THE HINDU

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Pulses Research Station to release hybrid varieties

Special Correspondent

“Scientists in the Pulses Research Station at the Agriculture Research Institute here are at an advanced stage of research to overcome Sterility Mosaic Disease (SMD) in red gram and are working on new hybrid varieties of the crop,” Project Director, Agriculture Research Station, P.S. Dharmarajan said here on Monday.

Mr. Dharmarajan told presspersons that the scientists at the institute were now in the process of introducing hybrid varieties of red gram besides improving existing varieties to tackle the disease. “These hybrid varieties are better suited to the conditions in the district,” he said.

“The existing hybrid varieties of red gram are more suited to the weather conditions in the central and western parts of India,” Mr. Dharmarajan said. He said that the new varieties would help enhance the production of the crop in the State by at least 25 per cent.

He said some of the hybrid varieties were undergoing field evaluation. “The new TS3R red gram that was released for commercial production last season is gaining popularity among the red gram growers,” Mr. Dharmarajan said.

“The new variety is not only wilt resistant, it fetches a good price in the market,” he said. Mr. Dharmarajan said new techniques in agriculturewould be showcased during the three-day Krishi Mela to be held here from December 21.

More than one lakh farmers from Gulbarga and neighbouring districts were expected to participate in the Mela which would be inaugurated by the Water Resource Minister Basavaraj Bommai.

- *‘New varieties will help enhance crop production by at least 25 per cent'*
- *‘They are wilt resistant and fetch a good price in the market'*

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International seminar on bio fuel technology

Staff Correspondent

The NMAM Institute of Technology would be organising an international seminar on “Current scenario in bio fuels technology” at Nitte in Udupi district on December 20.

In a release issued here, institute principal S.Y. Kulkarni said the seminar was organised by the Department of Bio Technology at the institute.

The seminar would include lectures by experts from the country and abroad on current trends in bio fuel technology and the role of biotechnology in bio-fuel development. It would create awareness on government programmes on bio fuels and include a visit to the District Bio Fuel Information and Demonstration Centre at Nitte. Sairam Rudrabhatla, Professor of Environmental Engineering, Penn State University, Harrisburg, U.S., would inaugurate the seminar.

Y.B. Ramakrishna, Chairman, Karnataka State Bio Fuels Development Board, Bangalore, would deliver the keynote address.

Prakash P. Kumar, Professor from National University of Singapore; S.S. Rao, Principal Scientist from Sorghum Research, Hyderabad; N. Vinaya Hegde, Chancellor of Nitte University; would be present at the inaugural function, the release added.

It would create awareness on government programmes on bio fuels

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Vegetable, paddy farming on 250 hectares of land

Staff Reporter

: Acreage of 250 hectares of land in the district would be utilised to cultivate vegetables and paddy in the current fiscal, a meeting of the district panchayat here on Monday said.

It has been decided to earmark 100 hectares for paddy farming with a Rs.30 lakh subsidy while Rs. 10 lakh subsidy would be provided for comprehensive vegetable cultivation in 150 hectares under the ‘Food Prosperity Scheme', the meeting chaired by district panchayat president P. P. Shyamala Devi said. .

The scheme for paddy cultivation would be supervised by 14 Agriculture Offices spread in Kasaragod, Manjeshwaram blocks. Vegetable farming, supervised by agriculture offices, would be carried out in 172 centres in the district, the meeting said.

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Speculators rule the roost in pepper market

K. A. Martin

The price of garbled pepper touches new high

Bush pepper ready for harvesting in a farm house near Kochi in Kerala. — FILE PHOTO

Speculators continued to sway the pepper market here as the price of garbled pepper continued to rule at a record Rs.36,000 a quintal on Monday.

Traders said they did not see the price easing immediately.

The price of garbled pepper reached the all-time record on Saturday. It is just a couple of players who had influenced the market, according to an exporter here.

The entry of non-pepper players in the market resulted in the market losing its rhythm, said the exporter, who pointed out that stocks in places like Rajakumari and Adimali in Kerala's Idukki district were being cornered by speculators. A senior exporter in Kochi said that until the speculators arrived on the scene, the pepper market was seen steady with the holiday demand not easing too much because of the economic condition in Europe and the U.S..

Farmers in Kerala were trying to liquidate the pepper stocks to buy cardamom, the exporter pointed out.

With the Mullaperiyar issue on the boil, cardamom trade has been at a standstill and some farmers are resorting to distress sales.

These stocks are being targeted by farmers, who are liquidating their pepper stocks in the hope of making a kill in the cardamom market as the festival season demand reaches a peak this week.

Speculators, who had burnt their fingers in gold and other commodities like jeera and guar gum, had entered the pepper market and the current price rise was against the fundamentals, said a researcher based in Thrissur. Demand in Europe was not strong and the weakening rupee had given exporters an edge.

This, however, was not expected to swing the market so sharply, he added.

Demand in Europe was not strong and the weakening rupee had given exporters an edge

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Published: December 20, 2011 00:00 IST | Updated: December 20, 2011 04:10 IST

Commissioner suggests strategy to step up agri production

Staff Reporter

Farm level planning will be the new strategy that will be adopted to double the farm production and treble the farmers' income. This will also be used for realising the aim of nine per cent growth rate in agriculture, Sandeep Saxena, Agricultural Production Commissioner, and Secretary, Agriculture Department, Government of Tamil Nadu, said here recently.

Meeting

At a State-level brainstorming meeting held at the Tamil Nadu Agricultural University, he said the farm level planning would be done at three levels, viz., district, block, and village.

The Joint Directors of Agriculture would be responsible for bringing together the stakeholders at the district level to coordinate the process.

