THE HINDU

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TNAU commercialises insect management kit

Staff Reporter

Inking deal: P. Murugesa Boopathi (third right), Vice-Chancellor of Tamil Nadu Agricultural University and M. Amalraj, Proprietor, Melwin Engineering, during technology transfer of insect management kit at the varsity in Coimbatore.

Tamil Nadu Agricultural University (TNAU) has transferred technology to Melwin Engineering for commercial production and sale of a stored grain insect management kit.

A memorandum of understanding to this effect was inked here recently by P. Sivasubramanian, Director, Agri-Business Development, TNAU, and M. Amalraj, Proprietor, Melwin Engineering.

Speaking on the occasion, P. Murugesa Boopathi, Vice-Chancellor of the university, said nearly 14 million tonnes of food grain worth Rs. 7,000 crore was lost annually in storage.

“Storage losses due to insects alone accounted for nearly Rs. 1,300 crore. Granaries are generally found infested with insects as the harvested produce contains eggs, larvae or pupae because of field carryover infestation. Therefore, timely detection of field carryover infestation during storage is very important to take up appropriate control measures. The new insect management kit can be used to effectively control insects in stored grains,” the Vice-Chancellor said.

Devices

E.I. Jonathan, Director, Centre for Plant Protection Studies, TNAU, said the kit comprised eight devices, viz., insect egg removal device, stack probe trap, probe trap, pitfall trap, two-in-one model trap, indicator device, automatic insect removal bin, and UV-light trap.

The insect egg removal device alone could remove 98 per cent of insect eggs from various grains.

This high efficiency device could be used by processing industries and traders to clean food grains.

Mr. Sivasubramanian said the Directorate of Agri-Business Development made an appeal to all agro companies in the country to consider opportunities of obtaining commercial licenses for the TNAU technologies.

S. Mohan, Professor (Entomology), who developed the kit, said it was one of a kind and would be a useful tool for teaching and training in agricultural colleges, home science courses, Krishi Vigyan Kendras, agricultural research stations, and by State Departments of Agriculture.

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A blow to the organic farming movement

R. Krishna Kumar

The organic farming movement in Mysore with its path-defining results that drew attention of people and progressive farmers from across the State has suffered a setback due to differences of opinion among those spearheading the concept.

In a sudden development, Vivek Cariappa, who was among the first to practice organic farming in the barren lands of H.D.Kote in the 1980s, has resigned from the Savayava Krishikara Sangha (SKS) following differences of opinion on entering into a contract with a private cotton company. The SKS formally endorsed the contract which was opposed by Mr. Cariappa on the grounds that it was akin to entering into contract farming. This goes against the ideology and grains of organic farming movement as also the SKS which was envisaged as an independent and sustainable organic farming union, he said.

H.D.Kote is a prime cotton growing area in the region and though a majority of farmers opt for Bt.cotton and do not practice organic farming, there is a sizeable number of farmers who have steered away from the “mainstream” agricultural practices and charted a new course. But the new development has come as a setback to the movement as some of the members seem to be inclined towards contract farming which is feared to be one step closer to venturing into chemical agricultural practices by resorting to Bt. Technology in future.

As Mr. Cariappa explained, by entering into a contract with the company, the SKS has violated all sacred norms that made it unique among organic farming movements. On the surface, the immediate grounds for his resignation seemed to be technical as he wanted the term “project” to be dropped from the nomenclature and to give equal importance to the SKS.

But what disturbed him the most and precipitated the resignation was the insistence of certain conditions that seemed like coercion. The company put forth many demands most of which were agreed to by the farmers as they badly wanted cash for crop and the company used it as a bargaining point. “The members of the SKS have sold our identity, self-respect and independence in exchange for commercial convenience,” said Mr. Cariappa in his resignation letter.

“I believe that a farming family must make independent decisions regarding crops on its land and no coercion must be allowed. Then only can there be sustainability and dignity in agriculture,” he felt. He also pointed out that the condition that all farmers with more than two acres of land should plant cotton to get 50 per cent of the subsidy for certification was contrary to the philosophy of the association. It espouses the view that farmers themselves must decide what crops should be grown from the point of sustainability and independence. “Further, SKS farmers do not need private subsidy for certification as the Department of Agriculture, Government of Karnataka, gives Rs.30,000 for certification under the Savayava Grama Yojanna, which would be about 50 per cent of the cost. This should have been explained to the farmers before they were made to decide one way or the other.”

The company's demand that it be allowed a seat in the executive council of the SKS was the final nail in the coffin, said Mr. Cariappa who feared that if agreed to, it will totally destroy whatever is left of the Savayava Krishikara Sangha.

“Majority of the farmers spoke as if they were co-opted by the company and the members were totally unaware of the results and consequences of signing such an agreement,” he added.

With short-term requirements taking precedence over long-term consequences, the organic farming movement is now at the crossroads. But individuals with a commitment to the philosophy and ideological conviction will continue to embark on their voyage across the uncharted seas in future, as they did in the past.

R. Krishna Kumar

Trend towards contract farming creates discord in Krishikara Sangha

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NABARD sanctions projects costing Rs.4,257 crore

Special Correspondent

: The NABARD has cumulatively sanctioned 3,609 projects with an outlay of Rs. 4,257 crore and loan assistance of Rs.3,427 crore under RIDF Tranche I to XVI (1995-96 to 2010-11) to Kerala. An official press note said here on Friday that Rs.2,334 crore of the amount was disbursed as on September 30, 2011.

