

## Farmers cautioned against use of pesticides, fertilizers

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*'Excess use of chemical fertilizers can me soil infertile"Ginger can be inter-crop between areca and coconut palms'*

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Shimoga: Deputy Director of Horticulture M. Viswanath has cautioned farmers against indiscriminate use of pesticides and fertilizers while cultivating ginger crop.

Speaking after inaugurating a training programme on ginger cultivation organised by the University of Agriculture Sciences, Bangalore, and Chaitanya Rural Development Society at Agriculture College in Navile on Sunday, he said that excess reliance on chemical inputs might render the soil infertile. Ginger, which was expected to be cultivated on 20,000 acres of land this year, had emerged as major commercial crop of the region next to areca. Ginger can be grown as inter-crop in areca and coconut plantations. It is possible to augment the yield by adopting scientific cultivation and pest management practices, he said.

Addressing the gathering, Extension Director T.H. Gowda said ginger of fine quality enjoyed good demand in international market. Ginger, which was extensively used in traditional medicine, had become integral part of modern food style, he said.

Agriculture College Dean M.S. Ganesh Babu and society president Bhadrish were present.

## Wind, rain inflict damage on crop

Staff Reporter

— Photo: Leju Kamal



**Nature's fury:Paddy crop seen fallen in the heavy wind and rain that lashed the Upper Kuttanad village of Peringara in Thiruvalla taluk on Sunday.**

PATHANAMTHITTA: Summer rain and gale that lashed different parts of the district on Sunday evening, especially Thiruvalla, Ranni and Mallappally, inflicted heavy damage to crops and property.

Heavy wind damaged paddy crop in 240 hectares in the upper Kuttanad village of Peringara. Paddy fields in certain other areas were flooded.

According to Agriculture Department sources, the upper Kuttanad fields of Kaippalam-East, Chathankary and Irukara suffered heavy damage.

Deputy Director of Agriculture K.M. Koshy, Assistant Director Suja George and Agriculture Officer K.V. Suresh visited the paddy fields in the upper Kuttanad region on Monday.

As many as 10 houses suffered partial damage at Mallappally, when trees fell on the houses in heavy wind. A small house was fully destroyed in the rain and wind near Kaviyur. About 15 houses were damaged at Mallappally and Ranni.

Power supply was disrupted in many parts of Ranni owing to snapping of transmission lines. Vehicular traffic on many roads in and around Ranni was also disrupted after trees fell on roads.

Sources said destruction was worse in the panchayats of Pazhavangady, Narnammoozhy, Perinad and Angady.

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## 'Nilgiris landscape ideal for conserving wildlife'

Special Correspondent

*Conservation efforts set in motion in 1973 paying rich dividends now*

Photo: D. Radhakrishnan



**The Field Director, MTR, Rajiv K. Srivatsava (third right), at the inauguration of a workshop on the Resurgence of Tigers in Udthagamandalam on Monday.**

Udhagamandalam: The Nilgiri landscape is ideal for conserving wild animals, observed the Field Director, Mudumalai Tiger Reserve, Rajiv K. Srivatsava, here on Monday.

Presiding over a workshop on “Resurgence of Tigers in the Nilgiri Biosphere Reserve Landscape- Vision and Strategies” organised by the Forest Department, he said that the

landscape with rivers, wetlands, grasslands deciduous and dry deciduous forests was the finest of its kind in the country.

Stating that the increase in the population of tigers in the country in general and the Mudumalai, Nagerhole, Bandipur and Wynaad areas in particular had boosted the moral of various sections of the society in the district, he said that the increase was due to the concerted efforts of forest officials, non-governmental organisations and wildlife enthusiasts.

Pointing out that the tiger population had dwindled in the past due to various reasons, he said that the conservation efforts set in motion by the former Prime Minister Indira Gandhi in 1973 was paying rich dividends now. Tigers, which were hard to come by, were now being sighted frequently. The Project Tiger concept was brought into being to protect the apex species and all the other wild animals.

Pointing out that only 21 per cent of the area was under forests, Mr. Srivatsava said that the home range of the animals had shrunk. Human beings should act as the voice of the mute population.

The Project Director, Hill Area Development Programme (HADP), Deepak Srivastava, said that man-animal conflict and habitat fragmentation were among the factors which caused a fall in the population of tigers. The trend should be reversed.

Lamenting that many species had joined the critically endangered list, he said that the main challenge now was to preserve the habitat.

Underscoring the need to protect the fragile eco-system of the Nilgiris, he said that a balance should be struck between development and conservation.

Pointing out that HADP was playing a supplementary role in protecting the forests, Mr. Srivastava said that during the current fiscal focus would be on forest conservation. He acknowledged the role of the media in enhancing awareness about the importance of forests.

The Head, Department of Zoology and Wildlife Biology, J. Ebanesar, also spoke.

The Assistant Conservator of Forests, Jayaraj, welcomed the gathering.

Interactive sessions on various topics including livelihood options for forest dwellers, tiger conservation initiatives, impact of invasive exotic species, status of tiger prey base, prey-predator relationship and contribution of NGOs in tiger conservation formed part of the workshop.

Date:05/04/2011 URL: <http://www.thehindu.com/2011/04/05/stories/2011040559940500.htm>

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## Experts look at impact of global warming

Special Correspondent



**BEYOND COPENHAGEN: German environmentalist Michael Kuhn (left) at a dialogue on “Climate change: Issues and initiatives” with the partners of “Beyond Copenhagen” in Jaipur on Monday.**

JAIPUR: German environmentalist Michael Kuhn joined the partners of “Beyond Copenhagen” campaign at a dialogue on climate change here on Monday to give a call for better resource management, a paradigm shift in rural development and innovative measures for disaster prevention to reduce the impact of global warming on agriculture and food production.

Mr. Kuhn – policy and external relations expert with German non-profit relief organisation Welt Hunger Hilfe – was here to study the impact of climate change on crops and soil fertility and interact with farmers and villagers to explore the potential for promoting sustainable use of natural resources.

Mr. Kuhn was designated as a member of a delegation to accompany German Environment Minister Norbert Roettgen who was scheduled to meet his Indian counterpart in New Delhi this past week. The meeting was put off as Mr. Roettgen could not turn up in India following some “political developments” in Germany's ruling coalition.

The dialogue on “Climate change: Issues and initiatives” was organised by the Centre for Community Economics and Development Consultants' Society at its headquarters here to deliberate on priorities and interventions on the environmental front in a global perspective and learn from the experiences of Germany in dealing with the consequences of weather changes. The participants, mainly the members of “Beyond Copenhagen” campaign launched here after the 2009 world climate conference in Copenhagen, threw light on the initiatives taken in Rajasthan for dealing with global warming, constant decline in ground water level, reduction in monsoon duration and a steady decrease in the crop yield.

Mr. Kuhn, who visited Gujarat and West Bengal before his Rajasthan visit, went to Batugaon village, 50 km from here, on Monday morning to assess the impact of climate change at the grassroots and witnessed the methods adopted by villagers to face the challenge. He especially noticed the “social adjustments” necessitated by changing weather.

Welt Hunger Hilfe has supported about 5,500 emergency aid, regional development and infrastructure projects in over 70 countries with 1.9 billion Euros since its inception in 1962.

Ajay Jha of advocacy group Pairvi said an international legal framework and State accountability alone could help deal with the impact of relationship among the three spheres.

Former Rajasthan High Court Judge Panachand Jain said the climate negotiations should include a “serious proposal” for enactment of international law on climate change and establishment of international tribunals on the subject.

While Institute of Development Studies Director Surjit Singh said farmers in Rajasthan were gradually learning the techniques of crop patterns, water rights activist Prakash Chhangani said the “mega-project approach” rather than decentralisation in the renewable energy sector would create complications in future.

Others who addressed the dialogue were Centre for Community Economics secretary Sharad Joshi, environmentalist Soumya Dutta, economic justice expert Nidhi Kaushik, Ashok Mathur of Sajha Manch, Bhagirath Chaudhary of Grameen Swabhiman Sansthan and social activist Alok Vyas.

Date:05/04/2011 URL: <http://www.thehindu.com/2011/04/05/stories/2011040559170300.htm>

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## Curbs on bamboo relaxed

S. Harpal Singh

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*Centre asks Andhra to ease restrictions on bamboo by declaring and treating it as a Minor Forest Produce*

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-Photo: S. Harpal Singh



**Tribal people from Sirpur carrying large-sized bamboo baskets to a market in Adilabad district.**

ADILABAD: The impending ease of restrictions on bamboo will be a dream come true for crores of people belonging to forest dwelling communities, artisans and crasftsmen in the country for whom it is a traditional source of subsistence.

Union Environment and Forests Minister Jairam Ramesh communicated a set of guidelines to Chief Minister N. Kiran Kumar Reddy, among others, on March 21 seeking liberalisation of bamboo by declaring and treating it as a Minor Forest Produce (MFP).

