

Re. 1 rice scheme likely to alter crop pattern



Schemes like distributing rice at Re. 1 a kg will harm paddy cultivation in the long run say experts. —File Photo: M.A. SRIRAM

: The government's promise to distribute 30 kg of rice at Re. 1 per kg to below the poverty line (BPL) families is likely to affect the cropping pattern in parts of Mysore and surrounding regions where farmers are contemplating a shift to commercial crops.

Experts believe it will have a bearing on the traditional food system in rural areas apart from affecting crop diversity, as the bulk of small and marginal farmers will quit paddy cultivation.

Since rice will be made available to them through the public distribution system, it will supplant the millet-based dietary pattern as well, it is feared.

The common refrain is that 30 kg of rice at Rs. 30 per family is more than sufficient to make ends meet and there is no need to cultivate paddy or cereals for sustenance; hence the argument in favour of cultivating commercial crops to earn extra income.

Though the scheme is meant only for those having a BPL card, the bulk the farmers, including the landed gentry, have BPL cards.

Vivek Cariappa, an organic farmer from Birval in H .D.Kote, told *The Hindu* that farmers in the region have taken up cotton and ginger cultivation and have ignored food and fodder crops altogether this season. “The cascading impact of such a shift in cropping pattern will affect livestock the most as there will be a scarcity of fodder,” he said.

Krishnaprasad of Sahaja Samruddha, an organisation promoting a millet-based cropping system, said paddy cultivation under rain-fed conditions as in H.D. Kote in Mysore district and parts of Malavalli and Melkote in Mandya district, will disappear. “Studies showed a decline in paddy cultivation as also in the genetic diversity — especially in the Rayalaseema region and areas bordering Karnataka and Andhra Pradesh after Andhra Pradesh Chief Minister N.T.

Rama Rao first announced rice at Rs. 2 per kg in the 1980s,” Mr. Krishnaprasad said.

He expressed concern that such schemes will harm paddy cultivation and farmers’ interests in the long run as the bulk of subsidised rice will enter the PDS through the back door and will be made available to the general public at a slightly higher rate and keep the price of rice depressed.

“Paddy cultivation will be sustainable, and not profitable, if the minimum support price (MSP) is around Rs. 20 per kg as per various studies. But the current MSP is around Rs. 12 per kg. So the government should increase the MSP for paddy to Rs. 20 per kg before announcing such schemes. If subsidised rice enters the PDS then farmers will have no incentive to take up paddy cultivation,” according to Mr. Krishnaprasad.

If rice is made available at Re. 1 per kg with no increase in the MSP, then not only will it impact paddy cultivation but also millet-based crops like ragi, which are highly nutritious, but there will

be a decline in consumption as people's food pattern will shift to a rice-based diet even in rural areas, cautioned Mr. Krishnaprasad.

Experts from Sahaja Samrudha say there is a gradual shift from a millet-based diet to a rice-based one in rural areas and this scheme will accelerate the process. Diseases like diabetes, which were unheard of in rural areas till recently, will increase with such a shift.

The government should take a long-term and holistic view and encourage millet-based food through the PDS as they are not only nutritious but are not water-intensive. This will not only sustain crop diversity and conserve water but also keep the population healthy, according to Sahaja Samruddha.

Don't extract methane: farmers

Farmers of Tiruvarur district have appealed to the State government not to make operational the project for extracting methane from Cauvery delta districts as it is apprehended that it will affect underground water.

They made this appeal at the monthly farmers' grievances day meeting here on Thursday. They said both the State and the Central government owe an explanation to the people of the district on the project. Though the State government has signed a Memorandum of Understanding with a private company for extraction of methane from Cauvery delta districts, people do not know much about the project.

P.R.Pandian, a farmer from Kottur, said that Tamil Nadu Pollution Control Board (TNPCB) has denied permission to the methane project. This is the victory for the farmers. But farmers should fight against the project till the State and the Central government cancel the project

Farmers demand payment for supply of sugarcane

Farmers staged a walk-out from the monthly grievances day meeting at the collectorate on Friday demanding payment for the sugarcane crushed for the year 2012-13 by Thiru Arooran Sugar factory at Thirumandankudi and Ambiga Sugars at Thugili near Kumbakonam.

Before walking out, they appealed to Collector K.Baskaran, who presided over the meeting, to get nearly Rs. 84 crore due to them from the factories. Sundara Vimalanathan, a farmer, who led the walk-out, said that the crushing was completed in April, but the two factories had not paid the due for the cane supplied by farmers so far.

Arooran sugars owed Rs. 35.49 crore and Ambiga sugars Rs. 48.1 crore. As per the sugarcane control Act, factories have to pay interest if they don't pay the amount due to the farmers within 15 days of their supply.

However, officials of the factories said that for Arooran sugars, Rs. 8.8 crore would be paid before June 10, Rs. 14.5 crore before June 30, and the rest before July. For Ambiga sugars, Rs. 12 crore would be paid before June 10, Rs. 16 crore before June 30, and the rest before July.

Later, the Collector said that for the kuruvai season this year, there is a stock of 158 tonnes of ADT 3, ADT 43 and ADT 45 variety of seeds. There is a stock of ADT 5 black gram seeds at the agriculture extension centres. Kuruvai cultivation has begun in pumpset-irrigated areas and so far the crop has been raised on 3211 hectares.

A target of 5,000 farm ponds have been given for Thanjavur district under Mahatma Gandhi Rural Employment Guarantee Scheme and beneficiaries have been selected for digging 4,998 farm ponds.

Work is going on for digging these ponds.

Oil palm to be cultivated for first time in Tirupur

For the first time, oil palm is to be cultivated in Tirupur district on a commercial basis thanks to a pioneer project been conceptualised by Department of Agriculture officials here.

To promote its production, a model farm is to be set up shortly and financial assistances to be given to the interested farmers across the 13 blocks in the district.

The introduction of oil palm cultivation will help increase the domestic palm oil production and thereby, save country's foreign exchange reserves considering that the nation spends sizeable amounts to import palm oil from Malaysia and Indonesia every year to meet the consumer demands.

The palm oil, an edible vegetable oil, is derived from the mesocarp (reddish pulp) of the fruits of oil palm plant.

For the smooth implementation of the scheme and assure good economic returns for the farmers, the Department of Agriculture has entered into a collaboration with Ruchi Soya Industries Limited. As per the tie-up, seedlings will be distributed by the private firm free to the farmers and also will extend a buy-back arrangement with them so that the produce (oil palm fresh fruit) would be procured back from the agrarian community at attractive prices. The Agriculture department will be offsetting the company the cost incurred for the distribution of seedlings to the farmers from the corpus created under Rashtriya Krishi Vikas Yojana, a Centre-sponsored scheme. The model farm planned will be set up on an area of three acres at the State Seed Farm campus situated at Pongalur with 56 saplings planted in every acre. "The model farm will be utilised to propagate the cultivation techniques as most farmers in the region

are alien to it since this is the first time the crop had been chosen for commercial farming in the district,” Joint Director of Agriculture Mohammed Kalimullah Sherif told *The Hindu*. Mr. Sherif said that each of the farmer would be entitled for financial assistances worth around Rs 1.3 lakh for a hectare that cover the costs of planting material, area expansion, pest management, drip irrigation and cultivation maintenance activities.

