

# THE HINDU

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## TNAU presents proposals on increasing yield of 19 crops

Amutha Kannan

COIMBATORE: Tamil Nadu Agricultural University has presented proposals to the Agriculture Minister for increasing the yield of 19 crops.

Vice-Chancellor P. Murugesu Boopathi told The Hindu that the critical technologies to increase yield of crops were presented to K.A. Sengottaiyan on Tuesday in Chennai.

The crops that would be covered were paddy, maize, black gram, green gram, red gram, groundnut, gingelly, sunflower, sugarcane, mango, banana, turmeric, chilli, cashew, tapioca, onion, tomato, brinjal and cotton.

“Though there are various technologies, crop varieties and improved machinery brought out by the university, there was still a felt need for increasing yield in these crops. Hence critical technologies, exclusive for each crop, have been proposed to the Minister for implementation,” he said.

The new technologies, when implemented, are expected to increase the yield manifold that could go up to several tonnes a hectare.

The Minister had assured the Vice-Chancellor that extension officers in various blocks would be used to reach the technologies to the farmers. Mr. Boopathi said the Minister was informed of the proposal to transfer technology of the ‘ANNA 4’ rice variety to private seed companies. Use

of this variety was responsible for 3.7 tonne / hectare yield as against the 1.2 tonne / hectare using conventional seed varieties.

Accordingly, the university planned to invite various seed companies on May 26 to hand over the nuclear seeds of the variety for commercialisation. "At present, there are only 2.5 tonne seeds of this variety available with the university. This is not enough to reach all farmers. Hence, the seed companies are being involved to enhance the reach," he said. There was a forecast of early onset of the South-West monsoon. This had given rise to expectations of an early release of water from the Mettur Dam. If this happened, it was expected that the farmer would get maximum yield from the Kharif crop that would be sown during this period, the Vice-Chancellor added.

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## FARMER'S NOTEBOOK

**Only an attractive return can keep the youth in farming**

M.J. PRABU

Many farmers' children do not want to continue in agriculture

- Photo: Special Arrangement



**Success formula : Aravindan (left), from Pudukottai in his lab.**

Most professionals may want their children to follow in their footsteps, and take over the practice,

But ask a farmer whether he wants his children to follow him - and the answer will be a firm 'no.' There are exceptions though: "I want my son to become a farmer and take over after me," says Mr. N. Aravindan an organic farmer from Pudukottai district, Tamil Nadu.

The farmer says that his father often used to remind him that "Agriculture is our life. School and college are only means to improve our knowledge."

These words inspired him "to stay in agriculture," he claims.

Post graduate

Mr. Aravindan completed a Masters Degree in Business Administration and is into farming for the last eight years. He says he was inspired by Dr. G. Nammalwar, the organic scientist.

"My tryst in organic farming started from then," he adds and says he started collecting more information about organic farming from books and interacting with other leading organic practitioners.

Mr. Aravindam also attended numerous training programmes organised by Kudumbam, an organisation for rural development in Tiruchi at their farm called Kolunji Ecological Farm.

"I started applying those principles and gradually converted my land from chemical to organic. Now I am cultivating organic paddy, sugarcane, groundnut, pulses, and millets.

The success behind my farming "is that I am making a crop calendar depending upon the monsoon and climatic condition for various farming activities. I split the land and utilize it according to the soil type and water resource," explains the farmer.

In addition he uses enriched farmyard manure and cultivates Daincha (green manure) to apply in the field. He uses bio- control agents and herbal decoctions for pest control.

Recycling

“I recycle the sugarcane leaves by converting them to compost and apply this compost to the soil for 70- 90 days. I am able to get a yield of more than 51 tonnes of sugarcane from an acre,” he explains.

He now educates other farmers on the need to control expenses during cultivation, and also produces trichogramma egg parasite cards that are bought by a private company. “We earn about Rs.15,000 per month as income from selling the cards,” he says.

#### Non-remunerative

“Majority of the people living in my village — Kovil veerakudi depend on agriculture. In spite of that, the youngsters are no more interested in taking up farming as a profession.

“They see farming as a non-remunerative choice and migrate to nearby urban centres, but do not succeed there as well. Soon they return to the village with a lot of behavioural changes, roaming around lazily in the village,” he rues.

The future of farming remains a question mark according to Mr. Aravindan. But he envisions some positive signs for a bright future for farming.