First Stage

“In the first stage of planning, soil samples will be collected from all 82 lakh farm holdings in the State to be analysed and computerised. Data on farmers' profile will also be collected in terms of land size, farm machinery used, cropping pattern, irrigation sources, animals maintained, educational background, knowledge on technologies, etc.,” Mr. Saxena said.

Data

The soil test data and farmers' profile data would form the fundamental basis for the planning. Based on this, appropriate technology package and inputs would be made available to each holding by involving all stakeholders.

A centralised marketing agency would be formed that would collect all farm produce data of farmers in order to regulate quantum of production and to avoid market glut. Market information would be provided to farmers before harvest and also about global market requirements for export, he added.

It was planned to pool 50 to 100 farmers as “Commodity Groups” for effectively marketing the produce.

Success

To succeed in farm level planning, the activities of all stakeholders, like the Departments of agriculture, horticulture, agricultural engineering, marketing, seed certification, TNAU, animal husbandry, sericulture, credit, PWD, rural development, and co-operatives, would be co-ordinated to create synergy.

Gujarat

K. Manivasan, Commissioner of Agriculture, said that when Gujarat could show 9 per cent growth rate in agriculture, Tamil Nadu could also do the same or even better.

Soil health management would be the starting point for the farm level planning.

Commissioners, Additional Directors, and Joint Directors of various related Departments, including P. Murugesa Boopathi, Vice-Chancellor of TNAU, and university officers, attended the meeting.

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‘Government understands farmers' needs'

The Tamil Nadu Government was with farmers and devising schemes to make agriculture profitable, Agriculture Minister S. Damodaran said at a seminar organised here on Monday.

“The Government had urged farmers to adopt integrated pest management and provided necessary inputs at a subsidised price. It also provided micro-nutrients, bio-manure, etc. at a subsidised price to boost production.”

He was speaking at the ‘State Level Seminar on Zero Budget Natural Farming,' organised by the Pollachi Chamber of Commerce and Industry. *The Hindu* was a media partner for the five-day event.

Listing out the measures, he said that the Government promoted System of Rice Intensification, offered equipment for planting, de-weeding and harvesting. It also planned to introduce machinery for harvesting sugarcane.

While the State Government was fully with the farmers in supporting and promoting organic farming, it had to keep an eye on the production, for it had a responsibility to feed the people.

Mr. Damodaran said that the State had enough stock of all the fertilizers the farmers needed.

Subash Palekar, the promoter of the Zero Budget Farming concept, accused the Union Government of propagating the lie that the country was self-sufficient in food production while importing food grains at exorbitant price.

Hitting out at Green Revolution, he said that the yield from lands of farmers who used fertilizers and pesticides was decreasing year after year. “In Punjab, the per acre yield of wheat had come down from 30 quintal three decades to 10 quintal now.”

During the period, the cost of production had gone up but the quantity produced had come down. The trend could not be reversed until the Government changed its attitude and policy.

Mr. Palekar also said that it was a myth that production would come down in the event of farmers taking up organic production. “I can demonstrate that the production will not go down.”

Referring to the use of fertilizers, he said every time a farmer purchased fertilizer or pesticide money moved from villages to cities and from there to producers sitting abroad. Through Zero Budget Farming, no input would enter the field. It was an Indian technology suited for Indian conditions, he added. V. Baskaran, Chief Regional Manager, Coimbatore, Indian Overseas Bank, spoke on the Bank's schemes for farmers.

G.D. Gopalakrishnan, president, Pollachi Chamber of Commerce and Industry, said that it was one the best programmes the organisation had organised. Agriculture was important because trade and commerce in Pollachi were dependent on it.

M.K. Muthukaruppannasamy and Pollachi V. Jayaraman, MLAs, and Pollachi Municipality Chairman V. Krishnakumar participated at the inauguration.

Business Standard

Tuesday, Dec 20, 2011

Sugar output to remain high: Isma

Dilip Kumar Jha / Mumbai December 20, 2011, 0:59 IST

Although mills started crushing late this year, production increased 19 per cent.

The Indian Sugar Mills Association (Isma), has kept the output forecast unchanged, despite several adversities faced by crushing firms across the country.

“We are keeping our fingers crossed on the previous forecast made in the beginning of the crushing season at 26 million tonnes (mt) for the current sugar season (October 2011-September 2012)," said Abinash Verma, secretary general of Isma.

Output till December 15 was reported at 4.58 mt, a rise of 19 per cent from 3.86 mt in the same period last season. Higher output, however, can be attributed to more mills remaining operational this year.

As against 445 mills reported functional last year till December 15, as many as 452 were crushing by the same time this season.

Though mills started crushing slightly late this year, especially in the largest-producing state, Maharashtra, production has registered an overall jump of 19 per cent.

Similarly, the second-biggest producing state, Uttar Pradesh, registered a significant jump in production of 1.29 mt till December 15, compared to 0.86 mt for the same period last year.

The output in Maharashtra was reported 12,500 tonnes higher at 1.75 mt by December 15 this year, compared to 1.63 mt in the same time last year. The think tank in Maharashtra earlier forecast output at 9.3 mt, later revised downwards to 8.7 mt. With the higher recovery noticed through crushing of the early variety cane, the output forecast has been restored to 9.3 mt.

Similarly, production in Karnataka during the same period is also higher at 82,500 tonnes, compared to 73,500 tonnes last year.

Meanwhile, the case filed by mills challenging the Uttar Pradesh government’s cane pricing (state advised price or SAP) formula in the Allahabad High Court was deferred again on Monday. It is scheduled to come for hearing on Thursday.

The mills in Uttar Pradesh have been paying Rs 240-250 per quintal for cane since the beginning of the season, compared to Rs 205-210 a quintal in the previous one.

At the current price, the industry is incurring a loss of Rs 2.50 a kg.