The note stated that Kerala had availed itself RIDF loans in respect of 23 of the 31 activities for which the loan was provided. These included agriculture and allied activities, social sector and rural connectivity. These projects had a direct impact on the overall economy and employment in the rural areas.

The sanctioned projects included the Chamravattam regulator-cum-bridge project sanctioned by the NABARD under RIDF XIII. It was the biggest project involving a final outlay of Rs.106 crore and an RIDF loan of Rs.95.12 crore. The project was expected to have a storage capacity sufficient enough for irrigating an ayacut area of 4,344 ha. The regulator-cum-bridge would restrict intrusion of saline water. The completion of the project would also reduce the distance between Kozhikode and Kochi by 40 km and provide assured drinking water in the project area through increase in ground water recharge and lift irrigation schemes.

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Egg price up by 12 paise

M.K.Ananth

Wholesale price of egg that was Rs. 2.54 an egg over the last three days climbed 12 paise on Thursday as it was fixed at Rs. 2.66 – highest price in nearly two months. Decision for increasing the price was taken at the rate fixation meeting of the National Egg Coordination Committee (NECC) – Namakkal Zone – at its office here on Thursday.

Chairman of the Namakkal Zone NECC P. Selvaraj said that the price was increased on Thursday following good demand for egg in North India for the Deepavali season.

He noted the price of egg dropped drastically across all the NECC zones in the country and remained low for about two months during the Shravan observance – a North Indian festive season in which many Hindus skipped non-vegetarian food items.

“Now that Shravan has drawn to an end and the Diwali season has begun, demand for this product has also increased,” he said.

On the other hand wholesale price of egg has already been increased in the Kolkata, Barwala, Delhi, Hyderabad, Vijayawada and Hospet NECC zones, he added.

Other NECC Zones where price of egg is higher than Namakkal (as on Thursday) are Lucknow (Rs. 3.07), Delhi (Rs. 3.03), Varanasi, Ajmer and Kanpur (Rs. 3), (Rs. 2.95), Barwala (Rs. 2.93), Kolkata (Rs. 2.88), Pune (Rs. 2.81), Allahabad and Bhopal (Rs. 2.80), Mumbai and Miraj (2.79), Indore and Jabalpur (Rs. 2.77) and Ahmedabad (Rs. 2.75).

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Tractor dealers asked to return ‘excess' money to farmers

Staff Correspondent

Deputy Commissioner S.S. Pattanashetty has instructed tractor dealers to reimburse the excess money collected from farmers and set a November 15 deadline to either reimburse the money to avoid legal action or give an explanation for collecting excess money.

At a special meeting convened here on Friday, farmers alleged that tractor dealers had charged more than the actual price for tractors. When they were questioned, the dealers had reportedly said that they were not forcing anyone to buy the vehicle and the extra money was being charged for quick delivery.

The farmers produced bills and vouchers in which the dealers had charged more than the actual price. They alleged that the dealers were exploiting farmers.

However, the tractor dealers denied the allegations and said that they had collected extra money for certain additional fittings. Many farmers had appealed to the dealers to get work related to the Road Transport Office done for their vehicles, for which the dealers had to collect some extra amount.

The farmers, led by Honnuru Muniyappa and Avaragere Rudrumuni, contended that they were aware of the RTO fee structure and other formalities and they would not have objected if the dealers had collected a reasonable sum towards RTO charges. But they had charged in the range of Rs. 30,000 and Rs. 50,000 each.

Deadline

Mr. Pattanashetty asked the dealers to examine all the cases and verify whether extra amount had been collected and return the same. Otherwise, they should give an explanation for whatever had been collected from the farmers by November 15, he said.The dealers agreed to the condition. The Deputy Commissioner has asked the farmers to file complaints with the dealers individually. If any complaint was not addressed properly, then they could approach the district administration for action.

- *Dealers describe the farmers' allegations as false*
- *Farmers asked to file complaints with dealers*

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Faced with labour shortage, farmer develops arecanut husking device

Raviprasad Kamila,*The machine can peel up to 120 kg of white arecanut in an hour*

A WONDER DEVICE: The arecanut peeling machine developed by Patte Venugopal (sitting). — PHOTO: RAVIPRASAD KAMILA

An arecanut grower near Puttur in Dakshina Kannada has developed an arecanut husking device, which he said, could peel up to 120 kg of white arecanut in an hour. Other devices being used by growers peel up to 60 kg of arecanut an hour.

Patte Venugopal of Kavu in Puttur taluk, who has developed the device, told *The Hindu* that he would hold a demonstration of the machine for farmers in Puttur on October 24.

According to him, a skilled worker can manually peel up to 12 kg of white arecanut an hour. Shortage of skilled workers forced him to work on developing the machine six months ago. Manual peeling will cost Rs. 5 a kg while in his machine it will cost Rs. 2 a kg, he said.

Machine cost

Mr. Venugopal said the device operated on three-phase power supply with a 2 HP motor weighs 300 kg. It cost about Rs. 90,000. If a conveyor belt was attached to feed raw arecanut, the machine would cost more than Rs. 1 lakh, he said. An industry in Coimbatore, Tamil Nadu, manufactured the machine for him. If raw arecanut was fed slowly into the machine, it could peel up to about 100 kg of white arecanut. It was recommended to feed four raw arecanut per second either manually or using a conveyor belt to achieve efficiency.

