

Published: December 14, 2011 00:00 IST | Updated: December 14, 2011 04:22 IST

## **Increase in quantum of milk procurement emphasised**

Staff Reporter

With the State government hiking the milk procurement price offered to Aavin from farmers, officials must make efforts to increase the quantum of milk the agency procures from the farmers in Karur district, Collector V.Shobana said here.

Participating in the deliberations organised to shore up procurement levels, Ms.Shobana said Chief Minister Jayalalithaa was intent on ushering in second white revolution to empower farmers alongside second green revolution.

The State government has been distributing free cattle to farmers to boost milk production. The hike in procurement price has spurred more farmers to sell milk to Aavin.

Dormant societies have been revived and more societies have been formed in the district. Awareness must be created among farmers who do not supply to Aavin. Aavin general manager R.Natarajan pointed out that the milk cooperative societies special officers have been instructed to bring more farmers under the Dairy Entrepreneurs Development Scheme sponsored by the NABARD to increase milk production.

The scheme envisages subsidised credit to entrepreneurs through banks and societies. He also informed that the members who had supplied milk to Aavin during 2010-11 would get Re.0.50 per litre supplied with retrospective effect.

Deputy Registrar (Dairy Development) R.Muthukrishnan observed that the farmers must be educated to get their cattle inoculated against foot and mouth disease besides feeding them with the mineral salt mixture and it was the duty of the milk cooperative society secretaries to ensure that.

Aavin manager Dr.P.Duraiarasan, participated.

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## **Weather favourable for drying groundnut: KVK**

Staff Reporter

Krishi Vigyan Kendra (KVK) has advised farmers to complete drying the harvested groundnut soon and stack them as the climatic conditions would favour the drying process during the next three days.

According to scientists at the KVK, groundnut harvest is in full swing across the district and is expected to be complete for the *Vaikasi Pattam*.

The short-term weather report from the Agrometeorological Advisory Services(AAS) till Friday states that the sky will be slightly cloudy while there are chances for isolated drizzles in this district due to presence of northwest monsoon over the south coastal Tamil Nadu. Wind speed could remain around two and three kilometres an hour, the report adds.

According to AAS, maximum day temperature is expected to be in the range of 30°C and 31°C while minimum night time temperature could remain around 20°C and 22°C. Maximum and minimum relative humidity could be in the range of 75 to 89 per cent and 54 to 68 per cent respectively, the report added.

Special advisory for the poultry industry states that these climatic conditions would help the egg laying chickens consume normal level of feed – due to slight increase in temperatures. However, farmers are advised to use feed with a minimum of 2,550 kcal/kg.

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## **Saplings distributed to 130 farmers**

Special Correspondent

The Chennai-based AMM Murugappa Chettiar Research Centre (MCRC) has launched the Rural Greening and Community Development project at Pallathur near here.

Coromandel International, a Murugappa Group company, will carry out the project that aims at planting one lakh saplings and medicinal herbs in the next four years at over 80 villages in Sivaganga and Villuppuram districts by motivating rural folk through awareness and interventional programmes.

Launching the project by distributing saplings to 130 farmers in Karaikudi and Sivaganga regions on Monday, A. Vellayan, Chairman, Murugappa Group, said there was greater awareness of socio-economic challenges posed by climate change and global warming.

However, there was a need to improve developmental work such as sapling planting at grassroots level.

He expressed the hope that the project would change the environment in many districts in the State in the next 10 years.

The objective, he said, was to assist the rural people in restoring the green cover and the environment and improve their livelihood.

M V Murugappan, Chairman, MCRC, said that during the current year the centre would plant about 25,000 saplings in Sivaganga and Villuppuram districts with the help of farmers and another 25,000 would be planted next year.

He said the project included awareness programmes, plantation of economically important species and supply of seedlings to those who want to establish herbal plants in their houses.

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### **Over 46 lakh tonnes paddy arrives in Haryana**

A total of 46.46 lakh metric tonnes of paddy has arrived in the mandis of Haryana in the crop season till Monday, as compared to 46.12 lakh metric tonnes during the corresponding period last year.

An official spokesman said here on Tuesday that government procurement agencies have so far purchased over 29.18 lakh metric tonnes of paddy and delivered over 3.24 lakh metric tonnes of custom milled rice to Food Corporation of India (FCI).

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### **Tea production belies optimism**

Special Correspondent

Belying earlier optimism of 2011 being a watershed year for the Indian tea industry with production breaching the 1,000-million-kg mark, output will actually be around 985 million kg

against 966 kg in 2010. Exports too are expected to be lower. Tea prices have become flat since mid-2011.

These trends were revealed at a meeting of the Consultative Committee of Plantation Associations, the apex body of the Indian tea, coffee, rubber and cardamom industry. The CCPA met here on Tuesday.

A release said that the impasse arising out of the payment problem being affected by exporters to Iran is now set to be resolved, following plans to open rupee accounts with the Central Bank of Iran.

It may be mentioned that closure of the Asian Clearing Union (ACU) in December had created problems over payments for imports of oil from Iran and exports of non-oil items to that country. Payments to tea exporters have been held for over a year now following U.S. sanctions. Iran is an important market for Indian tea exports, especially the high-value orthodox teas.

