THE HINDU

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:31 IST

No poverty line cap for social schemes, food entitlement: Montek

Gargi Parsai

Under attack for its Rs. 26 and Rs. 32 per capita cut-off for rural and urban poverty line, the Planning Commission on Monday admitted that the benchmark was "very low," but said it would not alter or withdraw its affidavit in the Supreme Court on the issue as it was "factual."

In a damage-control exercise, Planning Commission Deputy Chairman Montek Singh Ahluwalia and Rural Development Minister Jairam Ramesh, however, declared at a press conference that the government favoured de-linking of food entitlement and other social programmes from the present poverty line that was derived from the Suresh Tendulkar Committee's findings.

This may require amendments to the draft National Food Security Bill, which was posted on the Food Ministry's website for public comments.

The Bill provides for grains entitlement to 75 per cent of the rural population, with a minimum of 46 per cent households as 'priority.' It is this ceiling on the number of 'eligible' poor households that the civil society is opposing.

"The present State-wise poverty estimates using the Planning Commission's methodology will not be used to impose any ceiling on the number of households to be included in different government programmes," said a joint statement issued by Mr. Ahluwalia and Mr. Ramesh.

The new methodology for determining poor households in rural areas would be based on the socio-economic caste census that was expected to be completed by January 2012.

The census would take into account deprivations based on seven indicators worked out by the Rural Development Ministry. A similar census in urban areas would be undertaken later.

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:20 IST

Food entitlement beneficiaries will be determined by parameters of new census

Gargi Parsai

De-linking entitlement from poverty line will not entail universalisation of the PDS

NEW APPROACH: Planning Commission Deputy Chairman Montek Singh Ahluwalia and Rural Development Minister Jairam Ramesh address a press conference in New Delhi on Monday. — Photo: V. Sudershan

With the new methodology proposed by the Planning Commission, beneficiaries under the National Food Security Bill will be determined through the parameters set under the socio-economic caste census, and not the State government machinery.

According to sources in the Commission, if the rural population to be covered for mandatory food entitlements is at least 46 per cent, then the government will decide on the parameters that will be used to identify the beneficiaries.

Even though food entitlements have been de-linked from the poverty line, there will be no universalisation of the public distribution system.

Only necessary parameters

Under the new criterion, if the government decides to go by the 46 per cent coverage of the rural poor as provided in the draft Food Security Bill, then only those of the seven parameters would be assigned as needed to make the concerned households eligible for the subsidised food grains.

For instance, only 2.5 points may be needed and, therefore, assigned, to determine the eligible beneficiaries.

‘Annexed'

The percentage of beneficiaries in the draft Bill — 75 per cent of the rural population with at least 46 per cent as "priority" — does not form a part of the Bill, but are "annexed" to be notified under the Rules. The targeted population will, therefore, remain.

The 'who'

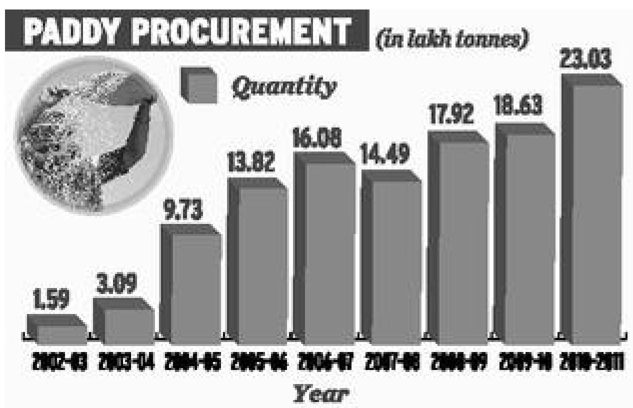
If the Tendulkar Committee report provides the percentage of "how much" poverty, the census will provide information on the "who" of the population living below the poverty line.