Manchi Srinivasa Achar, president, All-India Areca Growers' Association based in Puttur, told *The Hindu* that according to his understanding it was the first such machine which could peel up to 120 kg of arecanut an hour. Machines developed by others which were in circulation in the market could peel between 25 kg and 60 kg of white arecanut an hour. Most of those machines operate on single-phase power supply and a few on three-phase power supply, he said.

Mr. Achar, who is an engineering graduate, said that machines which operated on three-phase power supply performed efficiently. It was economical to operate them on three-phase power supply.

Minimal

Ramesh Kaintaje, an arecanut grower near Mani who has been using machines for peeling arecanut for the past two years, said the machine developed by Mr. Venugopal produced less dust and the quantity of nuts being broken during peeling was minimal. It peeled all sizes of raw arecanut. “The machine is promising,” he said.

Mr. Kaintaje said that if a machine was able to peel 800 kg of white nuts a day, it would be wonderful for farmers. The government and cooperative bodies should come forward to bear 50 per cent of the manufacturing cost of such machines, to make them affordable to even small growers, he said.

- *The device runs on 2 HP motor and needs three-phase power supply*
- *Manual peeling costs Rs. 5 a kg while it costs Rs. 2 a kg by the machine*

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Drought conditions lead to heavy crop loss

Correspondent

There has been a heavy damage of crops due to the drought conditions in the district, said Collector M. Purushotham Reddy.

The Collector participating in video conference with Principal Secretary, Agriculture, Nagi Reddy and Disaster Management Commissioner Radha on Friday briefed about the prevailing conditions and damage of crops.

Preliminary report

He said that the preliminary report on the conditions was already submitted to the government. The senior officers directed the Collector to submit a detailed report on dried up crops at the earliest so that revenue and agriculture officials can visit fields and submit an assessment report to the government.

The Collector said that more than sixty percent of the crop cutting experiments were completed to assess the crop damages in the district and said that the report on drought conditions wherever crops damaged more then fifty percent will be submitted soon.

He also explained that maize was damaged in 53,475 hectares as against raised in 1,08,675 hectares, cotton 42,029 hectares as against 1,20,075, and castor 36,090 as against 1,03,115 hectares, Redgram 22,500 as against 98,136 hectares and Paddy in 22,289 hectares as against 1,02,185 hectares,

Fodder shortage

Referring fodder shortage the Collector said that over 73 thousand metric tones of fodder was expected to be short in the district.

Business Standard

Monday, Oct 22, 2011

Tobacco Board cuts crop size by 5% to 160 mn kg

D Gopi / Guntur October 22, 2011, 0:56 IST

The Tobacco Board has reduced the crop size by five per cent this year due to global agreement to cut output. Though the Board had permitted 170 million kg of tobacco in Andhra Pradesh for 2010-11, farmers have produced 185 million kg. This year, after prolonged deliberations with farmers and representatives of the Indian Tobacco Association, the Board had brought down the crop size to 160 million kg.

This was announced by the Board chairman, G Kamalavardhana Rao, at a meeting held with farmers at Kanchikacharla in Krishna district. The chairman met farmers of Krishna, Karimnagar and Warangal in Andhra Pradesh and their counterparts from Gadicharoli in Maharashtra and reviewed the crop details.

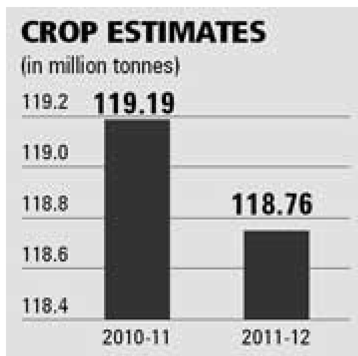
He said the board would not allow unauthorised crop this year and would even initiate stringent action if any farmer violated the rules. He also asked farmers not to grow excess crop, other than what is permitted. While farmers were unhappy with the low price for the crop in the last season, Rao informed them that the crop price in the international market too was low and they had no export orders. However, the board had prevailed upon exporters and traders to buy the crop to ensure that the farmers did not incur losses.

Meanwhile, the farmers in the southern light and the southern black soils, mostly spread over Prakasam district, are looking for alternative crops. They have faced severe problems in the last season with the traders not purchasing their product. Though farmers went on a strike for 15 days, there was not much response from traders. The board too intervened and held joint meetings with the traders and the farmers, but in vain.

Taking this into consideration, farmers from these two regions have decided to go for alternative crops for the 2011-12 season. Most farmers in Prakasam district have cut down the crop size on their own and have shifted to alternative crops like groundnut, which could be cultivated mostly in parts of Nellore, Prakasam, Guntur and Krishna districts.

Rabi grain output may fall marginally

Anindita Dey / Mumbai October 22, 2011, 0:52 IST



The department of agriculture has projected a total foodgrain production target of 118.76 million tonnes (mt) for the ensuing rabi season which is marginally lower than 119.19 mt projected for the 2010-11 rabi season.

For primary rabi crops, the department has estimated a production target of 84 mt for wheat (82 mt) and pulses at 10.27 mt (10.79 mn tonne).

