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‘Horticulture can scale up agriculture growth rate'

Has immense potential: Minister

JAIPUR: Rajasthan Agriculture Minister Harjiram Burdak has called for utilising horticulture for scaling up the growth rate of agriculture sector in the State to meet the challenges of climate change, depleting water resources, reducing sizes of farm fields and increase in population.

Addressing a workshop organised by the State Horticulture Development Society here, Mr. Burdak said the farmers should be apprised of scientific methods for getting a good crop yield by using less amount of water. “Horticulture is a fast-emerging field with an immense potential. It should be fully exploited,” he said.

Mr. Burdak asked the Horticulture Department officials to visit agricultural fields in remote areas and share with the farmers the techniques for improving soil productivity, utilising irrigation waters and protecting crops from pests and insects.

Principal Horticulture Secretary Dinesh Goyal said the department's schemes would be implemented with the emphasis on increasing farmers' income, while training programmes would be organised for them and literature in an easy language distributed.

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Farmers worried over fall in turmeric price

S. Ramesh

The price fell below Rs. 8,500 a quintal this week On Tuesday alone in Erode market it went down by Rs. 400 to Rs. 500 a quintal

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ERODE: The continuous fall in turmeric price has deepened fear among farmers in the district that they may not be able to get a remunerative price for their produce. The price fell below Rs. 8,500 a quintal this week. On Tuesday alone in the Erode market it went down by Rs. 400 to Rs. 500 a quintal. This has triggered a serious concern among the farmers in Erode, which is one of the largest turmeric producing districts in the country.

Over 10,000 hectares of land in Erode had turmeric cultivation after the yellow spice crossed Rs. 16,000 a quintal last year.

The market remained bullish till the end of 2010 and the price started to drop during the first quarter of 2011. The trend continued and it was below Rs. 9,000 a quintal during the first week of May because of the sluggish demand in the domestic and export markets. “The demand for turmeric is yet to improve. But the arrival remains high in most of the markets in the country,” turmeric traders said.

“The arrival is huge as the farmers have doubled the turmeric cultivation area during the last year. In Erode market the arrival hovers around 15,000 bags a day for the past several weeks,” Erode Turmeric Merchants Association president RKV Ravishankar said.

“It seems that we may not be able to get a price more than Rs. 8,000 a quintal,” S. Kandasamy, a turmeric farmer here laments.

Turmeric traders, however, say that the current price is still remunerative to the farmers.

“The profit margin for the turmeric farmers may have come down owing to the downward trend. But Rs. 8,000 and above a quintal is still a good price for the farmers,” Mr. Ravishankar says.

Farmers will be affected only when the price goes below Rs. 8,000. "The current market trend indicates that the price may go below Rs. 8,000. The prices will improve only when the arrival goes down. Since the production has almost doubled in the country, we do not expect the arrival to drop in the immediate future," many traders say.

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Power cuts will hit crop yield, fear farmers

S. Ramesh

ERODE: Farmers in different parts of the district fear that severe power cuts will bring down the yield of many crops, including turmeric and sugarcane, this year.

Most parts of Erode district experience unannounced power cuts for three to five hours a day, apart from the announced load shedding period of three hours.

The Tamil Nadu Generation and Distribution Corporation (TANGEDCO) has assured the supply of three-phase power for six hours during the day and three hours during the night. But the government has failed to adhere to this schedule and started implementing power cuts for a longer duration, farmers allege. The frequent disruptions in power supply had made it difficult for the farmers to irrigate the crops.

"We used to water our crops at least once in two days. Now, the frequency has gone up to four days," farmers point out. A large number of farmers in the district had made huge investments for the cultivation of sugarcane, turmeric and banana crops, hoping for a better yield.

"As the frequency of watering has come down, we fear that the crop yield will drop this year. This is going to have a negative impact on our earnings this year," farmers say.Many farmers blamed TANGEDCO for resorting to unannounced power cuts. "We do not expect the Corporation to provide us uninterrupted power supply round-the-clock. We want the Corporation to put an end to unannounced power cuts," R. Palanisamy, a farmer in Kodumudi, says. If the power crisis continued for another year, food production in the State will witness a drastic fall, farmers caution.

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Farmers urged to grow sandalwood

Special Correspondent.

HYDERABAD: The Sandal Wood Growers Association in the State, under the leadership of a group initiative in the name of Siri Group that seeks to promote agriculture, has underscored the need to motivate farmers to take up sandalwood cultivation in the State and elsewhere in the country.