‘Agriculture Department ready for monsoon’

Like farmers, the Department of Agriculture has made its preparations for the coming monsoon.

D.Y. Shrinivas, Joint Director of Agriculture, said he had taken steps to ensure that the department was ready to supply seeds and fertilizer to farmers.

Sowing will be undertaken on a total of 2,99,500 hectares of farmland (of which only 1,40,000 ha are irrigated). Paddy will be the major crop (covering 1,04,000 ha); other crops such as pigeon peas, sunflower, maize and cotton will feature significantly.

“There is no dearth of seeds in the district. A total of 26,100 quintals of seeds will be required, and we currently have 31,700 quintals in stock. The department is already selling sunflower, pigeon peas, paddy and cotton seeds at subsidised rates through Farmers Support Centres,” the Joint Director said.

Mr. Shrinivas appealed to farmers to buy seeds and fertilizer from these centres.

As for fertilizer, Mr. Shrinivas said: “1,70,700 tonnes are required; the department has 87,131 tonnes in stock.” He was confident that the department could meet the demand when the time came.

“Providing such stock is the department’s responsibility, and we have taken all the necessary measures to ensure that they reach farmers. Officials have ensured quality of stock by

inspecting samples of seeds or fertilizer in private outlets. These samples are sent to laboratories for a quality check," he said.

Planters association seeks better price for rubber

The Association of Planters of Kerala have urged the Union and State governments to intervene to stop the fall in the price of natural rubber to save lakhs of rubber farmers in the State.

In a statement here on Friday, the association said that rubber farmers in Kerala were facing an unprecedented financial crisis "due to the free fall of prices and the all-around increase in the cost of production."

The price of natural rubber had dropped 47 per cent in the last 24 months whereas wages had gone up by 61 per cent during the same period, it said. The cost of all other raw materials had also gone up by 40 to 50 per cent. If the Union and State governments did not extend adequate support, small farmers would be forced to move away from rubber cultivation to other crops as happened in the case of cocoa and vanilla, the statement said.

"The reason for this crisis is the unabated import by tyre manufacturers, citing short supply of natural rubber in domestic market. But an analysis of the market trend for the last one year shows that most of the genuine buyers are staying away from the market to create shortage of demand and thus force a fall in prices," the association said.

Rubber Board data showed that a stock of more than two lakh tonnes of natural rubber in India.

"If the situation continued, the plantations may be forced to stop tapping and close down their operations. The small and medium growers may be forced to switch over to other crops, which are remunerative. This may lead to reduction in area under rubber and would affect production," the statement said.

A hasty decision, say areacnut growers

Representatives of arecanut growers' organisations have expressed displeasure over the State government's decision to ban gutka "in a hasty manner". Narasimha Naik, vice-president of Malnad Arecanut Marketing Cooperative Society (Mamcos), told *The Hindu* that the government should have consulted the arecanut growers before taking the decision. He said that, the decision would not have a major impact on the price of arecanut. Only a small quantity of locally grown arecanut was used for manufacturing gutka. There may be slump in the price of the arecanut for a short period. The prices of arecanut are sensitive to policy decisions. After the Union government increased the import duty on arecanut from Rs. 75 to Rs. 110, the price of locally grown rashi idi, api varieties of arecanut had increased. Owing to the decision to ban gutka, farmers may sell the arecanut at their disposal in panic. Arecanut traders and middlemen may use this situation to their advantage, he said.

Kankodi Padmanabha, president of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Limited said that prior to taking a decision on banning gutka, the government could have formed a committee to study its impact on the price of arecanut. "The State government had time till July 13 to submit compliance report to the Supreme Court on banning gutka. It has acted in a hasty manner," he told presspersons here on Friday. He said the Union government should immediately impose ban arecanaut import. The low quality arecanut imported from Thailand and Bangladesh was used for manufacturing gutka owing to which the demand as well as the price of locally grown arecanut had come down. President of the Karnataka State Cooperative Apex Bank R.M. Manjunatha Gowda told presspersons that the government should immediately announce minimum support price for arecanut if there is a

crash in its price owing to the ban. The former MLA Araga Jnanendra who is also an arecanut grower has said that prior to banning gutka, the government could have popularised alternative uses of arecanut. He said at a press conference here that the government could have taken a decision on banning gutka after taking the opinion of health experts on its adverse impact on health.

Rain raises hopes of farmers



Sowing for kharif crops has begun on 1,54,537 hectares in Mysore district. Photo: M.A. Sriram

Intermittent yet steady rain over the past few days has raised the hope of farmers for a good kharif season. Sowing has begun on 1,54,537 hectares (ha) out of the Department of Agriculture's target of 4,20,195 hectares (ha) in Mysore district during the kharif season 2013-14, amounting to 37 per cent coverage.

Under rain-fed cultivation on an extent of 3,01,960 ha, sowing has taken place on 1,51,341 ha (50 per cent), Joint Director of Agriculture, Mysore district, K.R. Krishnaiah, told *The Hindu*.

In irrigated areas, an extent of 1,18,235 ha is proposed to be covered and only 3,196 ha has been covered so far, he said. Fields are being readied for sowing in areas that have received rainfall, he said.

The target for H.D. Kote taluk is 69,100 ha of which 44,593 ha has been covered (65 per cent), Mr. Krishnaiah said. The target for Hunsur taluk is 95,000 ha of which 35,687 ha has been covered (38 per cent). In K.R. Nagar taluk 8,070 ha out of 57,700 ha has come under cultivation (14 per cent). Out of a target of 34,500 ha for Mysore taluk, 10,284 ha has been covered. Nanjangud taluk would have a total coverage of 70,200 ha of which 38,951 ha has been covered.

In Periyapatna, of the target of 52,450 ha, just 13,642 ha has been covered. The target for T. Narasipur taluk is 41,245 ha of which 2,950 ha been covered so far.

Rainfall

However, till the end of May, except H.D. Kote taluk, the other six taluks received less than normal rainfall. In the current year, till May 29, against the normal 198.8 mm rainfall, the district has received 151.8 mm (76 per cent). The process of sowing jowar, ragi, maize, groundnut, cotton and castor were going on, he said. Tobacco cultivation too had picked up pace.

As per statistics obtained from the Karnataka State Natural Disaster Management Cell (KSNMDC), Mysore district recorded just 0.2 mm rainfall against the normal 2.4 mm rainfall in January, 8.1 mm against the normal 3.9 mm in February, 12.6 mm against 11.2 mm in March, 60.1 mm against 61.3 mm in April and 80.9 mm against 78.8 mm in May (till May 29).

Seeds

The department hopes to distribute 30,421 quintals of certified seeds for sowing in the 2013-14 kharif season. It has already supplied 2,043 quintals of certified seeds of hybrid jowar and

pulses. Of this, 1,291 quintals have been supplied through the Raitha Samparka Kendra (RSK) units in the district.

Seed stocks lying with the department, the Karnataka State Seeds Corporation, the National Seeds Corporation and private parties would exceed 50,000 quintals. There would be no dearth of certified seeds, Mr. Krishnaiah said.