The CCPA reviewed the developments in this respect and noted that UCO Bank has been designated to work out the details of the commercial arrangements that it has entered into with the Central Bank of Iran. "Unless the payment problem is sorted out, tea exports from India to Iran may not see visible improvement," the CCPA said. As per January-July statistics given by the Tea Board, Indian exports have declined in all the markets barring Pakistan. Exports this year are expected to be around 185 million kg against 193 million kg in 2010. The output, which had dropped by 20 million kg in 2010, was expected to be boosted this year mainly through better production by North India, which accounts for 75 per cent of the production. However after a spurt till July, the Indian industry started losing crop to unfavourable weather conditions in the North and the South, which retarded crop.

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### **Plan to boost sale of tea produced by TANTEA**



INSPECTION: Forest Minister K.T.Pachaimal, second from right, at the Tiger Hill factory of the TANTEA near Coonoor on Tuesday.

A plan of action will be evolved to increase the sale of the tea produced by the Tamil Nadu Tea Plantation Corporation (TANTEA), said Forest Minister K.T.Pachaimal in Coonoor on Tuesday.

Stating that direct sale would be resorted to, he told reporters that it would be made available all over the State. Focus would also be on making tea suitable for the export market.

### **Loss**

Pointing out that until recently the annual loss of the Corporation was about Rs. 16 crore, he said that it had come down to Rs. 4.4 crore. Steps would be taken to further reduce the loss. While the cost of production would be brought down, productivity would be increased.

He said that during the previous regime there had been many administrative problems, and loans had been obtained to meet commitments such as salary and bonus of the employees numbering 8,700 including the temporary hands. Efforts would be made to streamline the functioning of the Corporation.

Appropriate steps would be taken to collect the money due to the Corporation from those who had purchased its products but had failed to make payments, the Minister said.

The difficulties confronting the TANTEA would be taken up with the Chief Minister, he added.

In reply to a question relating to the escalating human-wildlife conflict, Mr.Pachaimal said that funds had been allotted by the government to implement measures which would help tackle the problem.

### **Encroached land**

He said that of the 65 acres of forest land that had been encroached at Jackanarai near Kotagiri, 30 acres had been retrieved. The remaining would be taken back soon.

Earlier, he presided over a meeting to review the functioning of the TANTEA. Forest Secretary C.V.Sankar was present. The Minister also inspected the Tiger Hill factory of the Corporation.

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## **Farmers demand removal of controls on sugar**

The Karnataka unit of the Consortium of Indian Farmers' Associations and the Karnataka Sugarcane Growers' Association have urged Prime Minister Manmohan Singh to remove all controls on sugar as an immediate step to help farmers in distress.

The leaders of the consortium and president of the association Kurubur Shanthakumar met Dr. Singh in New Delhi on Monday. They drew his attention to the continued exploitation of farmers in the absence of a policy on remunerative prices for agricultural produce in the country. They said that farmers were facing severe financial hardship due to the increased cost of cultivation and lack of remunerative prices for their crops.

### **'Losing hope'**

They submitted a memorandum to the Prime Minister, a copy of which was sent to *The Hindu* .

In it, they said farmers were losing hope and did not think that their prospects would improve and so they were considering giving it up and looking for other sources of livelihood. This posed a direct threat to food production in the country. They added that farmers were discriminated against as the Government did not encourage the agricultural sector on a par with industries, which were supported by incentives, tax-free holidays and freedom to fix prices for their products.

### **Remunerative pricing**

In the memorandum, they also sought establishment of a mechanism to fix remunerative prices for agricultural produce as per the M.S. Swaminathan Commission report, removal of levy on sugar, state advisory price (SAP) for paddy, minimum support price for turmeric and onion, imposition of 35 per cent import duty on silk and cotton, amendment to crop insurance scheme, debt relief for farmers in the event of crop loss on the lines of support given for revival of sick industries.

The leaders also urged the Prime Minister to convene a round-table, involving experts from agriculture, finance, co-operation, industry, management and related fields, to take a threadbare view of Indian agriculture, its prospects and conditions of domestic growers, and evolve a strong, pro-farmer agricultural policy before it was too late.

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- *Farmers' leaders meet Manmohan Singh with list of demands*
  - *'Convene a round-table to evolve pro-farmer agricultural policy'*
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## **HIL not to benefit from verdict on endosulfan**

Special Correspondent

The Supreme Court's verdict on Tuesday allowing the export of unused stock of endosulfan will not much benefit the Hindustan Insecticides Limited's (HIL) unit here, which used to be the only public-sector manufacturer of the banned pesticide in the country.

A company source said the HIL unit had with it only a few hundred litres of the 'formulation' variety (which has a strength of about 35 per cent) of endosulfan. The unused stock of the 'technical' (with over 95 per cent strength) variety had already been exported with the court's earlier permission. The HIL general manager, however, refused to comment on the impact of the verdict on his company saying only his higher-ups could do so after getting the full version of the court report. The order is expected to benefit two Gujarat-based private companies which used to manufacture of the bulk of endosulfan before the May 13 verdict of the Supreme Court banning its manufacture, sale and use in the country. That order, on a petition by the Democratic Youth Federation of India (DYFI), was in the wake of the Stockholm Convention's listing of the highly harmful chemical as a hazardous substance which needed to be phased out.