Not only the tribal people but all the traditional and newly trained artisans across the country, except for the North-Eastern States, depend on respective Forest Departments for bamboo which is their raw material. "The new guidelines will ensure removal of unnecessary constraints like production of proof of the bamboo being used for bona fide subsistence needs of the beneficiaries," says Sunil Deshpande of the landmark development.

The bamboo activist, heading the Sampurn Bamboo Kendra at Melghat in Amravati district of Maharashtra and is the National organiser of the Rashtriya Karigar Panchayat was in Adilabad in connection with the Ugadi mitra milan programme at Adilabad's Kala Ashram. He says the new set of guidelines was the result of a 23 year effort by activists like Devaji Tohfa and Mohan Heerabai Heeralal of the famous Lekha-Mendha village in Gadchiroli district in Maharashtra.

While cutting down the role of Forest Department, the guidelines envisage greater involvement of gram sabhas so far as extraction and disposal of bamboo in areas designated as community forest resources under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (FRA, 2006) and village forests under Indian Forest Act, 1927 is concerned. The instructions also take care of its cultivation and extraction in non forest and private lands.

While discussing the legal aspects on treating this magnificent grass as MFP, Mr. Jairam Ramesh says it will vest the right of ownership, access to collect, use and dispose it with the STs and traditional forest dwellers under the FRA, 2006. He therefore, requests the Chief Minister to direct the Forest Department to treat bamboo as MFP.

Mr. Deshpande says tribes like Kolam and Gond in Andhra Pradesh, Korku, Maria Gond and Warli in Maharashtra, Birja and Asur in Bihar-Jharkhand and Katkari in Gujarat besides the traditional Buruds, Bansods or Medris will find the going easy. The move will also encourage bamboo plantations in non-bamboo areas which will be highly beneficial to artisan communities existing in such areas, he adds.

## Food processing unit to buy 10,000 kg tomato a day

Staff Correspondent

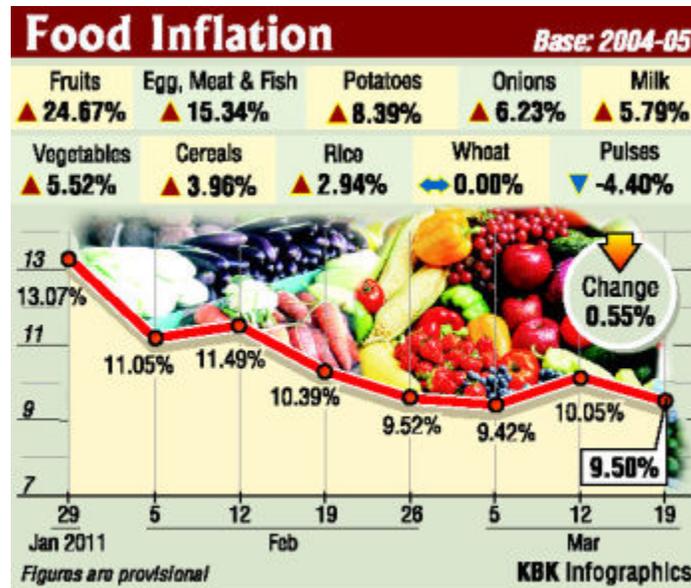
Chitradurga: The Akshay Food Park in Hiriya taluk, the only food processing unit in the district, has come forward to procure about 10,000 kg tomato a day at Rs. 2.5 each to provide some relief to the growers, who have been hit hard by a sharp decline in tomato prices. The company will start procuring the produce from April 6, said a press release by M. Narayanaswamy, president of the unit, here.

Earlier, hundreds of tomato growers in Hiriya taluk had dumped a large quantity of tomato on the road in protest against the sharp decline in its market price.

They had alleged that the middlemen were purchasing the tomato at Re. 1 a kg, which was not adequate to even meet their transport costs. They had claimed that they had to spend at least Rs. 30 on bringing about 10 kg tomato to the market and selling it there. This included municipal tax and commission to middlemen.

With the food processing unit willing to buy tomato, the farmers would be getting a higher price for it. In addition, they would not have to pay the municipal tax or the commission to the middlemen. The farmers believe that the company's move would at least allow them to recover the cost of cultivation, if not earn profit. Mr. Narayanaswamy said that the company had formed a team of experts, including officials of the Horticulture Department, to identify the growers, check the quality and help them sell the produce directly to the company. Call 9448497408 for further details, the release said.

## Inflation management poses newer challenges



The surge in food inflation, which crossed double digits on March 12 after retreating over the three previous weeks, appears to have caught the government by surprise. However, even when the weekly Wholesale Price Index-based food index was declining, the prices of milk, eggs, poultry and meat had remained firm. Economists had for quite some time assigned a specific cause for this trend: as incomes rise the food basket of an average family gets diversified.

The average family can afford to move from coarse grains to cereals, milk, eggs, meat and so on. Since this trend will not reverse, the price rise in these 'protein' segments will remain high well into the medium-term. Adding to the discomfiture of policymakers has been the fact that there is no respite from the high global oil prices. Indian consumers expect domestic fuel prices to go up. This will harden inflation expectations, already at high levels.

Whether it is on account of an unexpected rise in food prices or due to a surge in the prices of non-food manufactured products or a combination of several factors, inflation has always been in the news.

Recently, the Finance Minister said that it would be possible to maintain inflation at 'reasonable levels.' What those reasonable levels are, whether in fact the price rise is a result of high economic growth are all subject matters of considerable interest.

The Economic Survey 2010-11 looks at inflation from different perspectives. In its second chapter 'Micro-foundations of macroeconomic development', the survey observes that the period of high growth accompanied by inflation calls for some nuanced analysis of the impact of inflation.

Since not all sections are partaking of the fruits of growth in the same way, policymakers have to worry about the worse-off and vulnerable sections of the society.

Hypothetically, it is possible that the average Indian is better off as the per capita income growth has been of the order of about 7 per cent annually. However, some poor people are actually worse off because their nominal incomes have hardly grown and inflation has negated that growth. For a country having inclusive growth as a model this is a serious concern.

#### Rise in food prices

The rise in food prices especially impacts on the poor more severely than on others.

According to official statistics, the bottom quintile of India's rural population spends about 67 per cent of their aggregate household expenditure on food. With food inflation at around 10 per cent during the most part of the year, some in this group would be worse off despite the high real GDP growth. Then that is the reason why the official policies have to be supportive of the poor-through appropriate food security schemes, dependable micro credit, basic health support and so on. Such policies are there to stay.

Despite the best efforts, inflation will be higher than the 3 per cent or so that prevailed earlier.

There is an interesting connection between inclusion and inflation. A number of people especially in the rural areas keep their savings as cash at home.

## Financial inclusion

Financial inclusion aims at persuading these people to deposit money in a bank. The previously idle money would then enter the financial system and add to liquidity. Admittedly financial inclusion, a high priority policy objective, really encompasses a number of initiatives — creating the financial infrastructure in previously unbanked areas, financial literacy and so on. That such a laudable objective should stoke inflation has not been widely understood so far.

There is enough evidence from around the world that monetisation of the economy and bringing more and more people into the formal financial system contribute to an overall pressure on prices.

Another generally beneficial development, globalisation or integration of the domestic economy with the global economy, can also push up prices in India.

In poor countries, the purchasing power parity (PPP) is low. This means the kind of living standard one can have in a poor country with \$100 is considerably higher than what one can achieve with the same money in the U.S. and other advanced economies.

But by the time a country becomes industrialised, the PPP correction has to become smaller.

This happens partly because of exchange rate alignments but more substantially because the prices of basic non-traded goods and unskilled labour in the formerly poor countries rise and partly catch up with prices in industrialised countries.

Looking at the future, given that the Indian economy is expected to be on a high growth path, inflation will also remain high.

According to the Economic Survey, the country will have an average annual inflation of nearly 5 per cent during the next decade or so. That forecast is arrived after taking into account several likely scenarios, such as a spurt in real per capita incomes and its impact on prices.

All these suggest the need to revisit some of the standard policies for managing inflation. India's growth process has to be inclusive and there must be better designed systems for providing security to the vulnerable. C. R. L. NARASIMHAN

## Spices export up 19 per cent

Special Correspondent

*4 per cent increase in volume*

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*4.71 lakh tonnes exported during April-February Target exceeded in terms of both quantity and value*

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KOCHI: Export of spices and spices products from India has registered an increase of 4 per cent in volume and 19 per cent in terms of value during April-February 2010-11. In dollar terms, the rise in exports is 24 per cent.

A total of 4,71,165 tonnes of spices and spices products, valued at Rs.6,030.74 crore (\$1,323.28 million), was exported from the country as against 4,53,495 tonnes valued at Rs.5,058.26 crore (\$1,063.44 million) in April-February 2009-10.