As far as distribution of fertilizers is concerned, the target for the current season is 96,300 tonnes. The department has a stock of 37,575 tonnes of fertilizers supplied by the Karnataka State Cooperative Marketing Federation and private companies.

As much as 10,719 tonnes have been distributed to farmers in the district, Mr. Krishnaiah said.

Managing the ecosystem

Managing the catchment of rivers needs to figure high on the list of priorities if a city wants to be sustainable and just in its water supply, says S. Vishwanath



A city needs a vast hinterland to support its population base as well as its economic engine.

From here will come the food, water and other resources to keep it going. Of these, water is a crucial limiting factor in the sense it has to be physically managed in large volumes to be delivered to every household daily.

Managing the catchment of the rivers which are the primary source of water will need to figure high on the list of priorities if a city wants to be sustainable and just.

On the other hand the city also needs large areas of land downstream to manage the vast streams of waste that flow from it. Solid waste generated needs land-fills as disposal areas. Liquid waste flowing through streams need large areas too for absorption of the nutrients.

Deceptively beautiful

In a strange conundrum the valley of the Vrishabhavati is one of the greenest areas around Bangalore while the surrounding areas suffer from drought and a shortage of water. The city generates waste-water in the millions and about 500 million litres per day flows out in the Vrishabhavati valley. The Byramangala reservoir, spread over 420 acres, receives all this water. It is a surprisingly scenic spot and deceptively beautiful. Built in 1940 this reservoir continues to provide irrigation water through canals to many a farm field. The reservoir itself used to be a breeding ground for fish but all that has gone with the introduction of the African catfish into it. Downstream the waste-waters undergo a remarkable transformation. The soil, the vegetation and farmers transform this nutrient rich water into a green bounty. Slowly and surely, as the river progresses, one sees an improvement in the quality of the waters and by the time it joins the Arkavathy it can hardly be recognised as a foul-smelling black stream which leaves the city. The ecosystem service provided by nature is truly remarkable.

This is not to say that there are no problems. Industrial effluents should not enter the stream at all. Domestic sewage too should be treated to a certain minimum standards before release into the river. Groundwater in around 50 per cent of the borewells was reported as contaminated, especially with nitrates and bacteria, according to a study. Farmers and field workers too have been reported to suffer from skin disease and other ailments.

While source control and elimination of the problem there is the best way it is still true that these waters are now essential for the livelihoods of hundreds.

Can the city think of identifying the entire area of the Byramangala reservoir and its command area as a zone which produces ecological benefits and for which the city should support the land and its cultivators? Can this land be bought by the city and managed with the farmers and a palate of crops developed which will not enter the food chain of the residents of Bangalore?

Can the villagers downstream be supported to access safe water and also be rid of the disease impact of using the waste-water?

Can we think other than conventional waste-water treatment plants, say vast bio-diverse managed wetlands to clean the sewage that emanates from our city and for which each and every citizen is personally responsible? Can the institutions in our city rise up to the challenge and can the city become ecological and waterwise? If any city can be the first, this city has a fair shot at it.

'Project Ananta' gets green signal

Anantapur district is all set for the launch of a new pilot project aimed at development of the drought-prone districts with the Planning Commission giving its 'in principle' approval to the "Project Ananta" on Thursday.

"The Planning Commission appreciated the effort being put in to make a difference," said Congress MP from Anantapur, Ananta Venkatrami Reddy. The Rs.7,830-crore project christened "Project Ananta" had been designed after the submission of a report by the Indian Council of Agricultural Research (ICAR) after extensively touring the district, taking into consideration the topography, climate and available resources, said Mr. Venkatrami Reddy.

The government currently spends over Rs.1,000 crore as input subsidy, crop insurances, beside other compensatory measures, to ease the financial stress of the farmers.

The report prepared by the ICAR committee headed by Director General of ICAR S Ayyappan envisages a shift in agricultural topography of the district suggesting the farmers to go for cluster bean, pulses and horticulture while also taking up dairy and allied activities in a big way for employment generation.

The project would be the biggest ever aimed at tackling the problems of the district after the Desert Development Programme a decade ago.

Finance Minister Anam Ramanarayana Reddy said in Hyderabad on Friday that the Planning Commission assured the State in the meeting in New Delhi on Thursday that it would study the project in detail and pursue with the Agriculture Ministry for its early approval so that it could be implemented over a seven-year period .

Areca nut growers term ban on gutka a hasty decision

Representatives of areca nut growers' organisations have expressed displeasure over the State government's decision to ban gutka "in a hasty manner".

Narasimha Naik, vice-president of Malnad Areca nut Marketing Cooperative Society (Mamcos), told *The Hindu* that the government should have consulted the areca nut growers before taking the decision.

He said that, the decision would not have a major impact on the price of areca nut. Only a small quantity of locally grown areca nut was used for manufacturing gutka. There may be slump in the price of the areca nut for a short period. The prices of areca nut are sensitive to policy decisions. After the Union government increased the import duty on areca nut from Rs. 75 to Rs. 110, the

price of locally grown rashi idi, api varieties of arecanut had increased. Owing to the decision to ban gutka, farmers may sell the arecanut at their disposal in panic. Arecanut traders and middlemen may use this situation to their advantage, he said.

Kankodi Padmanabha, president of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Limited said that prior to taking a decision on banning gutka, the government could have formed a committee to study its impact on the price of arecanut. "The State government had time till July 13 to submit compliance report to the Supreme Court on banning gutka. It has acted in a hasty manner," he told presspersons here on Friday.

He said the Union government should immediately impose ban arecanaut import. The low quality arecanut imported from Thailand and Bangladesh was used for manufacturing gutka owing to which the demand as well as the price of locally grown arecanut had come down.

President of the Karnataka State Cooperative Apex Bank R.M. Manjunatha Gowda told presspersons that the government should immediately announce minimum support price for arecanut if there is a crash in its price owing to the ban.

UAS Raichur releases new crop varieties

The University of Agricultural Sciences, Raichur, has released some high-yielding and disease-resistant varieties of crops, said C.R. Konda, head of the Agricultural Research Station, here on Thursday. He was speaking at a pre-monsoon training programme for farmers at the Krishi Vigyan Kendra (KVK).

Green gram varieties, such as 'Selection-4 and 'BGS-9' have gained popularity across the State.

They are easier to harvest and fetch a higher price than their traditional counterparts, he said.

UAS will also introduce new varieties of black gram, red gram and soya which are high-yielding and more profitable.

Field trials of a new variety of the traditional aromatic 'ratan sagar' rice are nearly complete, he added.

'Save seeds'

Mr. Konda urged farmers to save seeds and not depend on the government or seed-producing private companies in the sowing season. "Seed-saving is part of our farming culture. We should continue to save and protect seeds," he said.

Ravi Deshmukh, programme coordinator, said farmers could sell their produce in stalls on the KVK campus, and advertise their products on the KVK website (www.kvkbidar.in).

Milk producers' union to provide loans to farmers

Make use of facilities to increase production: Reddy

G. Somashekar Reddy, chairman of the Karnataka Milk Federation, has said that the Raichur, Bellary and Koppal (RBK) Milk Producers' Union has plans to extend loans and other facilities to farmers and urged the latter to utilise such facilities to increase milk production.

