THE HINDU

Today's Paper » FEATURES » EDUCATION PLUS

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Learn multimedia in ODL mode from TNAU

MoU signed: V. Valluvaparidasan (third left), Director, ODL, Tamil Nadu Agricultural University, exchanging an MoU with J. Parthiban (third right), Managing Director, J&J Media Solutions, to offer a diploma course in multimedia at the university, in Coimbatore.

Tamil Nadu Agricultural University has inked a memorandum of understanding with J&J Media Solutions, Coimbatore, to offer a diploma course in multimedia in the Open and Distance Learning (ODL) mode. The course duration is one year and will be offered in two semesters. Each semester comprises 40 sessions of personal contact classes. Minimum qualification for applying for the course is a pass in Plus-Two.

According to V. Valluvaparidasan, Director of ODL, the curriculum is structured to enable students learn advanced 2D and 3D animations, which will be useful in multiple applications concentrating on agro industries. The content includes Adobe Photoshop, editing, titling effects, digital drawing, brochure creation, digital painting, mapping applications, and lighting effects, besides others. Those who complete the course can work as story board artists, free hand cartoonists, digital effects' animators, digital effects' painters, visual effects' supervisors, and the like. P. Murugesa Boopathi, Vice-Chancellor of the university, said the course is a result of public-private partnership. Applications would be available at the university from the third week of October. For details visit www.tnau.ac.in.

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Punjab to promote vegetable cultivation

The Punjab Government on Sunday announced a 50 % subsidy on vegetable farming to boost production in the State.

Disclosing this here on Sunday, Agriculture Minister Sucha Singh Langah said the Government would provide a grant under the National Agriculture Development Scheme for farmers to making net houses for cultivation of vegetables.

He said under this scheme, a one-time grant of Rs. 50,000 for a net house covering a 500 square metre area would be provided to small and medium farmers.

He said the State Government would also provide a 50 % subsidy on pesticides and anti-fungus medicines in order to increase the quality of the vegetables and to increase the per unit income of the farmers.

He said the subsidy would be 50 per cent of the cost of pesticides and plant medicines, subject to a cap of Rs 6,000 per farmer.

He said under the separate National Vegetable Initiative Scheme, a per hectare subsidy for the cultivation of vegetables was also provided to farmers, which ranged from Rs 25,500 to 33,750 per hectare.

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Mettur level

The water level at the Mettur dam stood at 83.80 feet on Sunday against its full level of 120 ft. The inflow was 7,344 cusecs and the discharge 14,010 cusecs.

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Wayanad ‘nendran' prices on a downward spiral

E.M. Manoj

Heavy arrivals from Tamil Nadu dash farmers' hopes

The price of the “nendran” variety of plantain grown in Wayanad has fallen, spelling trouble for thousands of farmers in the district where plantain is cultivated on a large scale.

The spot price of first-grade plantain was Rs.8 a kg at the Meenangadi plantain market on Saturday. The price was ruling at Rs.27 to Rs.28 a few weeks ago and Rs.18 to Rs.20 in early October in 2010.

The spot price of second-grade plantain declined to Rs.5 a kg from Rs.15 year-on-year. The price of third-grade plantain has hit rock bottom at Rs.2 a kg.

The produce from the district is in low demand after heavy arrivals from Mettupalayam, Tiruchirapalli, and Thuckalay in Tamil Nadu, P.M. Rasheed, a wholesale banana trader at Meenangadi, told *The Hindu* .

Inferior quality

In colour and quality, the plantains from Wayanad are inferior to those from Tamil Nadu, he said.

Many farmers in the district had taken up plantain cultivation this year as the crop fetched a good price even after the Onam season in 2010, Mathew Kizhakkedom, a farmer at Mananthavady, said. The prevailing price is not remunerative, as Rs.60 has to be spent on each plant during cultivation and the price a bunch fetches is just around Rs.45.

Huge loans

Hit hard are the farmers who depend on the plantain crop as their main source of income. Most of them had borrowed heavily for the cultivation.

Farming sources say that after the downward trend in the market, the traders are procuring only the best crop and are trying to degrade the plantains that reach the market.

Market intervention

Jahamgeer Kasim, District Manager, Vegetable and Fruit Promotion Council, Keralam, says the district-level farmers' consortium of the agency has decided to intervene in the market to save the farmers from exploitation by middlemen and ensure them a remunerative price.

The council will procure plantains from farmers at a support price of Rs.15 a kg and meet the transport costs, he adds.

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‘Drop move to acquire lands of poor farmers'

Under the aegis of the Christians Livelihood Rights Forum a public meeting was held here on Sunday.The Bishop of Ootacamund A.Amalraj presided over the function. The participants resolved to urge the State and Central governments to drop the move to acquire farm lands of poor farmers in Gudalur, Masinagudy and surroundings to implement the elephant corridor project.