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:19 IST

Over 23 lakh tonnes of paddy procured during Kharif season

Special Correspondent

During 2011-2012, anticipated quantity of procurement will be 24 lakh tonnes



Over 23 lakh tonnes of paddy, the highest in 10 years, was procured by the Tamil Nadu Civil Supplies Corporation (TNCSC) during the just-concluded Kharif Marketing Season 2010-2011 (October 1, 2010 to September 30, 2011).

Since October 2002, the State government has been adopting the decentralised system of procurement as per the Minimum Support Price (MSP) and uniform specifications fixed by the Centre.

The TNCSC, the State government's authorised agency for procuring food grains and other essential commodities under the public distribution system, had adopted various systems of procurement such as monopoly procurement, parallel procurement and levy system between 1973 and 2002.

An official said that during 2011-2012, the anticipated quantity of procurement would be 24 lakh tonnes.

A few days ago, the State government had issued an order, permitting the TNCSC to procure paddy at Rs.1,180 per quintal for Grade ‘A' paddy and Rs.1,130 per quintal for the common variety.

The Corporation was directed to open adequate number of procurement centres in the Cauvery delta region and other paddy growing areas in the State in consultation with District Collectors.

In the non-delta areas of the State, District Collectors have been permitted to open direct purchase centres, depending upon the arrival of paddy.

The official explains that the rates specified in the order include the State government's per quintal incentive of Rs.50 for common variety and Rs.70 for Grade ‘A' variety.

In June this year, the Union government communicated to the State government that the MSP figures for Grade ‘A' and common varieties were Rs.1,110 per quintal and Rs. 1,080 per quintal.

Compared to the previous year, there would be a net increase of Rs.80 per quintal for the two varieties.

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:17 IST

Ryots asked to take up sowing of chilli

Staff Reporter

Tamil Nadu Agricultural University (TNAU) has asked farmers to take up chilli sowing during October to get a good price during harvest.

The Domestic and Export Market Intelligence Cell of TNAU studied the chilli price that prevailed at the Virudhunagar regulated market and predicted that the price of chilli in February-March 2012 will be between Rs. 60 and Rs. 70 a kg.

Area under chilli cultivation has decreased in Andhra Pradesh, which is expected to favour Tamil Nadu farmers in getting a good price. Therefore, farmers are asked to treat the seeds with trichoderma 10 gm / kg seed or drench the nursery bed with Ridomil at 2 gm / litre as preventive measure.

In Tamil Nadu, chilli is raised in nursery or directly sown in October-November and harvested during February-March.

Peak arrivals are during April-May.

The State produces 58 per cent chilli under rainfed conditions.

During 2010, Virudhunagar market dry chilli was sold between Rs. 31 and Rs. 49 a kg. But now, the cost hovers between Rs. 82 and Rs. 89 a kg.

State in seventh position

The State occupies the seventh position in chilli production in India.

During 2008-09, Tamil Nadu produced 32,924 tonnes of chilli from 64,412 hectares.

The major producers in the State are Ramanathapuram (samba), Tuticorin (gundu), Sivaganga (samba), Virudhunagar (samba), Tirunelveli (samba), and Sankarankovil (samba, gundu).

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:19 IST

Veterinary university training research centre opened

Staff Reporter

From now on, farmers and cattle growers in the district will get updated information and disease alerts from veterinary scientists periodically, thanks to inauguration of a veterinary university training and research centre on the campus of collectorate master plan complex by the Chief Minister J. Jayalalithaa here on Monday.

The complex was constructed at an estimated cost of Rs.28 lakhs. It has a spacious hall and two mini halls for conducting training programmes. Disease investigation wing will function from this centre.

It will be very useful to farmers and cattle growers, said Collector K. Nagarajan while interacting with Chief Minister through video conferencing at the inaugural function.

University of Veterinary Sciences Professor S. Beer Mohammed said the centre would give alerts about spread of contagious diseases to cattle growers well in advance.