Export of chilli, ginger, fennel, garlic and other spices such as asafoetida and tamarind has shown an increase both in volume and value during April-February 2010-11 as compared to April-February 2009-10. The export of value-added product spice oils and oleoresin and curry powder/paste has also shown an increase, both in volume and value, as compared to April-February 2009-10. However, in the case of pepper, cardamom (large), turmeric and mint products, the increase is in terms of value only. Other spices such as cardamom (small), coriander, cumin, celery, fenugreek, nutmeg and mace have decreased both in terms of volume and value as compared to last year.

During April-February 2010-11, a total of 16,600 tonnes of pepper, valued at Rs.334.62 crore, was exported as against 18,425 tonnes, valued at Rs.293 crore last year. The value of pepper has increased from Rs.159.02 a kg in 2009-10 to Rs.201.58 a kg during 2010-11.

During April-February 2010-11, a total of 865 tonnes of cardamom (small), valued at Rs.100.41 crore, was exported as against 1,765 tonnes valued at Rs.143.62 crore last year. In the case of cardamom (small), the unit value has increased from Rs.813.59 a kg in 2009-10 to Rs.1,160.84 a kg in 2010-11.

During the period, a total of 2,18,500 tonnes of chilli, valued at Rs.1,379.52 crore, was exported as against 1,80,750 tonnes valued at Rs.1,156.57 crore last year, registering an increase of 21 per cent in quantity and 19 per cent in value. During April-February 2010-11, 12,000 tonnes of ginger, valued at Rs.77.29 crore, was exported as against 5,100 tonnes, valued Rs.41.51 crore last year, registering an increase of 135 per cent in quantity and 86 per cent in value. During the period, the export of spice oils and oleoresins also increased to 6,800 tonnes, valued Rs.803.02 crore, from 6,225 tonnes valued at Rs.651.68 crore last year. During April-February 2010-11, nearly 13,250 tonnes of curry powder/paste, valued at Rs.178.76 crore, was exported as against 13,100 tonnes, valued at Rs.173.3 crore last year.

The export of spices during April-February 2010-11 has exceeded the target in terms of both quantity and value. Compared to the spices export target of 4,65,000 tonnes, valued at Rs.5,100 crore (\$1,125 million) fixed for the financial year 2010-11, the export of 4,71,165 tonnes, valued at Rs.6,030.74 crore (\$1,323.28 million) during April-February 2010-11 is 101 per cent in terms of quantity and 118 per cent in rupee and dollar terms of value.

**Date:**03/04/2011 **URL:** <http://www.thehindu.com/2011/04/03/stories/2011040353790800.htm>

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## Higher target set for cereals, pulses

T.V. Sivanandan

*Early onset of monsoon expected this year*

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*A target of 14.87 lakh tonnes has been set for oilseeds Production target for rice is 40.41 lakh tonnes*

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GULBARGA: The State Government plans to achieve an ambitious target of producing 130-lakh tonnes foodgrains in 2011-12, covering 82.49 lakh hectares under cultivation during kharif, rabi and summer seasons.

Official sources told The Hindu on Thursday that this was slightly higher than the record foodgrain production of 128.38 lakh tonnes during 2010-11.

With an early onset of monsoon and normal rainfall expected this year, the Government has fixed higher production targets for cereals and pulses also. The total area under cultivation during the year is 115.35 lakh hectares.

As far as the production of oilseeds was concerned, sources said the production target of 14.87 lakh tonnes was moderate, considering the fall in the production level of oilseeds over the past couple of years.

The sources said 51.58 lakh hectares would be under foodgrain cultivation during kharif season and the production target would be 92.25 lakh tonnes. A total of 13.75 lakh hectares would be under cultivation to produce 10 lakh tonnes of oilseeds during the kharif season.

During the rabi season, the foodgrain production target was 26.83 lakh tonnes in an area of 27.14 lakh hectares, and in summer, an estimated 10.92 lakh tonnes of foodgrain would be produced in 3.78 lakh hectares.

Out of the total foodgrain production target, cereals constituted 115.01 lakh tonnes and the remaining 14.99 lakh tonnes would be covered by pulses. Rice continues to occupy the prime place among cereals, covering an area of 14.15 lakh hectares with a production target of 40.41 lakh tonnes. Maize was in the second spot with a targeted area of 12.59 lakh hectares under cultivation and a production target of 37.99 lakh tonnes.



**Press Trust Of India**

New Delhi, April 03, 2011

First Published: 16:39 IST(3/4/2011)

Last Updated: 16:41 IST(3/4/2011)

## **India to grow at 8.3% in 2011-12: Fitch**

Credit rating agency Fitch on Sunday downgraded Indian economy's growth projection to 8.3% for 2011-12 on account of high inflationary pressures that has forced the Reserve Bank to hike key rates.

The agency had earlier projected the country's growth for the current fiscal at 8.5%. It, however, kept its projection for 2012-13 unchanged at 8%.

"India's economy grew 8.7% in FY'11 (the year to end-March 2011) on the government's estimate, in line with Fitch's expectation.

The agency revised its FY'12 growth forecast down marginally to 8.3% from 8.5% as inflation is easing less quickly than anticipated," Fitch said in its report -- Global Economic Outlook (GEO).

The wholesale prices rose 8.3% in February 2011 compared to the year-ago period, which is up from 8.2% in January, it added.

"Further tightening from the Reserve Bank of India (RBI) seems likely, leaving an already slowing economy facing an awkward combination of stubbornly high inflation and more headwinds from further policy tightening," Fitch commented.

Last month, the RBI in its mid-quarterly policy review had raised repo (short-term lending) and reverse repo (borrowing) rates to 6.75 and 5.75% respectively.

This was the eighth time the central bank hiked its key policy rates since March 2010 to fight rising inflation that at present remains much above the RBI's comfort level of 5-6%.

"The persistence of inflation has led Fitch to revise up its annual average inflation forecast for FY'12 to 7% from 6.5% in the December GEO.

"A 10.6% rise in food prices drove the overall index, but machinery and electrical goods prices accelerated, too (up 3% and 4.1%, respectively)," the report said.

India is not the only country that has been estimated to grow at slower than the projected rate; even neighbour China's rating has also been downgraded due to higher prices in the country.

"Fitch forecasts China's economy to grow 8.9% in 2011 and 8.7% in 2012, a modest downward revision from the previous forecast of 9% each year, as policy tightening to control inflation continues," the report opined.

Due to high crude oil prices, the rating agency has also revised up its forecast for annual average inflation in China in 2011 to 5% from 4.2% previously.

<http://www.hindustantimes.com/StoryPage/Print/680872.aspx>

## Weather

Chennai - INDIA

### Today's Weather



Clear

**Tuesday, Apr 5**

Max    Min

37.2° | 26.5°

Rain: 00 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 6:03

Sunset: 18:20

Barometer: 1006.0

### Tomorrow's Forecast



Cloudy

**Wednesday, Apr 6**

Max    Min

38° | 26°

Extended Forecast for a week

Thursday Apr 7	Friday Apr 8	Saturday Apr 9	Sunday Apr 10	Monday Apr 11
				
32°   23° Cloudy	31°   22° Cloudy	32°   24° Rainy	32°   25° Partly Cloudy	32°   24° Cloudy

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## THE ECONOMIC TIMES

Tue, Apr 05, 2011 | Updated 12.25PM IST

5 Apr, 2011, 11.59AM IST,ET Now

### **Mawana Sugar to cut debt by business rejig, land sale**

Mawana Sugars is looking to reduce debt on its books by restructuring its business and monetizing part of its land holding in the North India, said two people close to the development on the condition of anonymity.

The sugar company which has been reeling under a debt burden of Rs 470 cr has already appointed merchant bankers to advise them on restructuring their business.

One of the options considered by the management is of monetizing the 500 acres of land it holds across Delhi, UP and Punjab, said the one of sources mentioned above. The company also has presence in chemical, edible oil and consulting verticals and might explore the option of exiting one or more of these businesses.

When contacted, the management of Mawana Sugars declined to comment on the restructuring plans.

The stock of Mawana Sugars hit the upper circuit of 20% after ET NOW broke the story.

5 Apr, 2011, 02.00AM IST,ET Bureau

### **Resumption of cotton yarn export: Exporters anticipate better prices, garment makers for ceiling on exports**

AHMEDABAD | KOCHI: The lifting of restrictions on cotton yarn exports has evoked mixed reactions. While yarn exporters are anticipating better prices, garment makers want a ceiling on exports fearing a rise in raw material costs.

"Yarn prices have fallen by 60 cents in the past one month, touching \$5.8 per kg .The industry has been selling yarn in distress, with certain units on the brink of closure," said SP Oswal, chairman of Ludhiana-based Vardhman Group. The company exports 4,000 tonnes of yarn in a month.