At a press conference here on Tuesday H.S. Anantha Padmanabha, a former senior scientist at the Indian Institute of Wood Science and Technology and others on behalf of the association and Siri Group said the acreage under sandalwood was dwindling.

He said that from 5,400 square km in Karnataka and 3,500 square km in Tamil Nadu a few years ago, the acreage had fallen steeply and the yield had come down from 3,000 to 4,000 tonnes a year to just 200 to 300 tonnes now. Acharya Muralidhar called for a massive educational campaign about the advantages of growing sandalwood trees, their usefulness and the returns per acre. S. Prasad, a senior horticulturist, and K. Srinivas from the Siri Group, said sandalwood can be grown in a variety of soil and different climactic conditions and temperature. Rs. 8-12 lakh an acre is required for 12 years and the trees start yielding results after 15 years.

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Farmers asked to improve productivity

Staff Reporter

They should go for compulsory soil testing and use of fertilizers: Collector

— photo: Kommuri Srinivas

For ryots' benefit:Prakasam district zilla parishad chairperson K. Arunamma along with District Collector Kantilal Dande launching the Rythu Chaitanya yatra in Ongole on Tuesday.

ONGOLE: Ahead of the commencement of khariff season, “Rythu Chaitanya yatra” was launched in all the 56 mandals of Prakasam district on Tuesday with a view to educate farmers on ways to reduce cost of cultivation and improve productivity.

Flagging off the yatra, to be held till June 2, and to cover 1,045 villages in the district, and releasing the wall posters brought out by the government, zilla parishad chairperson K Arunamma urged officials of agriculture and allied departments to educate the farmers on better agronomic practices.

Speaking on the occasion, district Collector Kantilal Dande said farmers should compulsorily go for soil testing and use fertilizers and other inputs as per requirement to protect the soil health, to maximise yield. He wanted the farmers to go for commercial crops like tobacco, chillies and horticultural crops like mango to get better returns.

Agriculture Joint Director V. Narasimhulu, while interacting with the farmers at Bopepalli in Martur mandal, urged farmers to make use of the farm ponds development scheme under which 50 per cent of the cost (Rs. 40,000) was being provided as subsidy to the growers this year. The officials explained to farmers about the modified crop insurance scheme with village as unit for paddy in the district and subsidies available for various farm implements under the farm mechanisation programme.

Officials of the allied departments of Rural Development, Horticulture, Fisheries, Marketing, Sericulture, Animal Husbandry, Irrigation, Forest, and Electricity joined the yatra aimed to cover at least three villages everyday.

Compensation for those farmers who lost crops in December would be paid in the next 10 days, Mr Narasimhulu said.

About two lakh farmers in the district would benefit from waiver of interest on crop loans to the farmers who suffered losses due to rains in November and December last year, he said. Farmers convention would be held in the three revenue divisions of Ongole, Kandukur and Markapur from June 7 to 11, he added.

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‘Decision on discoloured paddy in 2 days'

Staff Reporter

Official visits paddy purchase centres

Support price issue taken up with Centre, he saysNod for export of Bondalu variety sought

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RAJAHMUNDRY: The State government would take decision in two days on purchase of discoloured paddy from farmers, said M. Subrahmanyam, Special Officer for review of paddy purchases in East Godavari district.

He visited some of the paddy purchase centres in the district along with senior officials at Anaparthy and Mandapeta on Tuesday. Speaking to farmers at these paddy purchase centres being organised by the Indira Kranthi Patham, he said support price for paddy would be paid to farmers as per rates fixed by the government and the State government was discussing with the Centre minimum support price for paddy.

He further said that the State government had asked the FCI to keep sufficient space in its godowns to keep the procured paddy.

V. Jogeswara Rao, MLA, Mandapate, requested the State government to pay support price to farmers who were affected by natural calamities.

The farmers also requested the Special Officer to pay support price to paddy and also to allow the millers to export the 1010 (Bondalu) variety to other states.

The Special Officer promised the farmers to take the matter to the government. A. Rama Rao, Additional Joint Collector, Y. Narasimha Rao, DM Civil Supplies, G. Sriram, DSO, and P Sriramachandra Murthy, RDO, Rajahmundry, accompanied the Special Officer.

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Pepper prices at a high

Kottayam: Continuing its upward march, the price of black pepper scaled a new high for the decade at Rs.292 per kg in the wholesale market in Idukki district.

