in Gujarat markets," said Mr Poppat.

Higher yield

Mr Jaisukbhai Patel, a trader at Gondal Agricultural Produce Marketing Committee (APMC) yard, said disease control is the main aspect why Gujarat cotton farmers have stuck to Bt cotton. "The quality of cotton too is better. Initially, we had SRT and Siota varieties cotton. The yield of these varieties was lower than 300 kg a hectare. Then we had Shankar whose yield was another 100 kg higher. But Bt cotton's yield is nothing less than 600 kg," he said.

Mr Bhupat J. Koyani, Secretary at the Dhoraji APMC yard, said that all cotton arrivals in markets are Bt varieties and quality dictates the price terms.

Farmers are fully aware of the fact that they are using Bt cotton and tell people the seeds brand they are cultivating.

"Bt cotton is the reason why Gujarat is now the leading producer in the country. Along with the introduction of this genetically modified variety, the Centre came up with the technology mission on cotton (TMC) that helped modernise ginning units and market yards. Bt has brought about better awareness among farmers and they are open to new research and variety," said Mr Poppat.

The TMC has resulted in nearly 1,000 ginning units coming up in Gujarat of which 450 have come in the Saurashtra region that contributes over 70 per cent of the cotton produced in Gujarat.

Large number of crop loans yet to be repaid in AP, say banks

Focus on agriculture: The Andhra Pradesh Chief Minister, Mr N. Kiran Kumar Reddy (middle), Mr R. Ramachandran (left) , Chairman and Managing Director of Andhra Bank and Chairman of the State Level Bankers' Committee at the SLBC meeting in Hyderabad on Thursday . At right is Mr S.V. Prasad, Chief Secretary. —

Our Bureau

Hyderabad, Dec. 30

A large number of crop loans disbursed during 2007 and 2008 have still not been repaid in Andhra Pradesh, according to State Level Bankers Committee (SLBC).

Speaking at the 172 nd meeting of SLBC, which met here on Thursday, with a special focus on agriculture, Mr R. Ramchandran, President, SLBC, AP and Chairman and Managing Director of Andhra Bank, said due to unrecovered dues, renewals of these loans could not be taken up on time.

“Consequently, farmers are losing the benefit of interest subvention and crop insurance,'' he said, adding that the farmers needed to be educated on this issue by banks and district officials.

RABI LENDING

According to provisional figures, banks had extended Rs 3,846 crore as crop loans against the target of Rs 8,788 crore during the rabi 2010-11 as on December 24.

“Rabi lending would have been much better but for the floods and heavy rains during November and December," Mr Ramachandran said.

The performance of the districts/banks where the progress was not up to the mark would be reviewed, he added.

Banks had disbursed crop loans of Rs 16,372 crore against the target of Rs 17,473 crore set for kharif season with an achievement of 93.70 per cent of target.

Under agricultural term loans and allied activities, Rs 8,606 crore was disbursed which was 100 per cent of the target set earlier, he added.

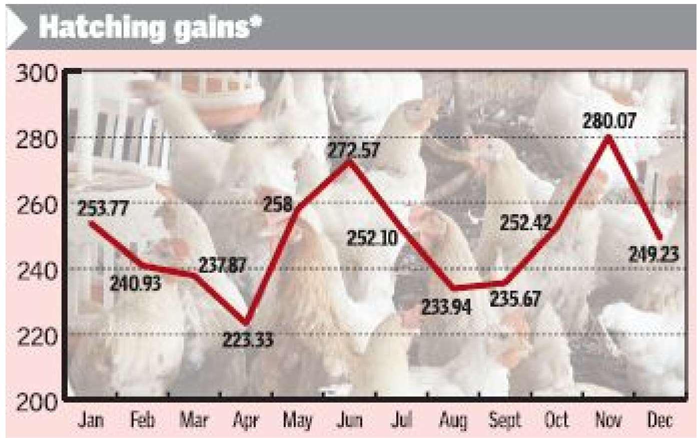
RE-SCHEDULING

Highlighting the adverse impact on the farmers due to recent rains and floods in the State, the Chief Minister, Mr N. Kiran Kumar Reddy, said banks need to reschedule loans in 669 mandals, which were badly-affected.