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:03 IST

20 farmers trained on ornamental fish culture

Special Correspondent

Programme organised by IOB and NABARD

Twenty progressive farmers from Thanjavur, Ariyalur, Tiruvarur and Cuddalore districts participated in a training on fresh water carp farming and ornamental fish culture here recently. The programme was organised by the Indian Overseas Bank, and National Bank for Agriculture and Rural Development (NABARD).

The objective of the programme, according to S. Krishna Prasad, Chief Regional Manager, IOB, was to encourage high-tech practices among farmers on carp farming, maintaining the sustainability and productivity of yield and improving the income level of farmers.

The programme was conducted with the technical support of Tamil Nadu Veterinary University Extension Centre, Thanjavur. R. Suresh and V.Senthilkumar, of the extension centre provided the technical inputs such as composite fish culture and stunted method of fish culture.

Emphasis was laid on pond preparation, seed selection, stocking, water quality management, feed and feeding management, disease diagnosis, and harvesting and marketing.

The farmers visited Himalayan fish farm and Angel Aqua Farm at Thittai village for hands-on training and practical exposure.

Delivering the valedictory address, Mr. Krishna Prasad said that fish culture was highly lucrative business. Mr.Krishna Prasad distributed certificates to the trainees. P. Vetriselvan, Director, Indian Overseas Bank Rural Self Employment Training Institute said that the training elicited good response especially among women. Puthumaiselvan, fish farmers from Siramelkudi village said that the training was very beneficial. “I will start composite carp farming in two hectares of land," he added.

- *Emphasis laid on pond preparation, seed selection, stocking, water quality management*
- *Farmers visit Himalayan fish farm and Angel Aqua Farm for practical training*

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:18 IST

Mettur level

The water level in the Mettur dam stood at 85.38 feet on Monday against its full level of 120 feet. The inflow was 13,716 feet and the discharge, 12,003 cusecs.

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:03 IST

Collector distributes sweets to farmers at training centre

Special Correspondent

Collector C.Munianathan visited the newly inaugurated farmers training centre of Tamil Nadu Veterinary and Animal Sciences University at Vilamal Dhyanapuram near here on Monday.

He distributed sweets to farmers and discussed with them the training to be given at the centre.

The Rs.26.25-lakh building on 0.35 hectares was inaugurated by Chief Minister Jayalalithaa via videoconferencing from Chennai on Monday.

Muniyanathan lit a Kuthuvilakku after the inauguration by the Chief Minister at the building. He said training in poultry farming, dairy development, goat and sheep rearing, and fisheries would be given to farmers. The building consists of a block for administration, training centre and an exhibition hall. T.Kathiresan, extension officer of Tamil Nadu Veterinary and Animal Sciences University, and M.Kathirvelu, assistant professor of the farmers training centre participated.

Published: October 4, 2011 00:00 IST | Updated: October 4, 2011 04:08 IST

Farmers need awareness on organic farming

Farmers should be made aware of the benefits of organic farming through workshops in rural areas, said K.P. Suresh of Green Foundation at Kadgod near Sirsi, according to a release on Monday.

Mr. Suresh had been inaugurating a workshop on “Sustainable Agriculture”. Although India was not responsible for the impact of climate change in the world, it had to pay the price for it, he said. Climate change affected crops such as arecanut and cucumber. Irregular rainfall affected paddy cultivation, he said.

The government spent about Rs. 2 lakh an acre on irrigated lands but neglected 60 per cent of sustainable agriculture depending on rainfall, he said. There was a need to create awareness to conserve old variety of paddy that most present-day farmers did not know, Mr. Suresh said.

Srikant Ravlogi, Gangadhar Maddimane of Green Foundation, Ramesh Hedge Kangod of Sahyadri Parisara Vardhini, and a number of local farmers were present.