Last year, in the beginning of rabi season department had estimated wheat crop to be around 82 mt. However, according to the agriculture ministry's fourth advance estimate, wheat crop was 85.93 mt for 2010-11. Agriculture minister Sharad Pawar had recently said wheat crop for rabi 2011-12 can be even as high as 86 mt.

Besides, the department has decided to increase area under pulses by one million hectares and increase production of coarse cereals, especially sorghum, besides augmenting other crops like grams and lentil in the ensuing rabi season.

While rice is estimated status quo at 15 mt, the production of total coarse cereals is pegged at 9.49 mt (11.40 mt). Oilseeds production is expected to be around 11.5 mt (12.50 mt).

In the kharif season, while total crop area increased by 2.33 million hectares, the overall pulses area had decreased by 1.14 million hectares according to the estimates released by the ministry. If the area under pulses grows by one million hectares, then total area under pulses is expected to be around 12 million hectares as against 11 million hectares last year.

Kharif and rabi are two crop seasons in India wherein kharif runs from June to October and rabi is from November to March.

For rice, the focus will be hybrid rice cultivation. The department has advised to start sowing of wheat from October 25 onwards, accompanied by seed treatment and fungicides. Besides more than one variety of wheat needs to be grown to compensate for terminal heat-related losses.

In order to improve the cultivation of pulses, the department has advised to bring 300,000-400,000 lakh hectares area of summer moong and urad under the irrigated areas in Punjab, Haryana and western Uttar Pradesh. In eastern India, gram and lentil will be promoted in rice fallows, which could be around 500,000 hectares and about 100,000 hectares of sugarcane will be intercropped with pulses in Uttar Pradesh.

While for crops like chana (gram), lentil and mustard the ministry does not expect the acreage to go up significantly, it is still focusing on maintaining good productivity. For lentil, intercropping with oilseed crop has been advised. In coarse cereals, the ministry proposes to maintain ideal acreage of 130,000-150,000 hectares with high yield hybrids. The focus areas for rabi sorghum are Maharastra and Karnataka.

Analysing the kharif loss in pulses, officials said production loss of 400,000-600,000 tonnes is due to less area coverage. Maharastra, Karnataka and Andhra Pradesh have shifted from pulses to soybean and cotton due to less rainfall.

THE HINDU Business Line

High food inflation due to supply constraints: Pranab

Our Bureau

Discusses inflation, weakening rupee with RBI Governor

The Finance Minister, Mr Pranab Mukherjee, flanked by the Minister of State for Finance, Mr Namo Narain Meena (right), and the CMD, Vijaya Bank, Mr H.S Upendra Kamath, arriving for the Foundation Day Celebrations of Vijaya Bank in the Capital on Friday. — Ramesh Sharma

New Delhi, Oct. 21:

Supply constraints are the main reason for food inflation crossing double digit levels and measures are needed to tackle it, the Finance Minister, Mr Pranab Mukherjee, has said.

“Food inflation is a matter of worry. It has reached double digit levels. Yesterday, the last week's figure was 10.6 per cent. Of course for the previous two weeks, it was perilously close to double digit figure. Actually it has now crossed that limit. We shall have to ensure that supply constraints are tackled,” Mr Mukherjee told reporters on the sidelines of a Vijaya Bank event here on Friday.

He, however, did not elaborate on how supply constraints are proposed to be tackled. Food inflation rose to a seven–week high of 10.60 per cent in the year to October 8, official data released on Thursday showed.

The Finance Minister's remark on food inflation is significant as it came days before the RBI's monetary policy review slated for October 25. It also indicated the Finance Ministry's discomfort in RBI pursuing with its tight monetary policy stance to tame inflation.

It is not only food inflation, but the overall wholesale price index (WPI)-based inflation which is a matter of concern for policymakers. The WPI-based inflation has stayed well above 9 per cent for nine consecutive months now. For the month of September, the headline inflation was 9.72 per cent.

With WPI based-inflation remaining too high for RBI's comfort, the central bank is widely expected to raise policy rates by at least 25 basis points at the upcoming second quarter monetary policy review.

In the last 18 months, the RBI had hiked its repo rates twelve times and cumulatively by 350 basis points to tame inflation. India Inc is of the view that RBI's policy actions have done more to slow growth than to tame inflation.

Ahead of the monetary policy review, the Reserve Bank of India Governor, Dr D. Subbarao, today met the Finance Minister, Mr Pranab Mukherjee at the latter's North Block Office for a customary meeting. .

Subbarao meets Pranab

Emerging from the 45-minutes long meeting, Dr Subbarao said that he had discussed the macro-economic situation with Mr Mukherjee.

Besides the inflation situation, both of them are understood to have discussed the recent fall in rupee against the US dollar. Earlier in the day, Mr Mukherjee had indicated that he would discuss the issue of falling rupee with the RBI Governor during today's meeting.

The rupee had today breached the psychological level of Rs 50 to a US dollar on the back of increased purchases of greenback by banks, largely to help oil retailers fund their imports. A fall in the value of rupee will make imports costlier, thereby fuelling inflation.

The Chief Economic Advisor to the Finance Ministry, Dr Kaushik Basu, had recently noted that monetary tightening was not working and that some out of the box thinking was required to address the inflation problem.

Bankers are still divided on whether the RBI would raise policy rate at the October 25 meeting. “I will not be surprised if the RBI takes a pause. It is difficult to say which way the RBI will move,” Mr Nagesh Pydah, Chairman and Managing Director, Oriental Bank of Commerce (OBC), told *Business Line* here when asked about his expectations for the upcoming policy review.