Ungarbled pepper touched Rs.284 a kg while the garbled variety closed at Rs.292 per kg on Monday and traders attributed supply shortage for the firming up of the price. The previous highest pepper price was Rs.275 a kg recorded on November 1, 1999, the traders said. “If this trend continues, the price will soon touch Rs.300 per kg very soon,” they said. Predictions of a slump in production this year by speculators was a reason for the jump. In Kerala, pepper is mainly cultivated in Idukki and Wayanad districts but farmers, of late, had been turning to other cash crops such as rubber, cloves, and cardamom owing to the non-remunerative prices of pepper for the past several years.

The price was only Rs.161.17 per kg a year ago. The area of cultivation had dropped steeply in the State from 2,37,998 ha. in 2005 to 1,72,764 ha. — PTI hindustantimes

Wed,18 May 2011

Weather

Chennai - INDIA

Today's Weather

Clear

Wednesday, May 18

Max | Min

37.1º | 27º

Rain: 00 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 5:43

Sunset: 18:27

Barometer: 1007.0

Tomorrow's Forecast

Cloudy

Thursday, May 19

Max | Min

38º | 26º

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
May 20	**May 21**	**May 22**	**May 23**	**May 24**
36º | 27º	37º | 28º	38º | 29º	38º | 29º	39º | 29º
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

the pioneer

Pay attention to transportation, of procured wheat: Vishnoi

May 18, 2011 11:20:46 AM

Staff reporter | Bhopal

Animal Husbandry Minister Ajay Vishnoi has instructed the officials to pay attention to transportation and storage of wheat procured on support price. Vishnoi was reviewing the progress of wheat procurement on support price at a meeting held at Jabalpur recently.

Vishnoi asked the officials of the agencies to ensure storage of procured wheat from procurement centres / Mandis by transporting it within three days. At the meeting, it was informed that gunny bags are being supplied from Bhopal and Kolkata. A total of 88 thousand metric tonnes of wheat has been procured on support price so far in the district while storage of 70 thousand 150 metric tonnes of wheat has been made.
Vishnoi also told the officials to ensure the storage of urea as the consignment of fertilizer has started reaching the distict.

Business Standard

Wednesday, May 18, 2011

Sugar firms' net profit up 2% in Mar qtr

B G Shirsat / Mumbai May 18, 2011, 0:45 IST

Sugar companies did well in the quarter ended March. They have reported 29 per cent growth in revenue from sale of sugar and a 182-basis points (bps) improvement in operating margins over a year. Aided by co-generation and distillery units, the operating margin jumped 440 bps over the December 2010 quarter. The net profit is up around two per cent, as against a 71 per cent decline in the quarter ended December.

The study is based on 13 major sugar companies that have declared unaudited financial performance for the quarter ended March. The revenue from sugar, co-generation and distillery units moved up 30.1 per cent, significantly up from 24.2 per cent in the December quarter, but marginally lower than the quarter ended September and June 2010. Thanks to a 50 per cent rise in operating profit in the sugar business, the overall operating profit jumped 30.7 per cent.

The aggregate performance is significantly better if one excludes the second largest company, Renuka Sugars, from the sample. The remaining sample has reported a 42 per cent rise in revenue from sale of sugar and the growth in net profit has been significantly higher at 114 per cent. Shree Renuka Sugar’s net profits tumbled 74 per cent, with interest expense rising by Rs 160 crore to Rs 186 crore. Its sugar sales were down 18 per cent due to lower price realisation.

Bajaj Hindusthan, on the other hand, reported 129 per cent growth in net profit on account of a 107 jump in sugar sales. Though operating margins from sales declined 133 bps, margins from the sugar business expanded by 286 bps.

Interest cost rose by 101 per cent and depreciation rose 78 per cent due to expansion of sugar capacity in the past year. Among other companies, EID Parry reported 107 per cent rise in sugar revenue, but operating margins declined by nearly 200 bps due to high raw material cost.

OUTLOOK

According to Morgan Stanley Research, the outlook for sugar year 2012 (SY12/October-September) is still profitable. Factoring the five per cent increase in cane prices during the coming UP state elections in April-May 2012, the sugar segment is expected to be profitable, driven by tight balance.

The report indicates the domestic sugar balance is expected to be tighter than the market believes. The checks suggest SY2011 production of 24 million tonnes. The market is expecting 25 mt. While the market sees limited pricing power in a sugar surplus year(s), in view of the tight industry balance expected, a 10 per cent increase of sugar prices in the second half of SY11 and largely stable prices in SY12 is likely. However, prices correct if SY12 production hits 28 mt.

