

Published: July 5, 2011 00:00 IST | Updated: July 5, 2011 04:06 IST MADURAI, July 5, 2011

### **Agriculture officials urge Madurai farmers to go for alternatives to DAP**

Anticipating a shortfall in availability of DAP (di-ammonium phosphate) for the ensuing 'kuruvai' and 'samba' seasons, officials in the Department of Agriculture are in the process of educating farmers to use alternatives.

After a gap of two years, farmers in Madurai East, West, Alanganallur and Vadipatti blocks have taken up 'kuruvai' cultivation.

The district is expected to reap a bumper yield, officials say. According to them, there is no problem – be it in the availability of water or fertilizers.

With the temperature levels remaining high, rains would be welcome.

A circular has been sent by the department to all agriculture officials to educate farmers on using alternatives to DAP.

“The idea is that farmers should not panic in case they are told by retail outlets that DAP is in short supply,” a senior officer told *The Hindu*.

“Till date 'kuruvai' paddy crop has been raised in 9,000 hectares in the district. We do not foresee any problem now. However, in the event of good rains, if farmers in the neighbouring district also take up cultivation when water is released from September 15, then there is bound to be shortage during 'samba' season,” he said.

A majority of the farmers use only DAP that contains sodium and phosphorous. As an alternative, they could use urea and super phosphate.

The total area of 'samba' cultivation in the district hovered around 45,000 hectares, the officer said.

Published: July 5, 2011 00:00 IST | Updated: July 5, 2011 04:05 IST ERODE, July 5, 2011

### **Drains in Erode town overflow in heavy rain**

The downpour on Sunday evening exposed the apathy of Erode Corporation in cleaning drainage channels. Within a few minutes, the town's drainage system collapsed and almost all drains overflowed flooding streets and residential colonies with sewage and rainwater.

Many residential colonies in low-lying areas were waterlogged.

Sheets of sewage water could be seen on Brough Road, Park Road, Perundurai Road and many streets in the market area. Rain water entered a number of houses in Indira Nagar and a few other residential areas.

Drainage channels in almost all parts of the town were clogged because the civic administration does not clean them regularly.

“Sanitary workers rarely visit our colony to remove garbage,” S. Kavitha, a resident in Indhira Nagar alleged.

Many commercial establishments dump huge quantities of solid wastes into the drains and the Corporation has not taken any concrete steps to put an end to this.

“Though we complain frequently, officials in the civic body do not take any initiatives to ensure regular cleaning of drains,” S. Periyasamy, a resident in the town said.

“Civic authorities are interested in only collecting taxes from us. When we approach them with a grievance, many officials are not even ready to listen to us. Elected representatives are too busy to listen to our grievances,” R. Kathirvel, a resident lamented.

People requested the civic administration to make arrangements to clean the drains regularly and prevent commercial establishments and others from dumping solid wastes into the drainage channels.

Published: July 5, 2011 00:00 IST | Updated: July 5, 2011 04:08 IST ERODE, July 5, 2011

### **Action against traders selling fertilizers at high prices**

The Agriculture Department will initiate stern action against traders if they are found selling fertilizers at higher prices than the government fixed rates.

The department is closely monitoring the fertilizer supply in the district and violation of norms will be viewed seriously, Joint Director of Agriculture R. Akbar has said.

The department has asked the farmers to demand a signed receipt from the traders when they purchase fertilizers. The farmers can send the necessary documents including the receipt to the department, if they found the traders selling the fertilizers at higher rates.

The government has fixed Rs. 278.88 as the price per 50 kg bag of urea, Rs. 312 for IPL Potash, Rs. 315 Zuari potash, Rs. 624 for Iffco DAP, Rs. 630 for Zuari DAP, Rs. 656 for Spic DAP, Rs. 488.50 for Factamfos 20:20:20:0, Rs. 520 for Iffco 20:20:20:13 and Rs. 567.60 for Zuari 10:26:26, a press release says.

The department has transported adequate quantity of fertilizers to all the primary agricultural co-operative credit societies and the private fertilizer sellers in the district. The co-operative credit societies and the private sellers have been asked to put up a board with the price and the stock information.

The co-operative credit societies have a little over 3,000 tonnes of DAP, while the private sellers 716 tonnes. The district also has over 2,000 tonnes of urea, 1,431 tonnes of potash and more than 1,600 tonnes of complex fertilizers.

Published: July 5, 2011 00:00 IST | Updated: July 5, 2011 04:05 IST KRISHNAGIRI, July 5, 2011

### **Seminars to be held as part of mango exhibition**

As part of the measures to enlighten farmers, seminars on various subjects will be held till July 12 at the 19th All India Mango Exhibition, says a release from the Collector.

The topics of the seminars include 'Fish Culture', 'Maintenance of Cattle', 'Agriculture and Marketing', 'Health District' and 'Farming Techniques'.

Officials of the concerned departments were asked to coordinate with the farmers and bring them to the exhibition venue, the release adds.

Published: July 5, 2011 00:00 IST | Updated: July 5, 2011 04:08 IST PUDUCHERRY, July 5, 2011

### **Drop in paddy prices might affect Kuruvai cultivation, say officials**

While the latest weekly report of the Agriculture Department paints a positive picture about the extent of 'Kuruvai' cultivation in the Union Territory, the drop in prices of paddy in the market is acting as a discouragement for farmers who are yet to raise their crops, officials said.