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Making organic vegetables popular

A dedicated group of organic farmers under the Organic Kerala Charitable Trust has been running an outlet called Organic Kerala Organic Bazaar opposite the Government Girls High School, Ernakulam South, for the last four years with weekly sale of organic vegetables.

The organic shop at South is now open from 9 a.m. to 6.30 p.m daily.

Among the vegetables that are grown in the State that are commonly available here are ash-gourds, snake-gourds, bitter-gourds, curry cucumbers and tapioca.

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Irregular power supply hits standing crops

Staff Correspondent

Crops on 41,000 ha in the command area of Gutti Basavanna Lift Irrigation Project have been affected

DISRUPTED: The flow of water in the main canal of the Gutti Basavanna Lift Irrigation Project has come to a halt due to irregular power supply. — PHOTO: ARUN

Standing crops on more than 41,000 hectares in the command area of Gutti Basavanna Lift Irrigation Project covering drought-prone areas in Yadgir, Gulbarga and Bijapur districts have been deprived of water for the past three days owing to irregular power supply and ongoing repair works to some pumpsets at the lift point.

Sources in the Karnataka Bhagya Jala Nigama said here on Sunday that the power crisis in the State had had an impact on the lift irrigation project, which provides water to Surpur taluk in Yadgir taluk, Jewargi in Gulbarga district, and Indi and Sindagi taluks in Bijapur district. A major portion of the command area, covering more than 37,000 ha, came in Indi and Sindagi taluks of Bijapur district.

Sources said that despite having an express feeder to maintain uninterrupted power supply to the project, the power supply had been erratic for the past 10 days.

Also, repeated tripping of pumps at the lift point near Kembhavi had a serious impact on the pumping of water to the main canal and distributaries of the project.

There were unconfirmed reports of almost all pumps getting jammed due to the repeated tripping, and also due to lack of maintenance works. However, sources in the jala nigama maintained that the present problem was mainly due to the irregular power supply.

Not working

While four pumps work throughout the day to pump water into the main canal, two are kept as back up. However, none of the six pumps are functioning now due to the jamming of the pumps.

The State Government has declared Indi and Sindagi taluks in Bijapur district and Jewargi taluk in Gulbarga district as drought-hit. The denial of water in the command areas has added the woes of the farming community.

Project

Since 2004, the jala nigama had been providing water to the command areas of the project.

This is the first time farmers in the command areas have been denied water, and too at a crucial time when the crop is in full bloom.If water is not released immediately, the crop will start withering.The former zilla panchayat vice-president and JD(S) district president Shankaranna Vonekyal has blamed the nigama authorities for the present situation.He demanded a thorough inquiry into the whole issue and adequate compensation to the farmers.

- *Power supply has been erratic for the last 10 days*
- *Janata Dal (Secular) district president demands probe into the issue*

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“Make vegetables, fruits part of daily food intake”

Shastry V. Mallady

Balanced diet is eating everything in moderation: cardiologists

Do your heart good: An elderly man asking questions on heart problems at the meeting of cardiologists organised by "The Hindu" in the American College in Madurai on Saturday. — Photo: G. Moorthy

: A 45-year-old vegetarian who neither smokes nor take alcohol has a heart problem.

Another man who is a non-vegetarian and has been smoking for past several years is going healthy now. This person creates a feeling among his friends whether heart attack is all about one's fate.

This question posed by a college Bursar to cardiologists at *The Hindu* Reader Connect meet on prevention of heart problems has got clear reply from a panel of three heart experts at the special session conducted in the American College here on October 8.

Their reply was that rarities are rarities and that non-vegetarian food by itself is not harmful if it is eaten in moderation and if you are careful in choice and timing.

“Just because nothing has happened today for your smoking friend, it doesn't mean it will not happen to him tomorrow. And for your other friend who is a teetotaller but is having heart problem, there could be other reasons for that. First, the attitude of saying nothing will happen to me is not good,” B. R. J. Kannan, Interventional Cardiologist, Vadamalayan Hospitals, Madurai, told the college Bursar.

Two other senior cardiologists — A. Madhavan of Apollo Speciality Hospitals and G.Durairaj of Madurai Heart Centre on Bypass Road, — were very particular that physical exercise and diet must go hand in hand.

Dr. Madhavan was very particular that five colours of fruits/ vegetables put together must form part of the daily food intake.

“Take any five colours. Make it as the thumb rule, it prevents ageing, keeps you healthy and fresh fruits/vegetables are good for cardiac health,” he advised.

With regard to dinner timing, Dr. Kannan advised that one should try to complete dinner at least two hours before going to bed.

Then, just before going to sleep, one should take a fruit or a glass of milk “and the habit of taking dinner minutes before sleeping late in the night is very harmful due to medical metabolic reasons. Early dinner tonight will keep you brisk tomorrow morning,” he suggested.

Dr. Madhavan has said in clear terms that heart attacks are no longer a rich man's disease.