---

hindustantimes

Tue,04 Oct 2011

Weather

Delhi - INDIA

Today's Weather

Sunny

Tuesday, Oct 4

Max	Min
34.8°	23.7°

Rain: 00 mm in 24hrs
Humidity: 39%
Wind: Normal
Sunrise: 6:14
Sunset: 18:05
Barometer: 1005

Tomorrow's Forecast

Partly Cloudy

Wednesday, Oct 5

Max	Min
34°	23°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Oct 6	Oct 7	Oct 8	Oct 9	Oct 10
34° | 22°	34° | 23°	34° | 24°	34° | 24°	35° | 24°
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

---

By IANS

04 Oct 2011 10:09:24 AM IST

Bio-fuel not at cost of food security: FAO

JAKART: The Food and Agriculture Organization (FAO) Monday stressed that the need of bio-fuel should not be at the sacrifice of food security as the world should be alert against food scarcity.

Purushotam K. Mudbhary, senior policy officer at the Social, Economic and Policy Group of FAO Regional Office for Asia and the Pacific, said that every country has different policy towards bio-fuel, reported Xinhua."For example, India and China have policy that food should not be diverted into bio-fuel production.Meanwhile, some countries expend some land areas for palm oil that are produced into biodiesel.For example, Brazil has a lot of areas to produce ethanol from sugarcane," he said in a discussion during the ASEAN Food Security Conference here.

He said that these countries make decisions based on their own policy.

"Decision of each country can be different. That's why, it is very difficult to provide certain figures on how much commodity we should provide for bio-fuel," he said.

He added that the world needs to increase food production by 70 percent now.

"Therefore, basically we should not sacrifice food for bio-fuel," said Mudbhary.

© Copyright 2008 ExpressBuzz

Tue, Oct 04, 2011 | Updated 08.46AM IST

4 OCT, 2011, 05.23AM IST, MADHVI SALLY & PK KRISHNAKUMAR,ET BUREAU

Seafood exporters eye Chinese market

KOCHI/AHMEDABAD: As purchases from Europe and the US dwindle, Indian seafood exporters are turning more to China. Already, China is the top buyer and with the ongoing economic distress in the US and Europe, China could further raise its share in the Indian seafood market.

"China is quite active in the market. They are reducing cost by going for direct purchase, avoiding middlemen. By the end of the current fiscal, their share in Indian seafood by value could rise beyond the current 15%," said N Ramesh, director of marketing, Marine Products Export Development Authority.

Though the EU accounts for a major share of 27% in value terms, its offtake is showing signs of a gradual decline.

This can be seen in the purchase as, unlike in the past, they are going for small-sized shrimps to cut down cost.

Higher demand from China and Southeast Asia is partly due to some problems faced by these countries. "They are facing some shortage of the product as farms of vannamei shrimps, which command the best prices in the market now, have been hit by diseases. Floods in Thailand have led to a washout," said Anwar Hashim, president of Seafood Exporters Association of India.

Gujarat, the largest exporter of fish in both quantity and value from India, saw demand from Europe and the US fall by 5% to 7%. "We expect a further decline of 5% from these markets. The European buyers are currently adopting a wait-and-watch policy, anticipating that the prices will fall by 10% or the market will stabilise," said Jagdish Fofandi, secretary-Gujarat, Seafood Exporters Association .

---

4 OCT, 2011, 05.10AM IST, SUTANUKA GHOSAL,ET BUREAU

Domestic market shines for Darjeeling tea

KOLKATA: Darjeeling tea industry is in a happy mood. After years of promotion, domestic consumers have started picking up premium Darjeeling tea. This will partly reduce the worries of Darjeeling tea producers who depend mainly on export for revenue.

Annually, Darjeeling produces nearly 10 million kg tea. Of this, 40% earns the maximum revenues as they are largely exported. The rest is rain teas that generally do not fetch good prices in the world market.