The government had restricted exports of cotton yarn at 720 million kg for 2010/11 season that began on October 1, after prices in the domestic market surged in line with the global rally. This has now been lifted on the condition that contracts for cotton yarn exports are registered with the Directorate General of Foreign Trade (DGFT) prior to shipments.

"Buyers are not waiting for us and must have already signed new contracts with other countries. We have to now win them back. The government needs to understand that its arbitrary policy is not good for the industry," Oswal said.

However, the lifting of restrictions on Friday has got knitwear units in Tirupur worried. Tirupur Exporters Association president A Sakthivel said the government should maintain the exports ceiling at 720 million kg like last year.

The government should also allow calibration of the yarn for exports up to counts of 40s, he said, adding that Tirupurs garment industry was struggling for survival following a Madras High Court order that dyeing units in the region that do not comply with effluent norms should be closed. The associations appeal for more time for meeting effluent norms was dismissed last week.

5 Apr, 2011, 01.31AM IST, S Sanandakumar,ET Bureau

### **Rubber import may be cheaper on duty change**

KOCHI: Imported natural rubber will be cheaper now following a change in duty structure. The import duty of Rs 20 a kg or 20 %, whichever is lower, will lead to significant cost savings for the domestic tyre industry, besides helping companies better manage their inventory.

Following a demand by tyre makers, the government had lowered the duty on natural rubber in December to 7.5% for imports up to 40,000 tonne until March 31, after which it was to change to Rs 20 a kg or 20%, whichever is lower. "The change in duty would help in improving the availability of rubber in the market," said Vinod T Simon, president of All India Rubber Industries Association .

With rubber prices currently at Rs 233 a kg, the earlier duty of 20% would have imposed an additional burden of Rs 47 a kg on tyre manufacturers. India, the fourth-largest producer of natural rubber in the world, supplements domestic shortfall with imports.

According to estimates, rubber imports this year are likely to be around the 2009-10 level of 1.7 lakh tonne, while deficit is seen at around 90,000 tonne, against 99,165 tonne in 2009-10. While the tyre sector has estimated the deficit at 2 lakh tonne for the coming year, the Rubber Board is yet to submit a figure.

The Automotive Tyre Manufacturers Association feels imports will be unavoidable in 2011-12 in view of the high level of shortage. However, some feel the price situation will put a cap on the industry's imports.

4 Apr, 2011, 12.18PM IST,PTI

#### **Jeera futures down over 1 pc on weak export demand**

NEW DELHI: Jeera futures prices fell by 1.07 per cent to Rs 15,645 per quintal today after speculators reduced their positions, driven by weak export demand .

However, poor output estimates because of delayed sowing and unfavourable weather, limited the losses.

At the National Commodity and Derivatives Exchange, jeera for delivery in April fell by Rs 170, or 1.07 per cent, to Rs 15,645 per quintal, with an open interest for 14,454 lots.

Similarly, the spice for delivery in May fell by Rs 159, or 0.98 per cent, to Rs 16,031 per quintal, with a business turnover of 15,225 lots. Analysts attributed the fall in jeera futures to weak export demand. However, lower output estimates, restricted the losses, they added.

4 Apr, 2011, 12.11PM IST,PTI

#### **Mentha oil futures down 0.67 pc on weak spot demand**

NEW DELHI: Mentha oil prices declined by Rs 5.90 to Rs 878.90 per kg in futures trading today due to weak demand from pharmaceutical units at the spot markets .

At the Multi Commodity Exchange, mentha oil for delivery in June declined by Rs 5.90, or 0.67 per cent, to Rs 878.90 per kg, with an open interest of a single lot.

Similarly, the oil prices for delivery in April lost Rs 5.80, or 0.55 per cent, to Rs 1,040.50 per kg, with a business turnover of five lots.

Traders attributed the fall in mentha oil prices to reduced offtake by pharmaceutical units against adequate stocks at the spot markets.

4 Apr, 2011, 11.30AM IST,PTI

### **Wheat futures down 0.88 pc on new crop arrival**

NEW DELHI: Wheat prices fell by 0.88 per cent to Rs 1,150 per quintal today as speculators indulged in reducing their positions, driven by rising arrivals of the new crop in the markets.

Weak trend at the spot markets due to subdued demand from flour mills also kept pressure on the wheat futures prices here.

At the National Commodity and Derivatives Exchange, wheat for delivery in current month lost Rs 10.20, or 0.88 per cent, to Rs 1,150.20 per quintal, with an open interest of 8,470 lots.

Similarly, the wheat for delivery in May traded Rs 7.80, or 0.67 per cent, lower at Rs 1,161 per quintal, with an open interest of 28,630 lots.

Analysts attributed the fall in wheat futures prices to adequate stocks in the spot markets following rising arrivals of the newly harvested crop in the markets.

Meanwhile, arrivals have started in Madhya Pradesh and Gujarat, while supplies would start from Punjab.

4 Apr, 2011, 11.18AM IST,PTI

### **Sugar futures down on low demand, higher free-sale quota**

NEW DELHI: Amid weak spot demand and higher free-sale quota, sugar futures prices fell 0.25 per cent to Rs 2,819 per quintal today.

At the National Commodity and Derivatives Exchange, sugar for delivery in June fell by Rs 7, or 0.25 per cent, to Rs 2,819 per quintal, with an open interest of 5,100 lots.

Similarly, sugar for delivery in April also shed Rs 3, or 0.11 per cent, to Rs 2,684 per quintal, with a business volume of 37,130 lots.

Analysts attributed the fall in sugar prices to subdued demand from bulk consumers in the spot markets.

Additionally, higher free-sale quota for April released by the government also put pressure on the sugar futures prices.

The government allocated 19.07 lakh tonnes of sugar for sale in the open market as well as through ration shops during this month, marginally higher than the last month's 18.86 lakh tonnes.

4 Apr, 2011, 02.25AM IST, Nidhi Nath Srinivas,ET Bureau

### **Women farmers are worse off than most hapless male**

NEW DELHI: India's farms are being ploughed by middle-aged men. The young sons have fled to cities, leaving their fathers and elder brothers to till kerchief-sized plots. When life gets tougher, even the older men hire out their hands. Then farming becomes a woman's job. And it

sucks.

In every way, women farmers are worse off than the most hapless male. And that's saying a lot. In Asia's biggest cotton mandi at Warangal, in Andhra Pradesh's impoverished Telangana district, small cash-crop farmers say they haven't made money even though rates were 150% above the minimum support price (MSP) this year. But the men are coping far better than the 100 women farmers that regularly use the mandi.

48-year-old farmer Sadaya planted 4 acres of latest BT cotton variety and one acre of chillies. He enjoyed a loan waiver last year. This year he hopes the local rural bank will again sanction a loan of Rs 50,000 at 1.50% interest. The land is in his. So he can deposit the patta passbook as security.

45-year-old farmer Bhupa Reddy planted 3 acres of BT cotton and one of chillies. He took crop insurance and paid Rs 2,500 as premium. The policy does not cover unseasonal excess rain that ruined his cotton. His insurance company will also not pay him until the entire mandal to which his village belongs to is declared affected. But he still believes it is worthwhile. Both farmers made money from chillies. By June 15, they will be ready to re-plant cotton.

To the same market comes 60-year-old Lakshmi, a Lambadi tribal woman from Vardhamapet village. Her three sons have left home. She planted 2 acres cotton. Twice she dug a bore well but couldn't hit water even at 200 feet. Her total investment this season was Rs 30,000. But the nine-quintal harvest has fetched a net income of only Rs 8,000.

Now she has to pay back Rs 10,000 borrowed from the arhtiya, plant a new crop in June, and meet living expenses till October when harvest brings fresh income. She desperately needs credit but no bank will touch her because the land is not in her name.

65-year-old Saramma planted cotton on her single acre. She doesn't know what seed she used.

Last year her cotton failed completely. This year she has harvested 5 quintals, which fetch her ₹25,000. It's still a net loss. Her yield is lower not because she is a worse farmer than men but because she can't afford the inputs. She knows she is eligible for old age pension but who will do the paper work?

35-year-old Savitha planted two acres cotton and one acre paddy. Rain wiped out half the cotton, leaving her with only 3 quintals and a net loss. Her husband works for a building contractor. Her three daughters study in a government school. She too will now become a part-time labourer. But her daughters will continue schooling. Of that she is sure.

Lakshmi, Saramma and Savitha are hardly unique.

Eight out of every 10 economically active women in India are involved in agriculture. The number of women farmers is much higher in rain-fed areas because crops often wither, forcing more men to migrate. As 60% of Indian agriculture is still rain-fed, you can imagine their plight. These gritty women have no education, no credit support and no property in their name. An Oxfam study in Uttar Pradesh shows that only 6% of women farmers own land, less than 1% got extension training, 4% have access to institutional credit and only 8% have control over agricultural income.