“Whatever money is lost for extra payment for price is lost forever. There is no precedent in India to recover money from farmers. Hence, early resolution of the case would provide relief for the industry," said a senior industry source.

Mills produced 24.5 mt during the last season. Estimating higher output this season, Verma said, “A clear picture would emerge by January-end. For the time being, we estimate a 26 mt output for the current season."

PTI adds: The wholesale sugar market ended on a flat note on Monday, as prices moved in a narrow range on alternate bouts of trading and settled at previous levels.

Marketmen said an adequate stocks position against sporadic demand mainly kept prices steady.

Sugar turns sour for mills

Sanjay Jog / Mumbai December 20, 2011, 0:41 IST

Maharashtra sugar mills have incurred a loss of Rs 30 crore in the first month of the crushing season due to rising mismatch between the cost of production and ex-mill realisation from rapidly falling sugar prices. The Federation of Cooperative Sugar Factories in Maharashtra, a representative body of 200 mills, has projected a loss of Rs 1,000 crore by the end of the crushing season.

The Federation would take up the issue for discussion at its annual general meeting slated for December 26. It plans to seek the state government's intervention. The government, which had revised production estimate to 8.7 million tonnes (mt) due to delay in commencement of crushing and shortfall in cane availability, has now said the state would produce 9.3 mt in view of the improved recovery.

In the current season, the recovery ranges between 10.1 and 11 per cent against 9.7 per cent during the same period last year.

A Federation official told Business Standard, "Falling sugar prices are a matter of serious concern. If prices do not recover, and if there is no proper realisation from exports, the mills will continue to incur losses. Against the cost of production of Rs 2,850 per quintal, the ex-mill realisation is Rs 2,685 per quintal. The gap is rising due to the dip in prices. If the situation deteriorates, it will be difficult for mills to repay loans and seek fresh ones ahead of the next season."

He said mills would not be able to pay the first advance fixed between Rs 1,850 and 2,050 per tonne and the final payment to cane growers.

The official said the agency would demand a grant of Rs 1,000 per tonne for sugar exports from the state government and a recovery of sugarcane purchase tax at Rs 40 per tonne.

Vaibhav Naikwadi, chairman of the Hutatma cooperative sugar factory in Sangli district, said mills were sailing through rough weather. He made a strong pitch for fixation of a minimum support price for sugar. “It is high time the central government de-control the sugar industry and thereby give a free hand to millers,” he said.

Further, he appealed to the Centre not to announce increased non-levy sugar quota in such a volatile market.

A chairman of another cooperative factory informed that 75 per cent of sugar sold in the open market was not yet lifted and half of the quota of non-levy sugar remains unsold.

Further, traders were offering lower and lower quotes. Sugar trader Himmat Asbe said most traders were unable to lift sugar in the stipulated time frame. “If the state government does not intervene, another fall of Rs 100-200 cannot be ruled out in prices, as there is a time frame for millers to sell and dispatch each month. He added The recently announced sugar exports of 1 mt will not help millers, since previous export obligations are not yet completed and in many cases, exporters have backed out for one or the other reason.”

Groundnut prices gain due to high export demand

Vimukt Dave / Mumbai/ Rajkot December 20, 2011, 0:38 IST

Low availability of groundnut for crushing coupled with high demand has led the price of groundnut oil to increase by more than Rs 150 per tin in the past one week. According to market sources, high demand and short supply may push up groundnut oil prices even more in coming days.

On Monday, groundnut oil (sold loose) was traded at Rs 960- 965 per 10 kg which was Rs 835-840 a week ago and has increased by Rs 125 per 10 kg. The groundnut oil prices for a new tin of 15 kg gained by Rs 40 on Monday and it has reached to Rs 1,585-1,590. It was Rs 1,430-

1,435 per tin almost a week ago. About 100-120 tonnes of groundnut oil are traded every day. Groundnut oil prices had reached an all time high level of Rs 1735-1740 per 15 kg tin in October this year. Samir Shah, president, Saurashtra Oil Mills Association (SOMA), said “The prices have also increased because millers are facing a shortage of groundnut for crushing. Most of the groundnut is consumed for export at present. Moreover, farmers are increasingly holding on to the crop as they want higher prices for groundnut.” He added, “Most of the groundnut oil mills are working only two to three days in a week since last one month.”

There are about 150 groundnut oil mills in Saurashtra region. Due to the export demand groundnut prices had increased by 25 percent in December also. “The demand in China for groundnut is huge at this time. Even other countries are also buying peanuts which has increased the price further”, said Vikram Duvani, MD of Rachana Seeds Industries from Junagadh. Groundnut is currently traded on Rs 4,000-4,100 per quintal and about 35000 bags have arrived in Gujarat to add to a tally of about 1 lakh bags that came in earlier this month. Duvani said, “This year the groundnut export from India is likely to cross 5.5 lakh tonnes as the demand is high in the international market.”

According to IOPEPC, during 2010-11 India had exported 4.50 lakh tonnes groundnut. As per groundnut exporters, so far the country has exported more than 2.5 lakh tonnes of groundnut. According to Samir Shah, prices are all set to remain firm this year as groundnut crop is less than last year.

Mullaperiyar dam row: Cardamom auctions stalled

George Joseph / Kochi December 20, 2011, 0:13 IST

Cardamom auction trading at all eight centres in Kerala and Tamil Nadu has come to a standstill for the last couple of weeks, paving way for a steep fall in the price of the spice. The Mullaperiyar dam issue created a tense situation on the Kerala and Tamil Nadu border that stalled the trading because of the absence of traders and brokers from Tamil Nadu. Though the major cardamom growing areas are in Idukki district of Kerala, most of the big traders and brokers are from Tamil Nadu.

There are four such auction centres in Idukki and another four in the Bodi area of Tamil

Nadu. Cardamom growers are now in a dilemma, as they are not in a position to sell their produce.

