



### **Fruit promotion council to float company to replace Jive makers**

Vegetable and Fruit Promotion Council (VFPC) will form a new company with the government holding 51 per cent shares to replace the farmer/producer company Nadukkara Agro Processing Limited (NAPCL), makers of the popular Jive brand of fruit drinks.

A senior official of the fruit promotion council said on Thursday it had taken over the assets of NAPCL and its day-to-day operations because the government planned to float a new venture, holding majority stakes. Farmers/producers would only have 41 per cent share in the new venture.

The move has come under criticism from pineapple farmers. A spokesman for Pineapple Farmers' Association based in Moovattupuzha, home to the GI-registered Vazhakkulam variety of pineapple, said the government was making a "wrong and unjustifiable move".

The farmers suspect a political plot in the takeover of the company.

NAPCL was floated about 15 years ago with economic aid from the European Union under Kerala Horticultural Development Programme, VFPC's predecessor.

The aim was to launch a venture that would utilise the availability of pineapple in Vazhakkulam and give farmers rich returns.

It was one of the first farmer/producer companies floated in Kerala.

However, the State government took over the factory and its assets a year ago because the company had failed to repay VFPC a working capital loan of more than Rs. 5 crore.

The VFPC official said the government had approached the Institute of Rural Management Anand (Irma) for a detailed project report on diversifying and expanding the activities of the company, which would have a new name under the new share-holding pattern.

The company had not stopped functioning even for a day since the takeover, claimed the VFPCCK official. He said that expanding and diversifying NAPCL activities would require nearly Rs. 90 crore for new plant and machinery.

### **This grape story could ring in a revolution**



THE HINDU Chinthala Venkat Reddy at his grape garden in Ranga Reddy district.

Photo: K. Srinivas Reddy

### **FCI raises Rs. 5000 crore through taxable bonds**

The Food Corporation of India (FCI) on Thursday said it had raised Rs. 5000 crore for additional cash flow through issue of taxable bonds which were over subscribed by 1.77 times. The bonds were issued at an interest rate of 8.62 per cent for 10 years maturity period and 8.80 per cent for 15 years. The issue opened on March 21 and closed the next day, said a statement issued by the corporation run by the Ministry of Food.

FCI Chairman and Managing Director Amar Singh said the bonds would be utilised to meet the additional working capital requirement.

The organisation is facing a resource crunch as the Centre has provided it Rs. 71,980 crore for this fiscal against the outstanding of Rs. 95,000 crore up till March 31, 2013, including arrears.

It had sought permission from the government to raise funds through bonds as taking cash credit from banks proved to be costlier. The corporation's requirement for funds has gone up as there is a substantial increase in the procurement of food grains and the minimum support price payable to farmers.

The corporation currently holds a food grains stock of 63 million tonnes which is nearly three times higher than the buffer norms.

### **TNAU forecasts turmeric price to be stable**

The Domestic and Export Market Intelligence Cell of Tamil Nadu Agricultural University has asked turmeric farmers to sell the produce without resorting to storage as the price till May-June is expected to prevail around Rs. 7,500 and Rs. 8,500 a quintal.

The forecast is made based on the analysis made at the Erode Regulated Market for the last 15 years.

The Agricultural Market Intelligence Centre functioning in S.V. Agricultural College, Tirupati, also analysed the trend based on the price of turmeric in the Nizamabad market.

### **Norway-funded project comes to farmers' aid**

### **TNAU has developed climate change adaptation tool for ryots of Ponnaniar Basin**



beyond borders: A farmer of Ponnaniar basin explaining the crop condition to the Norwegian team that visited the reservoir on Thursday. V. Geethalakshmi, professor, Tamil Nadu Agricultural University, is in the picture.— PHOTO: R.M. RAJARATHINAM

The ClimaAdapt Project funded by Norway, will benefit 1,000 to 1,500 farmers in seven villages of the Ponnaniar Basin, about 60 km from here.

V. Geethalakshmi and A. Lakshmanan, scientists of the Tamil Nadu Agricultural University, accompanying a team of Norwegian officials and engineers visiting the basin on Thursday, said Norway had extended Rs.10 crore for benefiting Ponnaniar Basin and Kalingarayaan Canal basin, both of the Cauvery. The project, which focuses on adaptation to climate change by the farmers tilling 2,100 acres of land in Ponnaniar Basin, is aimed at economising water usage and improving productivity.

Similar programme is in progress in the Krishna Basin of Andhra Pradesh.

The project being implemented by the TNAU jointly with Water Resource Organisation, Irrigation Management Training Institute, Tiruchi, and M.S. Swaminathan Research Foundation, Chennai, is expected to be completed by 2016.