A youth club in the village for farming, cleaning roads, school premises and health camps, is presently functioning well.

“We set up an organic farmers club in my village and are planning to produce bio-fertilizers such as Azospirillum, Rhizobium, pseudomonas, trichogramme virudi etc,” he says.

While these are some small initiatives at a higher level “The government should also encourage the youth by supporting them and introducing new schemes for young farmers. They should motivate, recognise, and appreciate the youth to pull them towards agriculture through schemes and training,” he suggests.

#### No hope

Disillusioned by the future prospects of farming and seeing their parents suffering physically and monetarily, the children are naturally inclined to take up even menial jobs in the city.

"True, this causes a lot of brain-drain and physical labour shortage in the villages but it cannot be helped. Unless they realise a good income from a field, youngsters cannot be expected to enter farming," says Mrs. J. Pangayavalli, Co-ordinator, Kudumbam.

Feeling proud

'You must practice agriculture like Aravindan.' - "When I hear these words from other farmers in my village I feel proud to be a farmer. For many parents in the village, I am a role model. As a farmer, I am happy because I am producing foodgrains for my nation and not polluting the environment," says Mr. Aravindan proudly.

For more information contact Mr. Aravindan at Kovil Veerakudi Andakulam (Post),Kulathur (Taluk),Pudukottai district, TamilNadu. Mobile: 9585770011 and Mrs. J. Pangayavalli at 9842833187.

**Date:19/05/2011 URL:**

**<http://www.thehindu.com/thehindu/seta/2011/05/19/stories/2011051950291400.htm>**

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### **Tamil Nadu farmers urged to grow 'Anna 4' paddy**

A two-day national workshop on "Dryland Development and Maximising Crop Productivity" was recently held at the Tamil Nadu Agricultural University, Coimbatore.

Speaking at the function Mr. B. Venkateswaralu, Director of Central Research Institute for Dryland Agriculture (CRIDA) said, "Climate change is a major challenge faced by rainfed areas through long spells of drought and followed by heavy rains causing floods. The concept of conservation agriculture and energy efficient pumpsets could help overcome this problem."

Zero tillage

"Conservation agriculture involves minimum or zero tillage with fewer disturbances to the soil and leaving the crop residuals on the soil surface as much as possible. Energy efficient pumpsets reduces the emission of green house gases which contribute to climatic change," he said.

According to him, mechanisation of agriculture in dryland areas was a matter of great concern due to the inability of the farmers to buy mechanized equipment. This challenge could be addressed through Operational Research Projects (ORP).

In the ORP, the improved machinery was demonstrated in farmers' fields which would enable them to suggest creation of workable institutional mechanisms. CRIDA was currently working on such ORPs on farmers' fields, he added. He drew attention to supplemental irrigational facility through farm ponds during rainy season.

New approach

A mission mode approach was necessary for water harvesting through farm ponds by ORP for which National Rural Employment Guarantee Act (NREGA) needed to be merged with activities of the Department of Agricultural Activities.

Dr. Murugesu Boopathi, Vice Chancellor of the University said, "low productivity in dryland areas was due to frequent droughts, degraded soils, sub-optimal nutrient application, low-nutrient use efficiency and nutrient mining."

He urged farmers to grow the "ANNA 4" rice variety released by the University. This variety gave a yield of 3.2 tonnes a hectare compared to 1.2 tonnes of other varieties. The state Government provided 50 per cent subsidy for procurement of farm machinery. TNAU proposed to establish model farms at Cuddalore and Bhavanisagar where it would demonstrate and educate farmers. For more details contact Dr. P. Murugesu Boopathi at email: [vc@tnau.ac.in](mailto:vc@tnau.ac.in) and phone: 0422-2431788.

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## **Farm Query**

Banana yield

Is it possible to get a good yield from banana as intercrops using naturally available inputs?

Jo. Thomas,Kerala

A progressive farmer Mr. Ranga Prabu from Theni in Tamil Nadu has proved that natural inputs aid a good growth and yield for banana crops. He geors the banana as intercrop in coconut. With an investment of Rs. 44,000 he has been able to get a income of Rs. 3,00,000 in 10 months from three acres. For details you can contact Mr. G.Ranga Prabu, No: 136/7,middle street, C.Pudupatti - post, Theni 625556, Tamil Nadu, email :- ranga.grp@gmail.com, mobile :- 09962552993

**Date:19/05/2011 URL: <http://www.thehindu.com/2011/05/19/stories/2011051950230200.htm>**

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### **Farmers asked to sell coconut upon harvest**

Staff Reporter

COIMBATORE: The Domestic and Export Market Intelligence Cell of Tamil Nadu Agricultural University has asked farmers to sell coconut immediately upon harvest without resorting to storage because the price is not likely to increase.