Since December 5, trading has not taken place in any of the centres. The average price of cardamom fell to Rs 300-350 a kg from Rs 450 a few weeks before. Not only the fall in the price and absence of traders to procure cardamom is a threat to farmers here.

The harvesting season is ending now and most growers have good stock for sale. Farmers had stocked a majority of their produce due to low prices during the main harvesting months (June-September), expecting higher prices in the off-season. In the past three-four years, prices had increased in the off-season, so growers expected the same this time, too.

But the dam controversy has put them in a dilemma. A farmer told Business Standard neither the governments or the Spices Board were taking action to re-start trading.

“In the past two weeks nothing has happened. We are in real trouble now and are planning to stop growing cardamom,” he added.

To add to their troubles, a shortage of labourers has aggravated due to tension on the border of the two states. Around 20,000 Tamil labourers were working in cardamom plantations in Idukki district. Most of them have returned to Tamil Nadu on account of untoward incidents after the issue erupted.

There is a propaganda in Tamil Nadu by a section of the media that Tamil workers are being attacked in Kerala. So, most of the workers have gone home for safety. Since cardamom plantations are labour-intensive, absence of workers is a serious problem.

According to Reji Njallani, a farmer, growers are thinking of shifting to other crops like rubber that require less labour. Plucking of ripe cardamom and drying are highly labour-intensive and are important in maintaining quality of the product.

Roads between the two states, mainly the Kochi-Madurai national highway and the Kollam-Theni road, have been closed for two weeks due to law and order issues. So, transportation of spices and other products has become difficult. This has also led to smuggling of cardamom through the forest area.

PTI adds: In New Delhi, cardamom prices fell by Rs 6.90 to Rs 663.20 a kg in futures trade today as speculators booked profits amid subdued demand in the spot market.

Increased arrivals from producing regions also put pressure on cardamom prices in futures trade.

Sugar's slugfest with jute

Kunal Bose / December 20, 2011, 0:03 IST

West Bengal's lack of industrialisation is working to the advantage of jute mills in the state and elsewhere in the country. Irrespective of the coalition in power in the state, the West Bengal government will make New Delhi agree to continue with the practice of mandatory packaging of sugar in jute bags. Every season the edict is passed, the Cabinet committee on economic affairs will justify the move by citing the miseries that would otherwise befall some four million farmers and also 370,000 workers engaged in over 70 jute mills and a large number of ancillary units.

An argument, however, runs like this that if the Centre was so concerned about the welfare of jute farmers, it would have spared a thought for the Rs 300 a quintal subsidy the West Bengal government wanted it to pay over the minimum support price (MSP) for raw jute to defray 'sharp escalation in jute growing cost.' The state is giving a subsidy of Rs 100 a quintal over MSP. The counter-argument is, New Delhi will fix MSPs for major crops in an attempt to maintain a “remunerative and stable price environment” based on the recommendations of the Commission for Agricultural Costs and Prices, which takes into account all input costs, plus fair margins for growers.

MSP acts as the safety net when crop prices fall under heavy arrivals in a bountiful year, triggering market intervention by procurement agencies. Thanks to the good monsoon which has left enough water in canals and ponds for ideal retting of jute, the country this jute season (July to June) is harvesting a bumper crop of at least 11 million bales of 180 kg each. To add to supply pressure, the season opened with stocks of 2.2 million bales, with likely imports of another 500,000 bales. As total supply of raw jute is to jump from 11.9 million bales in 2010-11 to 13.7 million bales in 2011-12, the mills are keeping fibre inventories low. The result is at many centres in Assam and West Bengal, jute has come close to MSP, leading Jute Corporation of India to start buying fibre. Jute is seeing a price depression after two years.

Farmer welfare can be promoted in many ways without compromising the freedom of choice of a packaging material by a group of consumers, in this case sugar mills. But this is happening with the sugar industry, agro-based, with five million people engaged in growing cane. Sugar factories are denied the freedom to choose the packaging medium. The denial of choice goes beyond the factories to bulk buyers of sugar, like soft drink makers and confectioners, who cannot ask for their sugar to be packed and delivered in non-jute bags. Incidentally, bulk users like these and the pharmaceutical industry account for nearly 70 per cent of the country's sugar consumption.

But why should producers of food items and medicines want substitution of eco-friendly and biodegradable jute packaging material with polypropylene (PP) bags?

They are not contesting the goodness of jute, the ideal packing medium for rice, wheat and pulses. But they are raising objections to sugar being packed in jute bags called A Twills, for these tend to absorb moisture and also allow microbial growth. What further causes annoyance to bulk buyers are the jute fibres invariably found in sugar delivered in A Twill bags.

Even if the material on delivery goes through a fine-toothed comb, there is no guarantee that all jute fibres will get separated from sugar. Cost is also a major issue with both jute factories and bulk buyers of sugar. PP bags used elsewhere in the world for packing sugar come much cheaper than jute bags.

Packing of the commodity in jute bags, therefore, becomes particularly hurtful for sugar factories when they are contending with steadily falling prices caused by the prospect of a bumper production of 25 million tonnes and an unjustifiably big December release of 1.7 million tonnes. In a falling market, the trade and big users are not to be expected to sit on big sugar inventories.

To add to the discomfort of factories in Uttar Pradesh, the country's largest cane growing state and accounting for about a quarter of the country's sugar production, the Mayawati government has posted a locally advised cane price of Rs 240 a quintal, a premium of Rs 95 a quintal on the centrally-set fair price. There is no economics involved. So, the desperation of UP factories to switch from expensive jute bags to cost-effective PP bags is understandable. In this, they have the support of factories in states where local governments have taken a pragmatic stand on cane prices. Former Indian Sugar Mills Association (Isma) president Om Dhanuka says the issue is one of freedom of choice for consumers.

