

# New varieties of rice should reach farmers fast

## IRRI country representative says

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INDONESIA has developed 87 modern rice varieties in the last five decades, but only a handful of them have become popular among farmers who are not adequately informed about the features of all of the varieties.

Because of the gap between research and extension, it takes 15-16 years from the release of a variety to reach its peak of adoption, said Humnath Bhandari, the representative of the International Rice Research Institute (IRRI) for Bangladesh.

"As a result, only four to five varieties have become popular," he told The Daily Star in an interview recently.

He said there is a problem with the extension and a good extension system should be designed so that new varieties quickly reach farmers.

The IRRI found in a recent Rice Monitoring Survey that BRRI Dhan-28, BRRI Dhan-29 and Jira Dhan are the most popular varieties in the Boro season, which stretches from November to April.

On the other hand, Swarna, Motadhan, BR-11 and BRRI Dhan-49 are the widely cultivated rice varieties during the Aman season; the crops are harvested in October-November.

Two high-yielding varieties -- BRRI Dhan-28 and BRRI Dhan-29 -- were grown on 36 percent and 33 percent area respectively during the Boro season in 2016, according to the survey.

Cultivation of Jira Dhan, BRRI Dhan-50 and Miniket has been expanding since 2013.

In the Aman season, cultivation area of Swarna rice remained steady at 24 percent between 2013 and 2016.

Farmers also increased the acreage of BR-22 and BRRI Dhan-49 during the period and reduced the farming of BR-11 marginally between 2013 and 2016.

The survey, which was carried out among 1,500 farmers, aimed at seeing the adoption of developed varieties and areas under their coverage as well as helping policymakers frame better policies.

Bhandari said the Bangladesh Agricultural Development Corporation, the state-run seed producer, produces a seed only when there is a huge demand for the variety.

Farmers will only try out a new variety when they know about it and reap benefits, he said.

"Unless we educate farmers, there will not be an increase in demand," he said.

He called for a strong research and extension linkage so that new varieties reach farmers through the Department of Agricultural Extension.

Bhandari said more interaction between the research centres and the extension department is required.

The agricultural economist said bringing in new varieties fast to farmers' doorstep is important to ensure higher yields because their genetic potential declines as they grow older.

Varieties start degenerating within five years to six years after their release, he said.

He said BRRI Dhan-28 and BRRI Dhan-29 are more than 20 years old; the yield potential of the two popular varieties is declining and they have become more sus-



Humnath Bhandari

ceptible to disease. "Besides, climate is changing. So, it is important to replace the old varieties with the new ones to increase productivity."

According to Bhandari, seed needs to be replaced in every three years as yield potential declines for their continuous use.

Currently, only 20 percent to 30 percent farmers replace seeds, he said.

Bhandari said replacement of old varieties by new ones and regular replacement of seed will increase rice yield by 20-30 percent.

The potential for yield increase is 30-40 percent in the Aman rice cultivation season and about 20 percent in the Boro season. This is particularly important given the falling growth rate of rice yield over the years.

"With the changing context of

increasing population and declining land, the only option is to boost rice yield," Bhandari.

"If we can educate farmers about the need to replace old seeds with new ones in every three years, productivity will go up. This will also boost the national food security."

He suggested providing technology, training and information to farmers quickly.

"New varieties are more knowledge-intensive. So, along with technology, we need to provide management practices."

The IRRI official said farmers adopt new technology when they see the benefit.

He suggested using ICT to circulate information, setting up demonstration sites in every district for new varieties, and growing 10-15 varieties in a certain area of a district.

# US factory activity accelerates; construction spending up

REUTERS, Washington

A measure of US manufacturing activity surged in June likely as steel and aluminum tariffs caused disruptions to the supply chains, resulting in factories taking longer to deliver goods. The Institute for Supply Management (ISM) said on Monday its index of national factory activity jumped to a reading of 60.2 last month from 58.7 in May. A reading above 50 in the ISM index indicates an expansion in manufacturing, which accounts for about 12 percent of the US economy.

"Demand remains robust, but the nation's employment resources and supply chains continue to struggle," said Timothy Fiore, chair of the ISM Manufacturing Business Survey Committee.

"Respondents are overwhelmingly concerned about how tariff-related activity is and will continue to affect their business."