Statistics provided by the department revealed that on the week ending on June 24, the total land under paddy cultivation was about 1,350 hectares in the Puducherry region.

In Karaikal, 666 hectares were covered by the crop compared to the total seasonal coverage of 950 hectares.

The total paddy coverage in the Union Territory as on June 24 was 1,981 hectares out of the expected seasonal coverage of 5,100 hectares. In the same week in 2010, paddy occupied about 1,870 hectares in all the four regions put together.

A top official at the department said July was crucial for the Kuruvai season as it was when a majority of farmers go in for plantations.

While paddy prices during the same week last year was about Rs. 800 to Rs. 850 a bag, varying with variety, the current prices have dropped to Rs 600.

This, the official said, could seriously dent the confidence of farmers who might not want to raise a crop that fetched them such a low price.

However, the department was hoping that its campaigns to encourage farmers to cultivate the crop would have a positive effect.

“We are counting on the fact that Kuruvai is the highest yielding season in the year and farmers would not wish to abstain from cultivation. Our campaigns should also help,” he said.

### Minimum Support Price

Also, the recent recommendation for the increase in Minimum Support Price for a quintal of paddy from Rs. 980 to Rs. 1110 was yet to be notified in the gazette.

A quick decision on this matter would help, officials said.

Published: July 5, 2011 00:00 IST | Updated: July 5, 2011 04:08 IST Mangalore, July 5, 2011

### Heavy rain forecast

The Meteorological Department has warned heavy to very heavy rainfall in isolated areas in Dakshina Kannada, Uttara Kannada, and Udupi districts in the next two days. The secretary, disaster management, has asked the deputy commissioners of these districts to be on alert and take all precautionary measures.

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## Weather

Chennai - INDIA

### Today's Weather

	<b>Tuesday, Jul 5</b>
Cloudy	Max   Min 33.5°   25.7°
Rain: 0.2 mm in 24hrs	Sunrise: 5:46
Humidity: 63%	Sunset: 18:39

### Tomorrow's Forecast

	<b>Wednesday, Jul 6</b>
Rainy	Max   Min 36°   26°

Wind: Normal

Barometer: 1004

Extended Forecast for a week

Thursday Jul 7	Friday Jul 8	Saturday Jul 9	Sunday Jul 10	Monday Jul 11
				
33°   27°	31°   27°	30°   27°	29°   26°	31°   27°
Rainy	Rainy	Rainy	Rainy	Rainy

## THE ECONOMIC TIMES

Tue, Jul 05, 2011 | Updated 09.29AM IST

5 Jul, 2011, 03.37AM IST, PK Krishnakumar,ET Bureau

### Coffee exports soar 45% in Q1 on Europe demand

KOCHI: India . coffee companies are on steroids as exports jump 45% in volume in the first quarter of the current year and double in value as international prices touched a 14-year high in May. However, the forthcoming quarters may see lower prices as harvest from top producer Brazil enters the market.

The bulk of India's coffee production is exported and companies focus much of their marketing effort on export promotion. Europe is the main destination for Indian coffee.

"Normally, most growers hold stock and try to sell in the second half of the year. But this time they were getting good offers every week right from the start of 2011," said Venkatakrisnan, senior general manager of NKG Jayanti Coffee, which had the largest share in exports for the first six months.

Coffee exports touched 1,19,130 tonne for the first quarter while a 42% rise in unit value to Rs 136 per kg saw export earnings zoom by 106% to Rs 1,631 crore for the three-month period ended June. In dollar terms, the value rose 117% to \$364 million.

Despite the ongoing economic crisis in several countries, Europe continues to be the major buyer, with Italy accounting for the largest share followed by Germany . "There was a slight drop in exports to Greece. But exports to other European countries did not show a decline. Exports to West Asia showed a marginal spurt," said Ramesh Rajah, president of Coffee Exporters Association of India.

Higher volumes were aided by spiralling prices in the world market. Global prices more than doubled to touch \$3 per pound. "Bulk of our export comprised the Robusta cherry variety for which Vietnam , Indonesia and Uganda are our main competitors. We could sell more because our rates were competitive during the period," Venkatakrisnan said.

Traditional coffee accounts for major part of the exports. Instant coffee and value-added export of imported coffee beans together comprise a smaller percentage of total exports. The latter is a cheaper variety and goes to mostly Russia and Eastern European countries. Arabica parchment commands premium prices.

Heavy shipments have depleted the stocks. "Not much coffee is left for exports now. The next crop expected by December will depend on the monsoon," said Murthy Krishnan, operations manager of Allansons Ltd.

The earlier declaration that the Duty Entitled Pass Book (DEPB) scheme, a popular refund scheme for exporters, will be scrapped compelled several exporters to send more consignments during the quarter. The announcement of extension to DEPB came midway during the period.

Global coffee prices have slid with Brazilian crop coming to the market. The prices have slumped to \$2.63 to \$2.67 per kg. Ramesh Rajah said the Brazil production is good and if the cold weather doesn't persist, prices could fall further by 10% to 15%.