Inaugurating the first floor of the Krishna Nagar Cooperative Milk Producers' Union at Krishna Nagar camp in Bellary taluk on Friday, Mr. Reddy said that loans and facilities such as providing cattle feed, artificial insemination and milking machines were being extended to farmers by the RBK union to enable farmers to increase milk production.

The ice-cream unit being set up on the RBK union's premises at an estimated cost of Rs. 10 crore would be inaugurated on June 21, Mr. Reddy said.

Mr. Reddy complimented Chief Minister Siddaramaiah for enhancing the milk procurement price from Rs. 2 a litre to Rs. 4.

M. Satyanarayan, president of the RBK union, who presided over the function, said that 22 buildings had been constructed at various places at a cost of Rs. 44 crore under the stewardship of Mr. Reddy, and the union was on the path of development.

Venkateshwar Rao of the Krishna Nagar union; Suresh Kumar, managing director of the RBK union; Satyanarayan, member of the gram panchayat, and members of the executive committee were present.

Growers' association opposes ban on gutka

'Government's decision will hit farmers hard'

The Arecanut Growers' Association has criticised the State government for banning the sale of gutka and said that it would adversely affect growers in the State.

Arecanut growers, who had been hit hard by the price crash in the past two years, were happy in the last few months as the price had stabilised. The growers thought that they could make good the losses they had sustained. The association urged Chief Minister Siddaramaiah to convene a meeting of growers and gutka producers and discuss the matter with them before imposing the ban.

Addressing a press conference here on Friday, S. Mallappa Gowda, convener of the district Arecanut Growers' Association said that the government had imposed the ban under pretext of

safeguarding health. If it was so concerned with public health, the government should ban cigarettes and liquor, he said.

He urged the government to revoke the ban on sale of gutka till cigarettes and consumption of liquor were banned. The mandatory warning printed on every cigarette pack that smoking was injurious to health was not sufficient to prevent people from smoking. A similar warning could be printed on each packet of gutka. He suspected that the government had yielded to the cigarette and liquor lobby and imposed the ban on gutka. The ban would discourage arecanut growers and pave the way for gutka being sold in the black market at high prices.

Fewer cultivators, farm labourers in TN



The HinduFile photo shows farm labourers engaged in paddy transplantation work at Kurvimalai village in Tamil Nadu's Kancheepuram district.

The latest 2011 census has recorded a decrease in the number of cultivators and agricultural labourers in Tamil Nadu.

As per the census, only 42.1 per cent of the total workers were involved in agricultural activities, compared to 49.3 per cent in 2001.

There were 32.9 million workers in the State, of which 4.25 million are cultivators and 9.6 million agricultural labourers.

The total number of cultivators in 2001 and 2011 were 18.4 per cent and 12.9 per cent, while agricultural labourers during the period were 31 per cent and 29.2 per cent respectively.

“More than half of females (54.9 per cent) are engaged in agricultural activities, whereas one-in-three males (35.3 per cent) are engaged in this sector,” the report said.

During the decade 2001-11, there was a fall of about 8.7 lakh cultivators.

The total number of workers in the state in 2011 were 32,884,681, of which 18,861,330 were in rural and 14,023,351 in urban areas.

The work participation rate in 2001 and 2011 census were at 44.7 per cent and 45.6 per cent respectively.

Villupuram district in north Tamil Nadu has the highest number of cultivators and agricultural labourers at 3.7 lakh and 8.3 lakh respectively.

Zero-budget farming in Vithura

Farming is no ‘hobby’ for Abu Dhabi-based businessman Rohini Vijayan Nair from Vithura.

Realising that the rooftop garden at his flat in Abu Dhabi is just too small for his experiments, this agri-enthusiast has now taken up farming in 100 acres of land at his hometown here.

“I needed to do a little more than terrace cultivation and thus took to farming in 100 acres of rubber plantation last year,” says Mr. Nair, who manages to juggle farming in Kerala and business abroad.

Thanks to his effort and willingness to take up farming amidst his busy schedule, the land is now full of medicinal and indigenous plants, tropical trees, and various fruit trees along with rubber trees. He has also taken up banana and cashew cultivation.

But unlike other farmers, this man wanted to make sure that his farming techniques did not, in anyway, affect the natural pattern of the soil and land. The search for a suitable farming method finally ended with the zero-budget natural farming advocated by noted agricultural scientist Subhash Palekar.

“The method involves using locally obtainable natural bio-degradable materials and traditional techniques to improve fertility. Though it is not ‘zero-budget’ here as many other factors such as the State’s climate and the labour cost have to be taken into account, it is a highly successful model,” Mr. Nair says.

Test farm

And those who need proof of how beneficial and environment-friendly the method is, Mr. Nair has a test farm. In three sections of this land, he has been using bio-fertilisers, chemical fertilisers, and ‘Jeevamritham’ (fertilizer used for zero-budget farming), separately.

“When visitors ask me how nature-friendly the technique is, I want to show them the results of the three types of farming, their pros and cons. When they see the test farm and the produce, they themselves will understand how profitable budget farming is,” Mr. Nair says. He has now joined hands with the Krishi Bhavan and has dedicated 25 acres of his land for vegetable cultivation, expecting to reap the harvest during Onam.

His date with farming does not end here. He takes classes for school children and organises field trips to his farm for them.

He says that many people have land but are not willing to cultivate. "But the younger generation is willing to listen and if we inculcate an interest in them, may be we can bring back what we have lost," Mr. Nair says.

91.6 mm rain brings city to its knees

The city was brought down to its knees with the heavy rain that beat down for a good part of Friday evening. The Bruhat Bangalore Mahanagara Palike's (BBMP) new Commissioner, M. Lakshminarayana, who took charge on Friday, got a taste of what is in store for him over the next few monsoon months.

For the record, the rainfall was 91.6 mm.

The extent of the BBMP's rain preparedness was exposed when water rushed into several homes and flooded roads across the city. The BBMP's control rooms were flooded with distress calls.

The downpour threw life out of gear, especially those on their way back from work. Rainwater stagnated on many arterial and sub-arterial roads, affecting traffic in as disparate as Bannerghatta Road, Richmond Town, Shivananda Circle, Koramangala, Shantinagar, Silk Board Junction, Mysore Road, M.G. Road, Brigade Road, Trinity Circle and so on. With roads turning into rivulets, many vehicles, especially two-wheelers and autorickshaws, were stranded, affecting vehicular movement even more.

Homes flooded

Once again, the Gali Anjaneya temple on Mysore Road was inundated. Several houses in Padmanabhanagar, Jayanagar, J.P. Nagar 2nd Phase, Vijayanagar, HAL 2nd Stage, Varsha Layout in C.V. Raman Nagar, HBR Layout, HRBR Layout, Nagawara, Austin Town, Ulsoor,

Rajajinagar, Bilekahalli, Palace Guttahalli, Srirampura, Prakashnagar, Magadi Road, Akkipete, Rajagopalanagar, Journalists' Colony on J.C. Road, Sudhamanagar, Gurappanapalya, Vivekanagar, Chamarajpet, and Roshan Nagar in D.J. Halli and parts of Shivajinagar were inundated. Tree falls were reported in Hosakerehalli, BTM Layout and Srinivasanagar. Sewage entered several houses in Prakashnagar as the lines in and around the area have been blocked. Residents were scathing about civic officials who had ignored their pleas all week. "We can't even cook to feed our children," rued Nirmala "This is sheer negligence on part of the BBMP and BWSSB officials and they should be held responsible for the mess."