The HIL unit used to produce roughly 1,600 tonnes of endosulfan, which had been sold outside Kerala or exported because of a domestic ban which had been in place in Kerala years before the May 13 national ban. In its Tuesday order, the Supreme Court, however, tasked the HIL with "dilution, packaging and export" of the unused stock of endosulfan. DYFI had opposed the export, but the companies argued that they should be allowed to export the stock which had been manufactured in accordance with foreign orders and they needed to comply with the contract terms. When the court imposed the national ban, there was an estimated 1,100 tonnes of endosulfan stock with the manufacturers.

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## Basmati rice exports fetch lower prices

AHMEDABAD: For the first time, India parboiled basmati is selling at a \$250 discount per tonne to Pakistan as severe working capital crunch is compelling exporters to liquidate their stocks. Indian basmati rice exporters are now getting queries from Pakistani traders and importers to procure Pusa 1121 variety of basmati rice.

Currently, Indian parboiled traditional basmati is sold for \$750 a tonne, 1121 parboiled basmati rice variety for \$800 a tonne and brown rice (unpolished) for \$700 a tonne. The prices are 15% to 20% lower than the previous year.

Pakistan and India are the only producers of aromatic basmati, which was once the world's most expensive rice. "The Indian basmati prices are at a 5-year low. Apart from lower price, our brand positioning has also been hit in the international market. Already, we are getting queries from Pakistani companies that will procure from us and sell in the Middle East," the All India Rice Exporters Association president Vijay Setia said. He added that the Indian rice exporters had been selling goods on credit, which has led to a liquidity crunch.

"We are advising exporters to trade through cash against document or issue letter of credit only," he added.

Setia said the price would remain stable for another 3 months with a bumper basmati production of 3.5 million tonne in Punjab, Haryana and Western UP. However, the exports have seen a 10% growth in November compared to the previous year.

"Exports should easily touch 2.5 million tonne this year from 2.2 million tonne during the previous year. Also, the domestic consumption will increase owing to a good crop and carry forward stocks," said Kohinoor Foods joint MD Gurnam Arora.

With the Centre lifting ban on non-basmati rice exports in September, followed by a weak production outlook for most rice-exporting countries, India's share in global rice trade may see a



sharp increase. The non-basmati rice committee of the All-India Rice Exporters Association chairman Prem Garg said: "The industry has already signed contracts for 1.2 mt tonne of non-basmati rice and we expect to export 2 mt rice March."

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14 DEC, 2011, 04.04AM IST, MADHVI SALLY,ET BUREAU

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14 DEC, 2011, 04.03AM IST, SUTANUKA GHOSAL,ET BUREAU

### **Tea production down by 15-20% in October & November**

KOLKATA: Tea estates have closed down production almost ten days in advance as winter chill has set in early this year. Tea companies like McLeod Russel India, Rossell Tea, and Goodricke Group say that the production has gone down by 15% to 20% in October and November, and around 50% in December. The tea production is likely to be in the range of 980 million kg this year compared to 966 million kg in 2010.

CS Bedi, managing director of Rossell Tea, said: "There were no rains since September 20, which has affected the production. The chill of the winter is also not favourable to the crop. We were expecting a production of 1,000 million kg this year. But now the tea industry will close the year with a production of 980 million kg."

According to Bedi, who is also the chairman of India Tea Association, the exports will be around 180 million kg this year. "The unit price realisation in the export market has increased due to appreciation in dollar. This has increased the export earnings of the companies though volumes are less," said Bedi.

KK Baheti, director of McLeod Russel India, said: "We have closed down our plucking operations as tea leaves have started wilting. This has affected the production by 15% to 20% at our tea estates in October and November. However, higher production in the initial months has increased our production. This year, we are expecting a crop of 80 million kg compared to 74 million kg previous year. The average price of our teas has gone up by Rs 5 per kg." McLeod Russel, the largest integrated tea company in the world, expects to achieve 23-million kg exports as against 21 million kg in the previous year.

Goodricke Group said: "The industry has lost 15-20 million kg tea between October-December

period due to less rains. At Goodricke Group, we have lost heavily on account of orthodox tea. Exports of orthodox teas suffered due to Iran payment crisis. Overall, our price increased by Rs 3-4 per kg."

According to industry sources, global black tea production has also slumped to 1,460.64 million kg from 1,479.92 million kg in 2010. This fall of 19.28 million kg accounts for a decline of 1.3% over the last year.

Kenya accounts for the bulk loss of 29.70 million kg with the production dipping to 259.77 million kg. Indonesia lost 9.90 million kg to produce 46.50 million kg, Uganda lost 6.32 million kg to 36.51 million kg, Sri Lanka lost 6.26 million kg to 269.89 million kg and Malawi's output fell by 5 million kg to 37.10 million kg.

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14 DEC, 2011, 03.58AM IST, PK KRISHNAKUMAR,ET BUREAU

### **Domestic rubber prices surge above Rs 200/Kg**

KOCHI: Rubber prices have rebounded to above Rs 200 per kg in the local market as tyre manufacturers step up procurement spurred by higher automobile sales.

Growers are willing to release the stock into the market as the current level of price is around Rs 20-25 higher than the international market, which has been hit by the debt crisis in Europe.

Improved sales in the passenger car segment have led tyre makers to make more purchases. Since the local rubber prices were hovering below the Rs 200/kg mark, the growers were reluctant to go on a selling mode. But on December 5, the price of RSS-4 variety, used by the tyre makers, moved up to Rs 201 per kg and it went up to Rs 204 before falling by Rs 3 on selling pressure a few days later.