4 Jul, 2011, 03.51PM IST,PTI

### **Retail sugar prices unlikely to surge due to exports: ISMA**

NEW DELHI: Sugar prices in retail markets are unlikely to surge due to an additional export of five lakh tonnes of the sweetener, an industry body ISMA has said.

Last month, the government allowed export of five lakh tonnes of more sugar under the open general licence (OGL) in view of higher domestic production this year. It had earlier permitted 5,00,000 tonnes of shipment in April.

"...there has been no increase whatsoever in the retail price of sugar since announcement of export of sugar under OGL. We do not think that there should be any major spurt in retail prices," Indian Sugar Mills Association (ISMA) Director General Abinash Verma said in a representation to the Food Ministry .

After the announcement of sugar exports, retail prices of the sweetener have remained stable in major metros, he said, adding that rather prices have fallen by Rs 1/kg in Bangalore.

Retail prices of sugar have remained unchanged at Rs 32/kg in Delhi and Kolkata, Rs 31/kg in Mumbai, Rs 29/kg in Chennai and Rs 28/kg in Bangalore after the government's decision on exports taken last month, the ISMA said quoting the Consumer Affairs Ministry data.

ISMA further said export of additional quantity of sugar has ensured that ex-mill price do not fall



further.

Mills were losing Rs 3/kg in comparison to the cost of production because of the wide gap between the ex-mill and retail prices of sugar, it added.

"Improvement of ex-mill prices would only improve the cash flow of the sugar factories and help to start crushing in time for 2011-12 sugar season and ensure that cane farmers are paid adequately and on time," Verma noted.

After a gap of two years, the country's sugar production is set to exceed the demand at 24.2 million in the 2010-11 season (October-September), as against around 19 million tonnes last year. Annual demand is pegged at 22-22.5 million tonnes.



## **Bihar seeks cash from Centre instead of food grains**

July 04, 2011 10:42:47 PM

**Amarnath Tewary | Patna**

After having decided to purchase paddy and wheat through the Primary Agriculture Cooperatives (PACs) in a few districts under a pilot project, the NDA Government in Bihar has requested the Centre to provide cash instead of food grains to beneficiaries under the proposed National Food Security Act.

Recently, Bihar Deputy Chief Minister Sushil Kumar Modi had visited Chhattisgarh and returned impressed with the system of procurement of paddy and the functioning of the public distribution system (PDS) there.

"We'll introduce a similar system in Bihar also as even the Planning Commission has praised the PDS system in Chhattisgarh", Modi said after his return.

He added that the State Government had planned to equip 8,500 PACs with computers and link them with State headquarters to ensure an early survey of crops for the purchase of food grains during the kharif season.

"PACs will have the storage capacity of 200 tonnes of food grains and we have started work on 2200 PACs at present", he said.

Under the scheme, the State Government would use vehicles for the transportation of food grains directly to PDS shops and godowns. The information would be circulated to the people through mobile phones, he stated.

Modi said, "All these steps will be taken to wipe out black marketing of food grains", the Deputy Chief Minister, who also charged the Food Corporation of India (FCI) with its alleged negligence and apathy towards purchase of food grains and its storage in the State.

Of late, the State Government had also taken a decision not to allot PDS shops to any individual but to a group of people or self-help groups to ensure fair distribution of the material.

Meanwhile, State Food and Civil Supplies Minister Shyam Rajak has proposed that the Centre provide cash to ration card holders instead of food grains under the proposed National Food Security Act (NFSA).

"This will help them in reducing the chance of diversion of food grains", he said.

He said that he had written a letter to the Centre in this connection. The letter was sent in

response to the Centre's recent missive seeking opinion of the States on NFSA.

He also raised the question of updating the number of beneficiaries under public distribution system in the State. "The Centre is providing food grains only for 65 lakh people of the State under different categories of BPL, APL and Antodya Anna Yojna, but the actual figure comes to around 1.5 crore", he said.

### **Rain brings down temperature, boon for agriculture in State**

July 05, 2011 12:37:03 AM

**Staff reporter | Bhopal**

The monsoon rains continued to bring down the temperatures once again in the State capital here on Monday. The total rainfall recorded until Monday morning stood at 305.2 mm, well above the average for this time of the year. The Met department said that the break from heavy showers across the State is a boon for the agricultural activities in the region.

Heavy rains as forecasted for Jabalpur and Shahdol regions in the next 24 hours, according to the met department. Bhopal and Indore division are likely to receive isolated rainfall, whereas other parts of the State are likely to experience shower activity.

Bhopal recorded a maximum temperature of 34.0 degree while the minimum stood at 24.5 degree Celsius on Monday. Humidity levels are likely to decline in the next few days, as the capital is likely to experience more intense downpour.

The State capital recorded only 12.0 mm rainfall until Monday evening. Hoshangabad and Sagar also recorded rainfall in the last 24 hours. The minimum temperature in Indore dipped to 22.2 degree Celsius on Sunday night.

Feeble western disturbance in the Bay of Bengal is likely to intensify the monsoon activity once again in the State in the next 48 hours. The northern regions of the State are getting a break from the rainfall where flood like situation was created due to excessive

downpour. Gwalior and most parts of the northern region were sunny as the maximum temperature touched 37.1 degree on Monday, making it the warmest city in the State. After a lull the rainfall activity is set to pick up in the State once again, and hopes are that abundant rainfall would be recorded this season.