According to a release, the price of coconut over the last 10 years was studied at the Pollachi Regulated Market. The results revealed that the price of coconut at farm level will be between Rs. 10 and Rs. 12 a nut in Pollachi during May-June 2011. In other parts of the State, it is expected to be slightly less.

As much as 70 per cent of coconuts produced were used up for oil. Coconut exports were good in the last couple of years. While the price of a nut last year during May-June was around Rs. 6, this year it is around Rs. 12 a nut.

In Tamil Nadu, coconut is cultivated in 0.38 million hectares. Major districts cultivating coconut are Coimbatore, Tirupur, Tanjavur, Dindigul, Kanyakumari, Vellore, Theni, Tirunelveli, Krishnagiri, Salem and Madurai.

In India, coconut production was 10.148 million tonnes during 2009-10 with a cultivation area of 1.90 million hectares.

## Farmers prefer pulses to paddy cultivation

G. Srinivasan

— Photo: M.Srinath



**for free flow:A farmer in his pulses field at Soorakottai near Thanjavur on Wednesday.**

THANJAVUR: Pulses cultivation is on the rise in the district. In the “Chithirai Pattam” in which pulses are raised between March and June, nearly 10,000 hectares of pulses -black gram-has been cultivated this year. Last year it was only 7,500 hectares. Farmers take to pulses cultivation as this is more remunerative than paddy. A farmer can earn Rs. 25,000 from an acre with an expenditure of only Rs. 5,000 to Rs. 6,000. Nearly 600 kg of black gram can be harvested from an acre. The price at present is Rs. 50 per kilo. If the expenditure is reduced, he can get Rs. 24,000 to Rs. 25,000 per acre. Black gram variety of ADT5 has been raised by farmers of Raramuthirakottai village in Ammapettai block.

According to V.Balasubramanian, Joint Director of Agriculture, Thanjavur district, who visited the village to assess the crop position on Wednesday, pulses had been raised on 200 hectares this year in the village. Last year it was only 120 hectares.

“Pulses cultivation has increased at village level, block level and district level,”

Mr.Balasubramanian said. In Ammapettai block, cultivation this year is on 2,193 hectares while it was only on 1,103 hectares last year. Thamizh Selvan, a farmer of the village said that he has raised black gram on 20 acres in the village.



“I got seeds from agriculture department at 50 per cent subsidy under seed village concept. I have been raising black gram every year in “Chithirai Pattam”. This year I have increased the number of acres,” he said. Kaliyamurthy is another farmer who have also raised black gram on 20 acres in the village.

Black gram has been cultivated at Valamarkottai, Paruthikottai, in Ammapettai block. In Orathanadu block black gram has been raised at Vandyariruppu, Kulamangalam, Thalaiyamangalam, Kannanthangudi Keelaiyur, Arumulai, Thirumangalakottai east and west and Poovathur villages. R.Gunasekaran, Assistant Director of Agriculture, Orathanadu block said that in Orathanadu block also area has gone up. Black gram has been raised on 2460 hectares against 2230 last year.

S.Rajkumar, Deputy Director of Agriculture (state schemes) and V.Kaliyaperumal, Personal Assistant to Collector (Agriculture) said thrust is given to pulses cultivation by the government.

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## Agriculture infrastructure in State to get big boost

Special Correspondent

*Government to set up five agricultural zones*

— Photo: K. Murali Kumar



having a word:K.V. Raju (right), Economic Adviser to the Chief Minister, with V. Umesh,

**Principal Secretary, Cooperation, at the inauguration of a workshop in Bangalore on  
Wednesday.**

Bangalore: The State Government plans to improve agriculture infrastructure at all levels — from procurement to processing, storage and transport — with an investment of Rs. 2,000 crore, K.V. Raju, Economic Adviser to the Chief Minister, has said.

Speaking at a national-level workshop on agri-processing and marketing here on Wednesday, he said the State Government would set up five agricultural zones with all facilities, which would go a long way in making agriculture profitable.

