Editorial Comments

J&K Apple to fall far from the Tree

Central government has stepped in to help apple growers of J&K

The reorganization of Indian Landscape, post scraping of the special status of J&K, has spawned a volley of opportunities for Indian agriculture and also J&K agriculture. Newer avenues and opportunities have wedged open the once tight shut valley. To normalize and placate the residents of the valley, government will be implementing newer programmes and policies to bring J&K into the mainstream.

That exercise seems to have begun with the Centre's decision to procure apples cultivated in Jammu & Kashmir directly from farmers by the Government-run National Agricultural Cooperative Marketing Federation of India Ltd (NAFED). The payment will be delivered to bank accounts of the farmers through Direct Benefit Transfer (DBT) scheme. The entire procurement process is expected to be finished by December 15 through State's agencies. The announcement was in response to the reports of threats from terrorists who have threatened apple growers not to sell their produce in the market following abrogation of the special status given to J&K under Article 370 and bifurcation of the State into two Union Territories. State-run National Agricultural Cooperative Marketing Federation of India is expected to acquire 60% apples produced in the state.

Far removed from the policies and programmes of Indian mainland, J&K now has the opportunity to reap the benefits of many of them. For instance, the current move of procurement advocates co-operative marketing of agricultural produce to benefit farmers. The procurement will be made directly from genuine apple growers and the State administration will ensure direct payment in bank accounts of apple growers through DBT.All categories of apples i.e. A, B and C will be procured from all the apple producing districts in J&K as well as designated mandis (wholesale markets). Fair prices for various categories will be fixed by the price committee that includes a member from the National Horticulture Board. Quality Committee will ensure proper grading of varieties of apples.

The government has also decided to pump in Rs 8,000 crore to help apple and dry fruit traders in Jammu and Kashmir and refresh business sentiment in the Valley, which will include Rs 2,000 crore towards obtaining apples directly from the growers this season. The move will also be propitious for India as a whole as Kashmir accounts for production of 91% walnuts, 90% of almonds, cherry and saffron, and 70% apples in the country, which makes a total worth of Rs. 7000 crore annually. With government's resolve of increasing agri exports, addition of Kashmir products will broad base Indian offerings at the global market. These may open up investments in the hitherto estranged valley.

However, the task is more strained than it appears. For instance, NAFED may face some logistical glitches. There involves a whole set of infrastructural deficiencies and setting them right requires a good amount of investment, time and ground support. Establishing procurement centres, instituting grading and packaging facilities, arranging transport to finding labour in Kashmir valley for loading, arranging trucks for conveyance to carry procured apples from J&K across India, labour etc., are some of the works that beckon NAFED. The commission agents will also be left out in this procurement process as the government is planning a door to door procurement of apple.

Abrogation of article 370 has presented new opportunities for not only farmers in Jammu and Kashmir, but also to the rest of the country. The advances in logistics, technology and infrastructure that the rest of the country has experienced has so far eluded this region. With more inflow of investment and interest into this valley, J&K is bound to see changes in agri production and marketing, with apple leading the way.

Banana's Climate Trail

Banana yield is expected to come down considerably owing to climate change

Climate change has already started to ring alarm bells globally. Research and development in many parts of the world have dedicated their resources to study and arrive at solutions to many of the potential threats. Agriculture in most parts of the world, being critically dependent on climate, has become an important area of focus in this sense. While many studies have been conducted on the impact of climate on general agriculture production, specific studies pointing at important tropical crops are absent. Banana, an important tropical crop, has recently become an object of interest to researchers. A recent study has pointed out that climate change may lead to a significant decline in banana production in India, the world's largest cultivator and consumer of the crop.

