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Organic rice cultivation transforming lives of Damoh farmers

Mahim Pratap Singh



The Hindu The longer organic variety of rice versus HYV variety. Photo: Mahim Pratap Singh

Till last year, Shiv Singh, a landless labourer from the Pinarayi village of Damoh district knew of only one survival strategy—migrating to Delhi to earn his living as a construction worker.

This year, with the Rs. 8,000 he had saved from his Delhi earnings, Shiv took a 3-acre piece of land on lease and grew rice on it. The harvest in September fetched him Rs.55,000 besides enough rice for his family to last for a year.

But, unlike most success stories, his is not an isolated case.

Several villages of Damoh, which was last in news for being the hub of farmer suicides earlier this year, are witnessing a small, quiet, yet successful green revolution—of the organic kind.

Farming has not been a successful proposition in this very backward district of the parched Bundelkhand region of Madhya Pradesh since the late 1980s due to a rapidly receding water table and scarce rainfall.

Last December and this January, Damoh witnessed the first of the several farmer suicides across Madhya Pradesh when large tracts of pulses crop perished owing to frost bite.

But over the last year and a half, over 1200 farmers of 32 villages of the Tendukheda block of Damoh, have taken to farming rice organically. Most of them are small and marginal farmers; some, like Shiv Singh, are even landless labourers.

Helped by Gramin Vikas Samiti, a local pro-organic farming organization, and People's Science Institute, a Dehradun based non-profit, these farmers together cultivated rice on a total of over 1500 acres.

The trend started with just four farmers of Beldhana village and has now spread to other villages like Ajitpur, Hardua, Harrai etc.

The farmers in these villages shunned the High Yielding Varieties and the “progressive”, high-input, fertilizer-pesticide dominated farming practices often advocated by the government and took to completely traditional methods along with a set of cultivation practices collectively called System of Rice Intensification (SRI), initially developed in the early 1980s by a French priest in Madagascar.

The results have been more than encouraging.

While the average rice yield in Bundelkhand is around 17-20 quintal/hectare, these villages recorded average yields of at least 75-80 quintal per hectare this season. While the lowest yield in these 32 villages was 44 quintals/hectare, the maximum yield stood at 115 quintals/hectare.

Even agriculture scientists, who usually advocate modern and scientific farming over traditional practices, agree.

“These are miraculous results, considering the low rice productivity found in most of Madhya Pradesh and the extremely low productivity found in Bundelkhand,” says Dr. Sanjay Vaishyampayan, Senior Scientist, Krishi Vigyan Kendra, Damoh, which comes under the Jawaharlal Nehru Agriculture University, Jabalpur.

“Moreover, these farmers used very less seed, 2.5 kg/acre compared to 40kg/acre required in non-traditional methods. They also saved on pesticide and fertilizer costs as they only used organic manure,” says Dr. Sanjay.

The farmers used traditional varieties of rice like Lochai, Ganjakali, Kesar etc which they found in the neighbourhood homes of Gond adivasis.

Along with that, they used organic manure prepared from household ingredients like cow dung and urine, lemon juice, banana pulp, milk and curd etc which were all mixed together in specific quantities and kept under a lid in an earthen pot (matka) for about 15 days.

“Earlier, most farmers of our village were hesitant so we used these techniques on a small part of our lands. Last year I cultivated half an acre. After seeing the good yield, I have brought two acres under this system,” says Moolchand of Ajitpur village, who owns four acres.

The plant thus grown is 6 feet long compared to the 3.5 feet long HYV variety and has over 300 grains compared to about 100 grains in the latter.

“This is entirely the result of the hard work of these farmers, we only suggested them to take to organic farming and use other SRI which involves planting less seeds, planting them in rows spaced 10 inches from each other and using organic manure,” says Govind Yadav of Gramin Vikas Samiti.

The new methods have also made lives simpler for women, who used to toil hard, standing for hours in ankle-deep water taking out the weed. That task (taking out the weed) is now done by the menfolk with the help of a locally made de-weeder, which costs about Rs.1000.

The farmers don't want to form a cooperative yet, but they are seriously thinking about setting up a seed bank of traditional varieties, “which are so hard to find these days”.

The little success story of these farmers is like a ray of hope in Madhya Pradesh where rice productivity is far from satisfactory, especially since the high-productivity areas split to form Chhattisgarh.

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Kerala to Centre: same quantum of water to Tamil Nadu, new dam with our own funds

J. Balaji



The Hindu A view of the Mullaperiyar dam

The Kerala government on Monday gave an undertaking to the Centre that it would continue to provide the same quantum of water to Tamil Nadu, as is being given now, if a new dam was constructed in the place of the existing 116-year old Mullai Periyar dam in the Idukki district. Besides, the State would construct the dam from its own funds.

This assurance in writing, as sought by Union Water Resources Minister Pawan Kumar Bansal from Kerala a few days ago, was jointly given by State Water Resources Minister P.J. Joseph and Revenue Minister Thiruvanchoor Radhakrishnan here, as authorised by the Oomen Chandy's cabinet.