Belongings destroyed

Sameer Ali, a resident of Roshan Nagar, said that more than 30 homes were flooded. "All our provisions and belongings have been washed away in the rain. We don't know where to take our young children for the night."

Local councillor Sampath Raj told *The Hindu* the low-lying area often gets flooded, even with a short spell of rain. Though a Rs. 60-lakh project to construct a storm-water drain had been sanctioned around six months ago, nothing has moved since then. "Work was stopped suddenly around four months ago. The officials are unresponsive," he lamented.

Meanwhile, Mr. Lakshminarayana met zonal commissioners to ascertain the city's rain preparedness. He directed them to monitor the control rooms and dispatch the emergency teams immediately wherever required



THE TIMES OF INDIA

Endosulfan Virodhi Horatha Samiti meets Khader, agrees to put off protest

The Endosulfan Virodhi Horatha Samiti, which has decided to hold a protest at Freedom Park in Bangalore on June 7, has postponed its protest.

The samiti has decided to wait and watch till July 15 following assurances from health and family welfare minister UT Khader.

Samithi president Sridhar Gowda told TOI that the members met the minister in Mangalore a couple of days back and that he had asked for a month's time to resolve the issue. Hence, we have decided to wait," he said. He said a positive point which emerged from the meeting with Khader was that he had planned to constitute a committee of experts to look into the issue, which he would head. Gowda said the government has to take the issue of rehabilitation and compensation to victims of endosulfan poisoning seriously. Gowda is visually impaired due to alleged endosulfan poisoning. The committee had earlier decided to protest on May 21, which was postponed to June 7 to give time to the newly elected government to take stock of the situation. The samithi has placed a 12-point charter of demands which includes one-time Rs 5 lakh compensation and Rs 5,000 monthly pension; permanent rehabilitation centre for each taluk and day care centre for a cluster of five villages; free scanning for pregnant women and DNA testing for youth of marriageable age; free bus pass; skill development training and employment to a member of each affected household.

hindustantimes

Chennai - INDIA

Today's Weather



Saturday, Jun 1

Max Min

Cloudy

36° | 26°

Rain: 0

Sunrise: 05:41

Humidity: 59

Sunset: 06:31

Wind: normal

Barometer: 1004

Tomorrow's Forecast



Sunday, Jun 2

Max Min

Cloudy

35° | 27°

Extended Forecast for a week

Monday

Tuesday

Wednesday

Thursday

Friday

Jun 3

Jun 4

Jun 5

Jun 6

Jun 7



35° | 25°

35° | 27°

35° | 27°

35° | 25°

35° | 25°

Cloudy

Overcast

Overcast

Overcast

Overcast

Poor water storage drains kharif sowing

(in lakh hectares)

Lower acreage*		
Most crops trail		
Crop	2013	2012
Rice	3.53	4.2
Oilseeds	0.38	0.69
Sugarcane	41.24	46
Cotton	11.86	10.4
Jute	7.83	7.71

*as on May 30 Source: Ministry of Agriculture

Kharif sowing in most crops, barring cotton, is trailing compared with the corresponding period last year as the water storage has dropped to zero in at least nine of the 85 important reservoirs in the country.

Besides, the storage level in three other reservoirs is below 10 per cent of capacity.

According to the Agriculture Ministry data, sugarcane, rice and oilseeds have been affected the most.

A Central Water Commission data showed that Maharashtra, Andhra Pradesh, Kerala and Tamil Nadu are the worst affected by the poor water level.

In Tamil Nadu, the level is 88 per cent lower than the normal storage, while it is 47 per cent lower than normal in Andhra Pradesh.

This explains for the poor progress in kharif rice sowing. Till now, rice has been sown on 3.53 lakh hectares against 4.2 lakh hectares during the same period a year ago.

A 27 per cent lower than normal storage level in Maharashtra is seen as the reason behind slack planting in sugarcane.

Sugarcane acreage is trailing at 41.24 lakh hectares against 46 lakh hectares during the same period a year ago.

Oilseeds acreage is down by almost half at 38,000 hectares against 69,000 hectares a year ago. This could mean that summer groundnut crop could be lower. Sowing in other oilseeds such as soyabean, the main kharif crop, begins after initial monsoon showers lash the country.

Cotton has been planted on 11.86 lakh hectares against 10.4 lakh hectares a year ago. Most of the coverage has come in from North India. Sowing in jute and mesta is also lower.

The Central Water Commission data showed that currently, the 85 reservoirs have a water storage level that 21 per cent of the 154.87 billion cubic metres capacity.

Last year, the level was 20 per cent and in the last 10 years, the average level has been 19 per cent.

Bangladesh plans to set up rice silos, begin exports



A view of a grain silo.

In three years time, India could be up against another competitor in the rice market from the Bay of Bengal region. Bangladesh is likely to join Myanmar as a key rice exporter once its plans to set up a silo to store 1.5 million tonnes of milled rice.

“Bangladesh plans to set up a silo for milled rice under build, operate transfer basis. Under this, the Government will take over in a year or two in contrast to India where private players operate it for 20-30 years,” said Munishwar Vasudeva, Chief Executive Officer, Eco Agri Forum Consulting Services. Vasudeva is involved in getting the project done for Bangladesh.

The basic cost for setting up the rice silo in Bangladesh is likely to be \$240 a tonne minus the land cost. The cost is higher compared with India. This is because the soil in Bangladesh is soft in some places, while the water table is high. Therefore, the cost of laying pile foundation is high. “It is at least four times costly,” said Vasudeva.

“We have finished the first phase which is from conceptualisation to preparing tender documents. The World Bank with Bangladesh is likely to float a tender by August and possibly the bidder could be shortlisted by October. After that it is a matter of 24 months, which means by end of 2015,” he said.

This is time limit that India has set to come up with 40 silos to store some two million tonnes wheat. Bangladesh’s effort come at a time when it is facing problems with rising rice production. During 2012-13, it produced 34.2 mt up almost half a per cent. At the same time, its rice imports, mainly from India, dropped to a 16-year low of 27,700 tonnes.

“Bangladesh is planning to export rice. But lack of sufficient warehousing and port infrastructure is hindering its plans. Once the silos are in place, it will be export,” Vasudeva said.

Interestingly, Bangladesh move to construct rice silos has come when Food Corporation of India is against constructing such storages. What is the problem in India? “It is the mindset of people here,” Vasudeva said.

According to J.S. Oberoi, Head of Infrastructure Projects, LT Foods Ltd, rice in is stored for the public distribution system in the form of paddy and then milled according to requirement.

Therefore, rice silos may not be needed in India.

“Only small size silos can be constructed for rice since it tends to break more easily. The bin or the storage can only be in the range of 2,000-2,500 tonnes only,” said Oberoi. LT Foods is using such rice silos for its own captive use but without temperature and moisture control.