Banana, an important fruit crop, providing food, nutrition and income to millions in both rural and urban areas across the globe, seems to take the beating at this hour of climate backlash. Researchers, led by Dan Bebber from the University of Exeter in the UK, studied both the recent and future impact of climate change on the world's leading banana producers and exporters.The study shows that 27 countries – accounting for 86 per cent of the world's dessert banana production – have on average seen increased crop yield since 1961 due to the changing climate, resulting in more favourable growing conditions.However, the study, published in the journal Nature Climate Change, also suggests that these gains could be significantly reduced, or disappear completely, by 2050 if climate change continues at its expected rate.It suggests that 10 countries – including the world's largest producer and consumer of banana, India and the fourth largest producer, Brazil – are predicted to see a significant decline in crop yields. The study also highlights that some countries – including Ecuador (the largest exporter) and Honduras, as well as a number of African countries – may see an overall benefit in crop yields.

It is bad news for India considering the impact this crop has on the lives of millions of farmers. To begin with India is the largest producer of this crop. A large scale decline in production of the crop is bound to deleteriously affect the farmers. Also, India is the largest consumer of this fruit and a decline in the fruit output would lead to import.The concerns therefore are multifold; highly nutritious and accessible fruit like banana will become costlier to an average Indian and the farmers' income from the crop would savagely decline.

The study has pointed out that by 2050, any positive effects of climate change on average global banana yields, though likely to continue, will be significantly lessened. Ten countries are predicted to show at least a negative trend, if not strong declines in yields. They include some of the largest producers such as India and Brazil, as well as Colombia, Costa Rica, Guatemala, Panama and the Philippines, all of which are major exporters. A warning has been issued and a deadline has also been declared. The countries that are expected to suffer worse can form a consortium and studies can be initiated to prepare banana for potential climate change. An open exchange of ideas is going to be critical. The practical solutions that already exist, scattered across banana producing countries, should be assimilated to develop a multipronged strategy or plan to combat the yield loss. Diseases such as Fusarium Wilt which are not only devastating and dependent on environmental conditions need to be studied. Investment in technologies like irrigation, tissue culture, protected cultivation, resistant cultivars can also make an impact on yield management. Agriculture in either case is a risky business. However, a proactive approach can save millions- their livelihood, their interest, their life!

Editorial Comments

Blended

Ethanol blending receives impetus

The government has approved an increase in the price of ethanol to be procured by public sector oil marketing companies (OMCs) from sugar mills for blending with petrol for the 2019-20 supply year from December 1. The Cabinet Committee on Economic Affairs (CCEA) has also allowed conversion of old sugar into ethanol. The move expected to help mills deal with the current overproduction of sugar will also be helpful in ensuring timely payments to farmers.

Currently the sugar situation in the country is that of surplus. The cash strapped mills are caught between maintaining the excess stock and payment to the farmers. The 2018-19 sugar season (October-September) will close with all-time-high stocks of 136 lakh tonnes (lt), which is equivalent to six months of domestic consumption. Even if production falls from 329.5 lt to a projected 270-280 lt in the new season and exports nearly double to 60 lt — the country consumes only 265-270 lt a year — stocks will remain at levels where mills will still struggle to pay farmers. As of now, the outstanding cane dues of over Rs 10,000 crore exists. These will mount further as crushing for the 2019-20 season begins in a month's time. To save the mills and cane growers, government has rested hopes in Ethanol.

Ethanol, a valuable by product of sugarcane industry is derived from molasses. Usually C molasses is allowed for the production of ethanol. Mills typically crush cane with a total fermentable sugars (TFS) content of about 14%. The un-crystallised, non-recoverable part goes into what is called 'C' molasses. One tonne of cane, yields 115 kg of sugar (at 11.5% recovery) and 45 kg of molasses (18 kg TFS) that gives 10.8 litres of ethanol.The molasses can, instead, be diverted after the earlier 'A' and 'B' stages of sugar crystal formation. Mills, then, would produce some sugar, as opposed to fermenting the whole sugarcane juice into ethanol. If ethanol is manufactured using 'B' heavy molasses (7.25% of cane and with TFS of 50%) around 21.75 litres can be produced along with 95 kg of sugar from every 1 tonne of cane.