Mr. Bansal had earlier clearly told Kerala Chief Minister Oomen Chandy that the Centre would try to mediate and convene a bilateral meeting between the governments of Kerala and Tamil Nadu, if Kerala gave such a written assurance.

Meanwhile, talking to *The Hindu*, Mr. Joseph said Mr. Bansal had promised to discuss with Prime Minister Manmohan Singh the fresh development and see what could be done next. The Minister said the team also met Union Home Minister P. Chidambaram and discussed the issue. The two Ministers would meet Dr. Singh on Tuesday and take up the issue again, he said.

Earlier in the day, MPs from Kerala, cutting across party lines, took up the issue in both Houses of Parliament and stalled the proceedings seeking the Centre's immediate intervention.

hindustantimes



Hyderabad

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Inflation could decline to 7% by March: Rangarajan

Chairman of the Prime Minister's economic advisory council C Rangarajan today said inflation could decline to 7% by the end of the current fiscal on account of good monsoon this year.

"There could be an improved situation with respect to food items and articles, because there was good monsoon.

Therefore, with the moderation in the vegetable prices in the first three months of the next year, the inflation may come down to 7%," he told reporters in Hyderabad.

Rangarajan, who was here at the Institute of Development and Research in Banking Technology, was of the view that with another good monsoon, inflation may come down further to 6% in the next fiscal. He said the movement in global commodity prices, and not the declining value of rupee against dollar, will have bigger implications for inflation which is hovering near the double-digit mark since December.

On fiscal deficit, he said dollar appreciation against rupee could force the fiscal deficit upwards of the projected 4.6% of GDP for the current financial year. He said with the weakness of the rupee persisting, subsidies from the Government to oil companies may remain high. "I had mentioned some months ago that it is going to be very difficult to achieve the fiscal deficit of 4.6%.

I believe that it is tough as the international commodity prices, which were expected to come down, have not come down. "And therefore the under-recoveries of the oil companies are high. Therefore it may be necessary to provide additional subsidies to them," he said.

<http://www.hindustantimes.com/StoryPage/Print/775185.aspx>

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THE ECONOMIC TIMES

Tue, Nov 29, 2011 | Updated 10.13AM IST

28 NOV, 2011, 03.43PM IST, REUTERS

Sugar futures recovers by 0.63%

NEW DELHI: Buoyed by spot demand from bulk consumers and the government's decision to allow exports, sugar prices rose by 0.63 per cent to Rs 3,023 per quintal in futures trade at the National Commodity and Derivatives Exchange (NCDEX) today.

At the NCDEX, sugar for delivery in December moved up by Rs 19, or 0.63 per cent, to Rs 3,023 per quintal, with an open interest of 42,800 lots.

In a similar fashion, sugar for delivery in January gained Rs 13, or 0.44 per cent, to Rs 2,982 per quintal, with an open interest of 16,650 lots.

Analysts said the rise in sugar futures prices was mostly attributed to strong demand from bulk consumers at the spot markets and the government's decision to allow exports.

DECCAN Chronicle

Published on *Deccan Chronicle* (<http://www.deccanchronicle.com>)

Tank breach damages crops

The Ubbalamadugu irrigation tank in B.N. Kan-driga mandal of Srikala-hasti division, breached on Monday morning, resulting in the inundation of standing crops of paddy, sugarcane and groundnut in over 500 acres, while road links to four villages in the mandal were cut off. The Ubbalamadugu tank with its 30 mcft storage received heavy inflows due to heavy rains since Friday night. In the early hours of Monday, the tank bund under repair could not withstand the gushing rain water and it resulted in overtopping, which later led to breach. The impact left the Telugu Ganga canal's bund damaged, temporarily affecting the water supply to Chennai.

Source URL: <http://www.deccanchronicle.com/channels/cities/regions/nellore/tank-breach-damages-crops-032>

No water for rabi in Krishna delta

The minister for secondary education, Mr K. Partha-saradhi, said canals will be closed by December 31 and there will be no water supply for rabi season. The district Irrigation Advisory Board meeting witnessed arguments and counter arguments over the delay in Krishna delta modernisation works. The Telugu Desam MLAs staged a walk out alleging that the modernisation works are not being carried out as per norms. Addressing the meeting at the collector's conference hall here on Sunday, the minister said that as a result of 80 per cent deficit rainfall, the water levels came down in Nagarjuna-sagar and Srisaillam reservoirs. The minister said an action plan was prepared to complete the modernisation works in Krishna Delta by closing the canals by December 31. The government approved the designs of Krishna

eastern branch canal and the works are likely to be completed by this season. In addition, the designs of Ryves canals were also co-mpleted upto 75 per cent. The canal was designed to increase carrying capacity upto 5,200 cusecs from the present 4,200 cusecs. Lower Pulleru canal works will be completed in four phases. The minister said water would be released into canals again on March 15 to 30 to fill the drinking water tanks in the district. Mean-while, water would be supplied till January 10 to fill the Tarakaturu summer storage tank to cater to the drinking water needs of Bandar municipality. Mylavaram MLA and TD district president Mr Devineni Umamaheswara Rao demanded water for rabi season as 210 tmc feet of water was available in res-ervoirs. Bandar MP Mr Konakalla Narayana Rao expressed concern over release of Rs.19 crore for delta modernisation work last year against the sanction of Rs.147 crore. Ganna-varam MLA Mr Dasari Balavardhana Rao alleged lapses in the modernisation works of Eluru canal. Ava-nigadda MLA Mr Ambati Brahmanaiiah said if canals were closed by December 31, the standing crops in tail-end areas of Diviseema would be damaged.