For this the TNAU has developed climate change adaptation tool box after field validations and the technology is being scaled up in both the study basins.

Though 70 per cent of the farmers in Ponnaniar Basin are involved in cultivating paddy, TNAU would not lose sight of other crops such as vegetables and flowers .

The rainfall in the basin is 890 mm and Ponnaniar reservoir has a capacity of 120 million cubic feet.

The spadework for the project started in October 2012 and field study had found that it would be possible to save 30 per cent water by using System of Rice Intensification (SRI) method of cultivation . Besides, the minimum increase in yield could be as high as 25 per cent. Against the 4-4.5 tonnes of paddy harvested per hectare earlier , productivity had touched 7 tonnes under SRI method.

The focus would be on “capacity building” of farmers. While training would be given to trainers, thrust would be on improving water and land use efficiency, labour shortage (farm mechanisation), and extreme weather conditions. Two automatic weather stations would be set up in the basin .

The programme would directly provide inputs to the State climate change adaptation framework, specifically to agriculture and water sectors, through a consultative process involving all stakeholders.

The overall goal of the integrated programme is to improve the adaptive capacity of agriculture and water sectors in Tamil Nadu and Andhra Pradesh by contributing to the adaptation and mitigation strategies and participating in the development of climate change adaptation framework.

A village knowledge centre at Manpathaimedu of Mughavalur panchayat was inaugurated by Signe Gilen, Counsellor, Royal Norwegian Embassy.

This would clear all doubts of farmers and new technology such as SMS would be deployed to enlighten them on issues such as weather, crop condition, and inputs.

As this is a project implemented with the active co-operation of the State government, that too for small and marginal farmers, there would be no problem in getting them subsidy and other governmental assistance.

K. Velusamy, president, Mughavalur panchayat, said the response from the villagers for the project has been overwhelming.

Those who visited the Ponnaniar Basin include Suresh Mathevan, Advisor, Norwegian Embassy, and a team of scientists from the Norwegian Institute for Agricultural and Environmental Research, Norway, headed by Nagothu Udaya Sekhar.

**Farmers’ festival from April 14**



celebration time: M. Rajendran, Director of Agriculture, at a meeting on farmers' festival in Tiruvarur. S. Natarajan, Collector, is also seen.

The objective of celebrating farmers' festival in the villages is to augment agricultural production thus improving the rural economy, said M. Rajendran, Director of Agriculture. Farmers' festival aims to create awareness among farmers of the traditional crops, Mr. Rajendran said at a meeting of officials and farmers on the steps to be taken for the celebration of the festival from April 14 to May 20. S. Natarajan, Collector, presided over the meeting. A. Ganesan, Joint Director of Agriculture, and K. Mayilvaganan, deputy director of agriculture, were present.

### **Thanjavur**

Uzhavar Peruvizha will be held in all the 14 panchayat unions of the district from April 14 to May 20, said M. Rajendran, Director of Agriculture, here on Wednesday. He chaired a meeting of officials to discuss the preparations for the farmers' festival. He said that farmers should be introduced to high-tech farming. Besides exhibitions, they should be demonstrated to the technologies.

K. Baskaran, Collector, said that all arrangements have been made for the festival by the agriculture and the revenue departments. Mohammed Yahiya, Joint Director of Agriculture, attended the meeting, said a release on Thursday.

### **Team inspects drought-hit Tirunelveli**

## Area under paddy cultivation shrinks to 41,967 hectares from 82,000 hectares



A high-level team comprising ministers and top officials from various departments inspected drought-affected lands in the district and interacted with agriculturists who suffered huge crop losses owing to failure of successive monsoons.

The team, comprising Ministers O. Panneerselvam (Finance), Natham Viswanathan (Electricity), K.P. Munusamy (Local Administration), S. Damodharan (Agriculture), Thoppu N.D. Venkatachalam (Revenue), R. Vaithilingam (Housing) and P. Senthurpandian (Tourism) and the officials inspected drought-hit areas on the Maanur - Thiruvengatam stretch. As the team saw the wilted paddy at Kaanarpatti, farmer A. David Dharmaseelan told the team members that paddy cultivation in the whole region had been suspended owing to monsoon failure and meagre water level in the wells.

The team also visited Thevarkulam where corn and black gram cultivation had completely stopped, and Vijayarengapuram near Sankarankovil where farmers who had cultivated paddy, corn, grams and cotton suffered huge losses.

In all the places, the farmers appealed to the ministers and officials that they should be adequately compensated for the crop loss so that they could at least repay loans borrowed from moneylenders. "The compensation alone can bail us out from this miserable condition," the farmers told the ministers and the officials.

Of the 6.75 lakh hectare land in the district, only 1.55 lakh hectares are suitable for cultivation of crops, which can either be nourished by systemised or non-systemised irrigation systems.