Given the surplus sugar production in the country, the mills are allowed to produce ethanol from 'B' heavy molasses and directly from sugarcane juice. The CCEA has even approved use of sugar and sugar syrup for production of ethanol. However, the added bonanza is that mills would be getting higher rates for ethanol manufactured from the 'B' heavy and sugarcane juice routes. There is a huge incentive to produce ethanol today. This has been additionally facilitated by the government mandating 10% blending of petrol with ethanol. Between 2013-14 and 2018-19 (supply years), ethanol procurement by OMCs has increased from 38 crore litres to an estimated 200 crore-plus litres. Out of the latter, 32 crore litres is expected to be made from 'B' heavy molasses and sugarcane juice.

This would be a win win solution for mills, farmers and Indian consumers. Considering that India has been producing more sugar which often ends up stocked up as buffer, government has realized a more judicious way to convert the excesses into gains. If mills are able to divert more of cane juice for ethanol, it would mean producing less sugar. Since the country is producing too much sugar and is importing oil, the ethanol-blending programme is beneficial both for mills and for the country's balance of payments. Ten-per-cent blending requires 330 crore-odd litres of ethanol, which can now be produced through the 'B'-heavy molasses and sugarcane juice routes as well.

Editorial Comments

Onion – The perennial Tear Jerker

The price rise in onions has become a regular phenomenon

Onion prices once again attracted national attention as it travels upwards sending jitters across the politicians, authorities and consumers. The government is entrusted now with the responsibility of finding a solution without upsetting the producers as well as the consumers, as the elections in Maharashtra and Haryana being less than a month away. The desperation with which the government is pursuing the issue can be gauged from the controversial tender to import onions from Pakistan.

Since May this year, prices in wholesale markets across the onion-growing districts of Maharashtra have been increasing and the government has been exploring different options. The state-run MMTC had floated contracts for importing 2,000 tonnes of onions from 'Pakistan, Egypt, China, Afghanistan and other countries of origin'. Following sharp criticism, MMTC dropped Pakistan from the list of countries. The Centre also tried to restrict exports by sharply hiking the Minimum Export Price (MEP) to $850 per tonne. The government had also ended the 10 per cent export subsidy for the bulb. Anticipating a shortage, the central government had created a buffer stock of 57,000 tonnes, of which 18,000 tonnes have already been offloaded. Despite the efforts, government has not been able to rein in the rocketing prices.

The reasons behind price rise are varied. Primarily, the current increase in onion prices is a fallout of last year's drought and the delayed monsoon this year. To add to the woes, some onion-growing areas have reported excessive rain, and harvest period has been delayed by a week or so. Besides with Navarathri season bringing onion consumption to the lowest, price of onions has increased owing to low demand. While the cultivated area under rabi crop has decreased in Maharashtra, neighbouring Karnataka has received heavy rain during the harvest period for kharif crop, which has delayed the arrival of onion from Karnataka. If government data on onion production from the past five years is analysed, it can be seen that onion production in 2019 nearly halved in comparison to 2018.

Onion prices rise are notorious for the ripples they create in political circles. This innocuous vegetable that forms the base ingredient in Indian cuisine, and hence abundantly used by the Indian household, had in the past decided the electoral victory. Onions ended up as the decisive factor in the 1998 state elections in Delhi and Rajasthan, and were responsible for bringing down the central government in 1980. Hence any sway in the onion prices towards a costlier direction will elicit swift response from the government. The Price Stabilization Fund (PSF) was an important measure that was set up in this direction which was meant to help regulate the price volatility of important agri-horticultural commodities like onion, potatoes and pulses. The scheme provides for maintaining a strategic buffer of aforementioned commodities for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation. For building such stock, the scheme promotes direct purchase from farmers/farmers' association at farm gate/Mandi.

Although Union Minister Ram Vilas Paswan has asserted that rise in onion price was a "temporary phase", and assured that there is enough supplies in buffer stock to check price of the onion. It is believable that the supply disruption had risen because of floods in main-growing states like Maharasthra and Karnataka and the Center is sitting on a buffer stock of 56,000 tonnes to address any shortages. Despite the assurances, the country is wary of price rise and the panic is evident. Despite all the efforts Onion has remained a tear jerker. Price stabilization fund, buffer stock, hiking MEP, import decisions, have still not been able to solve onion price rise that happens every year. May be we need a different approach.