Source URL: <http://www.deccanchronicle.com/channels/cities/regions/vijayawada/no-water-rabi-krishna-delta-740>

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By Veena Joshi

29 Nov 2011 03:45:55 AM IST

Food for thought

BANGALORE: The State government seems to care little about the Supreme Court order on the specification of the food though there are numerous complaints about the quality of food served to children in Anganwadi centres in the State.

The members of Karnataka State Commission for Protection of Child Rights said they have noticed parents' complaints against the quality and quantity of food served in Anganwadis across the State.

"Parents have complained that food prepared does not taste good. Often worms and fungus are found in the food. In some cases, the children who consumed food served at Anganwadis took ill and were admitted to hospitals for treatment. Not just this, even spoilt food is served to

children. All these things are affecting the parents and they are reluctant to send their wards to Anganwadis," they added

According to the members of the Karnataka State Association of Anganwadi Workers, no one likes to eat this food and it is being dumped in waste bins or animals feed on it.

"In 2010, the food was changed and ready-to-eat food was introduced. It is not acceptable to children. We also proposed for ISCKON food for children," said R Kasturi, Principal Secretary of the Association.

A number child rights organisations have staged demonstrations and protests against the government's inaction in this regard both in the city and across the State. But they have not yielded any results so far.

Case filed with Lokayukta

A complaint has also been registered with Lokayukta about unhealthy food which made children fall ill and the investigation is on. "Several children have taken ill and have been hospitalised after consuming the packaged food. We want the government to cancel the contract given to a company and engage local women's groups to cook the hot meal for the children," Matthews Philip, Executive Director of SICHREM.

He also maintained that, after the talks with minister for women and child welfare, the food was changed in a few Anganwadis. However, children at most of the Anganwadis are still deprived of nutritious meals.

He alleged that the State government has also violated Supreme Court's order which specifies that children in Anganwadis must receive locally made, hot food and not packaged food as part of their mid-day meals.

What the Supreme Court order says Supreme court, in its order in 2004, stated that contractors shall not be used for the supply of food to the Anganwadis and preferable ICDS funds shall be spent by making use of local women groups and Mahila Mandals. Village communities should be encouraged to supply the supplementary food for distribution in Anganwadis.

Poor 'state' of child health

According to National Family Health Survey (NFHS) findings, every second child under five years of age in Karnataka is malnourished and over 70% children aged below six, are anaemic, contributing to high infant mortality rate.

Edible oil prices likely to rise 10%

Dilip Kumar Jha / Mumbai November 29, 2011, 0:33 IST

Country imports 45% of its total consumption; depreciating rupee likely to increase cost of imports.



Edible oil prices are likely to rise 10 per cent by the end of the next quarter, due to high cost of the import-reliant commodity. A drastic depreciation in the rupee value against the dollar has made the commodity expensive.

India imports nearly 45 per cent of edible oil to meet the overall consumption of an estimated 15.5 million tonnes (mt), as stagnant domestic output has failed to keep pace with the consumption growth. Edible oil consumption has risen steadily by six-seven per cent annually for several years.

Spot mustard oil prices have risen by 8.37 per cent in the last three months. Prices collated by the Multi Commodity Exchange (MCX) showed a rise of 8.37 per cent in mustard oil to trade currently at Rs 699.3 per 10 kg on November 26, as compared to Rs 645.3 per 10 kg on September 2. During the same period, the rupee has depreciated a drastic 14.13 per cent to trade at 52.26 on Friday, against 45.79 three months ago.

“The fall in the rupee has hit domestic refineries badly, as the extent of fall in the Indian currency has helped raise the price of the import-oriented commodity. A majority of independent refineries, that are not able to pass on the price increase to consumers, will face a severe threat of closure,” said Nadir Godrej, managing director of Godrej Industries Ltd, one of India’s largest palm oil producers.

While unveiling the four-day, ‘Third International Conference and Exhibition on Soaps, Detergents & Cosmetics’ to be held in Mumbai during December 10-13, Satish Wagh, chairman

of Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, said, "The cost of all products like cosmetics, soaps and detergents will go up with the fall in rupee."

Refined mustard oil remained resilient in the Vashi Agricultural Produce Marketing Committee (APMC), gaining 3.6 per cent to trade at Rs 720 per 10 kg on Saturday, as compared to Rs 695 per 10 kg about three months ago.

Price rise continued, albeit marginally, in mustard oil on Monday. The commodity jumped marginally by Rs 20 in Delhi to trade between Rs 1,075 and Rs 1,175 a tin (16 kg each). The demand remained thin, as stockists prevented a moderation in prices due to supply of substitutes.