As per statistics available with Department of Agriculture, the district, which used to experience annual average rainfall of 814.80 mm, received only 754.20 mm last year. The district, which is used to get an average rainfall of 109.50 mm during southwest monsoon, received only 38.98 mm in 2012. Consequently, all the water bodies in the district, including major reservoirs and systemised tanks, failed to get even a decent influx throughout the year that triggered the drought-like situation.

Paddy is used to be cultivated in the district in 82,000 hectares, including 20,000 hectares during 'kar' (during southwest monsoon or first crop) and 62,000 hectare in 'pisanam' (during northeast monsoon or second crop). It has shrunk to 41,967 hectares while the remaining arable areas have been brought under cultivation of millets, oil seeds, grams, cotton etc. The non-availability of water in the rain-fed irrigation tanks and the poor storage in all the 11 reservoirs have led to the wilting of crops, causing huge losses to the farmers. They are desperately waiting for a 'meaningful compensation' from the government.

### **High-level team assesses crop loss in Theni district**

#### **Cotton growers the major losers due to drought**

The high level committee comprising six ministers and four secretaries surveyed the drought ravaged areas in the district and interacted with farmers here on Thursday.

Farmer A. Rangammal of Jangalpatti in Kandamanur union complained that cotton crop raised on three acres had withered. There was no rain for the past three months, she pointed out. "I had earned Rs.80,000 in the last season. But I had invested Rs.60,000 this time. The entire investment has been lost."

At Thummalagundu near Chinnamanur union, M. Chandra, who also raised cotton on one acre, told the visiting team, "With no rain, cotton buds have shrunk and burst at a premature stage. I have lost Rs.15,000 that I invested. Farmers in this area raise only one crop in a year."

The Finance Minister promised compensation for the crop loss.



In a report submitted to the committee, Collector K.S. Palanisamy stated that standing crop in 224.18 hectares were fully damaged and agriculture activities did not take place in 445 hectares. Farmers in rain-fed areas were the worst affected and cotton growers the major losers.

The drought had affected paddy in 63.24 hectares, millet in 79.89 hectares, pulses in 21.1 hectares, cotton in 123.5 hectares and sugarcane in 1.51 hectares. Cultivation was abandoned in 63 hectares earmarked for paddy and 200 hectares set apart for cotton. Millet cultivation was affected in 113 hectares and 56 hectares in pulse growing areas were lying fallow. The committee comprised Ministers O. Panneerselvam, R. Viswanathan, K.P. Munusamy, R. Vaithilingam, S. Damodaran and N. Venkatachalam and Revenue Commissioner Sridhar, Agriculture Secretary Sandeep Saxena and Principal Secretary C.V. Shankar. Later, the team left for Pudukottai district.

### **Stage set for 'uzhavar peruvizha'**

The arrangements for 'Uzhavar Peruvizha' to be held in the district from April 14 to May 20 were reviewed by M. Senthil, Chief Engineer, Agriculture Engineering Department, Chennai.

The Chief Engineer who chaired the meeting held at the Collectorate on Thursday, sensitised the officials to successfully organise the Peruvizha, aimed at disseminating the latest technology in agriculture and allied departments to the farmers.

Addressing the meeting, Mr. Senthil called upon the officials to work towards giving shape to Chief Minister's vision of a second 'Green Revolution', aimed at doubling the crop production and increasing the revenue of farmers by three fold.

The 'Uzhavar Peruvizha' function would be held in all revenue villages in the district. Deputy Director, Agriculture, Ka.Sakthimohan, Deputy Director, Horticulture, Ilango, PA to Collector (Agriculture) Soundarajan and Agriculture Engineering Executive Engineer Yuvaraj were among others who participated in the meeting, a press release said.

### **Farmers seek protection**

The Prakasam Barrage, which has an ayacut of 13.5 lakh acres spanning over Prakasam, Guntur, Krishna and West Godavari districts, is extremely vital to thousands of farmers of Krishna Delta.

The tail pond of the barrage which has a capacity of 2.5 tmcft, provides water by gravity to the Narla Tata Rao Thermal Power Station (NTTPS) in Ibrahimpatnam and Lanco Power Station in Kondapalli. For over a decade, precedence was given to power generation over irrigation. The farmers of Krishna Delta finally put their foot down and demanded the State Government to take steps for the protection of the barrage.

As per the original design the tail pond of the barrage should be completely drained in the summer to take up maintenance works. This could not be done because water had to be maintained at 12 feet for water to flow to the NTTPS. The NTTPS was then told to develop its own cooling towers so that stored water could be used when the water levels at the barrage were depleted.