While there is no evidence that jute mills are working in a cartel to fix bag prices, there are whispers that a growing amount of non-exportable sugar is packed in plastic bags, in contravention of Jute Packaging Material Act. It is for the sugar industry to kill such rumours.

Wheat acreage in Punjab to remain same this year

Vijay C Roy / New Delhi/ Chandigarh December 20, 2011, 0:22 IST

The Wheat acreage in Punjab would remain more or less same this year as compared to 35.10 lakh hectares last year, on account of crop diversification. This year, the state agricultural department has targeted to cover 35 lakh hectares under wheat. However, the total targeted production is likely to be slightly lower as compared to last year. The state agriculture department is expecting a total production of 155.40 lakh metric tonnes this year as compared to 164.72 lakh metric tonnes last year.

Speaking to Business Standard, senior officials in state agriculture department mentioned that the last year, the state witnessed bumper crop as yield touched an all time high of about 47 quintals per hectares. They further added there is huge variation in day and night temperature which might affect the yield this year. However, they are keeping their fingers crossed and said that an early rain can boost the productivity. This year, the estimated yield is about 44.40 quintal per hectare. According to the officials of the state agriculture department, the total targeted area under wheat cultivation this Rabi season would be about 35 lakh hectares slightly less than last year acreage of 35.10 lakh hectares, as the state government is putting lot of thrust on crop diversification. However, the exact area is yet to be compiled, as the sowing is in progress. According to the officials about 85-90 per cent sowing has been done and the remaining would be completed by this month.

It is pertinent to mention here that last year, the state the state agriculture department has projected that the total area under wheat cultivation would touch 35 lakh hectares, but the sown area stood around 35.22 lakh hectres. It is worth noting that 90 per cent(during the Rabi season) of the total area in the state is under wheat cultivation and rest is under oil seeds, pulses, barley etc.

To increase the yield the centre has identified 10 districts in the state under National Food Security Mission(NFSM). In order to increase the wheat production in the state, the centre has selected 10 districts of the state namely, Mohali, Ropar, Hoshiarpur, Gurdaspur, Amritsar, Ferozpur, Bathinda, Barnala, Tarn Tarn & Sangrur under National Food Security mission(NFS). Under NFS, the farmers would be provided with a subsidy of Rs. 500 per quintal for wheat seeds in these 10 districts.

In the current season, 5 lakh quintal seed would be distributed to the farmers on subsidised rate Besides that the state government under NFS would also distribute over 30,000 seed minikits each of 10 Kg of high yielding varieties of wheat to the farmers of these 10 districts.

THE HINDU Business Line

Abandoned cardamom estates, jobless workers

G. K. Nair

Mullaperiyar row may result in loss of over Rs 100 crore

Kochi, Dec. 19:

The Mullaperiyar dam issue continues to cripple the cardamom trade, affecting small growers, traders and workers in Kerala and Tamil Nadu.

Auctions continued to remain suspended for a fortnight now without any end in sight and it has affected thousands of small and medium growers in Kerala's Idukki district and many workers and taxi operators in Tamil Nadu, depriving them of their daily income.

CASH CRUNCH

"The worst hit are the small growers who are finding no buyers and many do not even have money to buy Christmas cakes," a trader in Vandanmettu said. "Low prices coupled with inability to sell our produce now have put us in serious cash crunch," some growers in Upputhara and Elappara in the district told *Business Line*.

Meanwhile, an owner of an estate in the Kumily region and a native of Cumbum told *Business Line* that nearly 30,000 workers were commuting daily from Tamil Nadu to the cardamom estates in Kerala's Idukki district and 3,000 taxi-jeeps were also plying daily to carry them to their work place and back.

These workers are without a job and hence losing Rs 200 a day, while the each taxi owner is deprived of Rs 1, 000 a day.

It has also rendered a good number of workers who were engaged in cleaning, processing, sieving activities jobless, he said.

Above all, nearly 600 tonnes of cardamom at the rate of Rs 500 a kg on an average used to be traded every week. That trade is lost.

“Now our estates remain abandoned as neither owners nor workers are present to do the harvesting and other agricultural activities. As a result, ripe capsules become fruits and a feast for frogs and squirrels,” he said. Consequently, there would be an estimated crop loss of around 1,000 tonnes, he said. On the other hand, our absence also facilitates thieves to cut down trees and take away hard timber from the estates, he alleged.

The total trade and crop loss alone could be put at over Rs 100 crore during the past two weeks, he claimed.

EXPORTS AFFECTED

There has been good demand from overseas markets so far this year and the non-availability of export quality material due to stoppage of movement of material from Kerala has resulted in exporters not accepting overseas orders estimated at around 200 tonnes during the last fortnight, a dealer in Bodinayakannur told *Business Line*.

Exports of cardamom during the current fiscal have shown substantial increase due to attractive price coupled with non-availability of quality material from the other primary source, Guatemala. Consequently, 2,300 tonnes of cardamom valued at Rs 195.75 crore at an average unit value of Rs 851.05 a kg were shipped out during April-October against 470 tonnes valued at Rs 54.60 crore at the unit value of Rs 1,161.67 a kg in the corresponding period last fiscal.

This year, in fact, the export buying has been helping prices to remain stable at around Rs 500 a kg, despite a bounty crop.

ARRIVALS

The auction was last held on December 5, and total arrivals during the current season up to that date stood at 8,255 tonnes and of which 8,033 tonnes were sold. The weighted average price stood at Rs 569.88 a kg.

During the corresponding period the previous year, total arrivals were at 4,595 tonnes and the sales out it were at 4,522 tonnes. The weighted average price was at Rs1, 040.79 a kg.