Kharif oilseed crushing is currently at a peak. Hence, the supply of refined soyoil, groundnut oil and sesame oil has been rising continuously since a fortnight. Consequently, the prices of these oils have fallen which experts believe will rise in coming months. According to Siraj Choudhary, managing director (edible oils) of Cargill India, "The rupee fall has made life tough for refineries. But, surprisingly, the marketing strategy has not changed. Being an import-reliant commodity, edible oils have become costlier in the domestic market and the trend is likely to continue in future as well as."

Generally, veg oil refiners import crude palm oil and process in domestic refineries to produce edible grade palm oil for blending with other oils.

"Veg oil refiners are not going to be hit by both, price rise and rupee depreciation. Beyond a point, the cost burden would be passed on to consumers. If the trend continues, edible oil prices would continue to move upwards," said B V Mehta, executive director of the Solvent Extractors' Association.

Mehta attributed the peak crushing season for a fall in prices of seasonal oils. Groundnut oil fell 16.7 per cent to Rs 850 per 10 kg, while refined soybean and sunflower oil fell 3.7 per cent and 3.03 per cent to Rs 621 and Rs 640 per 10 kg, respectively on Monday.

Dinesh Shahra, MD, Ruchi Soya Industries, said, "The dwindling rupee is putting pressure on Indian refiners. Crushing margins were low already, due to high import duty on crude and RBD. With the dollar rate suddenly going up, the refining industry is facing difficult times."

No procurement yet for new season

Anindita Dey / Mumbai November 29, 2011, 0:37 IST

While Maharashtra will review the incentive proposal for cotton growers after civic polls, the Cotton Corporation of India (CCI) has not yet started procurement for this season. With November already over, it is now in a wait and watch mode on prices, which could delay procurement further.

“Both international and domestic prices are falling everyday. But, the domestic price is ruling over the minimum support price (MSP). Last year we procured cotton at record prices and it was to benefit farmers. This year as well, we would wait for market prices to stabilise for procurement to start, which will never be below the MSP. There is no reason for us to procure at high prices,” said an official source.

“Growers are also not liquidating their positions and are artificially holding their stock, expecting hectare-wise incentive. Also, exporters are not selling till they get a firm order from a buyer, as international demand is not very encouraging. Thus, the supply is piling up and there is no reason why CCI should procure at higher prices,” said the source.

Cotton procurement usually starts in November when the moisture level in the crop subsides.

High cotton price demand hurts Maharashtra govt

Sanjay Jog / Mumbai November 29, 2011, 0:35 IST



The Maharashtra government has decided it cannot afford the demand by farmer bodies and political parties to ensure cotton growers get Rs 6,000 a quintal.

It will, instead, pay a per-hectare bonus in addition to the central government’s Minimum Support Price (MSP). The details can be made public, it decided, only after the coming

elections to local bodies across the state. A Congress party minister, who did not want to be identified, said, "They will be paid about Rs 1,500-2,000 per hectare above the MSP."

Even this, he said, would mean a Rs 800-1,000 crore hit in the current financial year on the state treasury. A political problem, since both the Congress and its coalition ally, the Nationalist Congress Party, has pressed for the Rs 6,000 a hectare payment. The central MSP is Rs 3,300 a qtl. Opposition parties are supporting the demand for Rs 6,000 a quintal.

The central government has said anything above the MSP is the state government's responsibility. Chief minister Prithviraj Chavan told Business Standard the Centre was clear on being unable to give any financial help for extra payment.

Cotton procurement centres in the state have yet to become operational. Union agriculture minister Sharad Pawar (who's also head of the NCP) said procurement had already begun in all other cotton growing states. Adding: "The central government will not intervene, nor will it provide any funds if the government takes a decision to pay additional amount to cotton growers. Punjab has announced payment of an additional Rs 50 above the the MSP. It is up to the Maharashtra government to take a final decision in this regard."

Chief minister Chavan told Business Standard: "The cabinet held a detailed discussion on the price to be paid to cotton growers above the MSP declared by the Centre. The issue was also deliberated at the all-party meeting. The cabinet has decided to pay an additional price based on per-hectare, not per-quintal, to growers." The decision, he said, could not be announced in view of the code of conduct in place till local body polls were complete.

The decision is likely to be announced in the coming winter session of the state legislature, slated to begin later this month at Nagpur.

The government has estimated production of 42.5 million qtls from 4.1 million ha during the current season. It has projected a cotton purchase of 17.5 million qtls and it would have to provide Rs 513 crore as margin amount to the Maharashtra State Cooperative Cotton Growers Marketing Federation. If the bonus was to be paid on a per-quintal basis, sources said the government would have to pay out Rs 18,000 crore.

DSCL targets 44% rise in sugar output this season

Vishwanath Kulkarni



HIGHER OUTPUT		
(in lakh tonnes)		
	Sugar Season	
	2010-11	2009-10
Cane crushed	29.7	20.45
Recovery rate (%)	9.2	9.1
Sugar produced	2.74	1.87

New Delhi, Nov. 28:

DCM Shriram Consolidated Ltd (DSCL) expects its sugar output to go up by about 44 per cent to around 3.9 lakh tonnes in the current 2011-12 season (October-September) on the back of higher cane crushing as well as better recovery.