The tyre makers are exploring both options: they are importing as well as making local purchases. "Even with rupee at Rs 52 a dollar, the imports are more viable at the current level of global prices. We will complete the import quota allowed by the government at reduced duty by the end of December," said Swaranjit Singh, materials director at JK Tyres, adding that the tyre company is also making use of the peak production season in the domestic market.

The rubber production has grown by 4.9% to 5,75,100 tonne in the April-November period. For the given period, the consumption rose by just 0.7% to 6,32,615 tonne. Unlike the passenger car segment, the demand in OEM and truck tyre sectors has remained subdued. The rubber imports are rising though overall imports for the eight-month period are still down by 26%.

The delay in the landing of imported rubber could have forced tyremakers to buy more from the local market. "They were expecting it in early December but looks like towards the end of the month. The growers are willing to sell above Rs 200 as the international prices are over Rs 20 lower," said George Valy, president of the Rubber Dealers Association.



*By PTI*

*13 Dec 2011 03:06:28 PM IST*

### **Inflation may come down to 7% by March 2012**

NEW DELHI: The government today said the current fiscal may end with inflation of around 7 per cent, driven by moderation in demand side pressures and record foodgrain production this year.

This is due to the demand side pressures moderating, as a consequence of the calibrated withdrawal of the fiscal stimulus and the tightening of credit by the RBI, along with record foodgrain production this year, Minister of State for Finance Namo Narain Meena said.

"...As a result, overall WPI inflation is likely to decline from December onwards and the current fiscal may end with headline inflation of around 7 per cent," Meena said in a written reply to the Rajya Sabha.

On the steps taken by the government to contain the rising inflation, he said, among other things, the import duties on pulses and edible oils (crude) have been reduced to zero.

Besides, the exports of edible oils (except coconut oil and forest-based oil) and pulses (except Kabuli chana and organic pulses up to a maximum of 10,000 tonnes per year) has been banned, Meena said.

In addition, the Forward Markets Commission has suspended futures trading in rice, urad and tur dal. Stock limit orders were extended in the case of pulses, paddy and rice up to September

30, 2011, Meena said.

Among other measures, the government also reduced duty under Tariff Rate Quota (TRQ) for skimmed milk powder to 5 per cent from 15 per cent for import of up to an aggregate of 10,000 tonnes in a financial year.

It also allowed import of 30,000 tonnes of milk powder and 15,000 tonnes of milk fat at zero duty to the National Dairy Development Board during 2010-11 under TRQ, Meena said.

The government also reduced customs duty on crude oil and import duty on petrol and diesel, he said.

"As part of the monetary policy review stance, the RBI has taken suitable steps with 13 consecutive increases in policy rates and related measures. This is to moderate demand to levels consistent with the capacity of the economy to maintain its growth without provoking price rise.

"As per the most recent announcement of the RBI on October 25, 2011, the repo rate and reverse repo rate have been revised to 8.5 per cent and 7.5 per cent, respectively," Meena said. In reply to another query, he said the headline wholesale price index (WPI) year-on-year inflation stood at 9.73 per cent in October.

*13 Dec 2011 07:52:04 AM IST*

### **Paddy procurement to be kept track in SMS**

BHUBANESWAR: With sluggish paddy procurement fuelling apprehensions of distress sale, the State Government has hit upon the novel idea of using SMS services to keep abreast of the daily information.

The mobile governance, as the Food Supplies and Consumer Welfare Department calls it, will keep track of paddy procurement from centres on a day-to-day basis so that a compiled information can be generated in Bhubaneswar.

A proposal prepared by the Department says that since information on paddy procurement does not reach the State headquarter on time, there is a need for putting in place a mechanism. The daily functioning of the paddy purchasing centres (PPC) is not monitored at any level and this is resulting in communication gap in the Department.

It is this gap that the Department wants to bridge by seeking information through text messages. As part of the plan, each PPC \_\_ whether it is a society or a market yard \_\_ will

submit the information on procurement by sending SMSes. The purchase officers of market yard and secretaries of societies will send SMS stating paddy delivered to each miller as per their acceptance note on the day of delivery to rice mills.

“Since the SMSes will be routed through the mobile modem setup in the Department to the servers, Management Information System (MIS) reports will be generated and made available on its portal,” said a senior official.

The cellphone numbers collected through the society and market yard registration process will be used for the purpose. If a purchase officer operates for more than one market yard, s/he has to submit as many mobile phone numbers as the yards or societies he monitors so that each number can be identified with a yard or society. Besides, use of any mobile number other than those registered will not be accepted by the modem and the server. “This will eliminate all confusions and keep the identity unique,” the sources added.

As per the proposal, the district administration will have to train the purchase officers engaged in procurement since a particular format will be used for sending the SMSes. Once the text messages reach, MIS reports would be generated to know the volume of paddy procured at each PPC and paddy received by each mill.

Last year, about 25 lakh metric tonne rice was procured through different agencies which was short of target. The reasons attributed are lower production caused by drought and untimely rains.

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# Business Standard

Wednesday, Dec 14, 2011

**High cane payments, transport cost to hit Maharashtra sugar mills**

**Sanjay Jog / Mumbai December 14, 2011, 0:23 IST**

Sugar factories in Maharashtra fear a major financial crisis, as they have to pay a cane price of Rs 2,300-2,500 a tonne to growers, in line with their counterparts in Uttar Pradesh. This was the result of a recent settlement between millers and grower unions that were insisting

on payment of first advance above the fair and remunerative price (FRP) of Rs 1,470 a tonne. According to the agreement, mills have to pay Rs 1,850 to Rs 2,050 for a tonne of cane. However, the actual payment is much more.