### **Gene bank mooted in State to preserve rare paddy seeds**

July 04, 2011 11:54:31 PM

#### **PNS | Cuttack**

Inaugurating a workshop on Distinctness, Uniformity and Stability (DUS), organised recently by the Central Rice Research Institute (CRRI) at its premises here, the State's Director of Agriculture and Food Production RS Gopalan informed that the efforts of the authorities are on to set up a gene bank to preserve the seeds of rare varieties of paddy in State.

The workshop was attended by Field Officers of the Agriculture Department and the NGOs associated with the agriculture sector. Gopalan thanked all the farmers, agricultural officers and scientists of the CRRI on the excellent achievements of the State in collecting paddy seeds of local varieties, by which a total of 898 types of seeds have been collected and samples of 51 types from those have been sent to the Protection of Plant Varieties and Farmers Rights Authority for registration. He added that another 34 varieties are soon to be added to the list of the first 51 types and hoped that the long term interests of the farmers of the State would be protected.

ON Singh of the CRRRI praised the efforts of the Directorate of Agriculture and termed the State as a storehouse of Germplasm of paddy. Chief Scientist of CRRRI SR Dhua conducted the technical sessions and thanked all the participants for their contributions. State Seed Certification Officer Bijay Bhusan Patnaik informed the gathering about the objective of the workshop. The workshop was organised as per the requirement of the Protection of Plant Varieties and Farmers Rights Act 2001 to study the characteristics of the paddy seeds available in the field leading to registration.

### **Agricultural land shrinking in UP**

July 04, 2011 10:19:15 PM

#### **Biswajeet Banerjee | Lucknow**

Uttar Pradesh, once the food bowl of India, is fast losing agricultural land to non-productive uses. As per government records, only 25 per cent of the total land area of the state is now available for farming.

In its report on measures to double the income of farmers in the next three years, the Agriculture department says that the state is left with just 25 per cent of agricultural land, and advocates "drastic measures to double the income of farmers within next three years".

The measures suggested include use of high-breed seeds, promotion of mechanised farming and increase in irrigation facility.

"The basic problem is land. The farming area is shrinking very fast as more and more alluvial land is now used for unproductive use. The biggest casualty is western Uttar Pradesh where almost every year over 12000-15000 hectare land is diverted for other uses," a senior official in the Agriculture department told 'The Pioneer' here on Monday.

The total land area of the state is 241.70 lakh hectare. Of this, 25 per cent is farm land, 11 per

cent wetland, 28 per cent doab, 12 per cent sodic land, 8 per cent ravines and 16 per cent, non-agricultural land.

The report says that besides the shrinking farmland, the health of the soil is also declining. The soil in 65 districts has been found to be deficient in nitrogen. Soil phosphorus in 72 districts and carbon in 76 districts has been found to be at the minimum level. The soil in UP has a little bit of sulphur, zinc and iron.

"The time has come to increase the vitality of soil by promoting use of green manure and restricting use of chemical fertilisers," the report says.

It also suggests that farming area should be increased by reclaiming sodic land and improving water disposal system in wetlands. It says efforts should also be made to reclaim the Doab areas, which account for 28 per cent of the total land, and the ravines.

The report forms the basis of a highly ambitious project of the Mayawati government to double the farmers' income in next three years.

The Chief Minister has asked officials of the Agriculture department to initiate the scheme by August this year.

Agriculture Production Commissioner Alok Ranjan said the report was holistic and included contributions from Horticulture, Sericulture and even Animal Husbandry departments. The report talks about increase of meat production, poultry, milk production besides stressing on increasing production of food grains and fruits.

"If we can put our plans together there is no reason why the income of farmers will not double in two years," Ranjan said.

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# Business Standard

Tuesday, Jul 05, 2011

## Stocks soar on sugary hopes

BS Reporters / New Delhi/ Mumbai July 5, 2011, 0:16 IST

Agriculture minister's public assurance on sugar decontrol fuels optimism, on top of other positive indications.



After export permits and relaxation in stock holding limits, more sweet news may be awaiting the sugar industry. The government is expected to discuss the long-pending issue of removing more controls on the industry this month.

Sugar stocks rallied today on this indication. Most stocks gained three to six per cent on Monday, while the market closed flat.

SWEET TREATMENT		
Company	Closing share price at BSE on Monday	Per cent gain over previous day
Renuka Sugars	Rs 72.95	6.50
Bajaj Hindusthan	Rs 74.35	4.13
Balrampur Chini	Rs 65.00	3.83
Dhampur Sugar	Rs 59.35	5.89
Dwarikesh Sugar	Rs 72.25	4.03

Triveni Engineering	Rs 39.85	3.64
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Union agriculture minister Sharad Pawar indicated in Pune last Saturday that there was serious thinking in the government on sugar decontrol. "Sugar is the only sector in which restrictions are still there. The thinking process has started and some pragmatic decision is expected to be taken. There will be an in-depth decision on all the issues of the sugar industry," Pawar said.

A delegation led by Maharashtra chief minister Prithviraj Chavan recently met Prime Minister Manmohan Singh to push for sugar decontrol, along with other demands like more export of the item.