### **Ugadi awards presented to best farmers**

The nation faced economic recession with the active support of farmers, said Lok Sabha member Botcha Jhansi Lakshmi. Presenting Ugadi awards to best farmers, agriculture officials and bankers at the Collector's Auditorium here on Thursday, she said that as 70 per cent of people were depending on farming the Central and the State governments have been giving priority to agriculture sector. Appreciating the recipients of Ugadi awards, she hoped that farmers would continue to increase yield.

Collector M. Veerabrahmaiah said that farmers and agriculture officials increased the production by 30 per cent against all odds . Later, the LS member, the Collector, Nafed director K. Suryanarayana Raju, and Nellimarla MLA B. Appala Naidu presented Ugadi awards for 2011-12 and 2012-13 to best farmers, agriculture officials, and bankers. D.V.S.V. Ravindra Babu of Sitanagaram bagged the best farmer awards for two successive years .

### **Training for farmers held**

To sensitise farmers to the district specific innovative technologies, a training programme was held at Krishi Vigyan Kendra (KVK) in Sandhiyur.

Organised by the Department of Agriculture and KVK, A.J. Sundar, Joint Director of Agriculture (in-charge), inaugurated the programme. He explained the roles and responsibilities of Agriculture Technology Management Agency (ATMA) field workers and farmers' friends (para extension workers) to be performed during Uzhavar Peruvizha 2013 between April 14 and May 13.

The para extension workers identified through ATMA took the major responsibility of transferring the technologies to farmers during the festival, he said.

S. Manickam, programme coordinator, briefed about Tamil Nadu Agricultural University's specific programme for farmers in the district. P.J. Balasubramaniam, Joint Director of Animal Husbandry, Salem district, explained the schemes and services offered to the farming community by the department. He also explained the need for integrated farming system to improve the income of farmers.

V. Lakshmi, Registrar, District Cooperative Societies, spoke on the role of Primary Agricultural Cooperatives Societies in transfer of agricultural technologies to farmers.

J. Ravichandran, Lead Bank Manager, gave details about the agriculture related services offered by the banking sector and the importance of Kisan Card. Demonstrations on soil sample collection and district specific farm technologies were organised.

### **VITS students make farming affordable**

Students design a model multi-purpose agricultural implement



Finding new avenues:VITS students exhibiting the multi-functional agricultural implement designed by them in Karimnagar.- Photo: T. Ajaypal Singh

Implementation of National Rural Employment Guarantee Scheme (NREGS) and increase in farm production cost has adversely been affecting the farming sector. Moved over the plight of farmers due to acute shortage of agricultural labourers, students of Vivekananda Institute of Technology and Sciences (VITS) have designed a model multi-purpose agricultural implement for the benefit of the farmers.

The B.Tech final year students of mechanical engineering stream of the VITS, also hailing from the farming community, have decided to utilise their knowledge for the betterment of the farmers and make agriculture an affordable profession.

Accordingly, the students' team led by Jitender Reddy, Karthik, Sunil Reddy, Anil Reddy, Anand and others under the guidance of their faculty member Pradeep Kumar have designed a prototype fertiliser feeder and pesticide sprayer at the cost of Rs. 12,000 and named it as multi-functional agricultural implement. Jitender Reddy, the team leader, said he had observed the farmers cultivating cotton and chilly with several hardships in spraying the fertilisers and pesticides due to shortage of manpower during the season. He shared the idea with his friends and project guide with whose help he designed the project that has been winning accolades. The agricultural research station authorities have also asked the students to prepare more such projects and assured all assistance.

The use of multi-functional agricultural implement could reduce the production cost drastically, said the students. By spending Rs. 50 per day, a farmer can spray fertiliser and pesticide for three acres of crop, they added. The spraying of pesticide through this implement would not cause any harm to the farmer as he/she would not be exposed directly.

The agricultural implement would be operated through battery and it has been designed in a way that would help the farmer to move freely in the fields and spray the pesticides effectively. It would function with the help of a remote control and the students have used powerful torque motors for easy movement in the fields.



# THE TIMES OF INDIA

Drought-struck Kerala agriculture ministry shower LCDs for its 140 MLAs

Marie Antoinette's socialistic utopia where the deprived and the unwashed settle for thick slices of [cake](#) instead of their dry daily bread may have come unstuck in [France](#). But in far away Kerala - a green paradise coming to grips with an unprecedented drought - the state agriculture ministry has taken a leaf out of the French Queen's book to gift all its 140 MLAs new LCD TVs.

Predictably, the largesse to the legislators to mark the Vishu festival - the new year in Malayalam calendar - has run into a storm of protests from farmers' unions and angry citizens, some of whom derisively say the TVs were being gifted because the recipients could watch the state of Kerala's parched farms from home rather than trudge outdoors in the scorching sun.