Dr. Raju said there was great reluctance among the youth, including agriculture graduates, to take up farming because it was seen as non-remunerative. Fragmentation of land and non-availability of skilled labour were among the reasons for this, he added.

**Skill development**

He said several schemes were being planned to address this issue, including starting of a short-term course in agriculture-specific skill training targeted at II pre-university students. On the proposed global agri-business investors' meet in November, Dr. Raju said more than 30 countries were expected to take part in it and bring in big investments. He described Karnataka's agricultural policy as a pioneering one, being emulated by other States.

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**Farmers encouraged to adopt zero-budget natural farming**

**Special Correspondent**

GULBARGA: Chairman of the Hyderabad Karnataka Area Development Board (HKADB) Amarnath Patil has stressed the need to revert to the traditional form of zero-budget natural farming methods to save the fertility of soil and bring down the cost of cultivation.

'Not new'

Speaking after inaugurating a one-day workshop for farmers on 'zero-budget farming' and Bhoo Chetana programme at Melkunda (B) village here on Wednesday, Mr Patil said zero-budget farming was not new to India and farmers in the country had been practising this before the advent of chemical fertilizer and pesticides.

#### Benefits

Zero-budget natural farming had several benefits, including retention of nutritional value of the soil, reduced cost of cultivation, reduced dependence on chemical fertilizer and pesticides, and increase in yield.

Mr. Patil cited the example of progressive farmer Mallinath Kollur. The yield in his sugarcane field, when he was using chemical fertilizer and pesticides, was 50 tonnes an acre. It went up to 65 tonnes after he switched to zero-budget farming, using natural fertilizer and pesticides. Referring to the problems faced by farmers of the village to market milk and vegetables due to lack of connectivity, Mr. Patil said a pucca road would be constructed with the HKADB funds.

HKADB Secretary Shalini Rajneesh Goel said Melkunda village had been selected under the Bhoo Chetana programme. Soil from all agricultural lands would be tested to take measures for increasing fertility.

She said, under the Suvarna Bhoomi Yojana, 350 farmers from the village had been chosen and have been paid a Rs. 5,000 as the first instalment while the second instalment of Rs. 5,000 would be paid in September.

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#### **Potato cultivation begins in Hassan district**

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*Potato is the major horticulture crop in the district The crop was hit by blight disease in the last few years*

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Hassan: Potato cultivation has begun in Hassan district after the district administration distributed seed potatoes to farmers last week.

Potato had been one of the main horticulture crops in the district.

However, in the last couple of years, the number of farmers growing potato came down after the crop was hit by the blight disease.

Suggestion

The district administration has suggested farmers to avoid potato for two more years as some more time was required to cleanse the soil from the fungus causing the disease.

Following this, a major section of farmers have shifted to ginger.

Channe Gowda, a farmer from Kanchamaranahalli in Hassan taluk, who was sowing seed potatoes on Wednesday, said potato was suitable for the agriculture land he owned.

“We have earned good returns by cultivating potato in the past. In the last two years, we suffered losses due to the blight disease,” he said.

Between 2007 and 2009, 25 farmers have committed suicide in the district, unable to repay their crop loans. In 2007 alone, the loss was Rs. 300 crore.

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**<http://www.thehindu.com/2011/05/19/stories/2011051958370300.htm>**

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**Officials told to protect grain from rain**

MAHABUBNAGAR: Collector M. Purushotham Reddy asked the mandal officials and marketing staff to take immediate steps to protect the grain that stocked at market yards from drenching in rain.

Interacting with the officials in wireless conferencing mode from the district headquarters on Wednesday, he explained that IKP groups opened 50 paddy purchase centres and the



FCI another five. So far, 14,537 tonnes was procured. He said a fund of Rs.7 crore was made available to the IKP groups for prompt payment to farmers who supplied them grain. Referring to the grain stacked at 16 market yards across the district, he said the officials should take steps to shift the commodity to the milling centres.