"We are seeing that Indian consumers are now ready to pay higher prices for Darjeeling tea. This is a great achievement. We have been trying to sell Darjeeling teas in the domestic market for sometime now. We were even thinking of blending the rain teas with the premium quality and market it for domestic consumption," said Sanjay Bansal, chairman of Ambootia Group, the second-largest Darjeeling tea producer in the country.

The industry feels that this will bring down the worries of the Darjeeling planters in a big way. "The impact of recession or any other financial crisis in Europe will not hit their bottomline," said an industry analyst. However, the export market is also shining bright for Darjeeling teas this year. Harrods of Knightsbridge has picked up 20% more while Twinings has placed enquiries with the tea companies. Japanese buyers like Mitsui too have placed orders. Strong demand from overseas has pushed up the prices of Darjeeling teas at auctions by Rs 10-15 per kg.

"There is a huge demand among the buyers of organic teas. Those gardens that produce organic teas are fetching good prices in the global market. In general, prices of tea are ruling firm," Bansal added.

Last year, Darjeeling tea had suffered a fall in production due to a drought-like situation in the hills. This year, production of tea has increased due to favourable weather. "Last year, production got affected due to a drought-like situation. We lost the premium first- and second-flush teas, which fetch maximum revenues for the tea companies. Revenue-wise, this year will be better than last year," said Ashok Lohia, chairman of Chamong Tee, the largest Darjeeling tea producer in the country.

Last year, Darjeeling had produced 8 million kg tea, which was the lowest in the last decade.

Agriculture department facing acute shortage of staff

MONDAY, 03 OCTOBER 2011 22:20

With the state government pressing for implementation of the schemes aimed at making farmers' income double, the Agriculture department was facing acute shortage of staff that could monitor the implementation of all schemes in the districts.

Pointing at the curious situation, an officer in the state Agriculture directorate said, "owing to a staff crunch we are not in a position to utilise the funds already released by state and Central governments".

In the current fiscal the Centre have released Rs 378 crore s for agricultural reforms in various schemes and hike in grain production.

Recently after a review of the ongoing schemes, the Centre decided on providing rest of the amount only after a minimum of 60 per cent of the money, already released by it, were utilised, he said.

Moreover from next fiscal funds from the Centre were likley to be three to four times more than in present since several new schemes were to be taken by the state.

Sources in the Agriculture directorate said, if the state government was really concerned about its scheme of enhancing farmers' income, it should launch fresh recruitments immediately otherwise it might be forced to refund most of the Central funds because of poor implementation of schemes.
There are no agriculture officers (AOs), responsible for coordination of departmental schemes, in 50 districts. Ssenior offcials were being given additional charges of AOs who seldom get time to visit the villages and meet the farmers, the sources said.

Similarly there were no land conservation officers (LCOs) in 41 districts who are supposed to monitor compliance of the schemes for turning barren and saline lands into fertile ones. Here again adhocism was prevailing as senior officials were being given additional charges.

In 250 tehsils there were no block level officials meant for publicity of departmental schemes. The most acute crisis was the lack of field technical staff where as many as 5,500 posts were lying vacant for years together.

The ‘Apni Mitti Pehchano’ programme, aimed at recommending remedy to farmers for maintaining productivity of land before every new crop, was not being carried out in all districts due to the dearth of technical staff, the sources said.

Both the Agriculture Ministry and the state administration were well aware of the conditions prevailing in the department and they have assured of taking necessary action in the near future, a senior official in the Agriculture directorate said.

Business Standard

Tuesday, Oct 04, 2011

High global cotton output estimates dampen exports

Rajesh Bhayani / Mumbai October 04, 2011, 0:58 IST

Despite cotton exports being allowed under the open general licence (OGL) from October 1, there seem to be few takers for these. Falling prices have affected Indian exporters following reports of high crop estimates from all producing countries.

Earlier, 10 million bales of cotton were allowed to be exported till the end of September, the last cotton year. Traders had met this deadline.