Sugar is one of the most controlled industries in India. Attempts to decontrol it were made in 1971-72 and in 1978-79, only to be rolled back. The government has over the years eased controls in other major industries such as steel and cement.

The control on sugar is exercised by, among others, the release mechanism and levy obligation. Sugar mills can sell in the open market only according to the former. The directorate of sugar in the Union government issues release orders every month and gives mill-wise sale quotas.

Mills cannot sell above this quota. A penalty is levied if they fail to sell the quota within the stipulated month.

Under the levy obligation, mills have to sell 10 per cent of their produce to the government at a lower than market price. This is supplied to below-poverty line families through the public distribution system.

In recent months, things had been improving for the industry. In March, the stock a bulk buyer could hold at any point of time was increased from 200 tonnes to 500 tonnes. This led to positive sentiment. It is expected the limits would be relaxed further. Compared to a blanket ban on sugar export in the last financial year, the government since April has allowed export of a million tonnes. Ethanol blending is another area of revenue for most integrated sugar companies.



“Sugar prices are rising on fundamentals suddenly turning favourable. The Indian Sugar Mills Association has been demanding another 10, 00,000 tonnes of export quota during this sugar year amid guarantee that the quantity will not squeeze supply in the domestic market. A slight reduction in Brazil’s crop estimate has also helped appreciate the price, which we believe will continue in the days to come,” said B J Maheshwari, director, Dwarikesh Sugar Industries.

### **Maharashtra mills dump sugar in northern markets**

**Ajay Modi / New Delhi July 05, 2011, 0:14 IST**

Sugar mills in Maharashtra, the country’s biggest sugar producing state, are intruding into markets catered to by mills in Uttar Pradesh, the second-biggest producing state. Sugar from Maharashtra is coming all the way to Delhi, Punjab and Bihar through rail and road.

According to industry officials, about 100,000 tonnes of sugar has come to Delhi and Punjab over the past two months. While some quantities of sugar always came from Maharashtra to North India, the quantities were never so large.

“For most of May and June, the Maharashtra sugar millers were realizing Rs 2,350-2,400 on every quintal of sugar. Therefore, they were selling large quantities to North Indian markets. The landed cost of Maharashtra sugar is Rs 2,600-2,650. By comparison, the UP millers were selling at a price of Rs 2,800 a quintal. The gap was attractive enough for traders to go for Maharashtra sugar,” said an official.

While Maharashtra millers were not making significant additional gains by selling in North India, offloading of stock helped them in reducing the pressure on prices in Maharashtra. The cost of sugar production is lower in Maharashtra compared to UP, due to lower sugarcane price and higher recovery from sugarcane. While the cost of producing a quintal of sugar in UP is Rs 2,900 a quintal, the same for Maharashtra is around Rs 2,700.

### **Karnataka's sugar output rises 49%**

**Mahesh Kulkarni / Bangalore July 05, 2011, 0:13 IST**

Sugar mills in Karnataka have shown their best performance in recent history by producing a record 3.65 million tonnes (mt) sugar during the first nine months of the current sugar year (October-September), registering growth of 49 per cent over the previous year. Karnataka is the

third-largest producer of sugar in the country and accounts for about 15 per cent of the country's production.

With three months remaining in the current season, mills are likely to crush about one mt of sugarcane and produce another 100,000 tonnes of sugar. The rise in production is attributed to availability of sugarcane, capacity addition by mills and better prices.

Between October 2010 and June 2011, 59 mills crushed 33.12 mt of sugarcane, recording a growth of 45.3 per cent over the previous sugar year. During the year, two new mills started crushing, while many existing mills increased their capacity.

“In terms of sugar recovery, the mills achieved better recovery at an average 11 per cent during the current year as against 10.78 per cent in the previous year. As of now, all the mills have stopped crushing for the current sugar year, while about a dozen mills are likely to restart ‘special season’ crushing by the end of July in southern parts of the state,” South Indian Sugar Mills Association (Sisma) officials said. Encouraged by better cane prices last year, farmers in Karnataka increased sown area by about 25 per cent to 519,000 hectares.

For the 2010-11 sugar year, mills in the state have paid Rs 1,800 a tonne to cane farmers in southern parts, 29.5 per cent more than the fair and remunerative price (FRP) fixed by the Centre for the year. Farmers in northern parts of the state got Rs 400 extra per tonne towards harvest and transportation costs. The ex-mill price averaged Rs 25 a kg during the year, Sisma officials said.

With a new record achieved by mills in terms of both cane crushing and sugar production, the industry body is aiming at about 8-10 per cent growth in sugar output for the next year, commencing October. “Going by the current indications, we can expect mills to crush at least 35 mt of sugarcane and produce about 3.8 mt of sugar during the next year 2011-12,” they said.

### **Punjab rice millers seek higher milling charges**

**Komal Amit Gera / New Delhi/ Chandigarh July 05, 2011, 0:05 IST**

The rice mills in Punjab are passing through a rough patch as they are having huge stocks of paddy meant for CMR (custom milled rice) piled up for unusually long.

Talking to Business Standard, millers from Patiala district told that the paddy that is stored with the millers in October/November should be milled by March to extract the best quality grain. But due to slack demand (slow movement of grain from the producer state to the consumer state), the milling is delayed.