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(This article was published in the Business Line print edition dated October 22, 2011)

Confederation organises meet for cotton farmers

New Delhi, Oct. 21:

The Confederation of Indian Textile Industry (CITI), through its Cotton Development and Research Association, organised a farmers meet in Bhilwara, Rajasthan, on Wednesday. Mr P.D. Patodia, Chairman of CITI's Standing Committee on Cotton, presided over the event, which saw the participation of over 2,000 cotton farmers from Bhilwara, Banswara and nearby districts of Rajasthan, a statement said. “Representatives of spinning mills, ginners and cotton traders were present in large number. Scientists and officers of the State Government's Agriculture Department were among the participants,” it said. — Our Bureau

(This article was published in the Business Line print edition dated October 22, 2011)

Mixed trend in rubber

Spot rubber saw a mixed trend on Friday. Though overall reports from the international markets were not promising, prices managed to sustain at the prevailing levels following a positive closing in the near months on the National Multi Commodity Exchange (NMCE).

Limited losses

Though uninterrupted tapping is going on in most of the plantation areas, the commodity is not reaching even village markets, sources said. However, losses in the Indian markets were limited comparing to the international markets probably due to the weakening rupee which curtailed import fears.

Sheet rubber improved marginally to Rs 210 (209.50) a kg, according to traders. The grade finished unchanged at Rs 210 a kg at Kottayam, while it recovered to Rs 210 (209.50) at Kochi, as reported by the Rubber Board.

Futures up a tad

The November series closed at Rs 209.81 (208.65), December at Rs 210.87 (209.85), January at Rs 212.39 (212.45), February at Rs 214.80 (214.97), March at Rs 218 (218.48) and April at Rs 221.70 (222) a kg on the NMCE.

RSS 3 (spot) declined sharply to Rs 195.72 (201.96) a kg at Bangkok. The October futures slipped to ¥275.8 (Rs 180.09) from ¥277 a kg during the day session but then remained unchanged during the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 210 (209.50); RSS-5: 206 (206); ungraded: 198 (198); ISNR 20: 199 (200) and latex 60 per cent: 128 (128).

(This article was published in the Business Line print edition dated October 22, 2011)

Case for dal exports has never been stronger

G. Chandrashekhar
Mumbai, Oct. 21:

It is a welcome sign that the Government's restrictive agricultural export policy is slowly opening up. Sugar, wheat and rice exports have been allowed under a ceiling. Maybe, it is time to allow export of pulses, too, under a quantitative limit.

The case for reopening pulses export has never been stronger.

After years of sluggish growth, pulses output in 2010-11 has rebounded to an unprecedented 183 lakh tonnes, higher than previous year's 146 lakh tonnes.

The quantum leap in output, though nowhere near self-sufficiency, has vastly improved the availability of pulses. Imports, too, are continuing and help further augment supplies and moderate prices.

Open market prices have declined by 20 to 40 per cent from the levels a year ago and are are seen encouraging pulses consumption.

In case of most pulses, prices are close to the minimum support price (MSP). If anything, in some parts of the country, Maharashtra for instance, moong prices have reportedly dipped below the MSP. For 2010-11, the MSP for moong was Rs 3,500 a quintal, up Rs 330 from the previous year.

Prices below MSP will discourage growers.

One way to retain growers' interest in pulses, improve marketability of the crop and ensure remunerative returns is to allow export of milled pulses or dals.

This will not only provide improved price support at the farm-gate, but also encourage mills to accelerate purchase of the farm produce and capture market opportunities overseas. Growers will be happy to dispose of the produce as quickly as possible.

The milling industry

An important reason for supporting dal export would be the status of the dal milling industry. There are over 10,000 dal mills in the country, most of them small or medium. Currently, they carry huge idle capacity. Many mills were set up before 2006 with the hope that the export policy would be liberal. But the Government decided to ban pulses export because of tight availability and rising prices in the domestic market. Investment in dal mills has turned unproductive.

With improved supplies and softer prices, the market conditions today are vastly different from those obtained until a year ago. Many dal millers point out putting a ceiling, of say three to five lakh tonnes, to pulses export will not impact domestic market, but will be a boost to India's liberal foreign trade policy.

What are the implications of exporting three lakh tonnes of dals? Indian dals are sure to fetch not less than $1,000 a tonne in the overseas market. On export of three lakh tons, the total foreign exchange earnings could be as high as Rs 1,500 crore.

Importantly, dal export will help improve capacity utilisation among small and medium dal mills, and in course of time, attract new investment for modernisation and improvements in the supply chain.

(This article was published in the Business Line print edition dated October 22, 2011)

Offerings rise in N. Indian tea auctions

Our Bureau

Kolkata, Oct. 21:

This week at Sale No. 42, the total offerings (packages) at three North Indian tea auction centres were 4,78,284 as compared to 2,50,029 in the corresponding sale of the previous year, according to J Thomas & Company Pvt. Ltd, the tea auctioneers.

The offerings at Kolkata were 1,99,246 comprising CTC/Dust 1,57,076, Orthodox 36,923 and Darjeeling 5,247. There were No Sales in the corresponding period of last year.

The offerings at Guwahati were 1,65,266 (1,45,345) and at Siliguri 1,13,772 (1,04,684).