But weren't women farmers always worse off? Sure. The big deal now is that their dismal productivity directly affects each one of us and the price of food on our table. Rapid male migration has put more land in the hands of women. The cost of ignoring them is inflation, flagging yields and food shortage. FAO says if women had the same access to land, technology, financial services, education and markets as men, production could jump 30% and the number of hungry people reduced by 100-150 million.

# Business Standard

Tuesday, Apr 05, 2011

## Seaweed cultivation to take off soon in Orissa

BS Reporter / Kolkata/ Berhampur April 04, 2011, 0:23 IST

Seaweed cultivation in the state is set to be taken up for the first time in coastal villages of Ganjam.

This is being done under the 'Green Micro Finance Project', implemented jointly by National Bank for Agriculture & Rural Development (Nabard) and Orissa Rural Reconstruction Association (ORRA).

ORRA is a non-governmental organization (NGO) which was launched recently at Langaleswar under Khallikote block in Ganjam district, for taking up seaweed cultivation, particularly the red algae, on commercial basis.

"As the red algae is in much demand in agar-agar, pharmaceutical and cosmetic industries in the country, we hope that the lower income groups (LIG) of the coastal villages, particularly the fishermen in the coastal villages, will get an opportunity to earn additional income," said Smita Sucharita Nayak, executive director of ORRA.

The demand for seaweeds is increasing worldwide as its extracts are widely used in tooth-paste, ice-cream, textile printing, teeth filling, cosmetics, tissue culture, plywood, packaging and several other industries. Besides, bio-fuels are manufactured from sea weeds.

"Despite low investment, seaweed cultivation is very profitable. It also helps to combat global warming," said Nayak. "We would start cultivation of seaweed on commercial basis by involving around 150 womenfolk of 16 SHGs in three villages. The harvest will be made after 45 days of

the cultivation. We would also explore the possibilities of taking up this operation at Bhitarakania in Kendrapara district," she added.

ORRA has entered into an agreement with the MS Swaminathan Foundation to buy all the dry red algae harvested by the womenfolk in the area. "It will provide an alternative livelihood for the fishermen families when the fish landing at the Chilika is dwindling," said MLA (Khallikote) PC Sethi.

He launched the project in the presence of several other dignitaries including the Chief General Manager of Nabard, CR Patnaik and the State Information Commission, Jagadananda.

The cultivation of red algae was started on a pilot basis about two years back as a part of the research project of Berhampur University on 'Development and Demonstration of Appropriate Strategies for Marine Algae Cultivation and Processing for Livelihood Generation in Coastal Areas of Orissa'. Sailabala Padhy, former professor of Botany, Berhampur University, was the principal investigator of the project.

### **Sugar exports to bring sweet returns for cane co-ops**

**Rutam Vora / Mumbai/ Ahmedabad April 5, 2011, 0:01 IST**

Co-operative societies to pass on gains to member farmers

With the Centre lifting ban on sugar exports, cash registers at sugar co-operative societies in the country are set to ring louder. What's more, as a move for incentivising sugarcane cultivation, the societies are expected to pass on the returns by around Rs 200-500 per tonne of the crop production.

"The move was long awaited even as we expect a bumper crop this year. Allowing exports will surely benefit farmers as they will get additional remuneration for their crop. Being a co-operative society, the benefits would be passed on to farmers, something which the private millers may not do for their farmers," said Mansinh Patel, chairman, Gujarat State Federation of Co-op Sugar Factories Ltd.

Rise in demand had led to farmers have reaping better prices for sugarcane over past two years. The prices had peaked during 2009-10, following which the government banned sugar exports in a bid to bring down the prices.

"The ban was successful in crashing prices last year thereby deterring cane growers from cultivation. But a recent approval from the central government for sugar exports will witness a spurt in prices again. This may incentivise the cane growers," said Patel adding that the cultivation area under sugarcane would be around 2.5 lakh tonnes in Gujarat. Unlike other states, sugar production in Gujarat comes entirely through the cooperative sector. This year, sugar production in Gujarat is expected at around 1.32 million tonnes.

The cooperative societies in other states have also expressed their joy over the central government's decision. "Lifting of ban on sugar export is a welcome decision as it will improve price scenario in the country. The farmers are going to benefit from the decision. The farmers are paid roughly around Rs 1800-1900 per tonne, which may also exceed Rs 2000 per tonne," said a senior officer from Karnataka State Federation of Cooperative sugar factories. There are around 23 cooperative sugar mills in Karnataka of which 13 have been leased out.

The sugar cooperative sector is believed to control 54 per cent of the country's total sugar production.

Besides Gujarat and Karnataka, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu are among the leading states having sugar cooperative sector.

As per industry estimates, country's sugar production is estimated at 24.5 million tonnes for the season 2011-12 (October-September) as against an estimated demand of around 22 million tonnes.

Last year the country had a carryover stock of five million tonnes, while this year it is expected to hover at around 5.5 million tonnes.

# THE HINDU Business Line

No big-ticket reforms in agri-business 'just yet'



'Nothing will change': Mr Ashok Sinha, Secretary, Minister of Food Processing Industries (left), has a word with Prof. Abhijit Sen, Member, Planning Commission, after releasing The Hindu Business Line-YES Bank Food and Agri Compendium at The Nadu BusinessLine-YES Bank Food & Agribusiness Conclave, in the Capital on Monday. — Kamal Narang

New Delhi, April 4:

Agri-business corporates should not expect any immediate big-ticket reforms in foodgrain procurement, public distribution system or APMC (Agricultural Produce Market Committee) laws and plan investments “assuming nothing will change with regard to these Big Elephants”.

This was the broad message from Prof Abhijit Sen, Member of the Planning Commission, at *The Hindu Business Line-YES Bank Food and Agribusiness Conclave* here on Monday.

“For all the talk we have had on these Big Elephants, there has been very little movement. (If at all), the movement will be very slow and it would be more useful to assume that nothing will change,” he said, implicitly referring to the political resistance to allowing corporates to procure produce directly from farmers and opening up multi-brand retail to foreign investors.

**Shift focus to small and micro**

Prof Sen's views were seconded by Mr R. Mukundan, Managing Director of Tata Chemicals Ltd, who felt that “policy changes will come, but with a delay” and “we will have to make things profitable in spite of that”. Companies, he added, should shift their focus from the “big” to the “small and micro”.

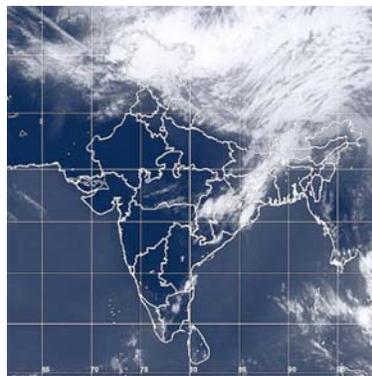
Mr Mukundan saw a major role for the private sector in seeds (especially hybrids), fertilisers and pesticides, which he likened to the Brahma (creator), Vishnu (nourisher) and Shiva (enemy destroyer) of agriculture.

Within fertilisers, there was a need to move away from bulk products such as urea and di-ammonium phosphate to customised, crop-specific and soil-specific solutions that also address the deficiency of zinc and other micro-nutrients.

In pesticides, too, Mr Mukundan pointed to a diversification of the industry's product line from just insecticides to herbicides and weedicides, in view of the rising farm labour costs. Besides seeds, fertilisers and pesticides, the private sector could do much more in areas such as extension services and agro-practices from laser levelling to drip irrigation.

Earlier, in his keynote address at the one-day Conclave, Mr Ashok Sinha, Secretary, Ministry of Food Processing Industries, said the Centre's Mega Food Parks scheme is off the ground after the initial teething problems. While two projects at Hardwar (Uttarakhand) and Chittoor (Andhra Pradesh) are in advanced stages of implementation, “we are working on 13 other parks out of the total 30 proposed in the 11th Plan”, he noted.

### **Widespread rain, thunder squalls to break out over East**



India Meteorological Dept Satellite picture at 16-00 hrs

Cooler northwesterly winds associated with a prevailing western disturbance have earned "volatile purchase" across the

Thiruvananthapuram, April 4:

Cooler northwesterly winds associated with a prevailing western disturbance have earned "volatile purchase" across the eastern two-thirds of the landmass.

Seasonally unstable weather now transcends the Indo-Gangetic plains and has broken into east-central and adjoining parched outback of central India, parts of the eastern seaboard as well as into southern peninsula proper.

## **WEATHER FORMATIONS**

This is the handiwork of the typical weather formations that have sprung up at vantage points across this region, thanks to the fluctuating fortunes of a semi-permanent and seasonal trough showing up in the upper levels of northwest and east India.