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**Weather**

Delhi - INDIA

Today's Weather		Tomorrow's Forecast	
	<b>Thursday, May 19</b>		<b>Friday, May 20</b>
Partly Cloudy	Max 42.3°   Min 30.7°	Cloudy	Max 43°   Min 29°
Rain: 00 mm in 24hrs	Sunrise: 5:28		
Humidity: 19%	Sunset: 19:06		
Wind: Normal	Barometer: 1000.0		

Extended Forecast for a week

Saturday <b>May 21</b>	Sunday <b>May 22</b>	Monday <b>May 23</b>	Tuesday <b>May 24</b>	Wednesday <b>May 25</b>
				
45°   29°	44°   27°	44°   28°	44°   29°	45°   28°
Sunny	Sunny	Sunny	Sunny	Sunny

## Rocky Indo-Pak ties hit Kerala betel leaf exports



KOCHI: The small community of around 500 betel leaf farmers in Kerala's Malappuram has its own reason to dislike Osama bin Laden . The death of the dreaded terrorist and troubled India-Pakistan relations mean it can no longer export the fabled Malabar betel leaf or 'paan' to Pakistan.

The Muslim-dominated region around Tirur in Malappuram district usually exports up to 40 tonne of betel leaf every month in the peak season between January and June. Now exports have plunged to 8tonne a month. Prices have halved from Rs 60 for 100 leaves a few months ago, says trader PK Ashraf. He is worried because time is running out. Once rains start,

production falls sharply.

If Malappuram farmers want to make a decent living this year, the time is now. Malappuram farmers have been exporting Malabar betel leaves to Pakistan for over 30 years now. Exports touch 100 tonne to 150 tonne a year, says Prasad of the local betel traders' association. Many in Pakistan like the Malabar betel leaf because of its extra large size, pungency and thick stalk. These unique qualities are not found in other betel leaf varieties in the country, says Bava Moopen , who has been growing the vines for the last three decades. Business with Pakistan always keeps traders on the edge. "Exports suffered a setback after the terrorist attacks in Mumbai. Any border skirmish between India and Pakistan affects our trade as the markets close and transportation gets hit," says Moopen.

Sri Lanka made a swift entry into Pakistan when shipments from India stopped for a while after the Babri Masjid de-molition . Lanka has a similar but much cheaper betel leaf variety and its exports are two times more than that of India today. Political tension has also changed the mode of transportation. Consignments used to go by train from Delhi at least four times a week about two decades ago. "After the Babri Masjid demolition, this stopped . Now they go by flight to Gulf countries and from there to Pakistan twice a week," he says. While prices drop and stocks find not many takers, Malappuram farmers are unwilling to compromise on quality or shift to cheaper varieties.

Sown in summer, the Malabar betel leaf vine gives yield for two years. The crop in the first year is of exportable quality as the leaves and stalk are large. In the second year, the stalk size shrinks and the leaves are shipped to local 'paan' markets in Uttar Pradesh, Delhi, and Rajasthan. Though betel leaves are also grown in southern Kerala , Malabar scores on the leaf size and quality. Farmers say the situation has never been as worse as it is today. With limited export to Pakistan and large quantities of unsold stocks, losses are now staring farmers in the face.

The Gulf countries are not potential replacement markets because their consumers have no taste for the Malabar variety . That leaves Uttar Pradesh the only option for the Malabar betel leaf. And, it is a bitter choice as returns are rarely more than 50% of those from Pakistan. "Workers are scarce and wages have climbed to Rs 500 a day. Though we suffer losses, we continue farming as it is almost like a cottage industry here with every household growing betel leaf vines," Moopen says.

18 May, 2011, 02.23PM IST,PTI

### **Chana futures decline on subdued demand**

NEW DELHI: Chana prices declined by Rs 5 to Rs 2,399 per quintal in futures trading today owing to sluggish demand against adequate stocks position following increased arrivals from producing region.

At the National Commodity and Derivatives Exchange , chana for delivery in May declined by Rs 5, or 0.21 per cent to Rs 2,399 per quintal, with an open interest of 45,130 lots.

Likewise, the commodity for delivery in June shed Rs 5, or 0.20 per cent to Rs 2,487 per quintal, with a business turnover of 189,600 lots.

Traders attributed the decline in chana futures to rising arrivals in the physical market against subdued demand.





## **Three crore farmers benefit from IFFCO plan'**

May 19, 2011 10:46:23 AM

### **PNS | Paradip/ Kendrapada**

Due to the implementation of Indian Farmers Cooperative Limited's (IFFICO) Kisan Sanchar Ltd (IKSL), about three crore farmers of the State are getting information freely through mobile SMS on weather forecast, price list of agricultural products and market information, said Senior Executive Director, IFFCO, M.R. Patel in a Press meet at Paradip. Agricultural Market Intelligence Centre and other agricultural institutions, which are known for their accurate forecasts on market update are helping IFFICO to provide all the information through SMSs in cell phones, he informed.