Demand for dooars

Selected clean and better liquoring Assam CTC teas were firm to occasionally dearer while the remainder were irregularly lower following quality.

Well made Dooars sold readily at firm to occasionally dearer rates while the remainder tended irregularly easier.

Tata Global was active. There was good support from Hindustan Unilever for the leaf grades and active support for the dusts.

Western India dealers were active for the liquoring sorts. There was fair enquiry from North India and from local sections.

Exporters operated on the bolder brokens and fannings.

Orthodox teas

Orthodox offerings met with less demand and sold at easier rates in line with quality.

Tippy sorts saw some export enquiry. CIS buyers operated

Darjeeling whole lea and broken grades were barely steady and tended easier while fannings were around last levels..

There was useful enquiry from traditional exporters. Hindustan Unilever and Tata Global operated. Local dealers operated for the brokens and fannings.

(This article was published in the Business Line print edition dated October 22, 2011)

Demand lifts spot chana, its dal

Our Correspondent

Indore, Oct. 21:

Chana, masoor and tur moved up on improved demand.

Chana was Rs 50 up at Rs 3,400 a quintal. Chana dal (average) selling at Rs 4,175-4,200 (Rs 4,100-4,125), chana dal (medium) at Rs 4,275-4,300 (Rs 4,200-4,225) and chana dal (bold) at Rs 4,400-4,425 (Rs 4,300-4,325).

Tur gained on improved buying support, with tur (Maharashtra) being quoted at Rs 3,350-3,400 (Rs 3,275-3,300), while tur (Nimari) sold at Rs 2,300-2,700. Tur (marka) remaining firm at Rs 6,200, tur dal (full) at Rs 5,500-5,600 and tur dal (*sawa* no.) at Rs 4,500-4,550. Urad (bold) remained firm at Rs 3,600-3,750, while urad (medium) sold at Rs 3,000-3,250. Urad (mongar) sold at Rs 6,300-6,500, urad dal (medium) at Rs 5,000-5,100 and urad dal (average) at Rs 4,350-4,400. Moong (medium) was quoted at Rs 3,600-3,800. Moong (mongar) remained unchanged at Rs 5,800-5,900 despite subdued demand.

(This article was published in the Business Line print edition dated October 22, 2011)

Power dues, alcohol stocks sap TN sugar mills

R. Balaji

TNEB owes Rs 300 cr; alcohol stocks pile up on taxation issues

Chennai, Oct. 21:

With the new sugar season commencing, sugar mills in Tamil Nadu find themselves handicapped with regard to two of their major revenue streams –cogeneration and alcohol – that could have an impact on payments for sugarcane to farmers.

According to industry sources, the Tamil Nadu Electricity Board owes the sugar mills nearly Rs 300 crore on the surplus power fed to the State electricity grid. The dues have been building up for over a year and based on the financial condition of the electricity utility, the industry is not optimistic on an immediate solution.

Those most affected by this are primarily the private sector sugar mills which account for nearly 540 MW of cogeneration capacity out of the total installed capacity of 610 MW. The balance is with the cooperative sugar mills.

Alcohol inventories

On the distillery front, a senior executive at a leading sugar mill said the local industry has been affected by adverse State taxation policy and restrictions on selling rectified spirit outside the State. Distilleries that use molasses, a by product from sugar mills, as a raw material supply the alcohol to Indian Made Foreign Spirits manufacturers as distilleries are not allowed to move the alcohol out of the State.

But local distilleries face a VAT of 12.5 per cent while the IMFS producers can bring in the alcohol from out of the State with a CST of about 2 per cent. This makes the local industry unviable.

Alcohol inventories are building up to ‘dangerously high levels' with the sugar mills holding nearly 3 crore litres of alcohol stocks. At about Rs 20 a litre the total value of is about Rs 60 crore. Once the current season peaks, molasses outflow could choke storage capacities and affect operations.

Ethanol blending

Sugar industry representatives point out that there is a ready solution for this if the State Government were to allow units to sell alcohol outside the State and encourage the ethanol-blended fuel programme which is yet to take off in Tamil Nadu.

With estimates of 236 lakh tonnes of sugarcane to be crushed in the coming season, the industry is confident that this would generate over 25 crore litres of alcohol from molasses.

Even providing for 16 crore litres needed for IMFS production, there is a surplus of more than 9 crore litres which could be utilised for ethanol-blended fuel programme. This would give the sugar mills much needed support.

Revenues from distillery and cogeneration are key revenue sources for sugar mills which find sugar prices stagnating or dropping as production increases.

In Tamil Nadu, sugar mills pay a State Advised Price of close to Rs 2,000 a tonne including Rs 100 transportation cost. This is Rs 610 more against the Fair and Remunerative Price of Rs 1,395 a tonne fixed by the Centre, a sugar mill head pointed out.

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Govt may decide on sugar exports early Nov

Our Bureau
New Delhi, Oct. 21:

The Government may decide on allowing sugar exports for crop year 2011-12 in the first week of November.

The Empowered Group of Ministers (EGoM) on Food may take a call on sugar exports in the first week of November, the Union Minister of State for Food, Prof K.V. Thomas, told reporters on Friday.

The EGoM scheduled to meet on Thursday was deferred due to the differences in sugar output estimates between the Food and Agriculture Ministries. Sugar output, according to the Agriculture Ministry, for 2011-12 is estimated to be between 25.5 million to 26 million tonnes (mt). However, the Food Ministry has projected it to be 24.6 mt, marginally higher than the previous year's 24.3 mt.