An India Meteorological Department (IMD) update on Monday evening said that scattered rain or snow has been reported from Jammu and Kashmir and Himachal Pradesh and isolated over Uttarakhand during the 24 hours ending in the morning.

Fairly widespread rainfall has occurred over sub-Himalayan West Bengal and Sikkim while it was scattered over Uttar Pradesh, the Northeastern States, Gangetic West Bengal and Kerala.

It was isolated over Bihar, west Madhya Pradesh, Jharkhand, Tamil Nadu and Andaman and Nicobar Islands.

Sustaining this unstable weather over disparate areas was mainly the western disturbance over Jammu and Kashmir and neighbourhood.

The IMD located the system east Jammu and Kashmir and adjoining Himachal Pradesh on Monday evening. It would continue to affect the western Himalayan region and adjoining plains until Thursday.

An upper air trough runs from Bihar to south Kerala across Vidarbha, and has thrown up upper cyclonic circulations over north Chhattisgarh and north Karnataka. The other stand-alone cyclonic circulation persisted over Assam.

A weather warning issued by the IMD said that isolated thunder squalls with wind speed exceeding 65 km/hr would occur over Bihar, Jharkhand, Orissa, West Bengal and Sikkim and with wind speed exceeding 45 km/hr over east Uttar Pradesh, Chhattisgarh, Arunachal Pradesh, Assam and Meghalaya until Thursday.

#### **Ex-Coffee Board chief shortlisted for ICO head's post**



Business Line Mr G.V. Krishna Rau, former Coffee Board Chairman (file photo): G R N Somashekar

Hubli, April 4:

Former Coffee Board Chairman and IAS officer, Mr G.V. Krishna Rau, is one of the four shortlisted candidates for the post of the Executive Director of the International Coffee Organisation (ICO).

The International Coffee Council, last month had set up a screening committee, comprising six exporting members and six importing members, to shortlist candidates to head the ICO.

Based on the nominations received from the ICO member countries, the International Coffee Council, which met last month, shortlisted four candidates, which included Mr Krishna Rau. The other candidates are: Mr Robério Oliveira Silva of Brazil, Mr Christian Ruffin Silvére Ngoua of Gabon, and Mr Rodolfo Trampe Taubert of Mexico.

The Executive Director post got vacant when Mr Dr Néstor Osorio resigned to become the Colombian Ambassador to the United Nations in New York.

As a next step, the four shortlisted candidates will be invited to the International Coffee Council scheduled to hold its 107th session in London from September 26 to 30. At the Council meet, shortlisted candidates are allowed to make their presentations on their candidacy.

Mr Rau is a 1982 batch IAS officer, who is currently serving as the Principal Secretary to the Governor of Karnataka, Bangalore. Before that served he as the Chairman, Coffee Board, Bangalore.

In his application for the post, Mr Rau has said “I bring 32 years of experience in the Government Sector, including 5 years in coffee sector, and the strength of working at different executive and policy formulation positions with regular interface with political executives on one side and with the general public on the other, and continuous liaison with Government at different levels as well as co-ordination with several departments. At the same time, experience of working with NGOs, CBOs and international organisations enhanced my abilities to work with varied stakeholder groups and helped develop global perspectives. The training programmes I attended greatly enhanced my capabilities in the respective areas from time to time.”

According to the ICO note, “Following the presentations by candidates at the International Coffee Council meet in September, the council shall consider and decide on the appointment of the Executive Director.”

As for the terms of appointment, the ICO says “The terms of appointment shall be comparable to those applying to corresponding officials of similar inter-governmental organisations. The initial contract will be for a period of five (5) years and with the possibility of renewal for one 5-year additional term. In no event shall the contract of the Executive Director extend beyond the duration of the International Coffee Agreement.”

## Despite seed scarcity, farmers take to cotton cultivation



Hyderabad, April 4:

Notwithstanding fears of severe scarcity for cottonseeds, the cotton acreage is all set to shoot up in the next kharif, with farmers pulling off from maize, soybean and sunflower to cash in on the huge demand for white gold in the market.

Seed industry sources said the demand could grow up to three crore packets (450 gm each) for the next season against the availability of 2.60 crore packets in the organised sector. There could be a shortfall of 40 lakh packets this year due to hostile weather conditions, labour issues and increased production costs. Unbranded local players could step in to meet the additional demand, while seed companies struggle to increase their share.

Lure of very high price for cotton and bleak prospects of making any money in seed production in the back drop of increased cost of production have led the seed growers to shift to commercial cotton cultivation.

With an imminent scarcity for seeds, farmers might have to depend on local players to fill in the gaps. "There are only 7-8 recognised brands. There are about 100 unbranded local players who might chip in," a senior executive of Nuziveedu Seeds, told *Business Line*.

While Maharashtra might witness a reduction in sorghum and soybean area, Andhra Pradesh had already registered a sharp decrease in maize and sunflower area as farmers go for more cotton. The situation could worsen because farmers have begun to use two packets (instead of one packet) an acre. Cotton Corporation of India put cotton acreage at 2.71 crore acres in 2010-11 against 2.54 crore acres the year before. "This is going to be a serious problem this year. And might worsen the following year," Mr Vidyasagar, Chairman and Managing Director of Vibha Seeds, told *Business Line*.

Mr K Bharat of Andhra Pradesh Rythu Sangham, the CPM-affiliated farmers' body, discounted the shortage argument. "There is huge quantity of seed lying in storage. They (seed firms) sold only 75 per cent of their stock last year and 65 per cent the year before," he said.

In Andhra Pradesh, the farmers and seed industry are awaiting the Government decision on pricing of the seed. The seed companies demand a hike of Rs 300 on Bollgard-II seeds and Rs 200 on BG-I. Last year, the price was Rs 750 and Rs 650 respectively. "If the Government doesn't increase the price, the seed might fly to the lucrative markets in the neighbouring States," an NSAI member cautioned.

### **Scientists urged to step up maize production**



The Hindu The area under maize had gone up significantly from 3.2 million hectares in the early 1950s to 8.17 million hectares. - Photo: Mohammed Yousuf

Coimbatore, April 4:

The Deputy Director-General (Crop Science), Indian Council of Agricultural Research (ICAR), Dr Swapan Kumar Dutta, urged scientists to accelerate maize production to cope with the anticipated rise in demand by 2025.

“Though India enjoys an exportable surplus of maize at present, there is an urgent need to gear up production and productivity of maize to meet the projected demand of 40-45 million tonnes by 2025.

“The present production is comfortable at 19-20 million tonnes,” he said at the three-day workshop of the All India Coordinated Research Project (AICRP) on maize, which concluded here on Sunday.

Around 200 scientists from across the country belonging to both — public and private institutions attended the workshop to take stock of maize research and finalise the technical programme for 2011-12.

While hailing maize as an amazing crop as it is used as food, feed and fodder and is capable of adding vitality to the food security of the country, Dr Dutta said that production and productivity of maize increased appreciably over the years, so much so that the country was in a position to export around 3 million tonnes to several countries at present.

### **Yield barriers**

The introduction of Single Cross Maize Hybrids (SCMH) has helped break yield barriers he said and highlighted the strategies to further strengthen production of maize in the country.

“Horizontal growth by way of area expansion can be difficult, which implies that there is a need to increase productivity.” Advocating measures to reduce the gap between potential yield and farmers yield, he said, “the variety that combines Bt trait and herbicide-tolerance is assuming importance, and combined with SCM, it will become a ‘Dream Maize’.

"Development of low phytate content maize is vital to increase bio-availability of minerals, which is already prevalent in the US and China," he said.

Recapping the production scenario, TNAU Vice-Chancellor, Dr Murugesu Boopathi, said the area under maize had gone up significantly from 3.2 million hectares in the early 50s to 8.17 m ha and the production and productivity – up by 12 times and 4.5 times to 19.33 million tonnes and 2,414 kg/ha respectively. "India emerged an exporter of maize only after 2002," he said. The crop is grown in Karnataka, Andhra Pradesh, Madhya Pradesh, Rajasthan, Uttar Pradesh, Maharashtra and Bihar. "In Tamil Nadu, it was grown in 3.08 lakh ha in 2009-10 and the productivity at 4 tonnes/ha is higher than the national average," Dr Boopathi said.

### **Export potential**

Underscoring the export potential, he said, "maize is increasingly used for bio-fuel production. In the US, about 14 per cent of maize, which is roughly about 46 mt is diverted for ethanol production. "Due to new industrial uses, global demand is exceeding supply. Since the demand, especially in Asia is increasing rapidly, there is huge potential for increasing maize export," he added

### **Sugar output in TN set to slip for third year in a row**



Chennai, April 3:

Sugar output in Tamil Nadu is set to remain at lacklustre levels with sugarcane acreages and sugar recovery continuing to languish well below peak levels, according to industry representatives.