According to the Bodi dealer, traders there were selling whatever stocks they were holding at Rs 40-60 a kg above the prices that prevailed a fortnight ago.

Prices on December 5 in Kumily were AGEB Rs 700- Rs 710; AGB Rs 600 – Rs 610; AGS Rs 580 – Rs 590; AGS 1 Rs 570 – Rs 580 a kg. He said only inferior quality material is available in the Bodi market as quality capsules are not arriving.

The estate owners from Cumbum told *Business Line* that they were expecting some positive steps from the Tamil Nadu Chief Minister, Ms Jayalalithaa, to resolve the crisis as the current stalemate was seriously affecting thousands of workers, taxi operators, growers and their families.

(This article was published in the Business Line print edition dated December 20, 2011)

Spot rubber rules steady

Our Correspondent
Kottayam, Dec. 19:

Spot rubber closed almost steady on Monday. The only gainer was RSS 4 which improved marginally on covering purchases at lower levels.

The reports from the global scene were also not promising. The transactions continued to be meagre.

During last week, NR prices edged lower weighed by increased imports and subdued demand from major consuming industries, analysts said.

However, a mild recovery from the two weeks low was witnessed by weekend though the gains were limited on buyer resistance.

Sheet rubber improved to Rs 201 (199.50) a kg according to traders.

The grade increased to Rs 200.50 (200) a kg both at Kottayam and Kochi as per Rubber Board.

In futures, the January series closed at Rs 203.45 (202.18), February at Rs 205.45 (204.22), March at Rs 208.49 (207.39), April at Rs 213 (212.40) and May at Rs 214.40 (213.83) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs 177.18 (181.79) a kg at Bangkok.

The December futures for the grade weakened to ¥250 (Rs 169.70) from ¥253.4 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 201 (199.50); RSS-5: 197 (197); ungraded: 190 (190); ISNR 20: 187.50 (187.50) and latex 60 per cent: 110 (110).

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Pvt sugar factories in AP say no to cane price hike

K. V. KURMANATH

Hyderabad, Dec. 19:

Hopes of sugarcane farmers in Andhra Pradesh have been dashed. They will have to be content with last year's cane price of Rs 2,100 or just Rs 100 more for a tonne of cane. Representatives of private sugar factories have reportedly told the Government that they could not give more than Rs 2,100-2,200 for this crushing season.

“We have met the Sugar Minister, Dr J Geeta Reddy, and conveyed her about our position,” a SISMA (South India Sugar Mills Association) representative told *Business Line*.

Responding to demands from farmers' associations, the Government had recently asked the private factories to share revenues with the farmers and increase cane price to at least Rs 2,500. The managements of factories had taken two weeks' time to respond. “Most (private) factories can give only Rs 2,100-2,200. Parry's could be an exception by paying about Rs 2,350,” industry sources said.

Twenty-five of the 36 functional factories in the State are in the private sector. Three factories are in joint ventures and eight in the cooperative sector. The average cane price in the State was Rs 1,996 in 2010-11. This was after excluding reimbursement of purchase tax of Rs 60.

Poor payments by cooperatives, which were as low as Rs 1,700, had dragged down the average. In all, they paid Rs 2,058 crore for cane last year.

At the heart of the whole issue is the price of sugar. They argued that average ex-factory sugar selling price in that year was Rs 2,600 a quintal as against the cost of production of Rs 2,950 a quintal.*kurmanath@thehindu.co.in*

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Tea prices rule firm at Kochi auction

Our Bureau

Kochi, Dec. 19:

Arrivals and prices remained firm to dearer at the Kochi Tea Auction. On offer at the auction were 12,52,000 kg of dust and 2,91,000 kg of leaf tea.

While the CTC dust auction opened barely steady at last week's levels, the post-lunch sessions witnessed a flurry of activity as good liquoring grades moved up in value.

Medium and plain grades were relatively steady, with some withdrawals.

AVT continued to be active on good liquoring grades, along with Tata Global, Kerala State Civil Supplies Corporation and loose tea traders.

Hindustan Unilever was selective while exporters confined themselves to low-priced teas.

Upcountry buyers lent fair amount of support.

Primary orthodox dust grades remained steady while secondary grades quoted lower.

Bulk of orthodox dust was absorbed by exporters, with some enquiry from upcountry buyers.

Leaf Auction

Select high-grown orthodox leaf grades remained firm to dearer as buyers pursued quality. High-grown fannings also moved up the value chain while medium whole leaf, bolder broken and tippy grades were barely steady.

Other grades were irregular and often quoted lower, resulting in a fair amount of withdrawals. Medium fanning grades were steady. There was good demand from exporters to CIS countries and Tunisia.

Medium whole leaf grades witnessed some enquiry from upcountry buyers. HUL remained selective.

Clean black CTC leaf grades remained steady to firm. Others were irregular and tended lower.

There was good demand from exporters and upcountry buyers for CTC leaf.

Injipara SFD and SRD grades fetched the top price at Rs 119 followed by Injipara RD and Manjolai SFD at Rs 118 at the dust auction. At the leaf auction, Pascoe's green tea fetched the top price at Rs 271, followed by Chamraj OP at Rs 222, Chamraj FOP at Rs 211 and Curzon BOPF at Rs 171.

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Sugar output up 19% till middle of Dec

Our Bureau
New Delhi, Dec. 19:

Sugar output till mid-December increased 19 per cent to 45.84 lakh tonnes for the current year, led by higher production in Uttar Pradesh, the second largest producer in the country. In the corresponding period last year, sugar output stood at 38.63 lakh tonnes.

The sugar year runs from October to September and the Indian Sugar Mills Association (ISMA) has projected an output of 26 million tonnes for 2011-12, while consumption is estimated to be 22 million tonnes.

Production in Uttar Pradesh grew significantly due to an early start of the cane crushing season.