The sugar industry, which has pegged the output at 26 mt for 2011-12, has been demanding further export permits. Last year, the Government had allowed sugar industry to export 1.5 mt in three tranches.

The Food Ministry plans to verify and reconcile the sugar output estimates with the Agriculture Ministry in a day or two. A note will be prepared on the sugar output by this month end, based on which the EGoM may decide on the quantum of exports for the new sugar year, Mr Thomas said.

No grain exports from Govt stocks

Replying to a query, Mr Thomas ruled out any plans to allow exports of wheat and rice stocked in Government godowns. The Government, which procures only 30 per cent of the total food grains produced in the country, has to maintain enough stocks for three years for implementation of the proposed National Food Security Act, he said.

(This article was published in the Business Line print edition dated October 22, 2011)

Cotton unchanged ahead of Diwali holiday

Our Correspondent

Rajkot, Oct. 21:

Cotton remained unchanged at Rs 39,000-39,500 a candy of 356 kg as exporters and millers built up inventories before markets close for a week for Diwali.

Best-quality Sankar-6 remained unchanged at Rs 39,000-39,500 a candy. Average grade traded at Rs 35,000-38,000 a candy. The Kalyan variety sold at Rs 24,000-26,000 a candy. *Kapas* traded at Rs 935-960 for a *maund* of 20 kg.

While 25,000 bales of 170 kg each arrived in Gujarat, 70,000 bales arrived in rest of the country.

October contract was unchanged at Rs 18,840 a bale on Multi Commodity Exchange, while December contract was down by Rs 80 to Rs 18,150. *Kapas* for February delivery increased by Rs 3.40 to Rs 736.10 for a *maund* with an open interest of 143 lots, while declined by Rs 3.60 to Rs 731.40 for April delivery with an open interest of 8,012 lots on the National Commodity and Derivatives Exchange.

The industry is expecting 2.5 million bales to be exported by December.

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Sluggish demand drags aromatic rice

Our Correspondent

Karnal, Oct. 21:

Sluggish domestic demand pulled aromatic rice down, while non-basmati rice varieties ruled firm on Friday.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that some new advance contracts of Pusa-1121 (sela) were signed at the levels of Rs 3,800 a quintal and traders expect prices to remain around Rs 3,800-4,000 throughout the season. Demand of full grain aromatic rice is not picking up as buyers prefer broken rice in domestic market, he said.

Pusa-1121 (steam) eased by Rs 100 at Rs 4,800, while Pusa-1121(sela) was ruling around Rs 3,930.

Pure basmati (raw) fell by Rs 50 at Rs 5,450 while basmati (sela) sold at Rs 3,780. Duplicate basmati was at Rs 3,000, Rs 100 down.

PR-11 (sela) sold at Rs 2,100-2,200, while PR-11(raw) quoted at Rs 1,900-2,100. Permal (sela) sold at Rs 1,800-1,950, Permal (steam) at 2,030 and Permal (raw) at Rs 1,825-1,920.

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Turmeric lights up on N. India orders

Erode, Oct. 21:

Spot turmeric prices increased marginally on higher demand from bulk buyers, especially on orders from North India.

“Bulk buyers quoted a higher price for finger and root varieties of turmeric, but they purchased heavily the root variety due to demand. North Indian merchants will start their new account from Diwali and retail buyers there also purchase from traders on Diwali day. So, north Indian merchants placed orders with Erode traders who purchased the commodity, as the product should reach the north Indian merchants before Monday evening,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said quality hybrid varieties arrived for sale on Friday; the buyers quoted a rate of Rs 300 more a quintal. All the hybrid varieties were sold. More than 13,500 bags of turmeric arrived for sale on Friday at the four markets, and around 70 to 75 per cent were sold, he added.

Mr Ravishankar said the market will assemble only on Monday, and after that it will remain closed for Diwali. Some turmeric farmers in need of money are selling their produce at the prevailing price, he said. If they sell the produce at the prevailing rates, then they will get a little profit, but make no loss . If the turmeric prices go down to below Rs 4,500 a quintal, they will incur loss.

At the Erode Turmeric Merchants Association Sales yard, the finger variety fetched Rs 3,009-5,509 a quintal, the root variety Rs 3,009-4,881.

Salem Crop: The finger variety was sold at Rs 4,511-5,549, the root variety Rs 4,389-5,074. Of the 3,023 bags that arrived, 980 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 4,279-5,473, the root variety Rs 4,369-5,299. Of 320 bags, 319 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 4,999-5,600, the root variety Rs 4,499-5,300. All the 988 bags kept for sale were sold.

At the Regulated Marketing Society, the finger variety was sold at Rs 5,119-5,709, the root variety Rs 4,869-5,269. Of the 1,721 bags kept for sale, 1,631 were sold.

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Rupee's fall heats up edible oils

Our Correspondent

Mumbai, Oct. 21:

Edible oils spiked as the rupee plunged below the psychological mark of Rs 50 against the dollar after two and a half years and foreign markets firmed on Friday.

Local refiners increase prices of palmolein by Rs 8-10 for 10 kg and of soya oil by Rs 5 for 10 kg.