“We plan to crush about 40 lakh tonnes of cane, a 35 per cent increase over last year's 29.7 lakh tonnes,” said Mr Ajit S. Shriram, Deputy Managing Director, DSCL. The company is targeting a higher recovery of 9.8 per cent for the current season with favourable weather conditions aiding the crop.

The higher cane crushing is on account of better yields due to the change in varietal mix on the field and also an in the company's cane area which has gone up by about 10 per cent this year, Mr Ajay S. Shriram, Chairman and Managing Director told *Business Line*.

Higher yields

The cane productivity improvement project started with the International Finance Corporation (IFC) about two years ago covering about 2,000 farmers in Central Uttar Pradesh on a pilot basis has begun to pay off resulting in better yields. “We plan to expand the programme to another 3,000 farmers by next season,” Mr Shriram said.

DSCL, a diversified industrial group with interests in fertilisers, bio-seed and chlorovinyl business, is one of the large domestic sugar producers. It has four sugar mills in Uttar Pradesh with a total crushing capacity of 33,000 tonnes crushed per day. The sugar business accounted for 14 per cent of the company's revenue in fiscal 2011.

Mr Vikram S. Shriram, Vice-Chairman and Managing Director, said the higher sugar output should help the company to better its financial performance in the second half of the current fiscal.

For the September quarter, DSCL posted a loss of Rs 38.4 crore on revenue of Rs 1071.3 crore as against a loss of Rs 29 crore on revenue of Rs 1052.8 crore in corresponding last year.

The DSCL scrip gained 3.5 per cent on the BSE to close at Rs 43 on Monday. The company also informed the exchanges that another 8 lakh shares were pledged with the IFCI recently as part of the margin requirement. In August, the promoters had earlier pledged 86 lakh shares with IFCI to raise a loan.

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Food inflation will come down further: Rangarajan

Our Bureau



Dr C. Rangarajan

Hyderabad, Nov. 28:

If you are worried over food and vegetable prices, here is good news.

The food inflation is coming down due to good monsoon and it could ease further in the next three months, according to Dr C. Rangarajan, Chairman of the Economic Advisory Council to the Prime Minister.

Speaking to newsmen after delivering the Foundation Day lecture at the Institute for Development and Research in Banking Technology here on Monday, Mr Rangarajan said inflation could come down to 7 per cent by March 2012. The improvement on the supply-side was leading to moderation of food and vegetable prices, he said.

Last year, the vegetable prices had gone up by 60 per cent but this has not been the case this year. "They are moderating now," the economist said.

Rupee Depreciation

On the impact of rupee depreciation on economy in general and inflation in particular, he said: "Any depreciation impacts the import prices like commodities such as oil. But the ultimate impact will also depend on dollar price of these commodities," he said. The international economic growth and behaviour of international commodity prices are the other factors that might influence inflationary tendencies in India. It was difficult to say the exact impact of this development on inflation as yet, he added. The food inflation was at 9.01 per cent as on last week, according to Government data.

(This article was published in the Business Line print edition dated November 29, 2011)

Bumper harvest



Good rains: Farmers carrying a load of paddy at Dahijuri of Paschim Medinipur district in West Bengal. Due to low rainfall in the last two years, paddy production came down in this region. However, a good rain brought them a bumper crop this year. — A. Roy Chowdhury

(This article was published in the Business Line print edition dated November 29, 2011)

Spot rubber tracks futures; improves

Kottayam, Nov. 28:

Domestic rubber prices improved on Monday. In spot, the market improved tracking the moderate gains on NMCE. According to observers, the market opened steady but firmed up further on covering purchases at lower levels. The volumes continued to be dull.

Sheet rubber improved to Rs 194 (190) a kg as quoted by the traders. The grade firmed up to Rs 193 (191) a kg both at Kottayam and Kochi as reported by the Rubber Board.

In futures, the December series flared up to Rs 197.10 (192.98), January to Rs 198.20 (193.70), February to Rs 200.02 (195.97), March to Rs 201.60 (197.02), April to Rs 204.50 (202.45) and May to Rs 207.50 (202.00) a kg for RSS 4 on National Multi Commodity Exchange.

RSS 3 (spot) closed firm at Rs 172.92 (170.17) a kg at Bangkok. The December futures increased to ₹ 253.6 (Rs 169.48) from ₹ 248 during the day session and then to ₹ 255 (Rs 170.42) a kg in the night session on Tokyo Commodity Exchange.

Physical rubber rates (Rs/kg): RSS-4: 194 (190); RSS-5: 191 (187); Ungraded: 183 (180); ISNR 20: 174 (172) and Latex 60 per cent: 109 (108).

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Coonoor tea prices dip to 12-week low

P.S. Sundar

Coonoor, Nov. 28:

With the falling trend in prices remaining unabated, the prices at the auctions of Coonoor Tea Trade Association have dipped to 12-week low levels.

Prices now average Rs 60.05 a kg against Rs 62.18 previous week. This was the lowest price since September 2 when prices averaged Rs 59.89.