BETTER RETURNS

	Operating margins in sugar business (%)							
Quarter ended	9-Jun	10-Jun	9-Sep	10-Sep	9-Dec	10-Dec	10-Mar	11-Mar
Bajaj Hindusthan	25.98	0.89	14.46	6.85	22.51	8.53	4.82	7.68
Balrampur Chini	14.09	4.05	16.50	-11.49	21.19	5.02	1.76	24.28
EID Parry	21.45	-31.20	11.63	-11.16	16.44	-8.67	12.92	10.97
Oudh Sugar Mills	11.60	-14.66	11.34	-18.82	10.46	6.00	-20.44	8.96
Rana Sugars	-63.71	-5.51	65.59	-51.26	23.75	7.59	15.01	2.58
Shree Renuka Sugars	14.73	-2.37	10.72	1.88	20.29	9.06	24.77	4.88
Simbhaoli Sugars	9.15	-19.73	15.15	-10.70	19.59	-3.23	-4.53	4.75
Thiru Aroor Sugar	25.56	2.63	21.28	-12.90	24.56	9.96	16.53	3.89
Triveni Engg Inds	14.53	-15.07	20.88	-11.74	21.64	1.53	-8.26	0.22
Upper Ganga	11.81	-18.80	9.75	-18.05	2.63	5.97	-20.06	6.12

Sugar								
Industry average	15.30	-7.40	14.44	-3.60	20.29	5.18	6.94	8.08
Source: Capitaline Plus								

Low cotton prices may hit yarn millers' margins

Rutam Vora & Sharleen D'Souza / Ahmedabad/mumbai May 18, 2011, 0:43 IST

The recent fall in raw cotton prices and subsequent decline in cotton yarn prices seem to have hit yarn markers. Spinning mills across the country fear it would put their margins under pressure.

Yarn prices have dropped from a peak of Rs 280 a kg for the benchmark variety to Rs 225 a kg in the last one month. The weakness in prices was mainly on account of higher yarn inventory pile up and reduced exports. Cotton prices, too, have fallen adding to woes of these millers. Prices have fallen to Rs 42,000 a candy (356 kg) recently from the peak of Rs 62,000 a candy in April.

“The government had resumed yarn exports from April, but removed export incentives like duty drawback. This discouraged exports, as the prices in the international markets too have also come down from its peak levels of February-March, squeezing the export margins,” said Sanjay Jain, president, Kolkata Association of Garment Manufacturers.

Terming the current situation a grave crisis for the spinning millers, K Selvaraju, secretary general, South India Mills’ Association (Sima) maintained that the first and second quarters of the current year could be worst. “Margins are severely under pressure for the millers. Most of the spinning mills across country are operating at 50-60 per cent of capacity. We believe that our carryover stocks would swell up to 500 million kg from the normal 80-100 million kg. The situation may worsen if timely actions are not taken,” said Selvaraju.

Yarn spinners are now waiting for prices to stabilise before bringing their stocks into the market. Demand at these levels do exist, but, it still remains hand to mouth, as they expect prices to fall further. Robust demand will come in for yarn when prices fall further. Currently, the demand is weak.

Synthetic yarn had also seen a fall in prices, but demand for synthetics still remains. Further indication for synthetic yarn prices will come from crude oil prices. Synthetic yarn prices a month ago were at Rs 82 a kg when crude oil was at $128 per barrel and now it has fallen to Rs 72 a kg.

According to Cotton Advisory Board estimates, India’s cotton production is projected at 31.2 million bales (176 kg) this year, while exports were capped at 5.5 million bales.

Alarmed by the steep fall in yarn prices and dismal export prospects, spinning mills may stop production. A formal decision will be taken at a meeting of all regional associations of spinning mills under the aegis of Confederation of Indian Textile Industries (Citi) to be held in New Delhi tomorrow. “We have decided to meet on Wednesday to decide the future course of action,” said D K Nair, secretary general, Citi. However, Nair did not confirm about the proposed closure by spinning mills.

Gujarat demands increase in cotton export quota

Press Trust Of India / Mumbai/ Vadodara May 18, 2011, 0:12 IST

Gujarat agriculture minister Dilip Sanghani today said the cotton prices in the country has fallen due to the "anti-farmer" export policies of the Central government.