Krishnakant Kudale, chairman of the Saswad Mali Sugar factory in Solapur district, told Business Standard: "High cane prices are affecting the mills badly. The tilling and cutting cost of cane was increased by 70 per cent and there has been a rise in transportation cost. Cane cost has soared by Rs 450-500 a tonne. The total landing cost, therefore, comes to anywhere around Rs 2,300-2,500 a tonne." It would be difficult to survive as losses would have to be carried forward in the accounts of mills, he added.

Sahebrao Pathare, secretary of the Sant Tukaram Cooperative sugar factory, explained how the rise in cost in commission, transportation, conversion and fuel have added to mills' woes. "Mills have to shell out about Rs 400 a tonne towards transportation, which includes commission for manual and vehicular transportation. The conversion cost, which primarily includes repairs and maintenance, ranges between Rs 50 and Rs 107 a tonne, while the fuel cost comes to Rs 70 a tonne. This has literally changed the economics and it is quite difficult to bear this extra burden." Higher recovery was the only positive and may fetch a good price in the coming days.

Vijaysinh Mohite-Patil, chairman of the Federation of Cooperative Sugar Factories in Maharashtra, a representative body of 200 mills, said he would take up the issues faced by the industry with the chief minister Prithviraj Chavan during a meeting slated in the next two days. "Sugar factories are finding it difficult to pull on. The only respite is recovery, which ranges between 10.15 and 10.75 per cent in Maharashtra, compared to 8.9 per cent and 9.23 per cent in Uttar Pradesh," he added.

According to the chairman of a cooperative from southern Maharashtra, sugar prices in the open market have fallen to Rs 2,725-2,775 a quintal.

"Higher sugar quota and panic selling due to financial stress have led to a fall in prices in open markets. If the government does not intervene, prices will slide further and in such a situation, millers will not be able to make payments to cane growers as agreed," he warned.

Further, he informed that according to a recent government circular, jute packaging had

been made mandatory and millers would have to shell out more money on this, too.

### **Natural rubber demand-supply gap narrows**

**George Joseph / Kochi December 14, 2011, 0:21 IST**

The gap between production and consumption of natural rubber (NR) narrowed in November. Though consumption grew at a much lower pace than production, the gap at

November-end fell to 57,515 tonnes from 70,725 tonnes in April-October.



During April-November, consumption increased 0.7 per cent due to the economic slowdown and the euro zone crisis, while production increased 4.9 per cent. Still, there was a marginal increase of 0.2 per cent in the cumulative consumption in April-October.

Average consumption during April-November increased to 632,615 tonnes, as against 628,240 tonnes in the same period of the last financial year. According to provisional figures of the Rubber Board, total production increased 4.9 per cent to 575,100 tonnes as against 548,150 tonnes.

Production of NR in November increased 4.3 per cent to 94,400 tonnes compared to 90,500 tonnes during November 2010. Monthly consumption increased seven per cent to 82,000 tonnes compared to 78,010 tonnes.

### **Tyre sector hit**

Most tyre companies in India are facing severe problems on the demand side, due to low automobile sales. This caused a drastic reduction in the demand from the original equipment (OE) segment for the last few months. Industry sources said the improvement is not an indication of better status of rubber-based industries.

Leading rubber dealer and former president of the Cochin Rubber Merchants Association, N Radhakrishnan said tyre production had picked up pace marginally, but the non-tyre sector was still under pressure. The slight increase in consumption is because of the



improvement in tyre production.

Tyre companies are buying rubber as prices are comparatively low now. But, the crisis of small and medium non-tyre units is continuing and a large number are on the verge of closure, he said. According to information from the All-India Rubber Industries Association, 500 such units have shut shop.

According to Rajiv Budh-raj, director general, Autom-otive Tyre Manufacturers' Association, the slowdown in the tyre sector continues. Tyre production increased seven per cent in April-October as against a double-digit increase in the same period last year. The production of truck/bus tyres was flat, while car tyre output increased three per cent. Radhakrishnan said prices would move on a steady note as rich farmers are holding stock for better price realisation. Also, global supply is low due to poor production in Thailand, the world's largest NR producer, due to rain and floods. Supply is expected to fall 5.6 per cent in 2011.

#### **Import, exports**

Though the local market is not having enough rubber and the prices abroad are lower than in India, imports have declined in the current year. Total imports during April-November were 111,899 tonnes as against 152,658 tonnes in the same period of last year.

Meanwhile, exports were up 430 per cent to 20,784 tonnes as against 4,798 tonnes in the same period last year.

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# THE HINDU Business Line

Kerala asks Centre to hike replanting subsidy for rubber



According to priority: The Kerala Chief Minister, Mr Oommen Chandy, inaugurating the silver jubilee celebrations of the Rubber Producers' Society at Kottayam on Tuesday.

Kottayam, Dec 13:

Kerala will give priority in supporting the rubber sector, said Mr Oommen Chandy, the Kerala Chief Minister. He was inaugurating the Silver Jubilee Celebrations of the formation of Rubber Producers' Societies (RPS) at a glittering ceremony at Mammen Mapillai Hall, Kottayam.