“We must change. We can store rice at a lower temperature of 15 degrees Celsius and a relative humidity level of 12 per cent so that it doesn’t break. Thailand has facility for such storage,” Vasudeva said.

“Of course, silos may have to invest extra on chillers but a rice silo will cost only one-and-a-half time more than a wheat storage that costs some \$140 a tonne,” he said.

Milled rice’s endosperm is exposed to storing conditions during storage which reacts very fast with the humidity and temperature and has tendency to get spoiled. Rice stored specially in chilling condition can be stored for about three years.

Vasudeva says milled rice storage makes a lot of sense than even wheat. “China was doing bulk storage of paddy but it now is of the view that is more economical to store rice as paddy husk is about makes up 20 per cent, rice bran six per cent and broken 15 per cent. China will switch over slowly to storage of brown rice and later to milled rice to save operation costs,” he said.

According to the Food and Agriculture Organisation, post-harvest losses are more in rice than wheat and the solution is bulk handling and storage. It will make a lot of sense for India to store either paddy or rice in bulk preferably paddy.

Vasudeva was among the first one in India to convince basmati rice millers to store paddy in bulk since 2000 and today, all rice mills are conceptualised with steel silos.

India retains Chairmanship of global rubber study group

India has retained the Chairmanship of the International Rubber Study Group (IRSG), an intergovernmental organisation of rubber producing and consuming countries based in Singapore.

The decision was made unanimously at the meeting of the Heads of Delegations (HOD) of the Group in Singapore. Head of the Indian delegation to IRSG, Sheela Thomas, Chairman of the Rubber Board, would officiate as the Chairman of IRSG representing India. India has been chairing the Group since 1, July 2011 and now will remain as the Chairman for two more years commencing from July 1.

The meeting was a part of the 46th Assembly of Nations of IRSG held from May 20 to 24.

The European Union (EU) was re-elected as the Vice-Chairman of the Group for the next two years.

Spot rubber prices firm

Physical rubber prices were steady on Friday.

According to observers, the market remained neutral despite a weak closing in domestic futures on supply fears.

“We might witness further decline in arrivals once south west monsoon sets in”, an analyst said.

Sheet rubber finished unchanged at Rs 169.00 a kg both at Kottayam and Kochi, according to traders and the Rubber Board.

Volumes were dull.

In futures, June contracts weakened to Rs 166.77 (Rs 167.28); July to Rs 164.60 (Rs 166.30); August to Rs 162.88 (Rs 164.55); September to Rs 161.50 (Rs 162.82) and October to Rs 160.03 (Rs 162.00) for RSS 4 on the National Multi Commodity Exchange .

RSS 3 (spot) improved to Rs 171.26 (Rs 170.96) at Bangkok.

The June futures closed at ¥246.5 (Rs 138.57) on the Tokyo Commodity Exchange.

Spot rubber rates at Rs/kg were: RSS-4: 169.00 (169.00); RSS-5: 165.00 (165.00); Ungraded: 157.00 (157.00); ISNR 20: 157.00 (157.00) and Latex 60%: 108.00 (108.00).

Allahabad High Court stays import of white poppy seeds

The Allahabad High Court has stayed import of white poppyseeds into the country until the next hearing. The case has been listed for further orders on July 1. The order was issued by a Bench on May 16 following a public interest petition against import of a particular country.

The petitioners contented through a PIL that “the annual imports of white poppy seeds allowed into India from a particular country (mentioned in the writ petition as well as the application dated May 9 far exceeds the annual legitimate domestic production of that country.

Earlier, on an application filed for modification of the order dated April 18, in which the Bench directed as an interim measure that the import of ‘khas kas’ shall not be made from the countries which are not notified or permitted by the Government of India or any other competent authority.

“We, therefore, in addition to our earlier direction, further direct that the import of poppy seed shall be made strictly in terms of the Import Policy read with the Notification No. 19 (RE-

2012)/2009-2014 dated 5/10/2012, failing which, the Court may take serious view of any contravention, if made, the order said.

“We had earlier directed the matter to be listed on 06.05.2013 before the appropriate Bench.

However, the learned Assistant Solicitor General appearing on behalf of the respondents prays for 3 weeks time to file counter affidavit to the main writ application as well as the supplementary affidavit so that the writ petition can be disposed of. We, accordingly, modify our earlier order and direct the matter to be listed on 16.5.2013”.

After hearing both the parties, the Court “ordered on 24.4.2013 that illicit cultivation, sale, smuggling of poppy is notorious for its potential of funding drug mafias and terrorists. Therefore, the same cannot be taken lightly, and needs to be checked at the earliest”.

The Single Convention on Narcotic Drugs, 1961, the Convention on Psychotropic Substances, 1971, and the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, are aimed at controlling illicit production and traffic of such substances.

India has signed and ratified these three conventions.

Accordingly, an import policy has been framed. It permits import only from 16 (earlier 13) named countries in which the production and trade is supervised and controlled.

Meanwhile, some of the traders claimed that “poppy seeds are used for daily food consumption, such as sambar, sweets, curries”.

India imports 30,000 tonnes of it yearly, mainly from Turkey.

output

India produces about 20,000 tonnes and this year, Indian crop has been very low due to reduction in area for growing poppy seeds by the Narcotic Control Board, Gwalior.

The prices were claimed to at Rs 350-450 a kg following the stay on imports.

Cotton blooms on tight supply, mills' buying



Cotton price moved up on the back of demand from spinning mills. Limited arrival also supported the price higher.

According to traders, prices may gain further in the near future.

Gujarat Sankar-6 cotton increased Rs 200 to Rs 38,100-38,200 a candy of 356 kg, for South mills cotton stood at Rs 38,700-38,800.

V 797 cotton A grade was offered at Rs 27,300-27,800.

Cotton ready delivery was quoted at Rs 4,100-4,200 a quintal in Punjab, Rs 4,020-4,045 in Haryana and Rs 4,040-4,060 in Rajasthan.

About 10,000 bales (170 kg) of cotton arrived in Gujarat and 32,000 bales arrived across the country.

Kapas or raw cotton traded higher by Rs 5-7 at Rs 950-1,000 for 20 kg.

A broker said that domestic mills are covering the stock for the end of the season time as supply is very thin.

Traders said that tight local supply position may continue to support prices in coming days.

Groundnut surges on cues from Saurashtra



Groundnut and cotton refined oil increased Rs 15 and Re 1 for 10 kg each on Friday, tracking spurt in main producing centre, Saurashtra, where groundnut oil shot up further by Rs 20.

Thin volatility in Malaysian palm oil futures and weak domestic currency kept other edible oils unchanged.

Lack of fresh demand from stockists on last day of the month, curbed overall volume.

Sentiment was firm after higher Malaysian palm oil closing, said sources.

Soyabean arrivals were 65,000-70,000 bags including 35,000 bags in Madhya Pradesh and its prices were Rs 3,800 ex-mandi and Rs 3,900 for plant delivery.

Mustard seed arrivals were 2.20-2.25 lakh bags and the prices were Rs 3,020-3,550. Towards the day's close, Liberty was quoting palmolein at Rs 515-517, super palmolein Rs 553, super deluxe Rs 573 and sunflower refined oil Rs 780.