"The union textile ministry is trying to protect the textile lobby of south India by banning the export of cotton, which has resulted into the present crisis, including falling prices thus gripping the cotton farmers of the state," Sanghani said.

Sanghani said that there was an urgent need for raising the cotton export quota from the state.

"The prices of cotton have plummeted to below Rs 4,200 a quintal during the last fortnight from a high of Rs 7,200. The situation can be salvaged by hiking the export quota to 15 million cotton bales from the existing 5.5 million," Sanghani said.

He pointed out that the export restrictions should be lifted in the wake of good demand for cotton in the global markets which the country can exploit and the farmers can pare the losses incurred in the past decade.

The state minister also wrote a letter to Sharad Pawar, union agriculture minister, stating that Centre’s allocation of di-ammonium phosphate (DAP) was improper and the Centre was doing injustice to Gujarat.

In his letter, Sanghani noted that the allocation made by Centre was far less than the state’s requirement and that could create a shortage of the fertilizer during the kharif season in 2011. As against Gujarat’s requirement for 500,000 tonnes of DAP during kharif-2011, the Centre assured 480,000 tonnes at the zonal meeting.

THE HINDU Business Line

Wheat procurement rises 8.65%

New Delhi, May 17:

The Food Corporation of India (FCI) and State agencies have procured 236.19 lakh tonnes (lt) of wheat during the ongoing 2011-12 Rabi marketing season, according to the Food Ministry's data compiled as on Monday.

This is 8.6 per cent more than the 217.43 lt bought during the corresponding period of 2010-11. Procurement has so far been higher in Punjab (107.43 lt against 101.52 lt), Haryana (67.09 lt against 63.22 lt), Madhya Pradesh (37.87 lt against 32.83 lt), Uttar Pradesh (13.82 lt against 13.71 lt) and Rajasthan (8.70 lt against 4.61 lt).

During the 2010-11 season as a whole, the Government agencies procured 225.14 lt of wheat, which is likely to be surpassed this time. In fact, in two States – Punjab and Madhya Pradesh – procurement has already crossed their previous highs of 107.25 lt and 35.38 lt achieved during the 2009-10 and 2010-11 marketing seasons, respectively.

For the current season, the Food Ministry officials project total procurement to top 260 lt, which, over and above opening stocks of 153.64 lt on April 1, is likely to cause major storage problems for the FCI. Even assuming a depletion of 50-55 lt during April-June, the total wheat stock in the Central will be around 360 lt on July 1, which is way above the required minimum buffer and strategic reserve of 201lt for that date.

Meanwhile, in the case of rice, procurement during the 2010-11 marketing season (October-September) has reached 272.20 lt. This is below the 273.13 lt purchased during the same period of the preceding season.

Progressive purchases till now have been higher in Andhra Pradesh (50.59 lt against 46.86 lt), Chhattisgarh (35.33 lt against 30.78 lt), Tamil Nadu (12.70 lt against 10.12 lt), Uttarakhand (3.64 lt against 3.48 lt) and Madhya Pradesh (3.26 lt against 1.68 lt), while trailing in Punjab (86.34 lt against 92.90 lt), Uttar Pradesh (23.34 lt against 26.35 lt), Orissa (18.35 lt against 19.63 lt), Haryana (16.87 lt against 18.16 lt), West Bengal (8.44 lt against 10.15 lt) and Bihar (7.17 lt against 8.09 lt).

Groundnut oil rises on higher offtake

Rajkot, May 17:

Groundnut oil prices strengthened further at the oils and oilseeds market here today due to increased offtake from stockists and retail consumers.

During the week groundnut oil increased from Rs 1,385-1,390 to Rs 1,420-1,425 for the 15 kg new tin, as gain of Rs 35 a tin. Groundnut oil “loose' for 10 kg went up by Rs 30 to Rs 835-840 and the “label tin” traded at Rs 1,400-1,405 against Rs 1,365-1,370 for a tin of 15 kg.

On Tuesday cotton oil, however, remain unchanged at Rs 955-960 for the 15 litre new tin.

Cotton wash for 10 kg traded at Rs 593-596.

Branded companies and stockists bought heavily during the past few days, lifting the groundnut oil market. But now it may reduce as the new crop of summer groundnut is to arrive soon, millers said.

The Indian Oilseeds and Produce Export Promotion Council (IOPEPC) has estimated the summer groundnut production in Gujarat to be at around 2.71 lakh tonnes against 1.29 lakh tonnes last year, which is higher by 110 per cent.