“The RBI guidelines are already in place. Now, banks have to complete conversion of crop loans to medium term loans and provide fresh loans to farmers," the Chief Minister said.

Banks should ensure effectively implementation of weavers' relief package announced by the State Government recently, he added.

Poultry sector eyeing Lanka for egg exports



* Monthly average price (Rs/100 eggs) at Namakkal
Source: NECC

Gayathri G

Chennai, Dec. 30

The poultry industry is now setting its sights on the neighbouring Sri Lanka, after benefiting from high egg prices in the domestic market.

Mr P. Selvaraj, Chairman, National Egg Coordination Committee (Namakkal Zone), told Business Line: “We started test supplying eggs and day-old chicks in mid-December. So far we have exported four containers (18 lakh) to Sri Lanka.”

“Despite the announcement of lifting of ban on Indian poultry products by Oman, Bhutan, Saudi Arabia and Qatar, there is not much happening on the export front. And hence the trade is exploring newer territories,” said sources.

Egg exports have been affected badly in the last two years mainly due to incidence of bird flu in the eastern parts of the country. In June, the Centre declared the country free of bird flu.

Buyers are usually expected to wait for six months after such declaration to begin purchases bit it has been delayed.

According to the National Egg Coordination Committee (NECC), exports during April-August in the current fiscal have dropped to an average 4.3 crore a month from 8.74 crore a month last fiscal. Currently, exports to Afghanistan, Kazakhstan and Turkmenistan are nearly 150 containers (1 container – 4.75 lakh eggs) a month.

Earlier this month, Sri Lanka decided to import up to 2,000 tonnes of chicken from India to meet shortages ahead of the Christmas holiday season. Sri Lanka produces about 9,800 tonnes a month but there is a demand-supply gap of a million one-day old chicks and the Indian trade hopes to cash in on this mismatch.

On the domestic front, NECC has decided to hike egg prices to Rs 2.86 a piece. This is 20 paise more than last week's level. With the torrential rains lashing the North, egg prices are set to rise further in the coming days. Reduction in production too has sent the egg prices moving up across the country.

But Palladam-based Broiler Co-ordination Committee, owing to over production and a glut-like situation, has slashed the rates of cull birds by Rs 8/kg to Rs 47.

NECC's layer rates too have been slashed this week to Rs 32 (Rs 33/kg).

Sugar may ride the speculation wave in 2011

Futures trading expected to spur prices.

G. Chandrashekhar

Mumbai, Dec. 30

If tight global sugar market fundamentals have propelled prices to record levels, emerging speculative interest in the commodity may further boost the bullish sentiment.

Although international sugar prices displayed some weakness on Monday following a 25 basis point increase in Chinese interest rates over the weekend, the loss has been more than erased last two days.

The latest CFTC (the US commodity futures market regulator) Commitment of Traders report is a pointer to the direction of the market in the coming days. In the most recent reporting period (December 15-21), there was particularly heavy speculative buying (both index and non-index) that had a noticeable impact in the bourses where March 2011 contract was lifted to a contract high of 33.65 cents a pound.

Selling opportunity

It is believed that the most recent rally may have taken the market away from physical demand. However, these price levels would also encourage renewed Brazilian fixation, an expert pointed out.

The market's underlying fundamentals suggest that 2011 should be a good year for overall price. However, it is also argued that a significant advance from current levels may be asking for too much.

One can look for additional strength as new money comes into the market through the end of the year and early 2011. On the other hand, for speculators holding long positions, the next rally could represent a solid selling opportunity.

The Indian market can hardly be expected to remain insulated from these global influences. The Government has allowed export of five lakh tonnes of sugar in addition to fulfilling export obligations of 11 lakh tonnes. The domestic market, therefore, is sure to stay tightly balanced during 2011 given the production and consumption estimates.