“We have to spend a substantial amount on handling and storage to save the grain from rotting. Fumigation is required to retain the grain after a few months and we are not paid any extra amount for that”, said one of the millers.

The government warehousing corporations are given storage loss at 2.5 per cent that should be given to the private millers too.

He added that they got milling charges at Rs 15 per quintal which has not been revised for the past ten years and this was not viable.

Food Corporation of India officials told that tariff Commission has been appointed by the government to consider the revision of milling charges and the decision is awaited. He added that the millers have complete rights on the by-products of the rice extracted from paddy. The prices of products like rice husk and rice bran are increasing and this gives a cushion to the millers. But the millers are demanding storage and handling charges on monthly basis if the milling is not complete by March.

The millers are also lamenting the transport charges at Rs 0.50 per quintal per kilometer which according to them is not viable in the wake of increasing fuel cost. The transportation charges for the past three years are pending with the FCI towards the state government and the millers are awaiting their dues.

The FCI is mulling to revise the transport charges (lifting of grains from mandis to the rice mills and transport of rice from mills to the railway wagons) for the millers. The decision would be taken by the Board of Directors of the FCI, said sources in FCI.

The millers are planning to suspend the operations in this season (commencing from October 2011) as they do not have any space.

The heldover stocks are maximum in the districts of Mansa, Bhatinda and Muktsar and the rice industry is pushing the state government to come for their rescue with an OTS (one time settlement scheme).

The officials in the Food and Supply Department acknowledged the space crunch but added that new capacities are being created to meet the shortage of space.

The state has also sanctioned additional 1.2 million tonnes capacity of storage to the present 9.7 million tonnes of covered storage.

## THE HINDU Business Line

Monsoon set to cool galloping tea prices



**WHAT'S BREWING?**

- Tea production in India dipped 15 million kg between 2007 and 2011
- Africa production down by 39 million kg
- Prices may come down by 1%

The image shows a tea plantation with a worker in the foreground. The worker is wearing a white shirt and a white apron, and is holding a large white bag filled with tea leaves. The background is a lush green tea plantation with rows of tea bushes. The text 'WHAT'S BREWING?' is written in white on a blue background at the top of the image. Below the image, there is a pink box containing three bullet points.

Trend to be clear in 2-3 months, rates may drop Rs 5/kg

Mumbai, July 4:

Tea consumers might get a temporary respite from galloping prices in the coming months. Tea brands are looking forward to a good monsoon which might help them in reducing prices in the

short term. “The price trend in teas will be clear once all the tea is sold in the auctions in the next 2-3 months after the monsoon, says Mr Chinmoy Bandhopadhyay, Controller of Licensing, Tea Board of India.

But the likelihood of tea prices abating after the monsoon is expected to be meagre, probably Rs 5 kg compared with the Rs 15 to Rs 20 kg increase in tea prices over the past year. According to Mr M.C Appaiah, COO, Duncans Tea, “There is expected to be a Rs 5 a kg correction in prices in case the rains are good and there is good crop at the auctions. At the moment there is high demand which is outstripping supply in the tea category.”

### **Production**

Tea production has not kept pace with consumption considering production has been dipping from 981 million kg in 2007 to 966 million kg in 2011. Even internationally the crop has been facing a shortfall especially in Kenya with production down by 39 million kg this year.

In fact, domestic tea prices continue to be high on back poor international crop. “At the most tea prices may come down 1 per cent.

Currently the crop is down in places such as Kenya and once this happens, Indian tea marketers tend to export, leading to increase in prices,” observes Mr Harendra Shah, President, Girnar Group of Companies.

But it is the high quality second flush season which might give fillip to prices after the monsoons.

“It is usually after the rains that prices stabilise. Tea prices are cyclical in nature and prices tend to go down after the monsoons and again rise by the end of the year,” states an official from the Tea Board.

Mr Parag Desai, Director, Gujarat Tea Processors & Packers says, “In July the high-quality 2nd flush season will be ending. And looking at the world-wide high production figures the prices may come down as a general trend with respect to the entire industry. The normal lead time between the same is at least 2-3 months.”

## **Domestic cashew prices gain 5%**

Kochi, July 4:

The cashew market last week remained quiet with some scattered activities in the US, Europe and some other markets.

Prices from India were for W240 at \$4.80-4.85, W320 at \$4.55-4.65 and W450 at around \$4.45 per lb (fob).

Some Vietnam processors are reported to have sold W320 at around \$4.45-4.50(fob). There was good demand for brokens with business for splits at \$3.95-4.05 and pieces at \$3.85-3.90(f.o.b). Most of the business was for shipments up to September-October. Some buyers were bidding few cents lower for the last quarter but processors from whom they want to buy were not willing to discount, the traders said.

The domestic market continued to move up with the prices going up by about 5 per cent last week from that of the previous week. Until last week, the buying was only for brokens. But this week, some business was done for wholes as well. The next few weeks will show whether the offtake will be the same as last year despite higher prices, Mr Pankaj N. Sampat, a Mumbai-based dealer, told *Business Line*.