“Walking with moderate speed for about 40 minutes every day at a time or in phases is good. No fasting and no feasting principle is the ideal thing for all. Keep track of your blood glucose level. Avoid ‘bajji' ‘vadai' and roadside parotta. Fresh fruits, grape juice, carrot, garlic, onion and “pannier dratchai” (grapes) are good for health,” explained Dr.Madhavan.

Dr. Durairaj, who is a veteran in the field of cardiology, told the audience that preventive cardiology is cheap and everyone must practise it at home in their day-to-day life. The questions ranged from vegetables to viagra.

While Dr. Kannan has said that aspirin (300mg) is always a right thing to carry for emergency, Dr. Durairaj said that mind and heart are intimately related and that having sex is a form of protecting the heart.

“No one should avoid milk because it has calcium, proteins and minerals. Use skimmed milk for adults. Avoid whole milk,” Dr. Durairaj advised.

The message from ‘Mission Madurai' meet of *The Hindu* was that anything taken in moderation is good and one need not avoid anything/everything completely except smoking/alcohol.

“Take fruits alone without combining it with food timing. It will have more positive influence on your heart. Combine a good exercise schedule with your daily food habits. Split your meals in a day. Instead of taking huge quantity at a time, take the same quantity in five or six times. You will see the difference for yourself and it is especially good for diabetics," Dr. Kannan said.

Stroke, blood pressure, coronary heart problems, diabetes and heart, evils of smoking, physical exercises and eating at least 400 gms of fruits and vegetables every day were among the specifics discussed in the awareness meeting.

Dr. Durairaj summed up in his visual presentation on cardio vascular diseases by saying: "Smokers carry two to three times risk of heart attacks than non-smokers. Life expectancy for smokers is 20 per cent less than non-smokers. Eat more fruits and vegetables," he said.

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hindustantimes

Reuters

New Delhi, October 10, 2011

Weather

Chennai – INDIA

Today's Weather	
Partly Cloudy	Monday, Oct 10 Max Min 35.4° | 23.9°
Rain: 11.0 mm in 24hrs	**Sunrise:** 5:58
Humidity: 70%	**Sunset:** 17:53
Wind: Normal	**Barometer:** 1007

Tomorrow's Forecast	
Rainy	Tuesday, Oct 11 Max Min 33° | 24°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Oct 12	Oct 13	Oct 14	Oct 15	Oct 16

30º | 26º	29º | 25º	30º | 25º	32º | 25º	32º | 26º
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES
Mon, Oct 10, 2011 | Updated 11.10AM IST

10 OCT, 2011, 01.42AM IST, NIDHI NATH SRINIVAS,ET BUREAU

Sugar and textile companies owe banks $35 billion: RBI data

For Indian sugar and cotton textile companies, October 1 marks the start of a new marketing year. And the beginning of slow, measured panic in their bankers.

Together, the two industries currently owe banks an eye-watering $35 billion, according to latest RBI figures. That is 20% more than what they owed last year. And beats by far the $24 billion banks have lent to the commercial real estate sector.

Unfortunately, banks don't have a hope in hell of recovering their money this season. Take sugar. Mills are borrowing frenziedly to pay farmers for sugarcane. Last year, out of the industry's total revenue of $16.43 billion, cane payments swallowed $11.40 billion.

This year will be worse. Cane is more expensive but sugar sales will slacken because mills are saddled with enough left over to supply India for three months, with another bumper crop expected over the next 12 months. Ex-mill prices shall stay subdued because the government tells mills how much to sell each month and ensures it exceeds demand.

Exporting the extra sugar is a logical solution. But as trade is regulated by a government more spooked by inflation than bad loans, all marketing decisions are out of corporate hands. Textile companies are in equal misery.

Confederation of Indian Textiles Industry says more than 60 companies, including Vardhaman, Raymonds, Lakshmi Mills and Nahar Mills, have reported net quarterly loss for the first time. The number of defaulters in the $62-billion industry is rising as managements beg banks to restructure working capital loans.

The decline in fortunes was so dramatic that it caught everyone by surprise. Till December 2010, life was good. A fifth of Indian yarn and a third of the cotton is surplus, for which China was willing to pay crazy prices.

Companies began buying every bale in sight to spin and process for China. Average operating profits inched towards 20%, the highest in three years. Then government busted the rave by banning exports in January. Suddenly the yarn and fabric made from extremely expensive cotton and bought through high-interest loans had no takers.

By April, prices crashed 50%. Today, spinners are struggling to recover cost of production. Clothing exporters are hit by sluggish demand in USA and Europe. Mills are running at 30% capacity. Most companies are entangled in disputes over contract defaults.

Those willing to settle have taken huge 'haircuts'. Basically everyone is broke. Though exports have resumed, the new season brings no succor. There are no export orders.

Chinese demand is flagging because customers in the West are hit by recession. Globally, cotton is so abundant that futures contracts on Nymex are declining as the months go by. The December 2011 contract is at 99 cents per pound, the March 2012 contract is at 96 cents, the July 2012 is 94 cents and the October 2012 is also 94 cents.