Ruchi was quoting palmolein at Rs 515 for June 10, soyabean refined oil Rs 668, sunflower refined oil Rs 765.

Allana quoted soyabean refined oil at Rs 672 for July 10-20. In Gujarat, palmolein ex-Kandla was quoted in the range of Rs 505-510.

In Saurashtra – Rajkot, groundnut oil extended gains by Rs 30 to Rs 1,590 for *telia* tin and by Rs 20 to Rs 1,030 for loose (10 kg).

Malaysian BMD crude palm oil's June contracts were at MYR 2,360 (MYR 2,326), July MYR 2,392 (MYR 2,369) and August MYR 2,399 (MYR 2,372) a tonne.

The Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 1,045 (1,030), soya refined oil 667 (667), sunflower exp. ref. 675 (675), sunflower ref. 765 (765), rapeseed ref. oil 695 (695), rapeseed expeller ref. 665 (665) cottonseed ref. oil 642 (641) and palmolein 508(508).

Vikram Global Commodities, Chennai quoted Malaysian super palmolein at Rs 560 ex-Chennai.

Pepper demand seen rising before monsoon sets in



Pepper prices fell on Friday and was nearly steady with all the active contracts showing a marginal decline.

Arrivals continued to fall as growers were hesitant to sell at lower levels.

Besides, rains in growing areas were also affecting the supply, market sources told *Business Line*.

Domestic demand was picking up as the buyers were keen to stock before the onset of the monsoon.

On the spot, around 35 tonnes of pepper arrived and were all traded afloat at an average price of Rs 337 a kg.

Due to the summer showers in the pepper growing regions of Kerala, the pepper arriving at present has high moisture content, the trade claimed.

June contract closed at Rs 35,600 a quintal and July at Rs 35,700 and August surged by Rs 191 to close at Rs 35,966 a quintal.

Total open interest dropped by moved up by one tonne to 45 tonnes.

Total turn over decreased by seven tonnes to 47 tonnes.

Total turn over declined by one tonne to 44 tonnes.

Spot prices remained unchanged at Rs 33,700 (ungarbled) and Rs 35,200 (MG 1) a quintal on matching demand and supply.

Indian parity in the international market was at \$6,500 (c&f) for June shipments and at \$6,600 a tonne (c&f) for July.

Weak rupee may turn pulses dear



Pulses and pulse seeds ruled flat in Indore amid subdued demand and buying support.

Masoor (bold) ruled at Rs 4,200-50 a quintal, while masoor (medium) ruled at Rs 3,800.

Masoor prices have been witnessing a downtrend for the past two weeks on weak demand and buying support.

Arrival of three lakh tonnes of masoor in container on Mumbai port will likely to lend support to bearish sentiment in masoor in near future.

However, given steep depreciation of rupee against dollar and decline in domestic crop output, future of masoor appears to be bullish, if local traders are to be believed.

A fortnight back, masoor prices had gone as high as Rs 4,300 a quintal with demand outstripping arrivals.

Masoor dal remained unchanged at Rs 4,650-75, masoor dal (medium) at Rs 4,750-75, while masoor dal (bold) ruled at Rs 4,850-75.

Moong ruled steady on weak demand even as arrival of new moong in local mandis is gaining momentum.

On Friday, moong (bold) ruled at Rs 4,800-5,000 a quintal (down Rs 100 from last week), while moong (medium) ruled at Rs 4,300-4,500.

Decline in spot moong also dragged its dal with moong dal (medium) being quoted at Rs 6,300-6,400 (down Rs 100 from last week), moong dal (bold) at Rs 7,000-7,100 (Rs 7,200-7,300), while moong mongar ruled at Rs 7,200-7,300 also down Rs 100 from last week.

On the other hand, lack of demand and buying support, has dragged urad by Rs 100-150 with urad (bold) at Rs 3,450, while urad (medium) ruled at Rs 2,900-3,100.

Urad dal remained unchanged with urad dal (medium) being quoted at Rs 4,000-4,100, urad dal (bold) at Rs 4,600-4,700, while urad mongar ruled at Rs 5,600-5,900 a quintal respectively.

Prospects remain firm for sugar



Sugar prices on the Vashi market dipped further by Rs 4 in spot and by Rs 10 at naka level on Friday.

On expectation of higher demand at the start of the new month, the sentiment remained positive.

Mill tender rates were unchanged on improved demand from stockists leading to a higher volume at upper level.

The morale was steady and the undercurrent was firm, said sources.

Analyst told *Business Line*: "As crushing season comes to an end, the prospects for coming days remain firm. Ample supply from producers till now has kept physical market under pressure but in futures market prices showed uptrend this month."

Sources said that the Vashi market currently carries 100-110 truckloads of inventory.

Sugar prices in other main producing centres ruled at par with the parity of Maharashtra.

But traders here are optimistic about higher local demand before the onset of monsoon.

On Friday, arrivals in Vashi market were about 61-62 truck loads (of 100 bags each) and local dispatches were around 58-60 truck loads.

On Thursday evening, 15-17 mills offered tenders and sold 90,000-95,000 bags to local traders at Rs 2,920-2,990 (Rs 2,920-2,990) for S-grade and Rs 3,010-3,090 (Rs 3,010- 3,090) for M-grade.

On the NCDEX, sugar June futures was steady at Rs 3,016 (Rs 3,017), July Rs 3,056 (Rs 3,058) and August Rs 3,103 (Rs 3,105) till noon.

Bombay Sugar Merchants Association's spot rates were: S-grade Rs 3,072-3,151 (Rs 3,076-3,151) and M-grade Rs 3,172-3,351 (Rs 3,176-3,351).

Naka delivery rates: S-grade Rs 3,020-3,070 (Rs 3,030-3,080) and M-grade Rs 3,090-3,190 (Rs 3,100-3,180).

Bullish outlook for spot wheat



Dara wheat in physical market is expected to remain positive while futures market is likely to trade in a tight range in the coming days, said trade experts.

Restricted availability of stocks pushed dara wheat further up on Friday.

In the physical market, dara wheat went further up by Rs 10 and sold at Rs 1,475-1,480 a quintal. Mill delivery was at Rs 1,475, while delivery at the chakki was at Rs 1,480 . Desi wheat variety sold at Rs 2,300 .

Radhey Sham, a trade expert, told *Business Line* that situation of the market was anticipated.

Dara wheat remained in keen demand following low availability of stocks while flour managed to rule firm. Domestic demand is also giving good support to the market. New wheat arrivals have been continuous falling and traders expect that wheat prices may remain positive even in the coming days, he added.

In Delhi's Lawrence road market, a benchmark for the country, wheat mill quality traded at Rs 1,550-1,590 .

On the NCDEX, wheat for June contracts increased by Rs 18 and traded at 1,610 with an open interest of 18,840 lots. July contracts went up by Rs 18 and traded at Rs 1,628 .

According to the market experts, wheat futures are likely to stay positive in the coming days as arrivals of the new season wheat are gradually winding down. While, wheat spot prices on the exchange dropped by Rs 25 and traded at Rs 1,450 .

Flour Prices

Despite an uptrend in wheat, flour remained unchanged and quoted at Rs 1,700 . Similarly, Chokar ruled flat and sold at Rs 1,250-1,275 a quintal.