Patel said that for IFFCO's Paradip unit, the year 2010-11 was recognized as a year of records in the field of production, energy conservation as well as environment management.

The Paradip unit of IFFCO has produced 16, 62,000 MT of fertilizer during the current financial year 2010-11.

"Highest ever yearly production of 6.56 lakh MT phosphoric acid in PAP plant was achieved in 2010-11 surpassing the previous best production of 4.62 lakh MT in 2009-10. In 2010-11, the plant has produced 19.00 lakh MT sulphuric acid and 9.16 lakh DAP, which is stated to be the highest ever yearly production at Paradip," Patel disclosed.

The Paradip plant has achieved highest ever yearly complex fertiliser plant capacity utilization of 94.81 per cent in 2010-11. Besides, the plant has achieved lowest overall specific energy consumption and water consumption in 2010-11, he added.

# Business Standard

Thursday, May 19, 2011

**Spinning mills to cut cotton yarn production 33%**

**BS Reporter / Ahmedabad May 19, 2011, 0:38 IST**

Spinning mills have decided to cut production by a third from Tuesday.

Led by the Confederation of Indian Textile Industry (Citi), the move was announced on Wednesday in a meeting with all the major textile associations in New Delhi.

To begin with, spinning mills will remain closed for a day on Monday, said Shishir Jaipuria, chairman, CITI at a press briefing in New Delhi.

“A combined representation has already been sent to the textile minister, commerce minister and senior officials in the ministries, highlighting the current problems. The short-sighted government policies with reference to both cotton and cotton yarn in the recent past have converted a profitable spinning industry into a crisis-ridden sector during the last few weeks,” said Jaipuria.



The sagging demand for cotton yarn has forced mills for a production cut of 33.33 per cent (1/3rd) of the existing daily production. It was also decided that a review meeting of all the stakeholders would be called in the first week of June to take stock of the price and demand position and decide further action.

Mentioning that textile mills were holding a stock of 500 mln kg, Jaipuria said this had completely eaten into their working capital.

"Faced with cash losses and negligible working capital, mills are finding it impossible to buy cotton and this has resulted in a decline in cotton prices in the market. However, the decline in cotton prices is no indication of adequate availability."

Leaders of various associations have sought several "urgent steps" to prevent the current crisis from deepening. According to Jaipuria, steps such as reinstatement of drawback facility on cotton yarn exports, withdrawal of excise duty of 10.30 per cent on garments, providing two per cent interest subvention for all textile and clothing products, and providing one year's moratorium for repayment of loans to spinning mills, among other things need to be taken by the government.

## THE HINDU Business Line

### Global surplus caps sugar prices



Mumbai, May 18:

Burdened by strong fundamentals that suggest a large surplus this year, the global sugar market has been gripped by range-bound trading in the last few days, trapped at 21-22 cents a pound with nothing in the short run to suggest a break.

Estimates of sugar market surplus vary between 9 million and 10 million tonnes; but currently all eyes are on Brazil, by far the world's largest producer and exporter. A well known private estimate is Brazil's cane output of 575 million tonnes and 25 million tonnes of sugar available for export.

However, concerns are slowly emerging following slow start to the Brazilian centre-south harvest. According to experts, the concern is not the eventual availability of Brazilian sugar, but concern about its near-term availability.

Latest reports from the New York Sugar Club Week reveal a still-growing consensus that the Brazilian centre-south harvest has a better chance to disappoint on the low side rather than surprise to the upside. More and more trade people are now suspecting a crop of under 550 million tonnes rather than an anticipated 565-570 million tonnes.

If the expectation turns correct, it will at least partially offset the current bearish influence on the market. Additionally, the latest Indian sugar production estimate points to 24.2 million tonnes, slightly lower than the earlier forecast of 25 million tonnes.

In the near term, if Brazil is unable to service the market, players will have to look at other origins, notably Thailand.

In its latest quarterly report, the International Sugar Organisation has reported expectation of a rise in sugar production to 179.4 million tonnes, up 7 per cent or 3.4 million tonnes. This includes an extra 11 million tonnes from Brazil's centre-south taking cane output to 568 million tonnes.