Anyone foolish enough to stock cotton or yarn won't recover even godown rent. India is expected to produce record 6 million tonne cotton, though mills can use only 4.5 million tonne. Who is responsible for this mess? Quite clearly, it is Udyog Bhawan and Krishi Bhawan's creation.

By continuously meddling in every aspect of business - price of raw material, production, sales, exports, and inventory management, government has left managers in crop-based industries helpless and clueless. Analysts can predict commodity market risks, not political whimsy.

The gvernment influence operates in other insidious ways. In the guise of promotion, for years, government has pampered inefficiency, lethargy and unviable investments. Sick sugar mills are kept alive by frequent interest subventions. I

ndia now has the capacity to produce 30 million tonne of sugar without either the cane or the consumption to support it. No wonder insolvency is rampant. In textiles, life is more bizarre. On the one hand, industry is seeking loan restructuring.

On the other, it is encouraged to borrow more through subsidies on each loan. With another Rs 15,000 crore dangling under the Technology Upgradation Fund Scheme, can you blame businessmen for greedily announcing new factories that become white elephants? Their survival is totally dependent on continued sarkari largesse.

Unfortunately, when government runs a protection racket, banks are left holding the can. Such bad loans are India Inc's real misery index. The genuinely loan-worthy balance sheets will emerge only after sugar industry is decontrolled and textile industry is taken off the incentive drip-feed.

Investment flows automatically into an inherently viable industry. So does credit. It is time harried bankers forced government to realize this first principle of business.

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the pioneer

Food inflation rises to 9.41%; Pranab worried

FRIDAY, 07 OCTOBER 2011 21:31 PNS | NEW DELHI

Far from providing any relief to the common man, food inflation inched up to 9.41 per cent for week ended September24 as compared to 9.13 per cent in the previous week due to sharp rise in the prices of milk, vegetables, fruits and protein-based products, official data showed on Friday.

Finance Minister Pranab Mukherjee said acceleration in the prices of food and other essential commodities remained a matter of concern and the government was constantly in touch with the Reserve Bank of India to bring down inflation to a comfortable level.

“Inflation is definitely a matter of concern. We shall have to see how to bring it down to a moderate level. I am constantly in touch with the RBI and other experts in this area,” Mukherjee told reporters here. Food inflation has risen sharply during the last three weeks under review

As per data from the Ministry of Commerce, vegetables became dearer by 14.88 per cent year-on-year during the week under review, while potatoes and onions became more expensive by 9.34 per cent and 10.58 per cent, respectively.

Fruit prices went up by 11.72 per cent, milk by 10.35 per cent and eggs, meat and fish by 10.33 per cent.

Cereals became dearer by 4.57 per cent and pulses were up 7.54 per cent on an annual basis during the seven-day period.

Headline inflation, which factors in manufactured items, fuel and non-food primary items, in addition to food commodities, stood at a 13-month high of 9.78 per cent in August.

The Reserve Bank has already hiked policy rates 12 times since March, 2010, to tame demand and curb inflation.

The monsoon was normal this year and the government had earlier exuded hope this would bring down food prices. Overall, inflation in primary articles stood at 10.84 per cent during the week under review, compared to 11.43 per cent in the previous week.

Inflation in non-food articles, which comprise fibres, oil seeds and minerals, stood at 10.77 per cent for the week ended September 24, as against 12.89 per cent in the previous week.

Fuel and power inflation remained flat at 14.69 per cent, the same as in the previous week.the good monsoon, we were expecting some moderation in the rate of price rise. But it seems not to be happening and there is particular pressure on vegetables and fruits,” Crisil Chief Economist D K Joshi said.

He said the government should address issues related to storage and cold chain facilities to reduce supply constraints.

Joshi said the pressure on RBI continues to remain. “We are definitely moving toward the end of rate hike cycle. However, there might be one last round of increase in interest rates later this month, as headline inflastion remains stubbornly high,” he said.

Business Standard

Monday, Oct 10, 2011

Gujarat-based millers see red on lower pulses acreage

Rutam Vora / Ahmedabad Oct 10, 2011, 00:53

Gujarat-based millers, engaged in processing of pulses, are likely to face input cost pressure due to increasing dependence on imported raw materials including tur (pigeon pea). Mounting concerns of a fall in acreage of tur and other pulses in the state are forcing these millers to look for raw material supplies from other states as well as imports from African countries.

According to industry sources, pulses supplies from other state would put an additional cost burden of Rs 3-5 per kg.

“Supplies from other states has been hampering our profit margins as they are costlier by at least Rs 3 per kg from the local raw material. But with a fall in tur acreage in the state, we have to depend on supplies from other states as well as imports," said Mitesh Patel, managing director of Laxmi Protein Products, based in Vasad.

Tur acreage in Gujarat during Kharif season this year has fallen by about 40-45 per cent at about 195,000 hectares against about 270,000 hectares recorded last year.