Since October 13, prices have been falling consistently week after week. Low export support from destinations other than the CIS and Pakistan and the uncertainty in trading with West Asian North African markets restricted export purchases. No concrete measure was taken to retain the new buyers who came because of low supplies from Kenya. With restricted export demand, domestic purchasing was also dampened. Collectively, the absence of aggressive marketing resulted in prices falling unabated.

This week, quotations held by brokers indicated bids ranging Rs 40-48 a kg for plain leaf grades and Rs 80-115 for brighter liquoring sorts. They ranged Rs 45-50 for plain dusts and Rs 85-137

for brighter liquoring dusts. On the export front, Pakistan bought in wide range – Rs 47-91 a kg and the CIS Rs 47-71.

All auctions for November are over. There will only be four auctions in December, the last being on December 23. With that, 51 auctions would have been conducted this calendar.

(This article was published in the Business Line print edition dated November 29, 2011)

Indonesian palm oil tax change puts Indian refiners in a spot

K.V. Kurmanath

Besides affecting business, it may pose health risk to consumers



Hyderabad, Nov. 28:

A move by Indonesian Government to encourage local oil industry poses indirect threat to palm oil farmers and Indian refineries. It drastically increased export duty on crude palm oil, while significantly reducing duty on refined oil.

Though it would mean cheaper oil for consumers, it would lead to two major problems.

While gradually killing the Indian refined industry, it could as well pose major health risks for consumers, Solvent Extractors Association of India has alleged.

Chances of increase in carcinogenic elements are far higher as time-to-consume goes up as the refined oil takes much time to reach Indian consumer after it is refined in Indonesia, Mr Sushil Goenka, President of the Association, told *Business Line*.

Indonesia move

The duty on CPO (crude palm oil) and RBD palmolein (refined, bleached deodorised or finished product) was uniformly at 15 per cent in Indonesia.

The new policy, effective from September 15, imposes duty on CPO at 16.5 per cent while export duty on RBD palmolein has been reduced to 10 per cent on palmolein in bulk and 2 per cent in consumer packs.

“This duty differential, between CPO and RBD Palmolein, will encourage the Indonesian refineries to export refined RBD palmolein,” the association feels.

“Ministries of Health, Commerce and Finance in India seem to be wedded with the idea of providing cheaper oil. We are building a strong case for imposing higher duty on import of refined oil. We hope that the Government would rise to the occasion,” Mr Goenka said.

“Large-scale import of RBD palmolein will be detrimental to the interests of domestic refiners. This might lead to decline in their capacity utilisation and, then, to their closure gradually,” he said.

The domestic turnover of vegetable oil industry is pegged at Rs 1,00,000 crore, while import-export turnover stands at Rs 50,000 crore. This includes import of Rs 35,000 worth edible oils and export of Rs 15,000-crore worth oilmeals, castor oil and groundnut oil.

REVISING TARIFF

“In order to counter this situation, we have asked the government to revise the tariff value to match current market prices and raise import duty on RBD palmolein to 16.5 per cent from 7.5 per cent.

The figure 16.5 per cent is because it would match the export duty on crude palm imposed by Indonesia last month.

The oil industry also wants the Government to completely ban import of edible oils in consumer packs.

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***“Large-scale import of RBD palmolein will be detrimental to the interests of domestic refiners.”
Mr Sushil Goenka, President, Solvent Extractors Association of India.***

(This article was published in the Business Line print edition dated November 29, 2011)

Cashew market sluggish on 'higher than normal uncertainties'

G. K. Nair

Kochi, Nov. 28:

Cashew market continued to remain sluggish with some business for W320 with the US, Europe and Australia, mainly for November/December shipments and very small volume for first quarter of 2012 while some stray business has taken place for other grades also.

Last week trades/offers were made in the range of \$4.00-4.25 for W240; \$3.80-3.95 for W320; \$3.75-3.80 for W450 and SW320; \$3.50-3.60 for SW360; \$3.10-3.20 for SSW; \$3.00-3.15 for Splits and Butts, and \$2.85-3.05 for Pieces.

Although some activities were there in the Indian domestic market for Pieces, prices remained unchanged. China continued to be a steady buyer in Vietnam but not for big volumes, trade sources said.

Except for one large tender in Kerala during the week, there was not much activity in the Raw Cashew Nut (RCN) market. In fact, the RCN market has been very quiet for a long time, as most of the processors in India and Vietnam were on the sidelines, Mr Pankaj N Sampat, a Mumbai-based dealer told *Business Line*.

Although they will need to buy for processing in January-April, they seem to be waiting to make some sales for first quarter before buying, he said. Nominal RCN prices are around \$1,000 a tonne for Mozambique, from \$1,200-1,400 a tonne for West Africa, around \$1,450 a tonne for Indonesia and around \$1,500 a tonne for Tanzania.

As regards market prospects, so far there has been no change in the situation in the previous weeks, he said. Market seems to be waiting for correct direction, the said.

Supply situation

However, "supply situation now is better than first half of the year", he said. Coupled with lower off take in the last few months, "we are getting close to a supply-demand balance. But a full restoration will happen only if the 2012 northern crops are good and if there is a further decline in off take in the first 3-4 months of 2012", Mr Pankaj said.