He said that the State Government had urged the Centre to increase the replanting subsidy for rubber cultivation as suggested by the Rubber Board. His Government would take steps to support the RPS, through the village, block and district panchayats, he said.

Kerala could develop only through agricultural growth and rubber sector now occupied the pride of place in the State. Rubber growers should keep their association with the RPS vibrant not only when the prices are low but also should keep constant vigil so that the achievements in the sector are sustained.

Mr Thiruvanchoor Radhakrishnan, Minister for Revenue, presided over the function.

The Chief Minister presented the Suvarna Sangham Award to the Chirakadavu RPS. He also honoured Mr P. C. Cyriac, Mr P. Mukundan Menon, Dr A. K. Krishnakumar, and Late P. K. Narayanan for their valuable services in promoting the concept of the RPS in their formative years. Ms Sreedevi Narayanan received the memento on behalf of Late P. K. Narayanan. Ms. Sheela Thomas IAS, Chairman, Rubber Board welcomed the gathering.

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## India faces uphill task in mechanising cotton farming

M.R. SUBRAMANI

Small farms, tall plants, lack of defoliants make transition difficult



Chennai, Dec. 13:

India may be the second largest cotton grower but it still lags behind in mechanisation of farm operations of the fibre crop.

With the country facing labour shortage and farm wages rising, cotton growers are looking at various ways to cut costs. For example, the cost of picking cotton from the farm has increased to Rs 10-12 a kg now from Rs 4 in 2007. Labour availability, too, dropped from 70.3 per cent of the population in 1961 to 48.9 per cent in 2010.

Among nations growing cotton, cotton picking is completely manual in India.

In contrast, a country such as Turkey has mechanised cotton farming within a short span of time. "Almost 60 per cent of its cotton operations was mechanised within a decade," says Mr Ganesh Jayaraman, Global Director, Cotton Product Line, Agriculture and Turf Division of John Deere.

In China's Xinjiang province, 40 per cent of cotton operations has been mechanised, while in the US, mechanisation helps in baling cotton on the farm itself. "The Chinese Government is

supporting mechanisation, and by 2020, 60 per cent of cotton-farm operations will be mechanised in Xinjiang,” says Mr Jayaraman.

## **Problems**

So, what are the problems confronting Indian growers in mechanising cotton operations? The issue was discussed in detail at the World Cotton Research Conference in Mumbai last month.

“Cotton picking is one of the critical operations of cultivating the fibre,” says Dr V.M. Mayande, Vice-Chancellor of Dr Panjabrao Deshmukh Agricultural University in Akola. “Small-sized farms in India is another issue and, therefore, small machines are required. Also, the opening of the cotton boll has to be synchronised,” he says.

However, the most important thing to be done before mechanised picking is to defoliate the plant. “No appropriate defoliant is available in the country,” says the farm varsity vice-chancellor.

“The appropriate defoliator can be found,” says Mr Jayaraman, adding that controlling the cotton plant's height is one of the major issues in India.

“The problem in India and Pakistan is that not many varieties are available for mechanised picking,” says Dr Mayande. “The height of the plant that grows up to six feet is another major constraint,” he says. “Maybe, India can restrict the number of hybrids grown. It can help. The height of the plant can be brought down to about 4 feet,” says Mr Jayaraman.

## **Only one picking**

Currently, hybrids account for nearly 95 per cent of the total 120 lakh hectares under cotton in the country.

In India, farmers pick cotton twice or thrice from the plant in a season. “Mechanisation means the picking can be done only once. Can our farmers afford to lose the extra pickings?,” wonders Dr Mayande.

But Mr Jayaraman points to the US as an example. In 1926, US harvested 18.5 million bales on 47 million hectares of land. Now, it harvests 18.1 million bales on 10.7 million hectares. “A similar solution can be found here by increasing the yield,” he says.

While hand-picking of cotton results in 2-2.5 per cent trash content, it could be higher in mechanisation. "For ginning mills, pre-cleaning will become a big operation," says Dr Mayande.

"Even otherwise, pre-cleaning at gins is required. In fact, mechanised picking is better than hand-picking since the latter can lead to contamination," says Mr Jayaraman.

Some of the options under consideration are power tiller type of pickers with sensors to zero in on cotton's white colour.

John Deere has come up with two-row pickers in Turkey and Uzbekistan but the company is yet to figure out what type of mechanical picker will suit India.

"We don't believe all farms can be mechanised in India. However, mechanisation will depend upon the Government's will and right agronomic practices that have helped countries such as the US, Turkey and China," says Mr Jayaraman.

As of now, cotton scientists, traders, exporters and industry are of the view that mechanisation is a far cry. "I don't see mechanisation happening in the immediate future. It could be at least 10 years away," says Dr M. Ramasami, Managing Director of Rasi Seeds. [mrsbramani@thehindu.co.in](mailto:mrsbramani@thehindu.co.in)

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## **Spot rubber turns weak**

Our Correspondent

Kottayam, Dec. 13:

Spot rubber prices turned weak on Wednesday. The market lost strength lacking follow-up buying from major consuming industries. Since the December futures expires within a couple of sessions on the National Multi Commodity Exchange (NMCE), the market is expected to remain subdued, an analyst said.

Sheet rubber declined to Rs 200 a kg from Rs 202 and Rs 201.50 a kg respectively, according to traders and the Rubber Board.