"State's dal millers require about 2 million bags (each bag of 100 kg) of tur for crushing, but a large volume is either imported or sourced from other states. This is hampering our profitability," said Maganbhai Mehta from Shivling Tur Dal. Transport cost from other states ranges between Rs 125 to 150 per quintal.

Mehta, who is also president of Gujarat Dal Manufacturer's Association further informed that a meeting of all dal makers will be convened during October 11-13 at Mount Abu to discuss about the future strategy and raise their voice towards encouraging pulses production in the country.

"We have to depend on imports from African countries like Malawi, Mozambique and Tanzania as well as Burma. While climatic extremities in these countries would land us in shortfall in availability. This should not happen, we must increase our domestic availability of pulses. For this, we will take state government's assistance to approach Centre to take up our issues," Mehta said.

Gujarat has a large number of dal crushing units spread in clusters at Vasad, Padra and Dahod near Vadodara while one in Himmatnagar in north Gujarat. The units source raw tur from Maharashtra, Andhra Pradesh and Karnataka.

Looking at the dismal acreage scenario, dal makers anticipate prices of dals to rise from November onwards.

“Currently, quality tur dal costs about Rs 58-60 per kg in wholesale market. This is almost a bottom level of prices in recent past. A fall in acreage will indicate a shortfall in domestic supplies, this would result in increased imports. Hence, we are anticipating a price rise of about 10-15 per cent from November onwards," said Patel.

According to industry estimates, India's pulses production during the current Kharif season is likely to fall by about 10 per cent to 6.43 million tonnes against 7.12 million tonnes last year.

Chhattisgarh govt targets to procure 5.5 MT of paddy through cooperatives
R Krishna Das / Kolkata/ Raipur Oct 10, 2011, 00:22

Chhattisgarh government has set a target to procure 5.5 million tonnes (MT) of paddy from the farmers through the cooperative societies across the state.

Following heavy rainfall in the month of September that would ultimately delay the final paddy yield, the state government had extended the time of starting paddy procurement by 15 days across the state.

“The state cabinet last night gave approval to the proposal to start paddy procurement in the state from November 15 to February 15,” a state government spokesperson said. Usually, paddy procurement in the state starts from the November 1 and ends on January 31.

The number of paddy procurement centres had also been increased this year. The spokesperson said 294 new procurement centres had been set up for the paddy procurement season 2011-12, taking the number of centres to 1883 across the state. The centres would work under the primary cooperative society at the village level.

The state government had not announced any bonus for the farmers and would procure paddy at the Minimum Support Price (MSP) announced by the Union Government. This year, the farmers would get Rs 1080 for a quintal of common variety paddy and Rs 1111 for a quintal of A grade paddy.

The officials with the marketing federation (MARFED) said that the procurement target set for the kharif marketing season would be achieved easily. The agriculture department had set a target to produce 6.2 MT of paddy this year. For the kharif season 2010, a target of 6.1 MT paddy was set and it was achieved.

In the kharif marketing season 2010-11, Chhattisgarh government had procured 6.34 MT of paddy. Of this, 5.11 MT was through government agency and 1.23 MT through the traders.

India may export tobacco to China

D Gopi / Chennai/ Guntur October 10, 2011, 0:19 IST

India is getting ready to export tobacco to China from this year, if everything goes well. Trade relations between India and China would be renewed after a gap of around 12 years.

The Tobacco Board has received communication from the Chinese government seeking tobacco samples. This happened after the successful visit of Indian Tobacco Association (ITA) delegation to China. The ITA delegation headed by Tobacco Board chairman, G Kamalavardhana Rao, had visited China from September 25 to 30.

Speaking to Business Standard, Rao said the delegation had held discussions with the State Trade Monopoly Administration (STMA) of China where the issue of tobacco imports from India were discussed. The STMA delegates have agreed to renew the trade.

The board would now hold consultations with the ITA and decide on the time to send the samples to China. “We are confident of completing the exercise in the next couple of weeks and send samples as requested by China,” he said.

The board had also committed to export tobacco at lower price than the price of Zimbabwe, the biggest tobacco exporter to China. Indian tobacco is now being exported to over 60 countries across the world and China being the biggest importer, India wants to renew the ties and restore its market.

“We are confident of getting orders from China for the next season. We are targeting at least 10 million kg tobacco to begin with,” Rao said.

Meanwhile, the Tobacco Board has fixed the crop size to 162 million kg for the 2012-13 crop season in Andhra Pradesh. This is against 170 million kg fixed for the 2011-12 season.

India could burn fingers with aid to palm refiners

Reuters / Kuala Lumpur Oct 09, 2011, 00:51

India’s plan to raise domestic levy on refined palm oil, designed to protect its refiners from cheaper exports by top palm oil producer Indonesia, will backfire in the absence of rival suppliers to meet the appetite of the south Asian nation.