## **RAW CASHEW STEADY**

The raw cashew nut (RCN) market is steady. Most of the activity is in the re-sale market where good quality of parcels are being picked up at high prices. Unsold quantities in origin are limited and most of them are with very low yields.

Although total RCN availability from West Africa will be more or less unchanged from last year, the kernel yield will be 5-10 per cent lower due to very low yields from the main origin Ivory Coast (IVC) and slightly lower yields from Benin RCN. "Flow into India is lower than normal as larger quantities were taken by Vietnam, in addition to the 30,000-35,000 tonnes bought by Brazil," he pointed out.

## **Declining trend in tea sale at Coonoor continues**

Coonoor, July 4:

The declining trend in the sale percentage witnessed last week at Coonoor Tea Trade Association auctions continued this week with 79 per cent of the year's highest offer of 16.54 lakh kg being sold at Rs 3 a kg less. Overall, 83.27 per cent of the leaf and 75.30 per cent of the dust offer were sold.

In the leaf market, all the six brokers reported over 75 per cent sale. "We posted the highest proportion of 95 per cent sale with only 8,102 kg out of 1,52,695 kg offered remaining unsold," Mr N. Sriram, Chief Executive Officer, Contemporary Tea Auctioneers Pvt Ltd, told *Business Line*.

### **Lower trade in dust**

In the dust market, the sale proportion was lower at 56 to 85 per cent.

"Orthodox leaf eased Rs 2-5 a kg. Better liquoring CTC leaf lost Rs 3-4, better mediums Rs 1-3, and plainers Rs 2-5. Orthodox dusts suffered withdrawal even after shedding Rs 2-3. Better liquoring and netter medium CTC dusts lost Rs 2-5 and plainers could be sold only when prices were reduced by Rs 2-4," an auctioneer said.

Among green tea, Wood Bridge Estate's 'Hyson' grade, auctioned by Paramount Tea Marketing, fetched Rs 217.

On the export front, Pakistan bought in wide range — Rs 38-78 a kg, the CIS Rs 41-66 and European markets Rs 49-55.

Quotations held by brokers indicated bids ranging Rs 38-43 a kg for plain leaf grades and Rs 80-135 for brighter liquoring sorts. They ranged Rs 43-47 for plain dusts and Rs 85-135 for brighter liquoring dusts.

## **Deficiencies in planning delay irrigation projects in Karnataka**

Bangalore, July 4:

Deficiencies in planning, preparation of detailed project reports, land availability are major hindrances for executing few accelerated irrigation benefit programme (AIBP) projects in Karnataka.

### **Workshop**

Speaking at a workshop on 'process of project appraisal and monitoring in Central Water Commission (CWC)' for southern States, Mr M.K. Sinha, Chief Engineer - Yamuna basin and project monitoring cell of CWC, said "Karnataka has so far received about Rs 5,000 crore of Central assistance for 13 projects, thereby, creating an irrigation potential of 6.5 lakh hectares." "The review of performance of AIBP in the State revealed in addition to deficiencies in planning and preparation of detailed project reports (DPR), in certain areas, land availability is also a deterrent," he added. The Central Government launched AIBP in 1996 for accelerating the implementation of major and multi-purpose irrigation projects which were beyond the resource capability of the States and to complete ongoing major and minor irrigation projects.

### **Central aid**

Under the AIBP, a total Central assistance of Rs 43,425 crore was given to 23 States for 268 projects, thereby, creating an irrigation potential of 60 lakh hectare up to December 2010 from 1996-97. Mr Sinha, said in south India, about 55 projects came under AIBP. Of these, 19 have been completed and 36 are on-going.

"Since few projects come under the purview of water tribunals, States are unable to complete them. In this case, two States should come together and try to help complete the project keeping the larger picture of food security in mind," suggested Mr Sinha. In the country, 553 major and minor irrigation projects spilled over from 10<sup>th</sup> Five-Year Plan to 11<sup>th</sup> Five Year Plan. "In the process, about 82 projects got completed and the balance is still on going," said Mr Sinha.



Mr S.K. Srivastava, Chief Engineer, CWC, said “CWC has roped in IIM-Lucknow as independent body to evaluate techno-economic feasibility of irrigation projects. As many projects are getting stuck at various stages of implementation.”

“Also to apprise the State Government departments of changes initiated at CWC to monitor and clear project proposals, there is an urgent need for holding workshops. CWC has planned five workshops this year,” he added.

CWC recently held one for north eastern states, today we are holding for southern states. At a later date northern (Bhopal); eastern and western (Nagpur) regions are to be covered.

### **Gujarat accounts for 2000 hectares under organic farming**

New Delhi, July 4:

Availing a key horticulture promotion scheme of the government, Gujarat has made the most of it by substantially expanding its area under organic farming.

Under the organic component coverage as part of National Horticulture Mission (NHM), 2047 hectares has been reported across the country in 2010-11, with Gujarat alone accounted for 2000 hectares, an Agriculture Ministry’s monthly review report said.

Chhattisgarh’s share of coverage under organic farming was 45 hectare while the rest 2 hectare was in Kerala, the sources added.

Organic farming is the form of agriculture that relies on techniques such as crop rotation, green manure, compost and biological pest control to maintain soil productivity and control pests on a farm.