India’s benchmark Shankar-6 variety is quoted at 110 cents at the global index for cotton prices – Cotlook Index. The price, at the current exchange rate, works out to Rs 42,688 per candy. Exporters say if prices fall or the rupee loses further against the dollar, profit margins will take a beating. Cotton exports will only be viable if the prevalent rate to procure cotton in the domestic market remains at Rs 39,000 per candy (provided the exchange rate and global market remain at the same level).

“Exporters are staying away for the time being, because of the volatile currency and falling prices in the global market,” said an exporter. While nearly 10 million bales of cotton shipments were completed last weekend, new exports will take off slowly. From October, cotton exports have been placed under OGL.

The global cotton market was not attractive for Indian exporters, as the yield was expected to be much higher in all major producing countries this season, said a release from the International Cotton Advisory Committee.

Global cotton production is expected to rise by eight per cent from 24.9 million tonnes last year, to 26.9 million tonnes (124 million bales, one bale = 170 kg) in 2011-12. The increase in output will be driven primarily by China, followed by India, Pakistan, Australia and Turkey. China’s production is expected to rise by 13 per cent to 7.2 million tonnes, India’s by nine per cent to 6.0 million tonnes, Pakistan’s by 19 per cent to 2.3 million tonnes, Australia’s by 23 per cent to 1.1 million tonnes, and Turkey’s by 42 per cent to 641,000 tonnes.

India’s cotton crop estimates by all agencies also stood higher with the agriculture ministry expecting 36.1 million bales, the Cotton Advisory Board estimating 25.5 million bales and the Cotton Association of India estimating 36.3 million bales.

Arun Dalal, an Ahmedabad-based cotton trader, said: “Cotton prices could fall further as the arrivals of new cotton crop increases, but exporters are expected to enter the market when the price touches the Rs 38,000 marl. Mills are also looking to buy more from the coming season.” He said 600,000-700,000 bales of cotton would be exported over the next few months.

However, the over all scene for cotton is not so enthusiastic. Ginners are worried as cost of cotton ginning has been going up. Market price of cotton is expected to fall further as arrivals increase from 35,000 bales every day to 70,000 bales in another fortnight. Prices of cotton by-products are also falling. In the last one month, cotton seed prices have fallen from Rs 380 per 20 kg to Rs 325, cotton seed oil from Rs 820 per 50 kg to Rs 700 and oil cake from Rs 680 per 10 kg to Rs 580.

MCX launched cotton futures trading on Monday and prices quoted were ex-warehouse, Rajkot. Delivery centres have been set up at many places by contract. MCX cotton futures recorded a volume of 9,600 bales valued at Rs 17.73 crore. Open interest was 1,575 bales.

Pepper up on export demand

Press Trust of India / New Delhi October 03, 2011, 13:53 IST

Pepper prices moved up by Rs 350 to Rs 35,480 per quintal in futures trading today as speculators created fresh positions, driven by pick up in local as well as export demand.

Restricted arrivals from producing regions also supported the uptrend in pepper futures prices.

At the National Commodity and Derivatives Exchange, October pepper rose by Rs 350, or 1%, to Rs 35,480 per quintal, with an open interest of 6,555 lots.

The November delivery edged up by Rs 345, or 0.97%, to Rs 36,050 per quintal, with an open interest of 4,515 lots.

Marketmen said a rise in local as well export demand against restricted arrivals from producing regions, mainly led to the rise in pepper futures prices.

Maize futures down on weak spot sentiment

Press Trust of India / New Delhi October 03, 2011, 13:43 IST

Maize prices declined by Rs 14.50 to Rs 1,074 per quintal in futures trade today as speculators preferred to off-load their positions in tandem with weak spot market cues.

Marketmen said weak demand from bio-products making industries along with increased stocks in the physical markets mainly put pressure on maize futures price here.

In addition, a weak trend in the international markets influenced the trading sentiment.