The world’s top edible oil buyer could end up spending more on Indonesian crude palm oil, which has risen as high as $84 over benchmark Malaysian futures after Indonesia raised taxes on the crude in the middle of September.

At the same time, Indonesia halved taxes on refined palm oil so as to boost exports as part of its tax system that aims to encourage downstream industries, secure domestic supplies and reduce volatility in cooking oil prices.

India needs crude palm oil to feed its refineries, but more expensive feedstock may force it to turn to refined palm oil — which could also prove costly if New Delhi implements its own plan to raise the commodity's base value for tax purposes.

With inflation already running near 10 per cent — one of the highest levels among emerging economies — and domestic oilseed production insufficient to meet the needs of a population of 1.2 billion, such a result would be disastrous for India.

“At the end of the day, India wants to save its processors and Indonesia wants to support its processors. Trading will get complicated,” said Thomas Mielke, head of Hamburg-based oilseeds research house Oil World.

“These two aims go against one another and if it is true that Indonesia has large capacity in store, it could have an upper hand eventually.”

With No.2 palm oil producer Malaysia having already taken a similar step to protect its own refiners, levying its own high export tax on crude palm oil and curbs on tax-free exports of the grade, India has few alternative suppliers to turn to.

INDIA TO MORE THAN DOUBLE TAXABLE BASE

India now imposes a tax of 7.5 per cent on the tariff value of crude palm oil at $484 a tonne, irrespective of importers' purchase price — a low amount to fork out.

While the government has ruled out raising the import tax for fear of stoking inflation, industry wants New Delhi to more than double the taxable price levels to $1,100 a tonne, as the level is outdated.

While the country's food ministry supports the demand, any decision can only be made by Finance Minister Pranab Mukherjee. Government sources say India could bow to these demands in the next few days, possibly kicking in when the new marketing year starts next month.

Applying the existing 7.5 per cent import duty on the new tariff value, the landed cost of refined bleached and deodorised (RBD) palm olein could rise to $1,183 a tonne — an increase of 25 per cent, or $238, over tax-free crude palm oil.

That more than reverses a discount of $152 a tonne RBD palm olein now enjoys over crude palm oil imports thanks to the Indonesian tax change.

“With the lower refined palm oil export tax, Indonesia’s surplus refining capacity will ensure that crude palm oil export is reduced and replaced by export of refined palm olein,” said Dinesh Shahra, managing director of Ruchi Soya Industries , India’s biggest importer of edible oils.

On the surface the new tariff value could maintain the composition of India’s annual palm oil imports of some 6.3 million tonnes, with crude grade making up about 80 per cent and the rest from the refined variety.

But India will be hard pressed to maintain its import mix and preserve its processing capacity of 15 million tonnes — the result of investment of up to $2 billion — as Indonesia aggressively ramps up its own refineries.

INDONESIA’S REFINING CAPACITY

CIMB Investment Bank said in a note in September that Indonesia had 24 million tonnes of capacity by the end of 2009, much of it idle thanks to the previous tax regime that kept export taxes for crude and refined palm oil at par.

“Restarting at most takes six months. To build the refinery from scratch takes 18 to 24 months, so there is a very limited time frame for India to get used to the new landscape,” said an Indonesian trader with a refinery in Sumatra island.

Once Indonesia beefs up or restarts capacity, refined palm oil could easily make up 60 to 75 per cent of total exports that are expected to rise by at least 500,000 tonnes annually from 17 million tonnes this year, traders and planters estimate.

That will progressively limit Indonesian crude palm oil cargoes coming into India, further widening the premium consumers have to pay over benchmark palm oil futures.

Scrapping plans to raise the base tariff for refined edible oils might ease the problem of a huge import bill for India but Indonesia is unlikely to abandon the lower export tax as it seeks higher earnings and investment.

“If the officials go with this policy, either way the (Indian) refiners are going to shut down their capacity with less crude palm oil and more RBD palm oil coming in,” said a trader with a Singapore-based palm oil firm in Indonesia.

THE HINDU Business Line

Despite slump in volume, spices export zooms 26% in value

Our Bureau

Kochi, Oct. 9:

Some of the principal drivers for the export growth came from spices such as pepper, cardamom (small), cardamom (large), ginger, turmeric, nutmeg and mace, tamarind and asafoetida which have shown an increase both in volume and value. While export of value added products such as curry powder and paste has increased both in volume and value others such as spice oils, oleoresins and mint products have registered increases only in value terms. The export of few other spices has registered a decline in volume and value.

Pepper exports

There has been a strident growth in the unit value realisation from pepper exports which grew from Rs 173 a kg last year to Rs 268 a kg this year. The volume and value of pepper exports grew to 8,750 tonnes realising Rs 234 crore. Export of small cardamom also registered sharp increase, growing by 517 per cent in quantity to 1,450 tonnes realising Rs 130 crore.