As per the survey, groundnut sowing area during the ongoing season has increased from 68,000 hectares to 1.21 lakh hectares in Gujarat due to sufficient availability of irrigation water. As a result, production is likely to increase by 110 per cent to 2.71 lakh tonnes.

However, some traders disagree with the estimate. According to them groundnut production will be around 3.5 to 4 lakh tonnes. They believe farmers used more groundnut for cattle feed. During Kharif season high rains also damaged the groundnut crop due to which the farmers faced a shortage of cattle feed.

Cashew firm on buying support; domestic market active

Kochi, May 16:

Cashew market was steady last week with a firm undertone and some business was done for W320 in the range of $3.95-$4 from India and Vietnam as there was a fair amount of buying interest from several directions.

There were also reports that Vietnam sold Splits at around $3.45-$3.50 and Pieces from $3.25 to $3.35 (f.o.b). Most processors were asking few cents more now and that too for limited quantities, according to the trade sources.

Meanwhile, Raw Cashew Nut (RCN) prices have moved up from the lows seen in April. Shipments from West Africa are picking up but not to the extent expected. It seems that the shipping period will extend several weeks beyond normal. This will affect the kernel yields and will also mean continued tightness of kernel availability for the next few months, they said.

In the last three weeks, prices moved from \$3.80-\$3.85 to \$3.95-\$4 (f.o.b.) and all markets have been buying for third quarter shipments which indicates that offtake in January-April has not been as bad as expected. This will probably mean that there will be regular buying to fulfill delivery commitments. Added to that, there will be buying in case of any new contracts with roasters/retailers, they said.

Indian domestic market which was quiet for about six weeks is showing some signs of activity. Traders normally start buying from mid/late June to build up positions before the peak consumption period of August-December. It will be interesting to see how they operate this year – high prices could reduce carrying capacity but if the demand is there, financing should not be a problem, Mr Pankaj N. Sampat, a Mumbai-based dealer told *Business Line*.

Market may go higher

Considering this demand side scenario and no possibility of any immediate increase in supply, some people feel that there is room for the market to go still higher, he said. “Our feeling is that even if the prices do not go up too much, there is very little chance of any price decline in the near future. Market will continue to be supported by regular buying from some market or the other (although there may be periodic dips if some processors need to sell in a hurry to finance RCN purchases - this may not happen if the RCN flow is spread over a longer period).”

Apart from any major development in external factors, a change in the cashew market trend will happen only when the supply-demand balance turns easier – this is possible only when supply increases significantly (good crops in all origins) or if there is a significant move away from cashews in major consuming regions, he said.

“There are no signs of the either at the moment but things could change at the end of the year or beginning of next year”. Until there are clear indications of change in either of the fundamental factors, we should expect a steady to firm market, he added.

Govt issues export release orders for 1.5 lakh t sugar

New Delhi, May 17:

The Food Ministry has issued export orders to mills for over 1.55 lakh tonnes of sugar as of May 16, 2011, out of the total quantity of five lakh tonnes that it has allowed for outbound shipment.

Sugar mills cannot export their produce without a release order from the Food Ministry.

On March 22, an Empowered Group of Ministers (EGoM) on Food headed by the Finance Minister, Mr Pranab Mukherjee, had allowed mills to export five lakh tonnes of sugar under Open General Licence (OGL), which does not entail any restrictions.

The decision was notified on April 19. Out of the five lakh tonnes, 51,500 tonnes was reserved for neighbouring countries. The remaining quantity was allocated between the mills on the basis of their average production over the last three years.

According to the latest data, the Ministry has issued export release orders for 1,55,816 tonnes of sugar to over 155 mills. The release orders were not approved for five mills due to problems in their agreements or applications.

The EGoM had decided to allow mills to export a small quantity of five lakh tonnes as the country’s output is estimated to cross domestic consumption after a gap of two seasons. Prior to this, the Government had allowed mills to fulfil their export obligation of about one million tonnes.

Sugar production in India — the world's second largest producer after Brazil — is estimated to rise to 24.5 mt in the 2010-11 sugar year (October-September) from 19 mt in the previous year. The country's annual demand is pegged at 22 mt.

In the 2008-09 and 2009-10 sugar years, sugar production was below domestic consumption, at 14.53 mt and nearly 19 mt, respectively. The country had to import about six mt to meet the shortfall.