[Agriculture minister](#) KP Mohan and [state assembly speaker](#) G Karthikeyan say the decision to award TVs was taken much before the drought set in.

However, Jose Kalappura, president of [Kerala Pineapple Farmers Association](#), is yet unsure of how the new scheme would benefit the legislators.

"The MLAs can escape the heat wave by staying indoors to watch TV. But where is the electricity for powering your LCD TV?" he asks, pointing to the daily power cuts in the state that is almost entirely dependent on hydel power. Kalappura says the pineapple crop this year would only be one third of last year's level due to the drought. "Pineapple needs a lot of water," he says.

Father [Joseph Ottaplackal](#) of Indian Farmers' Movement (INFAM), an organisation founded by the [Christian Church](#) in association with the farmers, told ET that the state agriculture ministry's action was unwarranted.

"The farmers are facing a fall in the prices of their produce while prices are rising in the open market. People are going through a severe drought", he said. "Spending money for gifting at such a time is like 'Nero playing the fiddle when [Rome](#) was burning', he added.

In the Malabar region in north Kerala too, the farmers were against the move. "Why should the MLAs be motivated by giving such gifts?" asks Prashant Rajesh, secretary of the [Wayanad Coffeese Growers Association](#). "In my view the opposition parties should not fall prey to such gimmicks at the cost of common man's money", he added.

The state, with a huge dependence on hydel power, has been seeing a major shortage of power due to the drought.

### **Sundargarh tribals reap smiles as yield time nears**

Small tribal villages like Kopishtola, Kopsingha and Kundaposh under Bisra block in Sundargarh district are now smiling with sunflowers. The sunflowers in long patches of land amidst hills, large trees, rivers have added to the scenic beauty of the district.

With the support of the district agricultural office under [Rashtriya Krushi Vikas Yojana](#), the farmers of the district, mainly in Bisra and Lephripara block, have successfully planted the sunflowers, in about 200 hectares during this season. The plants have already grown up with beautiful yellow flowers and the farmers are now gearing up for the yield period.

Sources said, considering the land in Sundargarh district suitable for sunflower plantation, the district agriculture office of the district took the decision to go for the cultivation. Accordingly, a patch of about 100 hectares land each in Bisra and Lephripara block were identified, comprising about 250 farmers.

The sources pointed out that according to the provisions of the krushi vikas yojana, the farmers were provided bio fertilizers, micro nutrients and pesticides free of cost for sunflower cultivation. The farmers were only required to purchase the seeds.

"But [Integrated Tribal Development Agency](#) in Panposh had extended financial support to the below poverty line Scheduled Tribe farmers to purchase the seeds," P C Saw, the district agriculture officer, Panposh. "About 82 hectares have been cultivated by the BPL ST farmers in Bisra block, who have got the sunflower seeds free of cost where as remaining 18 hectares have been cultivated by other farmers," he added.

The grown up flowers have brought smiles on the face of hundreds of farmers. "Initially we were a little under-confident about the success of the sunflower plant, but now we are confident of good returns for this season," said Benudhar Singh, a farmer of Bisra block.

### **Sunflower cultivation brings ray of hope for farmers**

The perennial threats of flood and drought over traditional [paddy cultivation](#) in most of coastal Bhadrak has forced farmers to look for a new option: sunflowers.

A large number of farmers in the district have taken up sunflower cultivation as the best alternative cash crop. Over 180 farmers of Nuagaon panchayat in Basudevpur block have joined hands and grown sunflowers over 700 acres this year. Officials said this is a record in the state.

"After my paddy was washed away in last year's flood, I decided to switch over to something else. But, after I was informed of the profits of sunflower cultivation and the facility of drawing water through borewell with the help of farmers' club, I grew sunflowers on my three acres of land and made a profit of Rs 32,000 in just three months," said Pravakar Biswal, a farmer of Nuagaon in Basudevpur block.

According to the office of the deputy director of agriculture of Bhadrak, the initiative is yielding good returns. While only 50 farmers took to sunflower cultivation in Bhadrak in 2008, the number has gone up to 2,000 in 2013 with a cultivating area of over 1,500 hectares.

"The central government through Rastriya Krishi Vikash Yojana has been promoting the cultivation of oil seeds on a public private partnership. The geographical conditions support the sunflower cultivation here, another reason why so many farmers have taken it up. The cultivation of sunflower in a single chunk of 700 acres in Nuagaon in Basudevpur block is an achievement. Apart from farmers even fishermen and also locals who migrated to Surat in Gujarat as industrial labourers, have started the sunflower cultivation and are earning good profits," said Laxmidhar Sahu, the assistant agriculture officer of Basudevpur block.