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Cotton down Rs 500 a candy on lack of orders



Rajkot, Nov. 28:

Weak demand from mills and exporters pulled down cotton by Rs 500 a candy of 356 kg on Monday.

The Sankar-6 variety traded at Rs 34,800-35,000 a candy, down Rs 500. While 40,000 bales of 170 kg each arrived in Gujarat, 1.25 lakh bales arrived in rest of the country.

Kapas or raw cotton declined by Rs 20-25 for *amaund* of 20 kg at Rs 800-855.

In the South, cotton fell by Rs 300-700 a candy on poor demand and higher arrivals. In Adilabad, new cotton traded at Rs 35,200-35,500 a candy. In Guntur, 30-32 MM cotton was offered at Rs 36,000-36,500 a candy. In Warangal, 30-31 MM cotton quoted at Rs 35,800-36,500 a candy.

In Karnataka, Jaidhar 22-plus MM cotton traded at Rs 27,300-28,000, 28 MM at Rs 33,300-33,500, 29 MM at Rs 34,000-34,500 and 30 MM at Rs 34,800-35,500 a candy. DCH cotton traded at Rs 38,000- 40,000 a candy.

Unlike last year, mills are not buying heavily, dragging cotton down said a Rajkot-based broker. Exporters, too, are buying according to need. Prices may fall further this week, he said.

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Edible oils flat on slack demand



Mumbai, Nov. 28:

Palmolein and groundnut oil were unchanged despite lack of demand on Monday. Sunflower fell by Rs 5 for 10 kg, cotton oil by Rs 4 for 10 kg and rapeseed oil by Rs 2 for 10 kg on seasonal higher arrivals. Demand is generally low during month-ends.

Malaysian markets were closed for a public holiday. A broker said resellers traded 100-150 tonnes of palmolein in the physical market at Rs 564-565. Refiners sold 300-350 tonnes of palmolein for delivery between December 1 and 10. Liberty offered palmolein at Rs 580-582, super palmolein at Rs 595 and soya refined oil at Rs 624. Ruchi quoted palmolein at Rs 577, soya refined oil at Rs 621 and sunflower refined oil at Rs 688. Allana offered palmolein at Rs 578 for delivery between December 1 and 10. In Saurashtra and Rajkot, a *telia* tin of groundnut oil and loose (10 kg) were unchanged at Rs 1,275 and Rs 835.

Soya oil for December delivery closed at Rs 641.40 (Rs 638.70) while for January closed at Rs 650 (Rs 645.50) on the National Board of Trade in Indore. On Friday, **crude palm oil's** December contracts on the Bursa Malaysia Derivatives Exchange settled at MYR3,070 and January at MYR3,067 a tonne.

Bombay Commodity Exchange spot prices (Rs/10 kg): groundnut oil — 850 (850); soya refined oil — 622 (621); sunflower exp. ref. — 635 (640); sunflower ref. — 695 (700); rapeseed ref. oil — 718 (720); rapeseed expeller ref. — 688 (690); cotton ref. oil — 605 (609); and palmolein — 568 (568).

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Rice market firm; waits for new export orders

Our Correspondent



Karnal, Nov. 28:

Prices of full-grain aromatic and non-basmati rice varieties were firm with marginal variations while brokens of Pusa-1121 variety decreased by Rs 50-100 a quintal on Monday.

Few new export contracts of pure basmati variety have been signed at the levels of Rs 3,500-3,750 a quintal while the contracts of Pusa-1121 have not been signed yet, said Mr Tara Chand Sharma, Proprietor of Tara Chand and Sons. Rice prices may increase in near future following good export demand, he added.

Prices of Pusa-1121(steam) quoted at Rs 4,300-4,330 a quintal while Pusa-1121(sela) was between Rs 3,450 and Rs 3,475 a quintal.

For the brokens of Pusa-1121, Tibar decreased by Rs 100 and sold at Rs 3,200, Dubar eased by Rs 50 and was at Rs 2,900 while Mongra was trading at Rs 2,240 a quintal, Rs 60 down.

Pure basmati (raw) sold at Rs 4,550 a quintal while basmati (sela) sold around Rs 3,500 a quintal. Sharbati (steam) quoted at Rs 2,900-2,920 while Sharbati (sela) was between Rs 2,750 and Rs 2,800 a quintal.

PR-11 (Sela) sold at Rs 2,100-2,230 a quintal, while PR-11(raw) quoted at Rs 1,900-2,150 a quintal. Permal (sela) sold at Rs 1,800-1,950 a quintal, while Permal (raw) was around Rs 1,900-1,925 a quintal.

Paddy Arrivals

Around 60,000 bags of different paddy varieties arrived at the Karnal grain market terminal.

Around 25,000 bags of PR arrived and sold at Rs 980-1,070. About 5,000 bags of Sharbati variety arrived and quoted at Rs 1,320-1,350.

Around 4,000 bags of DB arrived and sold at Rs 1,350-1,500, while around 6,000 bags of Sugandha-999 arrived and fetched Rs 1,325-1,385. Around 15,000 bags of Pusa-1121 were sold at Rs 1,500-1,825 a quintal while around 5,000 bags of pure basmati arrived and sold at Rs 1,600-1,800 a quintal.

