

CONTRACT FARMING FOR EXTRA LONG STAPLE COTTON CULTIVATION

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Introduction

Cotton is the principal commercial crop of India grown in 92 Million Hectares. The area under Extra Long Staple cotton is estimated at 3.5 lakh acres (2006-07). Per hectare yield in India is at lowest level compared with other countries like Israel , Australia ,Syria , Turkey , China and USA and the quality does not measure up to world standard.

In India, though we have the required climatic condition for cotton production and other basic infrastructure, the production of cotton has not increased to the expected level. Further the agricultural produce does not fetch good price due to various reasons. In these circumstances, we are in a situation to choose the right crop for cultivation which is profitable to the farmers. It is evident that COTTON Is the best choice, which can be grown with a very less investment.

Super Spinning Mills started its spinning operations with 12000 spindles. With a steady progress and growth now it has 4 spinning units with 1,83,008 spindles capacity. Super Spinning Mills require 3 lacs bales per annum for its consumption. Super Spinning Mill sources quality cotton from other parts of the country and abroad for its requirement.

Indian Cotton Scenario

In India there is an urgent need to increase productivity due to (1) availability of cheaper and better lint through import (2) Cost escalation in agro inputs and farm labour and (3) Higher volume requirements of cotton for spinning industry. Also the cotton industry is facing problems on the quality front viz., Admixture of different cotton fibres at farmer level and in ginning industries , High trash content, High foreign fibre contamination (like Jute, Polypropylene and Hair) , Improper ginning & false packing and Inadequate fibre qualities to make suitable end products.

Integrated Cotton Cultivation Programme for ELS

In order to meet out all these requirements, Super Spinning Mills has started growing cotton through its Integrated Cotton Cultivation Programme with the following objectives:

1. To improve productivity (yield/acre) by adopting innovative farming techniques.
2. To minimize input cost by soil specific fertilizer application and Integrated Pest Management techniques.



3. To educate and train farmers in post-harvest techniques to produce contamination free high quality cotton and
4. To create Win-Win position for both farmers and Spinning Mills.

Implementation procedures of Integrated Cotton Cultivation Programme for ELS

a) Selection of programme area: Different clusters of villages are selected for growing ELS variety / hybrid of cotton based on the soil fertility, irrigation and agro climatic conditions.

b) Discussions with Farmers and Village and group formation: Agro – technocrats discuss with farmers on the advantages of the programme. Progressive farmers who are willing to join our programme are selected.

c) Identification of Group Leaders: Group Leaders are selected to co-ordinate between the farmers and the contract farming committee. These group leaders are vital links who act as animators.

d) Seed Distributions: Certified and freshly packed seeds are given which are sourced directly from the manufacturers. To protect against sucking pest attack, seeds were treated with effective pesticides.

e) Sowing Operations: Depending on the vegetative growth and duration of hybrid/varieties, spacing is altered (row to row and plant to plant). For gap filling, extra seeds are sown in poly bags and kept as reserves. This ensures sufficient plant population for higher yield.

f) Crop Loan: Super Spinning Mill enters into a tie-up arrangement with one the nationalized /private banks for providing cotton crop loan to the contract farming farmers to enhance productivity. Farmers who are willing to avail crop loan have to provide required documents to the bankers. A maximum loan amount of Rs.8000/- per acre is recommended. Loan amount is disbursed as cash in two installments during (a) Weeding and (b) Harvesting. Kind portion is given in the form of Fertilizers, Micro nutrients, plant growth regulators and pesticides to the farmers. Mill stand as a surety to the banker for the crop loans provided to the contract farming farmers.

g) Crop Insurance: Mill arrange for crop insurance. Since the farmers are not able to pay the full extent of premium, a portion is subsidized by the Mill.

h) Field Support: Mill field personnel are specially trained in cotton crop cultivation. Each supervisor monitors a block of 150-200 acres of cotton field. Each supervisor will visit the farmer fields once in a week.



i) Additional guidance by experts: Technical experts from Tamil Nadu Agricultural University and Government Agricultural departments are taken to the farmer fields for 1) Educating the farmers, 2) Accurate diagnosis of pest and diseases and 3) Remedial measures.

j) Agro Input Distribution: Fertilizers and pesticides are sourced from the manufacturers directly and delivered to farmers at cost price. Correct and timely application of agro in-puts by farmers are ensured by our field supervisors.

k) Integrated Pest Management: IPM technology is implemented to reduce the usage of plant protection chemicals and also to improve the fibre quality.

l) Plant Protection Sprayers: A group of farmers are provided with imported sprayers at free of cost for spraying micro-nutrients and pest management.

m) Cotton Cloth Bags: COTTON CLOTH BAGS are provided to the farmers for free of cost, for packing of seed cotton. Jute and polypropylene bags are strictly banned.

Pre – Harvesting training: Farmer groups are trained to harvest the seed cotton (kapas) from fully matured and open bolls only. Method demonstration to harvest clean seed cotton (kapas) in the morning time to avoid dust and dried leaves.

Seed Cotton Procurement Procedure:

a) Pricing of Seed Cotton: Prevailing market price at the time of procurement is taken as base price. Premium will be paid at the end of the season after consulting with the group leaders.

b) Seed Cotton Procurement: Procurement starts as soon as the farmers are ready to handover the stock. Farmer has to bring the seed cotton only in the COTTON CLOTH BAGS provided to them.

c) Payment Procedure: Payment is settled within three days of procurement. Sale proceeds directly remitted to the bank for those who availed loan. After closing crop loan, farmers can withdraw the balance amount from the bank.

d) Shipment of Seed Cotton for Ginning: Seed cotton packed in cloth bags are segregated variety/hybrid wise and sent for ginning. Identification tags are attached.

Feed back Meeting:

At the end of the season feed back meeting is organized. Officials from Government Agricultural departments and Tamil Nadu Agricultural Universities are called for the meeting.

Recognition:

Prizes are distributed to the highest yield achievers.



Benefits enjoyed by the ICCP farmers:

| Particulars | Other Farmers | ICCP Farmers |
|---------------------------|----------------------|------------------------------|
| Yield per acre | Average | 15-25% Incremental Yield |
| Input cost minimization | Nil | Rs.1000 to Rs. 1500 per acre |
| Crop loan interest | 12% | 8.5% |
| Premium price | Nil | Rs.200 + Rs.300 per Qtl |
| Payment for seed Cotton | 30-60 days | Within 3 days of procurement |
| Crop insurance coverage | Not available | Available |
| Proper Technical guidance | In-adequate | Continuously available |

Benefits to the Mill

| Particulars | Market Cotton | ICCP Cotton |
|--|----------------------|--------------------|
| Trash content | 3 –4 % | 2% |
| Contamination | 10 – 18gm per bale | 0-1 gm per bale |
| Yarn realization by weight (combed counts) | 68% | 72% |
| Expenditure for cleaning and segregation | Rs.1 per kg | Rs. 0.25 per kg |