In futures, December series improved to Rs 201.85 (201.27), January to Rs 203.30 (202.61), February to Rs 206 (204.75), March to Rs 209.20 (207.80) and April to Rs 213.50 (211.51), while the May series weakened to Rs 212.80 (213.51) a kg for RSS 4 on the NMCE.

RSS 3 (spot) dropped to Rs 180.25 (183.30) a kg at Bangkok. The December futures for the grade slipped to ₹257 (Rs 175.74) from ₹263.4 a kg during the day session on the Tokyo Commodity Exchange.

**Spot rates were (Rs/kg):** RSS-4: 200 (202); RSS-5: 197 (199); ungraded: 190 (193); ISNR 20: 188.50 (189) and latex 60 per cent: 110 (111).

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### Tea output unlikely to top 1 billion kg

Our Bureau



Kolkata, Dec.13:

The country's tea production is expected hover around 980-985 million kg (mkg) this year, higher than 966 mkg produced last year. Tea exports, however, are estimated to decline by four per cent to 185 mkg, according to the Consultative Committee of Plantation Associations (CCPA).

CCPA – an apex body of planters – had initially estimated the production for the year to cross one billion kg.

## **GONE WARY**

The initial estimates, however, had gone wary due to unfavourable weather conditions and unexpected crop loss during October-December quarter

According to the CCPA, unfavourable weather conditions since July in North India has lead to crop loss. Further projections by the apex planters' body predict crop losses in both North and South India during the October to December .

### **Exports**

On the exports front, destination-wise data available with Tea Board show a decline across all countries except Pakistan. Tea exports were down by 13 mkg in the first 10 months.

The payment crisis with Iran has been a major contributor to the country's declining export trend. However, unit export price realisation, was considerably higher for north Indian teas.

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### **Coconut Board clears neera project**

Our Bureau

Kochi Dec 13:

The Project Approval Committee meeting of the Technology Mission on Coconut has cleared a project for establishment of Neera demonstration unit at the Horticulture Farm, Thumbel in South Karnataka. The committee approved the project at a total cost of Rs 1.15 crore.

The project was submitted by the Department of Horticulture, Government of Karnataka under Technology Mission on Coconut. There are technologies available (low cost and high cost) to preserve Neera for a period of 3 days to 2 months. The technology has been developed by Central Food Technological Research Institute (CFTRI) and DFRL, Mysore.

Neera is a sugar containing juice obtained by tapping unopened spadix (inflorescence) of coconut palm. Neera can easily be converted into value-added processed products such as jaggery, sugar, candy, ice cream, toffee etc. These products have high market value.

'Neera', being a non alcoholic and nutritious drink, the Board intends to promote it for its value-addition potential, employment generation, and sustenance of enhanced returns to the farmers. The share of the Coconut Development Board to the project cost will be Rs.28.75 lakh.

An average of 150-180 litres of Neera can be tapped from a tree (average 2-3 litres a tree a day) over a period of six months tapping period. This gives a return of nearly Rs.30,000 an acre, that approximately works out to 30 functional trees, a press release issued here said.

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### **Offtake buoys groundnut, cotton oils**

Our Correspondent



Rajkot, Dec. 13:

A 15-kg new tin of groundnut oil rose to Rs 1,500 on demand from brand-makers and stockists on Tuesday.

Retail demand pushed up cotton oil.

While loose groundnut oil gained Rs 15 at Rs 880-885 for 10 kg, a 15-kg new tin increased by Rs 20 to Rs 1,495-1,500.

A *telia* tin was up by Rs 20 at Rs 1,359-1,360. About 200 tonnes groundnut oil were traded in Saurashtra.

### **at the apmcs**

Bold groundnut was traded at Rs 635-737 for 20 kg at the Agricultural Produce Marketing Committee (APMC) yard here, while small groundnut sold at Rs 630-717 for 20 kg.



At the Junagadh APMC, bold groundnut fetched Rs 600-726 and small Rs 550-680 for 20 kg.

Cotton oil (wash) gained Rs 8 at Rs 590-593 for 10 kg while a 15-kg new tin of cotton oil increased by Rs 5 to Rs 1,045-1,050.

Around 400 tonnes of cotton oil were traded.

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## Buying by millers pushes up masoor

Our Correspondent



Indore, Dec. 13:

Slack arrival and improved demand from millers perked up masoor (bold) to Rs 3,300-3,325 a quintal (Rs 2,950-2,975), while masoor (medium) rose by Rs 50 to Rs 2750 a quintal on improved enquiries. Masoor dal was firm, with masoor dal (average) quoting at Rs 3,225-3,250, masoor dal (medium) at Rs 3,375-3,400 and masoor dal (bold) at Rs 3,475-3,500 a quintal.

Weak arrival and buying support ahead of *Makar Sankranti* festival also perked up moong (bold) to Rs 4,400-4,500 a quintal. Moong (medium) quoted higher at Rs 3,600-4,000 a quintal.

Deamnd for moong also perked up its dal, with moong dal (average) quoting at Rs 4,850-4,900, moong dal (bold) at Rs 5,400-5,500 a quintal and moong (mongar) at Rs 5,500-5,600 a quintal.

Chana (kanta) gained marginally at Rs 3,300 a quintal on bullish futures, even as demand remained subdued. Chana (desi) sold at Rs 3,175 a quintal.

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## Weak bulk demand crushes sugar



**Mumbai, Dec. 13:**

Sugar prices continued to decline across the country because of slack buying by bulk consumers due to onset of winter.