Percentage of sugar recovery per tonne of cane also continues to rule low either due to drought or un-seasonal rains. Against normal recoveries of close to 10 per cent in the State, sugar mills witnessed a recovery of about 8.8 per cent in 2009-10 and in the current year it continues below 9 per cent.

Going by indications of sugarcane planting in February and March, the 2011-12 sugar season (October-September) could see a 5-10 per cent increase over the current year's anticipated sugar production of about 15-16 lakh tonnes. Last year (2009-10), sugar output was about 12.5 lakh tonnes, according to the Southern Indian Sugar Mills Association – Tamil Nadu.

This is against a peak production of about 26 lakh tonnes in 2006-07 when mills were stretched to capacity. Since then sugar mill capacities have increased particularly in the private sector as mills expanded rapidly to conserve sugarcane command areas and hasten sugarcane crushing to increase efficiency and sugar recovery with a shortened season.

### **New entrants**

There have also been new entrants to the field. Sugar mills in the State have a capacity to produce about 30 lakh tonnes of sugar while sugarcane availability is at just about half its crushing capacity.

Of the 46 sugar mills in the State, 28 are in the private sector and 18 in the cooperative and public sectors. This includes new entrants in Tamil Nadu such as Empee Sugars and Dhanalakshmi Srinivasan Sugar Mills. One mill, SV Sugars, which was not in operation last year has commenced operations under a new management, and one unit in the cooperative sector, the Madurantakam Cooperative Sugar Mill, which had remained closed for over a decade, has also started operations. At least 43 mills will be in operation in the current season against 37 in 2009-10.

One more private mill, of the Bannari Amman group, is expected to go on stream this in October, officials say.

### **Labour costs**

Industry representatives blame shortage of harvest labour and the steep increase in labour costs (which eats into farmers' margins) for sugarcane output remaining low. For the 2010-11 season the State Government has announced a support price of Rs 2,000 a tonne including Rs 100 transport cost linked to a sugar recovery of 9.5 per cent. This is twice what farmers received just three years earlier.

But harvest labour costs Rs 400-500 a tonne, which is twice that of in the North, according to officials.

According to Sugar Department officials, planting up to February-March was about 2.5 lakh acres in the State.

From the third largest sugar producer in the country, after Uttar Pradesh and Maharashtra, Tamil Nadu has conceded its position to its neighbours Andhra Pradesh and Karnataka where acreages continue to gain ground, say SISMA representatives.

Even Gujarat, which was one of the smaller sugar producing States, is expected to produce about 17 lakh tonnes. This has happened despite sugarcane prices doubling to Rs 2,000 a tonne over the last three seasons.

While sugar mill representatives concede farmers are facing a steep increase in costs, sugar prices are making it unviable for mills to increase cane costs.

## Higher prices, low volumes hit Coonoor tea's turnover



Coonoor, April 4:

The turnover in the auctions of Coonoor Tea Trade Association has fallen by 4.68 per cent in the first quarter of current calendar over the same period of last year, reveals an analysis of the Market Reports.

This has happened despite higher prices as lesser volume was sold. The demand was inadequate to absorb the teas at higher prices and only a lower volume could be sold when the asking price was more.

In all, 12 auctions had been conducted between January and March. The average price increased to Rs 72.41 a kg from Rs 69.56 last year. But, this pulled down the volume sold to 9.98 million kg (mkg) from 10.90 mkg in 2010. Consequently, the turnover dropped to Rs 72.27 crore from Rs 75.82 crore. This decline of Rs 3.55 crore marked a fall of 4.68 per cent.

## Natural rubber jumps to Rs 240/kg on strong global cues



Natural rubber prices on Monday jumped by Rs 7 to Rs 240 per kg in the domestic spot markets owing to strong global cues.(file photo)

April 4, 2011:

New Delhi, Apr 4 Natural rubber prices on Monday jumped by Rs 7 to Rs 240 per kg in the domestic spot markets, largely on the back of strong global cues.

Natural rubber prices were ruling at Rs 233 per kg on April 2 in the domestic physical markets, Rubber Board data said.

“Natural rubber prices have been rising in the international physical and futures markets due to news of floods and mudslides in Thailand, which will affect the rubber supply in the markets,” said Mr George Vally, President, Indian Rubber Dealers Federation.

According to experts, natural rubber exports from Thailand, the world's biggest rubber exporter, may come down because mudslides have devastated rubber plantation areas and a forecast of further heavy rain.

Mr Vally said that Tokyo Commodity Exchange (TOCOM) and the physical markets at Bangkok today have been trading on the positive side and this has been picked up by the markets back home. Natural rubber at the Bangkok market today rose by Rs 2.37 to Rs 258.08 per kg as against Rs 255.71 per kg on April 1, according to the Rubber Board data. Similarly, TOCOM, rubber futures prices for April delivery were ruling at 473 yen per kg (Rs 249.88/kg), up 13 yen (Rs 6.86/kg) and May delivery prices rose by 10.4 yen (Rs 5.49/kg) to 470 yen per kg (Rs 248.24/kg) from their last trading price. Another reason for the price rise is that farmers are not bringing all their produce to the markets in anticipation that the prices would rise further, Mr Vally said. "Kerala has been witnessing summer rains that point towards the fact that tapping would continue and more rubber would be produced but the farmers are not bringing all their produce to the markets," he added.

#### **Wheat procurement down 36%**



Women labourers winnowing wheat at a field on the outskirts of Karad, Maharashtra. (file photo)

April 4, 2011:

New Delhi, Apr 4 Wheat procurement was down by 36 per cent till yesterday this year at 4.34 lakh tonnes, mainly due to less arrival of crops from Madhya Pradesh and delays in harvesting in Haryana.

Food Corporation of India (FCI) had bought 6.74 lakh tonnes in the year-ago period.

Overall arrivals of wheat have fallen by almost 34 per cent to 6.03 lakh tonnes so far this year, as against 9.08 lakh tonnes in the year—ago period.

In MP, arrivals are less by over two lakh tonnes so far at 5.25 lakh tonnes. Arrival of wheat had not started in Haryana till yesterday, as compared to about 97,000 tonnes of arrivals and procurement in the state in the year—ago period.

“Arrivals of wheat in Haryana have not started because of delays in harvesting,” said a senior government official. According to FCI data, the procurement of wheat has taken place so far in MP, Gujarat and Uttar Pradesh.

MP has procured 4.32 lakh tonnes so far as against 5.76 lakh tonnes during the period under review. In Uttar Pradesh, as much as 35 tonnes of wheat arrived in the market and the entire quantity was procured by government agencies.

The government’s wheat purchases in Gujarat had risen to 2,019 tonnes till March 31 from 119 tonnes in the year-ago period. The minimum support price (MSP) for wheat is Rs 1,120 per quintal.

The government had procured 22.5 million tonnes in the entire 2010—11 marketing year (April—March). It expects procurement to touch 26.2 million tonnes in 2011—12 as output is estimated to be a record 81.47 million tonnes in the 2010—11 crop year (July—June).

Govt data show arecanut imports at price lower than floor rate

<b>Country-wise Import of arecanut</b>						
	<b>2008-09</b>			<b>2009-10</b>		
	<b>In kg</b>	<b>In Rs</b>	<b>Avg cost/kg</b>	<b>In kg</b>	<b>In Rs</b>	<b>Avg cost/kg</b>
Kenya	15,680	5,81,991	3711	-	-	-
Tanzania	18,000	277,422	15.41	17,836	2,67,304	14.98
Bangladesh	56,06,854	15,37,06,917	2741	63,32,586	20,91,64,747	33.02
Indonesia	2,88,07,273	59,99,39,066	20.82	2,32,32,175	41,60,18,209	17.90
Malaysia	1,00,000	17,10,316	1710	88,000	12,46,224	14.16
Myanmar	2,08,000	52,11,445	25.05	22,07,000	8,13,57,596	36.96
Nepal	27,45,200	9,84,02,921	35.84	48,61,500	15,74,52,104	32.38
Singapore	4,36,000	59,84,135	13.72	2,11,000	30,12,119	14.27
Sri Lanka	14,14,936	7,16,59,155	50.64	9,66,576	4,49,07,673	46.46
Thailand	24,50,418	4,55,44,941	18.58	16,10,376	3,06,47,952	19.03
<b>Total</b>	<b>4,17,97,311</b>	<b>98,30,18,309</b>	<b>-</b>	<b>3,95,26,999</b>	<b>94,40,73,928</b>	<b>-</b>

(Source: Ministry of Commerce and Industry's answer in Lok Sabha)

<b>ARECANUT PRODUCTION IN DIFFERENT COUNTRIES IN 2009</b>	
<b>Country</b>	<b>In tonnes</b>
India	4,69,000
Indonesia	52,000
Bangladesh	56,000
Myanmar	57,000
Thailand	26,000
Malaysia	1,300
Nepal	3,600
Sri Lanka	20,000
Kenya	90

(Source: Report on scientific evaluation of the costs of production of white and red arecanut prepared by Arecanut Research and Development Foundation, Mangalore)

Mangalore, April 3:

The Union Government, which set a floor price of Rs 35 a kg for arecanut imported from other countries on June 4, 2008, seems to have allowed its import at a much lower price than that.