It excludes or strictly limits the use of manufactured fertilisers, pesticides (which include herbicides, insecticides and fungicides), plant growth regulators such as hormones, livestock antibiotics, food additives, and genetically modified organisms. Gujarat has been front-runner in usage of funds under NHM scheme.

The NHM progress report for the last year reveal that the state’s expenditure of the central fund under the head was 115 per cent.

Against release of Rs 5,497 crore up to February 2011, Gujarat had spent a sum of Rs 6,351.30 crore, a surplus of Rs 854 crore, the report added.

Andhra Pradesh, Karnataka, Tamil Nadu and Uttar Pradesh also saw impressive performance under the scheme.

### **Monsoon: Trawlers banned, canoes allowed in Goa**

Panaji, July 4:

Come monsoon, and the mechanised trawlers in Goa remain off-water, thanks to a High Court directive which banned fishing by big boats this time of the year.

But hundreds of fishermen, who have canoes - with less than 10 horsepower engines venture out into the sea in the wee hours every day.

Some 28,000 fishermen, natives of 105-km Goa coastline, look forward to the ban period (June 15 to July 31), because during the rest of the year, trawlers do not leave much catch for them. And during the rains, relatively less fish reach the markets, so prices are high.

The High Court imposed the ban on fishing by mechanised trawlers during the monsoon because this is the breeding season for fish.

All the six jetties in the state are closed and guarded by the authorities to ensure that the ban is not breached.

Mr Joaquim Fernandes, 59, who heads the association of traditional fishermen, 'Goenchya Ramponkarancho Ekvott', said traditionally the whole family is involved in fishing. The men go out into the sea, women sell the catch.

Living in the Velsao village, 50 km from the capital city, Fernandes comes from a traditional fishermen family. Many fishermen have now bought trawlers of their own, he says. Still, there are thousands of others who rely on canoes. In Velsao alone, there are 900 such fishermen.

## **Spot rubber recovers on global cues**

Kottayam, July 4:

The domestic rubber market recovered on Monday. In the spot, prices made moderate gains in tune with the domestic and international futures.

According to observers, there has been fresh buying and short covering expecting revised quotes from the tyre sector and the volumes were better.

Sheet rubber improved to Rs 213 (210) a kg, according to traders. The grade closed firm at Rs 211.50 (210) a kg both at Kottayam and Kochi, according to the Rubber Board.

The July series flared up to Rs 214.48 (208.38), August to Rs 216.98 (210.03), September to Rs 214.29 (208.05), October to Rs 215.50 (207.90), November to 215.69 (207.40) and December to Rs 219 (212.80) a kg for RSS 4 on the National Multi Commodity Exchange.

Meanwhile, the key Tokyo rubber futures advanced more than 3 per cent buoyed by rising oil prices. RSS 3 (spot) inched up to Rs 207.95 (207.13) a kg at Bangkok. The July futures bounced back to ₹383.9 (Rs 211.05) from ₹370.5 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: 213 (210); RSS-5: 210 (208); ungraded: 207 (204); ISNR 20: 209 (206) and latex 60 per cent: 135 (133.50).

## **Spices Board launches campaign to check aflatoxin in nutmeg, mace**

Kozhikode, July 4:

The Spices Board has embarked on a campaign to ensure the quality of nutmeg and mace produced in the country.

This is in the context of concern expressed by importing countries over the presence of aflatoxin in these commodities coming from India. The European Union, a major market for Indian nutmeg and mace, had issued a rapid alert recently, on the situation, according to Spices Board officials.

Aflatoxins are a group of secondary metabolites of fungi and are rated as potent carcinogens. Inadequate and unhygienic drying leads to the growth of these fungi on the spices.

The Spices Board has launched a nationwide field publicity campaign to reach the farmers, traders and exporters in major growing areas and make them aware of the issue. The campaign is focussing on Kottayam, Idukki, Kozhikode and Wayanad districts in Kerala and Pollachi in Tamil Nadu. The programme will be extended to nutmeg growing areas in Maharashtra in the coming days.

The measures advocated to farmers include drying of nutmeg and mace to safe moisture content of less than 10 per cent, use artificial driers during rainy seasons and storage in moisture-proof rooms.

It is pointed out that nutmeg and mace are important spices that find wide applications in food industry and medicines and hence warrant utmost attention to monitoring quality. The countries in the European Union, Middle East, South Africa and Japan have been importing good quantities of these commodities in whole form as also in the form of oils and oleoresins.

Aflatoxin contamination does not affect crop productivity but makes the produce unfit for consumption as toxins are injurious to health. The importing countries have fixed stringent standards for permissible limits of aflatoxin in the commodities and it has affected the export of these items from the country.

Indian export of nutmeg and mace had gone up substantially from 1,530 tonnes, valued at Rs 31.17 crore, in 2005-06 to 3,276 tonnes, valued at Rs 91.17 crore, in 2009-10. However, the export declined to 2,100 tonnes in 2010-11, but improved in terms of value to Rs 97.77 crore.

The board has already conducted campaign meetings at Koorachundu and Thiruvambadi in Kozhikode district where substantial quantities of nutmeg are produced. Exporters, progressive farmers and scientists from the Indian Institute of Spices Research, Kerala Agriculture University and Spices Board addressed the meetings.

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