At the National Commodity and Derivatives Exchange, December maize declined by Rs 14.50, or 1.33%, to Rs 1,074 per quintal, with an open interest of 3,380 lots.The November contract moved down by Rs 13, or 1.23%, to Rs 1,045 per quintal, with an open interest of 11,160 lots. Likewise, prices for delivery in October eased by Rs 8, or 0.79%, to Rs 998.50 per quintal, with an open interest of 19,510 lots.

Chana futures gains 2.7% on strong spot demand

Press Trust of India / New Delhi October 03, 2011, 12:16 IST

Amid strong demand in the spot market due to the ongoing festive season, chana prices gained Rs 88 to Rs 3,304 per quintal in futures trade today on fresh buying by speculators.At the National Commodity and Derivatives Exchange, November chana rose by Rs 88, or 2.74%, to Rs 3,304 per quintal, with an open interest for 133,070 lots.The October contract shot up by Rs 36, or 1.15%, to Rs 3,160 per quintal in 177,830 lots.

Market analysts said strong demand in the spot market for the ongoing festive season mainly led to the upsurge in chana futures prices.

THE HINDU Business Line

Blooming Bt traits

Higher production: Fluffy BT cotton pops out of a shell at a farm in Bhadrachalam in Andhra Pradesh's Khammam district. Cotton production is likely to be over 350 lakh bales in the current season (October-September) against 325 lakh bales last season, according to the Ministry of

Textiles. Over 90 per cent of the area under cotton in the country has been covered by Bt varieties.

(This article was published in the Business Line print edition dated October 4, 2011)

Area under sugarcane in Tamil Nadu rises 20%

R. Balaji

Chennai, Oct. 3:

Sugarcane acreage is on an upswing in Tamil Nadu, indicating sugar mills can look forward to improved cane availability in the 2011-12 season compared with the last season.

Industry figures indicate that sugar mills across the State are seeing a 20 per cent upswing in sugarcane registration with total acreage touching about 5.8 lakh acres against 4.8 lakh acres last season. This translates to about 23 lakh tonnes of sugar production, about 20 per cent higher than the current 2010-11 production of about 18 lakh tonnes estimated as of September.

The higher acreage achieved and the forecast of higher sugar production has evoked a mixed response from industry representatives. Sugarcane is reasserting its position as an option for farmers compared to other competitive crops but high labour costs are a concern for the mills and the farmers. Also, any improvement in raw material availability is good news for the private sector sugar mills, which after having expanded capacities in recent years have been facing cane shortage.

But with sugar output set to grow by about 10 per cent to 260 lakh tonnes in the domestic markets in 2011-12, sugar mill representatives are worried about prices falling.

However, despite the anticipated increase, sugarcane levels in the coming season still do not match the peak levels of sugarcane crushed in 2006-07 when Tamil Nadu crushed about 258 lakh tonnes of cane to produce about 26 lakh tonnes of sugar.

Mills in the private sector then handled 186 lakh tonnes of cane. In 2010-11 private sector mills are set to crush about 145 lakh tonnes, well below peak levels.

Seven new mills added since then, including Bannari Amman group's Madras Sugars, are starting in the current season.

Compared with the peak production, sugar mills in the State have the capacity to handle over 320 lakh tonnes of cane.

But even with the increased acreage in 2011-12 the sugarcane availability is still about 30 per cent short of what installed capacity. As of the current season, there are 26 private sector sugar mills and 18 in the cooperative and public sector in Tamil Nadu.

(This article was published in the Business Line print edition dated October 4, 2011)

Prices firm up at Kochi tea auction

Our Bureau
Kochi Oct. 3:

Tea prices continued to rule firm even as arrivals are stabilising at lower levels. There were 10,69,000 kg of dust and 2,73,500 kg of leaf tea on offer at the Kochi Tea Auction.