GROWTH IN UP

Output in UP grew by over 50 per cent to 12.85 lakh tonnes till December 15 against 8.55 lakh tonnes in the corresponding period last year, ISMA said.

Though the mills in Maharashtra, the largest producer, started crushing late, the output in the State increased 8 per cent during the period. Sugar output in Maharashtra till December 15 stood at 17.50 lakh tonnes against 16.25 lakh tonnes in corresponding period last season.

MAHARASHTRA

“Even though the mills started their crushing slightly late this year especially in Maharashtra, the production this year has registered an overall jump of 18.7 per cent,” ISMA said in a statement.

About 452 mills have started operations till December 15 against 445 in same period a year ago.

Production in Karnataka increased by 12 per cent to 8.25 lakh tonnes for the period against 7.35 lakh tonnes.

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Cotton rules steady on demand hopes

Our Correspondent

Rajkot, Dec. 19:

Cotton price ruled stable in Gujarat as the market is expecting demand from spinning mills and exporters.

Gujarat Sankar-6 cotton was traded at Rs 34,700-35,000 a candy of 356 kg at Rajkot. Raw cotton or kapas price was quoted at Rs 850-870 for 20 kg and Kadi delivery kapas price was stood at Rs 870-885 for 20 kg. About 60,000 bales cotton arrived in Gujarat and 1.60 lakh bales arrived in the country.

On the National Commodity and Derivatives Exchange, kapas April contract gained Rs 19.60 at Rs 771.30 for 20 kg, with an open interest of 10,637 lots.

According to SMC Investment and Advisors Limited report, demand from spinners will increase in the coming weeks as they may fancy lower prices and an almost declining inventory. Cheap cotton and depleting stocks at textile companies are likely to benefit spinning mills in the coming quarters. Demand from producers higher up the value chain, especially makers of fabrics and garments, is expected to grow.

Farmers may also be holding cotton on farm hoping that prices will rise as the marketing year progresses. Farmers are more likely to store cotton on farm in an effort to take advantage of higher prices.

According to Cotton Corporation of India (CCI), as on December 11, about 62.47 lakh bales cotton arrived as against last year's 83.71 lakh bales .

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Firm futures heat up edible oils

Our Correspondent

Mumbai, Dec. 19:

Imported edible oils along with cotton and rapeseed oil improved in Mumbai tracking firm foreign and domestic futures. Palmolein rose by Rs 5, soya refined oil increased by Rs 3, rapeseed oil by Rs 4 and cotton refined oil up by Rs 2 for 10 kg. Groundnut oil and sunflower oil ruled steady on lack of fresh demand. Local refineries have increased their rates for palmolein and soya oil by Rs 4-5/10 kg.

About 450 – 500 tonnes of Palmolein were traded in the range of Rs 583-587 for ready and forward delivery on Monday. Liberty was quoting palmolein at Rs 585-587 for December – January delivery and super palmolein at Rs 605. Ruchi was quoting palmolein at Rs 586; soya refined oil at Rs 660 and sunflower refined oil at Rs 705 for January. Allana's palmolein was quoted at Rs 586 for December 31. Mewah was quoting palmolein at Rs 586 for December and super palmolein at Rs 605.

In Gujarat, groundnut and cotton oil were under pressure on eased demand. In Saurashtra - Rajkot cotton oil declined to Rs 591-593 (Rs 593-595). Groundnut oil ruled steady at Rs 1,435 for *Telia* tin and Rs 935 for loose - 10kg.

BMD CPO January contracts settled at MYR 3,021 (MYR 2,986), February at MYR 3,022 (MYR 2,985), March at MYR 3,020 (MYR 2,984) and April at MRY 3,018 (MYR 2,984) a tonne. **Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 940 (940), soya refined oil 655 (652), sunflower exp. ref. 660 (660), sunflower ref. 720 (720), rapeseed ref. oil 754 (750), rapeseed expeller ref. 724 (720), cotton ref. oil 632 (630) and palmolein 585 (580).

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Mixed trend in rice as paddy arrivals drop

Our Correspondent

Karnal, Dec. 19:

Paddy arrivals dropped drastically to just around 12,000 bags on Monday at the Karnal Grain Market Terminal against arrivals of around 40,000 bags till last week.

Following lackadaisical buying, very few paddy farmers are arriving with their stocks in the market, said Mr Tara Chand Sharma, Proprietor of Tara Chand and Sons. In the rice market, trade witnessed a mixed trend, aromatic varieties eased marginally while non-basmati varieties were ruling around their previous levels.

Pusa-1121 (steam) eased by Rs 25 and quoted between Rs 4,125-4,175 a quintal while Pusa-1121(sela) was at Rs 3,220 a quintal, Rs 30 down from previous level. Prices of Duplicate Basmati decreased by Rs 50 and were at Rs 3,100-3,250 a quintal. Pure Basmati (Sela) sold at Rs 3,700-3,750 a quintal, while Basmati (Raw) sold at Rs 4,100 a quintal.

Among the brokens of Pusa-1121, Tibar sold at Rs 3,000, Dubar was at Rs 2,600 while Mongra was trading at Rs 2,050 a quintal.

Sharbati (steam) quoted around Rs 2,800-2,900 while the Sharbati (Sela) was between Rs 2,750-2,775 a quintal. PR11 (Sela) sold at Rs 2,100-2,200 a quintal, while PR-11(Raw) quoted at Rs 1,900-2,150 a quintal. Permal (sela) sold at Rs 1,800-1,930 a quintal, while Permal (Raw) was around Rs 1,900-1,940 a quintal.

About 1,500 bags of Sharbati variety arrived and quoted at Rs 1,250-1,275, DB arrived with a stock of around 1,000 bags and sold at Rs 1,300-1,325.