The United States is engaged in tit-for-tat trade tariffs with its major trade partners, including China, Canada, Mexico and the European Union. Analysts fear the tariffs could disrupt supply chains, undercut business investment and potentially wipe out the fiscal stimulus from a \$1.5 trillion tax cut package.

President Donald Trump claims that the United States is being taken advantage of by its trade partners.

The ISM's supplier deliveries sub-index soared 6.2 points to 68.2 last month. A lengthening in suppliers' delivery time is normally associated with increased activity, which is a positive contribution to the ISM index.

The survey's new orders index slipped as did the measure of factory employment. The prices paid index also fell last month. US financial markets were little moved by the data. A separate report from the Commerce Department on Monday showed construction spending increased 0.4 percent in May.

# Vietnam jails former central bank deputy governor for 3yrs

AFP, Hanoi

A former deputy governor of Vietnam's central bank was jailed for three years Monday for negligence after he oversaw a dodgy restructuring scheme that lost the state \$600 million.

Dang Thanh Binh is the most senior State Bank of Vietnam official ever jailed and joins scores of bankers already behind bars for the multi-million dollar scam. Vietnam's conservative leadership has targeted the corruption-plagued banking sector with impunity as its sweeping anti-graft campaign picks up steam.

Both state-run and private banks have found themselves in the crosshairs of the campaign but Binh is the first and most senior state bank official to be convicted.

The court said Binh oversaw the restructuring of private Vietnam

Construction Bank (VNCB) in a dodgy deal that caused losses of more than \$600 million.

He was sentenced to three years in jail Monday for "negligence causing serious consequences" over the huge scheme, a court clerk confirmed to AFP.

Binh colluded with VNCB boss Pham Cong Danh, who has already been jailed for 30 years for his role.

State media said Binh knew the restructuring was causing major losses but failed to report it -- or stop it.

"Dang Thanh Binh knew of the report on mistakes at VNCB but did not provide measures to fix the problem," state-run VNXpress said.

"Binh's actions aided bank chairman Pham Cong Danh... to cause losses of \$635 million," it continued. The State Bank of Vietnam later acquired VNCB for \$0 to save it from folding.

# Indian traders protest deal between Walmart and Flipkart



REUTERS/FILE

Customers shop at Walmart India's Best Price Modern Wholesale store in Jammu.

REUTERS, Mumbai/New Delhi

INDIAN shopkeepers and traders affiliated to a local lobby group began sit-in protests across the country on Monday against Walmart Inc's proposed \$16 billion acquisition of e-commerce firm Flipkart.

The Confederation of All India Traders (CAIT) says the retail giant's buyout of Bengaluru-based Flipkart will create a monopoly in the retail market and drive mom-and-pop stores out of business.

Praveen Khandelwal, the secretary general of CAIT, told Reuters he expected one million people to join Monday's sit-in protests across hundreds of cities, including in the country's financial hub of Mumbai and cities in Prime Minister Narendra Modi's home state of Gujarat.

"This is the first phase of our protest. And if the government doesn't listen, we will decide our future course of action at our national convention in Delhi later this month," Khandelwal said.

The sit-in in Delhi though, where CAIT is based, attracted just about 50 traders and shopkeepers by noon (0630 GMT), according to a Reuters witness.

Satinder Wadhwa, a watch seller who attended the Delhi demonstration, said a cash-rich Flipkart will be a major threat to small businesses like his own, which were

already suffering due to a ban on high-value currency notes in Dec. 2016 as well as a nationwide sales tax that was introduced a year ago.

In Guwahati, one of the main cities in the northeastern Assam state, about 300 traders gathered to protest against the Walmart-Flipkart deal. They also demanded simplification of the nationwide sales tax, said Rupam Goswami, vice president of CAIT.

Bentonville, Arkansas-headquartered Walmart announced in May that it was acquiring roughly 77 percent of Flipkart, a deal that now awaits the approval of India's anti-trust regulator.

Multiple sources and lawyers close to the deal have previously told Reuters that while the Competition Commission of India will consider all arguments, the CAIT did not pose a challenge to the acquisition.

Walmart, which currently runs 21 cash-and-carry stores in India, said on Monday it had been supporting local manufacturing in India by sourcing from small and medium suppliers, farmers and businesses run by women.

"Our partnership with Flipkart will provide thousands of local suppliers and manufacturers access to consumers through the marketplace model," Rajneesh Kumar, senior vice president, Walmart India, said in a statement.