"Besides, as part of integrated farming system, bee keeping in sunflower fields has also been very productive," he added.

Farmers are very happy to find a solution and a way to earn more.

"The sunflower cultivation has turned out to be a consistent bread earner for us. An investment of Rs 5,000 per acre, with the help of fertilizers and pesticides being provided free of cost by the central government is earning us Rs 15,000 to 16,000 within a span of three months. Moreover, the purchase of sunflower seeds is easy and hassle-free as the factories producing edible oil have tied up with various local farmers' clubs and NGOs, which are procuring the seeds from our farm land itself," said [Sanjib Nayak](#), a leading farmer and an office-bearer of an agro-based NGO in Bhadrak.

He added, "One litre of sunflower is sold at Rs 100 in the market and the cultivators get 10 to 12 tins of oil after cultivating on one acre. Even the oil cakes are being sold at fairer prices for its use as cattle feed and fish feed."



Chennai - INDIA

## Today's Weather



Sunny

Friday, Apr 12

Max Min  
31° | 26°

Rain: 0

Sunrise: 05:58

Humidity: 84

Sunset: 06:21

Wind: normal

Barometer: 1010

## Tomorrow's Forecast



Partly Cloudy

Saturday, Apr 13

Max Min  
36° | 26°

## Extended Forecast for a week

Sunday

Apr 14



36° | 27°

Partly Cloudy

Monday

Apr 15



36° | 27°

Partly Cloudy

Tuesday

Apr 16



37° | 27°

Cloudy

Wednesday

Apr 17



37° | 28°

Partly Cloudy

Thursday

Apr 18



37° | 28°

Overcast

## Airport Weather

Rain: 0 Sunrise: 05:59  
Humidity: 44 Sunset: 06:45

Delhi

Wind: normal Barometer: 1009



### Cashew output doubles in 2 decades, but yield up only 20%



Rising supply: Harvested raw cashew kept for processing at farm near Kochi, Kerala. Raw cashew output stands at 7.3 lakh tonnes from 9.8 lakh hectares against 5 lt from 7.7 lakh hectares in 2002-03.

Though raw cashew nut production has more than doubled in the last two decades, poor yield is still a cause for concern compared to competitors such as Vietnam.

According to official estimates, raw cashew output in 2012-13 is about 7.3 lakh tonnes (lt) from an area of over 9.8 lakh hectares. This is against 3.48 lt from 5.65 lakh hectares in 1993-94 and 5 lt from 7.7 lakh hectares in 2002-03.

Concerted efforts by the Directorate of Cashew and Cocoa Development coupled with that of National and State Horticulture Missions have resulted in the growth.

However, compared to other global producers such as Vietnam the yield per hectare is less, official sources told *Business Line*. Vietnam, of late, has emerged as the top producer of the commodity displacing India.

Total raw cashew production in Vietnam in 1993 was 1.86 lt from 69,100 hectares. It shot up to 12.73 lt from a total area of 3.31 lakh hectares in 2011, according to the latest FAO statistics.

The yield from a hectare is currently 3.8 tonnes in Vietnam against India's 772 kg.

### Old plantations

Official sources attributed the low productivity in India to old plantations.

“Most of the cashew plantations in India are senile requiring replanting with high yielding varieties. At the same time, more areas, mainly waste lands lying idle in many States, could be easily brought under cashew by motivating farmers. Timely supply of planting materials, finance and extension services are vital apart from ensuring a remunerative price for the raw nuts,” Dr Abdul Salam, Vice-Chancellor, Calicut University and who had made significant contributions to the development of the crop for over two decades told *Business Line*.

### Processing, exporting

Cashew processing facilities could process around two million tonnes of raw cashew nuts but the availability of the domestic raw material is limited to nearly one-third of the requirement.

Therefore, the processing-exporting industry has to depend on imported raw nuts for decades. In fact, an equal volume or more of what is produced here is imported every year to keep the factories running as the growth in production of raw nuts does not correspond with the growth in the industry's requirements, said industry sources from Kollam.

Imports of raw nuts decreased during April-November 2012 to 6,11,481 tonnes valued at Rs 3,665.54 crore from 6,94,188 tonnes valued at Rs 4,511.19 crore in the same period a year ago, Cashew Export Promotion Council of India said.

It attributed the decline in imports, despite a drop in the unit value to Rs 59.95 a kg from Rs 64.99, to weak demand for cashew kernels from overseas markets

Exports during the same period stood at 60,585 tonnes valued at Rs 2,477.42 crore (74,093 tonnes valued at Rs 3,002.34 crore). During the first eight months of the current financial year, the average unit value showed a marginal increase to Rs 408.92 a kg from Rs 405.21 in the same period last year, they said.