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Soya oil drops on tepid buying

Our Correspondent



Indore, Nov. 28:

Soya oil dropped to Rs 602-603 for 10 kg (Rs 604-608) on Monday on scattered demand even as arrivals of soya seeds in Madhya Pradesh were unchanged at 3.25 lakh bags.

Soya solvent fell to Rs 567-571 for 10 kg (Rs 570-573) on weak buying interest.

Soya oil futures on the National Board of Trade (NBOT) and the National Commodity and Derivatives Exchange (NCDEX) closed higher on improved buying support and higher projections by the Chicago Board of Trade. Soya refined's December contract closed Rs 1.50 higher at Rs 641.50 for 10 kg on the NBOT. Similarly on the NCDEX, soya oil's December and January contracts closed at Rs 642.15 for 10 kg (up Rs 4.55) and Rs 650.40 (up Rs 3.84).

In contrast, soyabean was flat at Rs 2,110-2,160 a quintal on steady demand. In Indore *mandis*, where soyabean sold at Rs 2,140-2,190 a quintal, 9,000 bags arrived.

In Ujjain and Dewas *mandis*, 9,000 and 11,000 bags arrived respectively.

Plant deliveries of soyabean were unchanged at Rs 2,230-2,250 a quintal.

On the NCDEX, however, soya seeds traded higher on improved buying support and better CBOT projections.

Soyabean's December and January contracts on the NCDEX closed at Rs 2,249 (up Rs 9) and Rs 2,284.50 (up Rs 2.50) a quintal.

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Sugar slides on weak consumption

Our Correspondent



Mumbai, Nov. 28:

Sugar prices at the Vashi wholesale market were down by Rs 10–12 a quintal on Monday on weak demand.

The market is keenly waiting for the announcement of the new month's free-sale quota as mills have exhausted most of the current month's quota. Agricultural produce market committees in Vashi closed after 2 p.m. as traders and *mathadi kamgars* participated in a rally against foreign direct investment in retail sector.

Traders are expecting 16.5–17 lakh tonnes of free-sale quota for next month. In December 2010, the quota was at 17.08 lakh tonnes, consisting 15 lakh tonnes free sale and 2.08 lakh tonnes levy. This year, considering higher production and stocks, the government may declare slightly higher quota.

In October (a festival month), free-sale quota was 17 lakh tonnes and sugar prices couldn't cross Rs 3,000. While for November, the free-sale quota was at the same level and demand also eased but prices went up to Rs 3,400 for a quintal, said a wholesaler.

On Saturday, mills kept away from offering tenders for M-grade sugar.

Few mills have sold small quantities as mills were not interested to sell at a lower price. On Saturday, about 10-12 mills offered tenders and sold about 28,000-30,000 bags of S-grade sugar to local traders at Rs 2,970-3,030 (Rs 2,980-3,050).

Tender rates for M grade were at Rs 3,050-3,120 (Rs 3,070-3,180).

Arrivals in the Vashi market were at 48-50 truckloads while local dispatches were at 25-30 truck loads as the market closed after 2 p.m.

Bombay Sugar Merchants Association's spot rates: S-grade — Rs 3,136-3,221 (Rs 3,131-3,235); and M-grade — Rs 3,232- 3,392 (Rs 3,242-3,392).

Naka delivery rates: S-grade — Rs 3,075-3,120 (Rs 3,080-3,150); and M-grade — Rs 3,160-3,250 (Rs 3,170-3,280).

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Poor offtake pales turmeric

Our Correspondent



Erode, Nov. 28:

Poor demand for the finger variety of turmeric dragged it down by Rs 100 a quintal on Monday despite thin arrivals, said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. "Though demand for the root and hybrid varieties was high, their prices, too, did not rise. Traders from Punjab and Delhi bought the root variety. Three-fourths of the stocks of the root variety that arrived were sold," he added.

Overall, 6,900 bags arrived, out of which only 60 per cent were sold because of poor quality, Mr Ravishankar said. Prices here did not go up following the trend at Nizamabad and Sangli markets. Traders quoted below Rs 4,500 a quintal even though rains pulled down arrivals, he said.

In the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 3,417-4,465 and the root variety at Rs 3,369-4,309.

Salem Crop: The finger variety was sold at Rs 3,779-5,229 and the root variety at Rs 3,446-4,569. Only 296 of the 1,739 bags that arrived were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,579-4,430 and the root variety Rs 3,789-4,430. Out of 107 bags that arrived, 86 were sold.

At the Erode Cooperative Marketing Society, the finger variety fetched Rs 4,099-4,469 and the root variety Rs 4,318-4,479. Out of the 396 bags kept for sales, 359 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 4,046-4,631 and the root variety at Rs 3,869-4,449. Out of the 838 bags that arrived, 794 were sold.

From December 5, auctions of the Erode Turmeric Merchants Association will be held in Semmampalayam village, seven km from here. Auctions of the Erode Cooperative Marketing Society and the Gobichettipalayam Agricultural Cooperative Marketing Society shall also be moved to the village site later.

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