The details provided by the Union Ministry of Commerce and Industry to the Dakshina Kannada MP are an indication of the Government admitting the fact that arecanut imports have taken place at a price lower than the floor import price. In one case, the import price was as low as Rs 13.72 a kg.

In the un-starred question no. 1730 in Lok Sabha, the Dakshina Kannada MP, Mr Nalin Kumar Kateel, had raised the questions of import restrictions on arecanut, and the details regarding import from various countries in the last two years.

In its reply to the MP on March 7, the Ministry of Commerce and Industry stated that the import of arecanut is free subject to a floor price of Rs 35 a kg imposed since June 4, 2008. It also furnished details of imports from 10 countries during 2008-09 and 2009-10.

The country imported around 41,797 tonnes of arecanut worth Rs 98.30 crore in 2008-09 and around 39,526 tonnes worth Rs 94.40 crore in 2009-10 from countries such as Kenya, Tanzania, Bangladesh, Indonesia, Malaysia, Myanmar, Nepal, Singapore, Sri Lanka and Thailand.

Indonesia remained the major exporter of arecanut to India with 28,802 tonnes (worth Rs 59.99 crore) and 23,232 tonnes (Rs 41.60 crore) during 2008-09 and 2009-10, respectively. With this, the average import price per kg stood at Rs 20.82 and Rs 17.90 during 2008-09 and 2009-10, respectively, which is much below the floor price of Rs 35 a kg. In fact, the total production in Indonesia during 2009 stood at 52,000 tonnes.

Import of the commodity was done below Rs 18 a kg from Tanzania, Malaysia and Singapore; below Rs 20 a kg from Thailand; and below Rs 34 a kg from Bangladesh.

Of the 10 countries, arecanut imported from Sri Lanka was above the floor price of Rs 35 a kg. Sri Lanka exported 1,414 tonnes (worth Rs 7.16 crore) and 966 tonnes (Rs 4.49 crore) of arecanut during 2008-09 and 2009-10, respectively. This worked out to an average price of Rs 50.64 a kg and Rs 46.46 a kg during 2008-09 and 2009-10, respectively.

Apart from this, India imported arecanut from Kenya and Nepal at an average price of Rs 37.11 and Rs 35.84 a kg, respectively, during 2008-09. Myanmar arecanut was imported at Rs 36.96 a kg in 2009-10.

The Ministry had sourced statistics from the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata.

In its notification dated, June 4 2008, the Directorate General of Foreign Trade (DGFT) had permitted import of the betel nut (commonly known as arecanut) with c.i.f. (cost, insurance and freight) value at Rs 35 a kg and above. The notification had then mentioned that whole, split, ground and other forms of betel nuts are allowed for import with policy condition that "Import permitted freely provided the c.i.f value is Rs 35/ kg and above".

Mr S.R. Rangamurthy, the then President of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd, had then told *Business Line* that there would not be scope for undervaluing the commodity while importing it to the country, with DGFT's notification.

### **Nearly 46% teas withdrawn at Coonoor auction**

Coonoor, April 3:

The fiscal 2011-12 has opened on a dismal note for tea producers with as much as 46 per cent of their offer of 12.07 lakh kg at April 1 auctions of Coonoor Tea Trade Association withdrawn for want of buyers even after shedding Rs 3 a kg. Teas worth Rs 3.94 crore remained unsold.

Vigneshwar speciality teas, auctioned by Paramount Tea Marketing, continued to top CTC market. "In all, our 11 grades got Rs 118 and more", Vigneshwar Managing Partner, Mr Ramesh Bhojarajan, told *Business Line*.

Homedale Estate got Rs 143, Hittakkal Estate and Shanthi Supreme Rs 134 each, Sree Tea Supreme Rs 126, Professor and Blue Mont Special Rs 124 each and Sree Ram Supreme Rs 121. In all, 61 marks fetched Rs 100 and more.

Among orthodox teas from corporate sector, Curzon got Rs 174, Chamraj Rs 170, Havukal and Kairbetta Rs 163 each, Tiger Hill clonal Rs 160, Quinshola clonal Rs 158, Highfield Estate Rs 157, Glendale Rs 156 and Prammas Rs 155. In all, 45 marks got Rs 100 and more.

"Leaf grades suffered withdrawal even after shedding Rs 2-5 a kg for orthodox, high-priced and better medium CTC and Rs 2-3 for plainers. Orthodox dusts, however, gained Rs 2-5. High priced CTC dusts lost Rs 2-6, better mediums Rs 2-4 and plainers Rs 1-3", an auctioneer said.

Export purchases were among the weakest of the recent weeks. Pakistan bought very selectively for Rs 56-77 a kg and the CIS, Rs 57-76.

Quotations held by brokers indicated bids ranging Rs 47-52 a kg for plain leaf grades and Rs 85-135 for brighter liquoring sorts. They ranged Rs 50-56 for plain dusts and Rs 85-134 for brighter liquoring dusts.

### **Pepper market remains hot on supply woes, bullish sentiments**

Kochi, April 3:

Pepper market remained hot in all the origins on a squeeze in supply caused by various factors, such as unfavourable weather conditions during harvesting and good buying by China from Vietnam, limited availability in Brazil, Indonesia and India.

As a result, the prices of black pepper in the world market have moved up by about 8 – 9 per cent from that of the previous week, overseas reports claimed. Farmers and primary market dealers in India are not reportedly releasing material, except for some sales taking place in Karnataka.

Sellers there were offering at Rs 233-235 a kg anywhere in India.

Validity expired stocks held by investors were being processed by expert processors and deposited back in the warehouses. Some are said to be holding farm grade pepper also. Activities on the spot market remained limited for want of supply. Those who were postponing their purchases on the hope that the prices would decline once harvesting of new crop began in Vietnam said to have realized now that they had missed the bus and started covering now.

International operators based in Dubai are reported to have covered good quantity from Vietnam have been keeping the market bullish and under their influence and support Indian operators are also said to have been highly bullish. Expert analysts of national level major brokers and local recognised brokers were making predictions based on their 'graphs and charts' in bullish tone, they said. Consequently, the Indian parity has gone up to \$5,850 a tonne (c&f).

The market observers expressed the view that even at this rate the material could be sold on the exchange platform here. The domestic demand is also expected to pick up in the coming days, they said.

All the contracts on the NCDEX shot up during the week. April, May and June increased by Rs 936, Rs 1,012 and Rs 960 respectively to Rs 25,424, Rs 25,800 and Rs 26,107 a quintal.

Spot prices, in tandem with the futures market trend and limited supply, shot up by Rs 600 to Rs 23,500 (ungarbled) and Rs 24,300 (MG 1) a quintal.

### **Continuous rain in wheat bowls triggers fears over yield**

Karnal, April 3:

Fears over the health of wheat crop grip farmers as growing areas are experiencing rainfall. There have been intermittent showers until Saturday, affecting the harvest. This could delay wheat arrivals by 8-10 days. Growers say any more rain in the growing areas could affect yield.

Though procurement has officially begun on April 1, not a single grain has been available at the Karnal grain market terminal. "Hailstorm and rain have resulted in the crop drooping, affecting harvest," said Mr Sewa Singh Arya, Bhartiya Kissan Union Secretary, in Haryana. Last year, the crop was in the market on April 1 and around 50 per cent of the crop was harvested by April 15, he said.

According to Mr Tara Chand Sharma, a wheat trader, arrivals may start before April 10 but the moisture level in the crop could be higher. If farmers do not dry and bring their produce, they may not get a fair price for their produce. As the crop has drooped in some parts and not fully ripe, farmers are harvesting manually.

Harvesting using combine harvesters may begin around Baisakhi. Pundri, Bastara, Hasandpur, Nising and many other growing areas of Haryana's Karnal district have been hit by inclement weather. Around 30-35 per cent of the crop in the 1.72 lakh hectares under wheat in Karnal district is feared to have been affected. Other affected areas are in Panipat, Yamunanagar, Ambala, Revari and Bhivani districts.

Mr Arya told *Business Line* that the Kisan union is unhappy with just Rs 20 hike to Rs 1,120 in the minimum support price for wheat. "While our expense on the crop is Rs 2,434 a quintal, we get only Rs 1,120," he said, demanding over Rs 2,000 a quintal as support price.

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