On the Vashi spot wholesale market in Maharashtra, prices declined by Rs 10-20 for S-grade, while M-grade held steady due to need-based mid-month demand. Naka rates dropped by Rs 15-20 following a decline in mill tender rates by Rs 10-15.

Maharashtra mills maintained the price for fine variety M-grade, while sold fair quality S-grade at reduced rates. Volumes declined with eased demand. The sentiment was cautious and the market may witness range-bound movement with marginal decline till next week, traders in Vashi said.

Mr Jagdish Rawal, a wholesaler, said that as expected mid-month demand eased sharply in Maharashtra. With winter setting in, the demand is expected to reduce further. Buying by neighbouring States has been lacking since the start of the month, forcing the mills in Maharashtra to concentrate on selling locally.

At Vashi market on Monday, 16-18 mills offered tenders and sold 35,000- 40,000 bags at Rs 2,880-2,950 (Rs 2,900-2970) for S-grade and Rs 2,985-3,060 (Rs 2,990-3,070) for M-grade.

Arrivals at the Vashi market were 44-45 truckloads and local dispatches were around 40-42 truckloads. Domestic freight rates were unchanged.

Bombay Sugar Merchants Association's spot rates : S-grade, Rs 3,021-3,111 (Rs 3,041-3,115); and M-grade, Rs 3,131- 3,252 (Rs 3,131-3,252).

*Naka* delivery rates were: S-grade, Rs 2,960-3,030 (Rs 2,980 - 3,020); and M-grade, Rs 3,070-3,150 (Rs 3,080-3,170).

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### **Turmeric traders hit by liquidity crunch**



Erode, Dec. 13:

Panic sales by farmers and total lack of demand due to liquidity crunch crushed spot turmeric prices in Erode markets on Tuesday. Prices dropped by Rs 350 a quintal.

The President of Erode Turmeric Merchants Association, Mr R.K.V. Ravishankar, said, "Prices of the both varieties of turmeric is declining daily due to want of up-country demand. On Tuesday, prices of hybrid crop and also the local varieties decreased sharply, worrying farmers."

Farmers having huge stock with them, decided to sell as many bags as possible, but exporters bought limited stocks based on meagre orders. Funds are very tight among traders and so they are buying limited quantity, he said.

Farmers who are in need of money were selling their produce at the prevailing market rate. He said that winter has started in North India and so traders here will not receive fresh orders.

For want of quality, the price of hybrid finger variety decreased by Rs 300 a quintal and only 70 per cent of the hybrid varieties brought to the market were sold. Prices decreased by Rs 350 a quintal in the Gobichettipalayam Cooperative Marketing Society, due to the arrival of poor quality of turmeric. Overall, 12,000 bags of turmeric arrived for sales and only fifty per cent stocks were sold.

At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 3,311-4,134 a quintal. The root variety ruled at Rs 3,250-4,159.

**Salem crop:** The finger variety was sold at Rs 3,639-5,100, the root variety Rs 3,564-4,414. Totally 2,701 bags of turmeric arrived for sales and 570 were sold.

At the Gobichettipalayam Agricultural Marketing Society, the finger variety was sold at Rs 3,279-4,167, the root variety Rs 3,239-3,916. Some 99 bags of turmeric were sold as against the arrival of 102 bags.

At the Erode Cooperative Marketing Society, the finger variety fetched Rs 3,689-4,200, the root variety Rs 3,599-4,129. Out of 1,317 bags of turmeric kept for sales, 960 were sold. At the Regulated Marketing Committee, the finger variety was sold at Rs 3,779-4,169, the root variety Rs 3,693-4,109/quintal. Against the arrival of 1,834 bags, 1,440 bags of turmeric were sold.

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### **Dara wheat prices recover on fresh buying**



Karnal, Dec. 13:

After witnessing a decline over the weekend, dara wheat recovered while desi wheat varieties remained unchanged on Tuesday.

Some new buying pushed up dara prices, said Mr Subhash Chander, a wheat trader. The market is depending only on arrivals from Uttar Pradesh and prices are expected to move around current levels for the next few days, he added.

In the physical market, dara prices have gone up by Rs 15-20 a quintal over the last two days. On Tuesday, dara prices increased by Rs 5 and quoted between Rs 1,160-1,165 a quintal. A mere 65 tonnes of dara variety arrived from Uttar Pradesh and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,160 a quintal, while delivery at chakki was at Rs 1,165 a quintal.

### **stocks**

Stocks of desi wheat varieties are drying up following no new orders placed by the traders. Demand of desi wheat varieties has been sluggish since the beginning of this month but now the demand is picking up and the arrivals from Madhya Pradesh will resume in the next few days, said Mr Subhash.

Samrat quoted at Rs 1,870, Tohfa variety was at Rs 2,030 while Lok-1 was trading around Rs 1,820 a quintal.

On the National Commodity and Derivatives Exchange, wheat for December delivery increased by Rs 3 to Rs 1,141 a quintal, it had touched a high at Rs 1,145 a quintal earlier on Tuesday. While wheat for January delivery increased by Rs 6 to Rs 1,188 a quintal. Flour prices increased marginally by Rs 5 on moderate demand and quoted at Rs 1,160-1,170 for a 90-kg bag. Chokar prices remained unchanged and sold at Rs 645-650 for a 49-kg bag.

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