ISO has predicted demand to be relatively subdued at an estimated 169.8 million tonnes, up 3.7 million tonnes. Interestingly, ISO has pegged the world stock-to-use ratio for 2010-11 at the lowest level in more than 20 years at about 33.8 per cent.

On the bourses, a modest amount of speculative liquidation has happened in recent days as evidenced by the general market weakness, although overall open interest has been climbing. The key question is would funds return to the market and when.

Experts assert that given the surplus in the world market, sugar prices are most unlikely to rally any time soon, unless some extraordinary event reduces the surplus. On current reckoning, for the second half of the year, sugar prices may continue to be range bound and trade between a low of 20 cents and a high 23 cents a pound.

As for India, with production estimate for 2010-11 varying between 24 million and 25 million tonnes, market attention will turn to the onset and progress of southwest monsoon and its effect on cane yields.

Also, sugar consumption will expand manifold during the festival season beginning August. However, soft prices overseas will keep domestic prices under check despite tightening domestic fundamentals.

### **Better prospects seen for orthodox tea exports**



Coonoor, May 18:

Producers and traders of orthodox teas are hopeful of better export support in the coming months.

“We are continuing to witness good enquiry from the CIS and Afghanistan for whole leaf grades. Some buyers were seen from West Asia for the first flush broken in Kolkata auctions,” Mr Subodh Paul, Director, Contemporary Brokers P Ltd, told *Business Line*.

“We expect Iran, Germany, the US and Europe to commence buying in the first week of June. Second flush quality and quantity will impact the auctions at that time. The availability of such teas may taper by July,” he said.

“In spite of the restrictions faced by traders in West Asia, especially Iran, the merchant exporters have been active at Kolkata. They have been buying 95 per cent of the first flush teas. We hope that the flow of funds will normalise soon. This will increase the demand and hence the price,” Mr Paul observed.

Currently, whole leaf grades in the range of Rs 160-190 have been fetching Rs 5-10 a kg more, than this time last year.

#### **15.12 lakh kg tea to be offered for sale at Coonoor auction**



Coonoor, May 18:

Amidst concerns of huge volumes remaining unsold in the recent weeks, as much as 3.05 lakh kg of teas that had remained unsold in previous auctions are being offered for resale at Sale No: 20 of the Coonoor Tea Trade Association auctions to be conducted tomorrow and Friday, reveals an analysis of the listing by brokers.

Together with the fresh teas accounting for 12.07 lakh kg, the total offer this week is 15.12 lakh kg. It is the largest volume offered so far in 2011 barring last week when 15.30 lakh kg was offered. But it is as much as 2.07 lakh kg less than the offer this time last year.

Of the 15.12 lakh kg on offer, 10.76 lakh kg belongs to the leaf grades and 4.36 lakh kg belongs to the dust grades. As much as 14.44 lakh kg belongs to CTC variety and only 0.68 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.33 lakh kg belongs to orthodox while 10.43 lakh kg, CTC. Among the dusts, only 0.35 lakh kg belongs to orthodox while 4.01 lakh kg, CTC.

Producers, who are worried that the sale percentage is low despite shedding prices, have called for aggressive promotion strategies to activate demand.

### **EGoM may soon consider wheat, sugar exports**

New Delhi, May 18:

The Empowered Group of Ministers is likely to meet soon to consider a proposal from the Agriculture Ministry to allow wheat exports in the wake of bumper production.

“The EGoM is expected to meet in a week or 10 days,” the Minister of State for Commerce and Industry, Mr Jyotiraditya Scindia, said here today.

The ministers’ panel is headed by the Finance Minister, Mr Pranab Mukherjee, and comprises the Agriculture Minister, Mr Sharad Pawar, the Commerce and Industry Minister, Mr Anand Sharma, and the Food Minister, Mr K.V. Thomas.

The EGoM is also likely to take a call on easing the restrictions on sugar exports as well.

While the Agriculture Ministry is pushing for lifting the export ban and restrictions on wheat, the commerce and finance ministries are being cautious in view of high food inflation. Food inflation was hovering at 7.7 per cent for the week ended April 30. “We have enough stocks and we can easily export two million tonnes of wheat and rice,” Mr Pawar had said. India’s wheat production is estimated to touch an all-time high of 84.27 million tonnes in the 2010-11 crop year. Sugar production is estimated at about 25 mt during the 2010-11 sugar season.

The Government had banned wheat exports in early 2007 to boost domestic availability and control inflation.