Business Standard

Farm growth at 2-year low of 1.4%



Paddy field image via Shutterstock

Agriculture growth dropped to 1.4 per cent, a two-year low, in the fourth quarter of 2012-13 due to a drop in kharif foodgrain production as well as rabi wheat output.

Wheat is the largest foodgrain grown during the rabi season, sowing for which starts around October-November and the crop is harvested around February-March. On a year-on-year basis, the growth of agriculture and allied activities, which included forestry and fishing, declined to 1.9 per cent, against 3.6 per cent in 2011-12. This is much below the targeted 12th five-year Plan (2012-13 to 2016-17) average annual growth rate of 4 per cent. Experts ascribed the fall in kharif production to the uneven southwest monsoon in 2012-13. While there was a chance of a strong recovery during the rabi season, it did not happen due to the estimated fall in wheat production.

"Less than even rains during 2012 not only impacted the kharif production, but it seems its effect lingered on to the rabi season as well, which is the reason why wheat output now seems

less than the official estimate," Ramesh Chand, director, National Centre for Agricultural Economics and Policy Research, told *Business Standard*.

According to the third advanced estimate of foodgrains production, wheat output in 2012-13 season (June to July) is expected to be 93.6 million tonnes, just 1.34 per cent less than last year's record production. However, experts say it should be much lower than that as arrivals in mandis have thinned faster than expected and procurement by state-agencies is expected to be 75 per cent less than the initial target of 44 million tonnes.

According to the official estimate, production of kharif foodgrains fell to 128.23 million tonnes, almost 2.31 per cent less than the previous year because of uneven rains. The southwest monsoon, which started on a brisk note in 2012, went for a long-break in between, before staging some recovery, leading to below normal overall rains.

The total precipitation in 2012 was almost 92 per cent of long period average (LPA). Rains between 90 per cent and 94 per cent of LPA are considered below normal. However, the India Meteorological Department (IMD) has predicted that rains would be normal in 2013.

Odisha's new food processing policy offers subsidy for mega food parks

In a bid to attract entrepreneurs to set up mega food parks and sea food parks, the Odisha government's Food Processing Policy-2013 promises capital subsidy up to 20 per cent of the project cost with cap of Rs 15 crore to the special purpose vehicles (SPVs) formed for the purpose.

"The subsidy can also be in the form of equity participation from the government," read the policy.

For setting up of industrial units in the parks, the policy allows 25 per cent investment subsidy of

the project cost (excluding land cost) with a cap of Rs 2 crore.

For women and SC&ST entrepreneurs, the subsidy will be 33 per cent of the project cost maximum up to Rs 3 crore. This will also be applicable for the units promoted in the KBK districts.

"The Odisha government has taken an initiative to bring out a food processing policy aiming at value addition and waste reduction of the farm produce thereby increasing the income of farmers, maximising direct and indirect employment generation opportunities, increasing the flow of investment across the supply chain from farm to market," said minister for Micro, Small and Medium Enterprise (MSME), Damodar Rout.

MSME department is the nodal agency for the policy.

Only 0.7 per cent of the total produce in Odisha is processed currently. The new policy aims to increase this to 10 percent by 2017 and 25 per cent by 2025.

The industrial units in the mega food parks and sea food parks will be eligible for reimbursement of 100 per cent VAT (value added tax) paid for a period of ten years limited to 200 per cent of fixed capital investment.

The policy ensures five per cent per annum back ended interest subsidy on working capital loan for first five years from commencement of operations of the units subject to a limit of Rs 5 lakh per year for five years.

This policy is in conjunction with Industrial Policy Resolution (IPR) 2007 and MSME Development Policy, 2009 and emphasizes on development of supply chain and infrastructure opportunities in rural areas and development of food parks providing various fiscal and non-fiscal incentives, Rout added.

Poultry players eye high realisation via lower volumes



Large, organised poultry meat producers have set their eyes on making 2013 a year of growth on value rather than volume. This follows a year, 2012, of low value realisation, thanks to low selling prices, high operational costs and rising input costs.

However, this change of strategy will mean growth in the domestic poultry (broiler) meat sector will remain muted during the current year.

Last year, operational costs went up significantly following a 25 per cent rise in the price of maize and more than doubling of soymeal prices, from Rs 22 a kg before June 2012 to Rs 45 a kg in August 2012.

As a result of controlled production of meat and 'hatching holidays' initiated by key integrators late last year, the price of poultry meat appreciated by as much as 65 per cent and even doubled in certain region during the first four months of 2013.

"Last year, prices were very low and we have seen input costs going up significantly, in the range of 50 per cent and above. Soya and maize prices increased by 75 per cent and 60 per cent, respectively, in the last one year. There are other factors like fuel cost and staff salary that added to our cost of production going up. But, prices did not increase at the same pace,"

Ardibudiono, head of marketing at Japfa Comfeed India Pvt, a subsidiary of Indonesian poultry meat and feeds maker Japfa, said.

He said production were low this year and prices was good. The company is hopeful of achieving better performance, he added.

The poultry meat sector grew 17.2 per cent to 3.4 million tonnes (mt) in 2012, compared to 2.9 mt in 2011.

Domestic poultry meat production (broiler - carcass weight) was less than a million tonnes in 2000. Per capita yearly consumption has increased from 0.8 kg to 2.8 kg during the last decade, according to a report by Icra.

The Indian poultry industry has been growing at around 8-10 per cent annually over the last decade, with broiler meat volumes growing at more than 10 per cent.

In 2012, the prices of poultry meat had crashed to as low as Rs 40 a kg, mainly due to volume growth.

To make matters worse, broiler realisations nosedived in the last quarter of 2012 on the back of oversupply and sporadic instances of 'bird flu' in certain geographies.

"Commercial poultry players are opting to cull the birds and also destroying eggs and not allowing birds to grow in a big way this year as they want to control volumes. All this, so that they can recover the losses they incurred last year due to high volume growth as retail prices did not increase in many regions," Ravi Kabra, senior analyst with Icra, said.

In 2013, the volume growth could be in the range of one to two per cent, he said.

During 2013, the average price of meat increased from Rs 40-45 a kg in June 2012 to over Rs 75 a kg in the first quarter of the current calendar year. In Bangalore, the prices shot past the level of Rs 100 a kg and are currently ruling at Rs 110 a kg for unbranded meat and up to Rs 160 a kg for branded meat.

The average price of live bird sold by Japfa has gone up 36 per cent to Rs 68, as against Rs 50 last year.

Icra, in its latest report on the poultry sector, said the industry is set to grow 8-10 per cent in the long term on the back of favourable socio-economic factors, like higher purchasing power, changing food habits and increasing urbanisation.

MEAT OF THE MATTER

|Growth in domestic poultry (broiler) meat sector will remain muted this year

|Poultry meat prices have risen 65% and even doubled in a few areas in the January-April period

|The average price of meat has risen from Rs 40-45 a kg in June 2012 to Rs 75 a kg in January-March 2013

|The poultry meat sector grew 17.24% to 3.4 mt in 2012 compared with 2.9 mt in 2011

|Poultry industry grew 8-10% annually through the last decade; broiler meat volumes grew about 10%