In fact, India has 24 per cent of the global area under cashew and yet the country contributes only 19 per cent of the global production. Vietnam, on the other hand, contributes a significantly higher share of the world production with 10 per cent of the global area under the tree crop.

### **What I'm today is due to tea: Ashok Batra**

After an over four-decade long marathon in the tea industry, Ashok Batra has just retired after serving as Chairman and Managing Director of J Thomas & Company Pvt Ltd. The firm is the world's oldest (152-year-old) and also the largest tea auctioneers and broker (selling over 200 million kg annually).

In an interview to *Business Line*, Batra shared his experiences.

“In 1972, fresh from a Pune college, I joined the company's head office in Calcutta and never looked back”, Batra said. “It has been an excellent journey all these years and the experience has been wonderful, rewarding and satisfying. I was not prepared to trade it off for any other job. Tea is a gentleman's industry and I learnt so much from it that I've no hesitation to say what I'm today is due to tea.”

Yet Batra cannot explain why he strayed into tea. There was no reason for it given his family background. “My father, who retired as Vice Admiral in Indian Navy, and his four brothers were all in defence, two in the Army, two in the Navy and one in the Air Force, all held high ranks, so much so that my grandmother received a special award from the country's first President Rajendra Prasad for sending all her sons to *fauz*.”

### **Stint in South**

In the past 41 years, Batra, in various capacities, spent several years in Guwahati, Siliguri, Cochin, Coimbatore, Coonoor and some time in Singapore and London. This had helped him gain a wide experience.

In India, tea is different in each region in all respects – taste, flavour, colour, auctioning, buying and selling. Besides, J Thomas has also interests in coffee and rubber in the South.

“My posting in the southern region helped learn the nitty-gritty of coffee production, auction and exports and also of rubber, something invaluable. We’re the largest rubber supplier to Goodyear and many other tyre manufacturers, a fact not known to many.”

Interestingly, nearly 200 years ago, Thomas Marten & Company started in Kolkata as brokers of indigo, shellac and jute, but not tea. The first public auction of tea was held in 1861 by R Thomas & Company which subsequently became J Thomas & Company.

In London, Batra worked with two firms – Thomas, Cumberledge and Inskipp and Tea Service London Ltd. Once the London tea auction was closed in 2000, there was a move to open an auction centre at Singapore, not with much success though. Batra was in Singapore for some time.

### e-auction

Like everything else, tea industry too is changing. Tea markets are going digital and the cacophony of public auctions is gradually giving way to the gentle tapping of the key boards. “This is inevitable; unless we change with times, we’ll be left behind,” he observed. “Besides, electronic trading is supposed to result in fairer prices and lower transaction costs”.

### Climate impact

The other issues which are now important in tea are climate change and its impact on crops, the minimum residue limit issue with regard to tea for exports and the emergence of small growers as a major source of supply.

Batra, however, rues the gradual decline in participation in the auction system despite its total transparency. At one time, particularly after the Tea Market Control Order was issued in 1984, 70-75 per cent of the tea produced used to be routed through the auction; it is much less now, less than 50 per cent. Nobody knows what happens to the balance 50 per cent plus.

The Tea Order was withdrawn in 2000. In 2012, only 520 million kg out of the total production of 1,111.8 mkg were offered at the auctions.

“Private sales, direct exports and other routes bypassing auction, must be having certain advantages but so has the auction system which acts as the barometer,” he said. “But then it is for the producer and the buyers to decide which route is best suited to them.”

### Post-retirement

Unlike many of his predecessors, Batra will not settle in this city after retirement. Batra, therefore, plans to settle in Delhi, a city he is not so familiar with, as his father had a built a house over half a century ago.

### Commodity exchanges should guide farmers to futures platforms: K.V.Thomas



Prof. K.V. Thomas, Minister of State (Independent Charge) for Consumer Affairs, Food and Public Distribution, releasing a book "A Million Jobs & A Million More Opportunities" on April 11, 2013. Secretary, Dept of Consumer Affairs, Pankaj Agarwala, MCX Chairman, Vikrant Chary, and MCX Vice-Chairman, Jignesh Shah, are also seen. Photo: Kamal Narang

Food Minister, K.V. Thomas, called on the commodity exchanges to help farmers, who lack necessary expertise, to trade on futures platforms for managing price risks.

"Adequate knowledge on futures prices helps the farmers in taking pre-sowing and post harvest decisions and the knowledge of futures prices increases his bargaining power vis-à-vis the traders," Thomas said releasing a book "A Million Jobs and A Million More Opportunities" on Thursday night.