Soya oil rose by Rs 6 in Mumbai despite lack of demand, palmolein by Rs 7 and rapeseed oil by Rs 13. Cotton refined oil was up by Rs 3. Volumes were thin as Diwali buying has got over. Groundnut oil and sunflower oil remained unchanged at producing centres where selling pressure increased, said a wholesaler.

Crude palm oil (CPO) futures rose on Bursa Malaysia Derivatives (BMD) as investors covered shorts in the hope that a European summit this Sunday may resolve the Euro zone debt crisis. Resellers sold palmolein at Rs 535-537 to needy buyers. Liberty offered palmolein at Rs 538 for October delivery, soya oil at Rs 635 and super palmolein at Rs 570.

Ruchi quoted palmolein at Rs 533 for delivery between October 25 and November 25, and soya refined oil at Rs 630 for October delivery. Allana offered palmolein at Rs 535 for delivery between November 1 and 10.

In Saurashtra, 90,000 bags of groundnuts arrived, and 4.6 lakh bags of soyabean arrived in Madhya Pradesh. In Rajkot, groundnut oil remained unchanged at Rs 1,280 for a *telia* tin and at Rs 825 for loose (10 kg). Cotton (wash) sold at Rs 613-615.

Malaysia's BMD CPO's November contracts settled higher at MYR2,881 (MYR2,860), December at MYR2,886 (MYR2,866) and January at MYR2,883 (MYR2,866) a tonne. Soya oil for November delivery closed higher at s 614.90 (Rs 609) and at Rs 616.80 (Rs 611) for December delivery on National Board of Trade in Indore.

Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 840 (840), soya refined oil 631 (625), sunflower exp. ref. 655 (655), sunflower ref. 725 (725), rapeseed ref. oil 698 (685), rapeseed expeller ref. 668 (655), cotton ref. oil 651 (648) and palmolein 535 (528).

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Buying by Bengal traders sweetens sugar

Mumbai, Oct. 21:

Sugar prices shot up by Rs 25-30 a quintal at the mill level on Friday.

Naka rates increased by Rs 20 a quintal tracking firm tender rates. Fine-quality S-grade rose by Rs 30 and M-grade by Rs 10 in the spot market despite less-than-expected demand.

Arrivals and local dispatches increased ahead of Diwali. Mill tenders rose sharply at higher prices after buyers from West Bengal purchased three rakes of 27,000 bags each. Local demand improved ahead of Diwali as needy buyers covered before markets close for three-four days for the festival next week. Freight rates were steady. Arrivals in the Vashi market were higher at 58-60 truckloads while local dispatches were at 54-55 truckloads. On Thursday, 20-22 mills offered tenders and sold about 55,000-60,000 bags to local traders and three rakes to eastern buyers at Rs 2,700-2,800 (Rs 2,685-2,770) for S-grade and at Rs 2,800-2,950 (Rs 2,770 -2,900) for M-grade.The market is waiting for the Centre's decision on exports and next month's free sale quota as the country is expected to have a surplus this year.

Bombay Sugar Merchants Association's spot rates: S-grade — Rs 2,831-2,911 (Rs 2,801-2,910); M-grade — Rs 2,936-3,072 (Rs 2,900-3,062).

Naka delivery rates: S-grade — Rs 2,800-2,850 (Rs 2,780-2,830); M-grade — Rs 2,900-3,040 (Rs 2,880-3,020).

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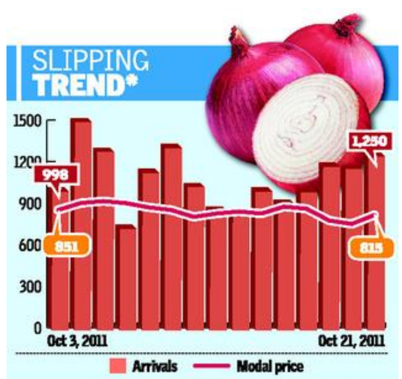
Onion export offtake to remain low

M.R. Subramani



* Arrivals in tonnes; modal price in Rs/quintal at Lasalgaon APMC in Maharashtra.
Source: NHRDF

Chennai, Oct. 21:

Onion prices continue to rule lower on lack of domestic and export demand.

“There was total lack of demand in the domestic market. There were also no enquiries for onion exports,” said Mr Madan Prakash, Director of Chennai-based Rajathi Group of companies that exports agricultural produce.

In Lasalgaon Agricultural Produce Marketing Committee yard in Maharashtra, the modal price or the rate at which most trades took place was Rs 815 a quintal. There has been some recovery in prices after onion slipped to Rs 750 on Wednesday. Prices at Pune were around Rs 750 a quintal and at Pimpalgaon, they were down to Rs 711.

Arrivals in the last three days at Lasalgaon have been close to 1,200 tonnes each. Similarly, they were heavy at other centres.

“Exporters are looking to lowering of the minimum export price of $475 a tonne by the Centre. But demand is unlikely even at a lower floor export price since we are not getting much enquiries,” said Mr Prakash.

The Empowered Group of Ministers was to have reviewed the export floor price on Thursday. But the meeting was put off to next week, probably after Diwali.

The Centre had banned onion on September 7 but revoked it after a fortnight following boycotting of trading in protest by farmers and exporter. However, it retained the export floor price and said it would be reviewed every fortnight.

Prices are seen under pressure as arrivals after Diwali are expected to be higher, said Mr Prakash.

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