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Global cues, buying lift soya oil

Our Correspondent

Indore, Dec. 19:

Strong global cues and improved buying support perked up soya oil in the local market.

Supported by strong Malaysian palm oil futures, soya refined in the physical market gained Rs 10 at Rs 645-50 for 10 kg. Soya solvent also ruled higher at Rs 615-20 for 10 kg .

Taking cues from strong foreign, soya oil futures also traded higher with soya refined January contract on the NBOT closing Rs 5.70 higher at Rs 684.70 for 10 kg. Similarly soya oil futures on the NCDEX also ruled higher with soya oil December and January contracts closing at Rs 673.55 (up by Rs 1.65) and Rs 685 (up by Rs 6).

Soyabean also ruled higher on weak arrival and improved buying support. Soya seeds in State *mandis* ruled at Rs 2,260-2,340 a quintal (up Rs 20-25). Arrival of soyabean in Madhya Pradesh was recorded at 1.50-1.75 lakh bags against 9,000 bags in Indore, 7,000 bags in Ujjain and 8,000 bags in Dewas *mandis*. Plant deliveries in soyabean also gained Rs 15 to Rs 2,390-2,410 a quintal.

Soya seeds futures also gained on improved buying support and strong CBOT projection with its December and January contracts closing at Rs 2,384 a quintal (up by Rs 10) and Rs 2,440 (up by Rs 41). Soya DOC on the port was quoted Rs 200 up at Rs 18,400-18,500 a quintal, while in the domestic market it ruled at Rs 17,200-17,300 a quintal.

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Sugar plunges to Rs 2,900 a quintal in U.P.

Our Correspondent

Mumbai, Dec. 19:

Sugar prices plunged to Rs 2,900 a quintal in Uttar Pradesh, while the drop slowed a bit in Maharashtra.

“Sugar prices have dropped by Rs 300 a quintal ever since the Centre announced the free sale quota for this month,” said a trading source.

Sugar produced this season starting October dropped to Rs 2,900 a quintal in central Uttar Pradesh, while the one produced last season was quoted at Rs 2,800.

Market sources said, considering that prices are at parity levels, mills are hesitating to sell at lower prices despite lack of demand. Only mills needing immediate liquidity sold, while others held back their produce.

Due to limited demand in the middle of the month in the Vashi physical market, prices dropped by Rs 10. The *naka*rates for S-grade fine variety increased by Rs 10, while those of M-grade gained/lost Rs 10 depending on whether the quality is normal/fine . Mill tender rates for S-grade dropped by Rs 15-20 and then stabilised.

Volumes were as usual, but less than market expectation.

Market stocks

Lower local dispatches against arrivals in Mumbai resulted in a slight increase in market inventory. With sufficient stocks, most of the stockists are keeping away from fresh bulk buying. In the current month, there is hardly any buying by neighbouring States as prices are under pressure in other producing centres this month.

On the other side, there is movement on the export front as international sugar prices are also ruling weak and range-bound this month, and there are less chances that the prices will improve.

Currently, the Vashi market is carrying daily inventory of nearly 80- 100 truckloads (each of 100 bags) and stockists are not interested in increasing it further till this month-end. The market may stabilise in the last week as demand during Christmas may improve.

At the Vashi market on Saturday, 18-20 mills offered tenders and sold 60,000- 65,000 bags to local traders at Rs 2,800-2,850 (Rs 2,800-2870) for S-grade and Rs 2,880-2,970 (Rs 2,880-2,970) for M-grade.

Arrivals in the Vashi market were 48-50 truckloads and local dispatches were around 44-45 truckloads.

Bombay Sugar Merchants Association's spot rates: S-grade, Rs 2,931-3,000 (Rs 2,936-3,011); and M-grade, Rs 3,000-3,112 (Rs 3,001-3,122).

Naka delivery rates: S-grade, Rs 2,900-2,940 (Rs 2,900 - 2,930); and M grade Rs 2,980-3,060 (Rs 2,970-3,070).

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Turmeric plummets below Rs 4,000/quintal

Our Correspondent

Erode, Dec. 19:

Spot turmeric price dropped below Rs 4,000 a quintal on Monday in Erode markets on total lack of demand.

“Spot turmeric decreased by Rs 200 a quintal and is selling below Rs 4,000 a quintal. This is due to lack of demand. Usually, during this month, prices remain stable. But this year, widefluctuations are being experienced. For the past 3-4 days prices have started decreasing daily and on Monday the prices decreased sharply in all the markets,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

No trader has received fresh orders from any part of the country; so local buyers are quoting lower price and purchasing limited quantity of stocks to fulfil pending orders and for masala-making firms. Due to the Mullaperiyar issue, no turmeric was transported to Kerala.

The price quoted in the turmeric futures market was also low and decreased by Rs 100-150 a quintal. Heavy arrivals were a major reason for decrease in prices, traders said. But only 35- 40 per cent of the goods were sold.

Even the hybrid Salem crop decreased by Rs 250 a quintal for want of buyers. Buyers said though quality goods arrived for sales, they could not purchase due to lack of demand.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 3,100- 3,869 a quintal; the root variety at Rs 2,889- Rs 3,716 a quintal.

Salem crop: The finger variety fetched Rs 4,289- Rs 4,800 a quintal, the root variety fetched Rs 3,889- Rs 4,200 a quintal. Of the 2,487 bags that arrived, 504 were sold.

At Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,219-4,049, the root variety at Rs 3,139-3,889. Some 322 bags of turmeric were sold against arrivals of 406.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 3,850-4,089, the root variety at Rs 3,460-3,869. Of 879 bags that arrived, 721 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 3,559- 4,074, the root variety at Rs 3,529-3,929. Against 1,476 bags that arrived, 1,176 were sold.

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