Among the value-added products, 7,000 tonnes of curry powder/paste was exported fetching Rs 99.53 crore. Spice oils and oleoresins registered a growth of 38 per cent in value to Rs 519 crore while mint and mint product exports grew by 58 per cent to Rs 746 crore.

(This article was published in the Business Line print edition dated October 10, 2011)

Nearly 75% Coonoor tea sold as prices ease

P.S. Sundar,Coonoor, Oct. 9:

Nearly 75 per cent of the 13.38 lakh kg offered at Sale No: 40 of Coonoor Tea Trade Association auctions was sold with prices easing by Rs 2 a kg.

“Orthodox leaf market eased Rs 2-3 a kg. CTC leaf lost up to Rs 3. Orthodox dusts eased Rs 2-3 but primary dusts gained Rs 5-10. High-priced CTC dusts lost up to Rs 3, mediums Rs 1-2 while plainers Rs 2-4”, an auctioneer told *Business Line*.

Among CTC teas, Homedale Estate, auctioned by Global Tea Brokers, topped at Rs 149. Vigneshwar Estate got Rs 137, Blue Monte Speciality and Shanthi Supreme Rs 133 each, Kannavarai Estate Rs 132, Hittakkal Estate Rs 131, Professor and Sree Tea Supreme Rs 130 each. In all, 81 marks got Rs 100 and more.

Among orthodox teas from corporate sector, Chamraj got Rs 195, Havukal Rs 166, Corsely and Curzon Rs 165, Kairbetta Rs 161, Quinshola clonal Rs 156, Katary and Tiger Hill clonal Rs 151 and Prammas Rs 150. In all, 36 marks got Rs 100 and more.

On the export front, Pakistan bought in wide range – Rs 50-94 a kg and the CIS Rs 46-73.

Quotations held by brokers indicated bids ranging Rs 45-49 a kg for plain leaf grades and Rs 80-125 for brighter liquoring sorts. They ranged Rs 48-54 for plain dusts and Rs 85-140 for brighter liquoring dusts.

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Coffee controversy: More to it than output, exports

M.R. Subramani
Chennai, Oct. 9:

The controversy over coffee production figures doesn't end with just production, acreage, export or productivity. There seems to be much more than that.

One of reasons put forth by exporters for shipment figures being higher than production is carryover stocks.

“I think if you take into account 20,000-25,000 tonnes carryover stocks, the figures should tally,” said Mr Ramesh Rajah, President of Coffee Exporters Association of India.

“It could be that growers opted to export more coffee than before because the Centre said it was ending the Duty Entitlement Passbook Scheme,” said Mr Shaji Philip, Chairman of UPASI Coffee Committee.

“The truth is that production figures have been consistently under-estimated. If you take exports on crop year basis, it will be more revealing,” say sources.

Under-estimated?

For example, of the 2009-10 crop – estimated at 2.91 lakh tonnes (lt) – 1.60 lt were exported that season and around 95,000 tonnes last season. If 43,500 tonnes are deducted against imports for re-exports, it makes net exports to 2.12 lt. Again if it is assumed that domestic consumption was 80,000 tonnes, then there should be no real carryover for this year, say sources.

Contention by some quarters over the domestic consumption figures is being questioned. “Domestic consumption may not be higher than 65,000 tonnes,” said an exporter source who did not wish to be identified.

Until now, sources say, no one disputed over the Coffee Board's domestic consumption figures of one lakh tonnes. The consumption could be some 5,000 tonnes lower or maximum 10,000 tonnes. So why the dispute now, sources wonder.

Also, neither roasters nor retailers have reported a drop in consumption. If consumption were to drop why should multinational chains be interested in Indian coffee market, ask sources.

Therefore, say sources, there is problem with the production figures. An attempt was made a couple of years ago by the then Coffee Board chairman to revisit the production figures but it did not materialise due to internal problems.

Loan packages

There are also allegations of Coffee Board employees playing down production figures either on pressure from growers or they had an axe to grind.

Why pressure from growers? Sources say growers wanted to show a lower production so that they could have their loan packages reworked or get some waiver. But growers deny having put any pressure on any Coffee Board employee to discount production figures.

A grower from Kodagu said that the Coffee Board was not taking into account the higher robusta production now. “Robusta potential is far bigger and higher and it is not being taken into account,” said the grower.

Sources say that production figures had been under-estimated for years and therefore, the gap was seen to be big in the last two years.

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Prices steady at Kochi tea auction as arrivals ease

Our Bureau

Kochi, Oct. 9:

While arrivals of both dust and leaf teas continue to dwindle at the Kochi Tea Auction prices remained steady. There was 9,96,000 kg of dust and 2,24,000 kg of leaf tea on offer.

Good liquoring CTC dust grades remained firm. Tata Global, AVT and Kerala State Civil Supplies Corporation continued to be active on good liquoring teas. Hindustan Unilever was selective at the CTC dust auction. Loose tea traders were subdued while exporters bought less than last week.

At the orthodox dust auction prices of high grown grades tended to ease. Medium primary grades remained steady.