# EU delivers stark warning to US over auto tariffs

AFP, Brussels

THE EU has warned Washington that a threat to slap Europe with major auto tariffs could inflict serious damage to the US economy and would prompt strong retaliation.

The admonishment, written in a letter to US authorities dated Friday, came as US President Donald Trump said Europe is "possibly as bad as China" on trade in one of his biggest provocations to his country's longtime transatlantic allies.

Trump's taunt was the latest salvo in an escalating trade war that saw the EU slap duties on US-made jeans and Harley Davidson motorcycles in a tit-for-tat response to US tariffs on European steel and aluminium exports. The US tycoon has also threatened to slap a 20 percent duty on EU car imports, based on highly disputed national security concerns, which could be confirmed in the coming months.

"The European Union is possibly as bad as China, only smaller," Trump said on Fox News' "Sunday Morning Futures" programme. "They send a Mercedes in, we can't send our cars in. Look what they do to our farmers. They don't want our farm products. Now in all fairness they have their farmers... But we don't protect ours and they protect theirs," he said.

The comparison is particularly painful to Europeans, which are attempting to forge common ground with the Trump administration on the idea that the real danger to fair trade is China. European Commission President Jean-Claude Juncker is to visit Washington by the end of July to help resolve the bitter trade dispute.

"We should de-dramatise these relations," Juncker told a press conference following a European Union summit on Friday, the same day the letter was delivered to Washington.



REUTERS/FILE

European Union flags flutter outside the EU Commission headquarters in Brussels, Belgium.

In the letter to US authorities, the European Commission, which handles trade policy for the bloc's 28 members, painted a stark picture of what the US economy would face if Trump followed through on his threat.

"Economic analysis confirms that an increased tariff on these products will be harmful first and foremost for the US economy," said the letter, seen by AFP on Monday.

The commission said "up to \$294 billion of US exports... could be subject to countermeasures across sectors of the US economy", which was equivalent to a staggering 19 percent of total US exports in 2017.

The commission also underlined that European car companies were important contributors to the US economy and "well established" there. "In 2017, US-based EU companies produced close to 2.9 million automobiles, which accounted for 26 percent of total

US production," it said.

These companies support 120,000 direct and indirect US jobs in plants across the country, the EU said, pointing to sites in South Carolina, Alabama, Mississippi and Tennessee -- southern US states known for their unwavering support for Trump.

That tactic is similar to the EU's retaliation on metals tariffs that came after Trump's administration on June 1 struck Europe as well as allies in Canada, Mexico and elsewhere with tariffs on aluminium and steel.

Trump has attacked the legendary Harley-Davidson motorcycle company, warning "we won't forget" after the firm said it planned to shift some manufacturing offshore due to EU tariffs. EU officials suggested Trump had only himself to blame for the falling-out with a company he had previously hailed as "a true American icon".

# Solid demand lifts India factory growth to fastest pace this year

REUTERS

INDIA'S factory activity grew at its fastest pace this year in June on robust output driven by solid demand, according to a business survey that also showed input costs increased the most in nearly four years.

That points to continued strong economic activity in the quarter that ended in June, after Asia's third-largest economy grew at its quickest pace in nearly two years in January-March.

The Nikkei Manufacturing

Purchasing Managers' Index, compiled by IHS Markit, rose to 53.1 in June from May's 51.2, the highest since December. The reading has been above the 50-mark, which separates growth from contraction, for 11 consecutive months.

"India's manufacturing economy closed the quarter on a solid footing against a backdrop of robust demand conditions, highlighted by the sharpest gains in output and new orders since last December," Aashna Dodhia, an economist at IHS Markit, said.

Orders from international markets rose at the strongest pace since February, Dodhia added. IHS Markit made no mention of increasing global trade tensions, which are worrying manufacturers in many countries.

The June sub-index tracking input costs jumped to nearly a four-year high of 58.6 from May's 54.7 percent, indicating a further rise in inflationary pressures which manufacturing firms are at the moment reluctant to pass on entirely to customers.

Retail inflation is rising in

India, and through May was above the Reserve Bank of India's medium-term target of 4.75 percent. Straight months in May. This bolsters expectations the central bank, which raised the key interest rate in June, will increase it again in August.

While manufacturing firms in June increased hiring at the fastest pace since December, concerns over rising price pressures and higher interest rates pushed down the long-term output index - a gauge of optimism on future business - to an eight-month low.