The book, a special study conducted by Tata Institute of Social Science (TISS) in association with Multi Commodity Exchange of India (MCX), highlights the contribution of the commodity exchange ecosystem on economic development.

### **Inclusive growth**

Thomas said the increased participation of producers, consumers and others with exposure to physical commodity market will enhance the price discovery process. He further emphasised that the commodity derivatives market, unlike other financial markets, touches the lives of all citizens of the country, either as producers or as consumers.

The food minister said policy research and impact studies such as the one attempted jointly by the TISS and MCX, will bring to light the contribution of commodity markets in achieving the inclusive growth and the country's social economic development.

The annual turnover of the commodity exchanges currently stands at Rs 1.4 lakh crore and is estimated to grow multi-fold with the introduction of futures trading. "It is expected that the commodity market's annual turnover is estimated to be around Rs 55 lakh crore by 2015," he said.

### **Spot exchanges**

Thomas said the spot exchanges are helpful for farmers to sell their small lots and cited the example of Kerala, where rubber growers benefited to a large extent in realising over 90 per cent of the final price through participating in the futures market.

"It cannot, however, be denied that there are certain reservations and suspicions on the role of commodity exchanges as being contributory to price situation," Thomas said.

However, the stated position of the Government is that an apparent connection between the futures trading and the rise in inflation could not be established. He assured that the

Government is open to the concept of commodities exchange and futures trading as a major economic activity in tune with international market integration.

### **Biggest revolution**

Thomas further said that exchanges have to be extremely sensitive to the complaints emanating from various parts of the country, especially from certain sections of the farming community. "It is the endeavour of the Government and the Forward Markets Commission to increase the participation of farmers and the other physical market participants in futures market for price risk management"

Jignesh Shah, Vice Chairman, MCX said the creation of commodity exchange infrastructure in the post-liberalisation phase is the biggest revolution in India.

Unlike telecom and automobile sector, where the international companies have played a major role in the growth, the commodity exchange infrastructure was created by the domestic companies without any tax exemptions or grants. The commodity exchanges have the potential to create 5 million jobs in the years to come, he said.

### **French firm to pick stake in Jayant Agro, help make special grade castor oil**

Jayant Agro Organics, producer of castor oil and derivatives, has entered into a joint venture agreement with Arkema, a French chemical company. The latter will acquire a 25 per cent stake in Ihsedu Agrochem, a subsidiary of Jayant Agro, specialising in the production of castor oil.

The joint venture aims to develop castor oil production, which will provide Arkema long term, secure and competitive access to the strategic raw material for the manufacture of its bio-sourced polyamides.

Polyamides are the most common type of engineered polymer, and are made primarily from fossil-based resources. It has fast growing applications for lighter vehicles and in the oil and gas extraction sector.

Arkema has maintained that specialty bio sourced polyamides have a growth rate of 15 per cent per year. Arkema is also reportedly the world's sole producer of polyamide (11) for almost 60 years.



In 2012, the group acquired Chinese companies, Hipro Polymers and Casda Biomaterials, who are producers of polyamide and sebacic acid from castor oil respectively, in a bid to bolster its leading position in biosourced specialty polyamides.

The joint venture will focus on manufacturing various industrial and specialty grades of castor oil whose market is valued at over Rs 220 crore. The venture has been unanimously approved by the board of directors of Jayant Agro and Ihsedu in their respective meetings held on April 11.

Through the joint venture, Jayant Agro and its subsidiary Ihsedu hope to further consolidate their position in the castor oil market.

Under the arrangement, Ihsedu will exclusively focus on manufacturing and sale of all grades of castor oil, while Jayant Agro will focus on manufacturing and sale of value-added castor oil products.

#### **Icrisat in tie up with Senegal institute**

The Senegalese Institute for Agricultural Research and the International Crops Research Institute for the Semi-Arid Tropics (Icrisat) have signed an agreement to carry out research and development in agriculture to achieve food and nutrition security and in fighting poverty in the African country, an Icrisat release said here on Tuesday. — **Our Bureau**

#### **Ten sugar mills to close operations in UP**

As many as ten sugar mills of two districts in Uttar Pradesh announced closure dates of the crushing season due to shortage of sugarcane here on Friday.

“Muzaffarnagar and Shamli districts of Uttar Pradesh will close operations of crushing season due to shortage of sugarcane,” district officer R B Ram told reporters here.

Nine Sugar mills will close down between April 15-25, which include Mansoor Purin, Khatoli, Titawi, Tikola, Basana, Khaikheri, Morna, Unn, Thana Bhawan while the sugar mill in Shamli will close down on May 5, Ram said.

He said that dues of farmers amounting to more than Rs 600 crore are pending by the sugar mills in the two districts. The district authorities have taken steps to ensure full payment to the farmers, he added.