Exporters lent fair amount of support. Prices of several orthodox dust grades quoted lower prompting withdrawals from the orthodox dust auction.

All varieties of Nilgiri teas remained firm to dearer at the orthodox leaf auction as buyers pursued better quality. Medium bolder broken and whole orthodox leaf remained fully firm to dearer. Although fannings also remained dearer, there was fair amount of withdrawals.

Traditional exporters to CIS countries were active. Exporters to Tunisia were subdued. HUL was selective while upcountry buyers were active.

Fannings witnessed demand from tea bag exporters. High priced teas quoted lower at the CTC leaf auction. Prices of most other grades were weaker.

Bulk of the offerings was absorbed by upcountry buyers. Fair amount of export enquiry was noticed. AVT remained selective at the CTC leaf auction.

Top Prices

Injipara SFD fetched the top price at the dust auction at Rs 131 . At the leaf auction Pascoe's green tea fetched the top price at Rs 289 .

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India continues to remain cheapest source for black pepper

G.K. Nair

Kochi, Oct . 9:

If the weekend before last saw the bear operators in the driving seat at the pepper futures market, last week it was the turn of bull operators and, as a result, the market turned bullish pushing the prices up.

This high volatility and currency fluctuations has been putting the buyers as well as the sellers/exporters in a dilemma, especially at a time when the availability in the country is limited and much of what is available is only on the exchange platform.

Meanwhile, international players based in Europe and the US were reportedly making a propaganda that they were covering pepper at $300-400 below the prices of others from India, in a bid to push the market down, the trade alleged.

Offtake rises

It has been repeatedly stated in recent months by IPC-like institutions that there has been an increase in the consumption globally and the world pepper output has not grown corresponding to the growth in demand.

Unfavourable weather conditions coupled with lack of interest in farmers due to non-remunerative prices for about a decade aided a decline in several growing countries such as India. Indian output, in fact, nearly matches its domestic consumption, of late.

A likely impact of the high prices of black and white pepper might stop the supply of "green pepper" by several producing countries. In India it is mainly supplied by farmers in Pattiveeranpatti and Yercaud region in Tamil Nadu and Kumily in Kerala where pepper is grown in coffee estates. There is good market for green pepper in Europe and India is one of the major suppliers of it, market sources told *Business Line.*

On the NCDEX all the contracts last week moved up. October, November and December increased by Rs 95, Rs 1,145 and Rs 1,125 respectively to close at Rs 36,080, Rs 35,860 and Rs 37,410 a quintal.

Turnover slips

Total turn over fell by 28,192 tonnes to end at 26,651 tonnes at the last weekend. Total open interest moved up by only 95 tonnes to close at 11,948 tonnes.

Spot prices increased by Rs 600 a quintal during the week to close at Rs 33,400 (ungarbled) and Rs 34,900 (MG 1) on Saturday on good buying support.

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Moisture ‘pulses' continue to hold up retreating monsoon

VINSON KURIAN

Thiruvananthapuram, Oct. 9:

The monsoon withdrawal process continued to be ring-fenced to the eastern flank of the country by enhanced moisture levels kicked up by rogue ‘pulses' reaching from across territorial waters.

These are being traced to a typhoon and a super typhoon originating from northwest Pacific and South China Sea and making landfall over China and Indochina over the last week.

RAINS FOR SOUTH

An India Meteorological Department (IMD) outlook on Sunday that the prevailing high moisture levels would hold the monsoon withdrawal line pinned down to the existing alignment for a couple of days more. The withdrawal line passes through Balia, Umaria, Jabalpur, Indore, Baroda and Veraval. Satellite imagery on Sunday afternoon showed the presence of convective (rain-bearing) clouds over Orissa, south Chhattisgarh, north coastal Andhra Pradesh, east central and south Bay of Bengal, the Andaman Sea and east-central Arabian Sea.

But the IMD outlook has also said that scattered rain or thundershowers would occur over south peninsular India during on Monday and increase thereafter. Going forward, these would graduate into fairly widespread rainfall over southern parts of Maharashtra and south peninsular India.

During the last 24 hours ending Sunday morning, fairly widespread rainfall was reported from western disturbance activity over Jammu and Kashmir.

It was scattered over coastal Andhra Pradesh, south interior Karnataka, Tamil Nadu and Andaman and Nicobar Islands as a trough connecting northeast India and southeast peninsula sustained. Meanwhile, the US National Centres for Environmental Prediction too saw rains building over the southern peninsula during this week and into the next.

CYCLONE TRACKER

A rain wave is shown as entering the Tamil Nadu coast from across the Bay of Bengal, travel to the west and continue to precipitate as it enters the Arabian Sea. The lone global cyclone tracking model that sees a system brewing in the Arabian Sea later during the month continues to maintain the forecast.

Meanwhile, the strength of the evolving repeat La Nina is being tracked to assess implications for the impending northeast monsoon (monsoon in reverse).

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