Speculative funds

Commencement of futures trading in sugar is expected to attract speculative funds which can potentially push the market higher, signs of which are already visible. Fortunately, pressure of fresh supplies over the next two months may cap the upside for the time being; but once crushing tapers off in March, the upside price risks strengthen.

Domestic prices have already touched Rs 3,000 a quintal, up at least 10 per cent from levels two months ago. There is further upside potential to the extent of 12-15 per cent taking wholesale market closer to Rs 3,500 a quintal.

Wheat firm despite Centre's move to release 50 lakh tonnes

Our Correspondent

Karnal, Dec. 30

Even after a statement that the Central Government will release a stock of 50 lakh tonnes wheat, the market continued to rule firm.

On Thursday, the D ara variety ruled around Rs 1,240 a quintal. The price at retail outlets was around Rs 1,250-1,260 a quintal; for fine quality, it was around Rs 1,270 a quintal.

To combat rising food inflation, the Government has decided to release additional wheat for Below Poverty Line and Above Poverty Line card holders.

Mr Sewa Ram, a wheat trader, told Business Line that the market witnessed a mixed trend on Thursday.

Even after the announcement of the release of additional stock, prices of Dara variety ruled firm. On the other hand, the low availability of desi wheat varieties lifted the prices of Bhojan King variety by Rs 100 a quintal, he said.

He added that the quantity of stocks of desi varieties is very low. Even the Tohfa variety is out of stock at present, he said.

Prices of Bhojan King variety were quoted at Rs 2,400 a quintal, against the levels of Rs 2,300 a quintal quoted at the beginning of the week.

Around 250 quintals of Dara variety were offloaded at the flour mills in Karnal, on Thursday. A stock of around 300 quintals of seed wheat, fine quality, was also offloaded; the variety was quoted at Rs 1,250 a quintal.

Flour prices witnessed a steady trend and were quoted at Rs 1,260 for a 90-kg bag. Similarly, Chokar prices ruled flat and were quoted at Rs 600 for a 49-kg bag.

Flour and Chokar prices witnessed a price rise of Rs 20 for a 90-kg bag, and Rs 25 for a 49-kg bag respectively, at the beginning of the week.

Pepper futures drop on profit booking

G. K. Nair

Kochi, Dec. 30

Pepper futures on Thursday declined on correction and a little bit of profit booking.

The market was steady during trading hours and at the closing hour, it declined marginally on “little bit of profit booking and bearish activities,” market sources told Business Line.

Activities were limited on both futures and the spot market. On the spot market, some stray trading took place and it was in a matching demand-supply situation.

Hence, spot prices remained steady.

There was no overseas or domestic demand as everybody was on a holiday mood.

Meanwhile, US buyers were trying to buy from the Indonesian pepper market at $4,900 a tonne (c&f) for L asta Jan/Feb/Mar shipments, but sellers there reportedly withdrew. All the other origins are also on holidays and hence the rates are not available. Indian parity is at $5,200 a tonne (c&f) and is appears to be slightly above other origins, they said.

Tight supply

There is a tight supply situation in the international market also, and hence some demand could come to India.

Given the current scenario, the rates are also unlikely to change much, they claimed.

Domestic buyers

Domestic buyers were not active. The demand is expected to emerge from North Indian markets from Monday, they said. January contract dropped by Rs 113 to close at Rs 22,471 a quintal.

February and March contracts were down by Rs 119 and Rs 116, respectively, to close at Rs 22,748 and Rs 22,957 a quintal.

Total turn over dropped by 696 tonnes to 7,114 tonnes. Total open interest declined by 19 tonnes to 12,564 tonnes.

January open interest dropped by 152 tonnes to close at 9,618 tonnes, while February increased by 142 tonnes, showing some switching over from January to February. March declined by 15 tonnes.

Spot prices

Spot prices remained unchanged at previous levels of Rs 21,200 (ungarbled) and Rs 21,700 (MG 1) a quintal on matching demand and supply.