High priced and popular CTC dust teas moved up by Rs 2-3 a kg as buyers pursued quality. Several of the smaller grades moved up even higher. However lower grade teas quoted at last week's levels.

Tata Global, AVT and Kerala State Civil Supplies Corporation were active on good liquoring CTC dust grades.

Loose tea traders also lent fair amount of support. Hindustan Unilever remained selective.

Exporters were active on well made grainier grades.

High grown grades remained firm at the orthodox dust auction.

Medium grades were barely steady. Bulk of the offering at the orthodox dust was absorbed by exporters.

Leaf Auction

High grown orthodox fannings were quoting higher as buyers pursued quality.

High grown whole leaf and broken grades were irregular.

Medium whole leaf and bolder broken grades sold around last week's levels while prices of medium orthodox grades and fannings continued to ease.

Traditional exporters and those to Tunisia were active.

HUL was selective at the orthodox leaf auction.

Bulk of the fannings was absorbed by tea bag exporters.

There was good demand at the CTC leaf auction also.

Prices of good liquoring grades moved up smartly while some of the lower grades gravitated lower.

Internal and upcountry buyers were active while exporters lent fair amount of support at the CTC leaf auction.

Top Prices

Kodanad BOPD fetched the top price at the dust auction at Rs 140 followed by Injipara SRD and Injipara SFD at Rs 127 and Injipara RD at Rs 121.

At the leaf auction Pascoe's green tea fetched the top price at Rs 289 followed by Chamraj OP at Rs 205, Chamraj FOP at Rs 180 and Havukal BOPF at Rs 177.

(This article was published in the Business Line print edition dated October 4, 2011)

Cashew export promotion body seeks more funds, schemes

Our Bureau
Kochi, Oct. 3:

The Cashew Export Promotion Council of India (CEPCI) has urged the Union Government to allocate sufficient funds and put forward necessary schemes to increase the production as also productivity in the country.

The raw cashewnut requirement of the cashew processing industry is estimated at about 15 lakh tonnes a year and the availability from internal sources is less than half of this.

The balance is met by imports and as such, it is important to make the country self-sufficient in the matter of raw cashew, Mr T.K.Shahal H.Musaliar, Chairman, CEPCI, said.

According to the estimate of the Directorate of Cashewnut and Cocoa Development, production of raw cashew nuts in India during 2010-11 was 6,53,000 tonnes against 6,13,000 tonnes during 2009-10, reflecting a nominal increase, he said addressing the 56 {+t} {+h} annual general meeting of the Council.

The Directorate of Cashewnut and Cocoa Development under the Ministry of Agriculture is taking some steps in this direction by implementing schemes for production development, he added.

Considering the country's stake in the international cashew trade, the Chairman urged the Union Government to participate in the Global Cashew Task Force, as this would in turn help in ensuring the country's leadership in the world market.

(This article was published in the Business Line print edition dated October 4, 2011)

Cardamom rules steady on Diwali buying

G.K. Nair
Kochi, Oct. 3:

The cardamom market ruled nearly steady last week with marginal fluctuations on matching demand-supply at auctions.

Total arrivals during the week dropped to around 520 tonnes from over 600 tonnes the previous week. The decline in arrivals was due to the auction holiday on Sunday on account of Gandhi Jayanti, trade sources said.

There was good Diwali buying by upcountry dealers. Exporters also bought an estimated 40-50 tonnes last week, they said. Except for the Saturday auction, where the auction average stood at Rs 656.45 a kg, during the rest of the week, the average fluctuated between Rs 600 and Rs 610 a kg. Diwali buying, trade claimed, kept the market nearly steady at the current levels and it might continue for some time, they said.

Arrivals at the auctions continued to remain high, indicating that growers are ready to sell at the current price of above Rs 600 a kg. The crop this year is estimated to be higher than last year and holding back would be disastrous, they said. Favourable weather conditions this year might lead to continuous harvesting and an availability of the commodity throughout the year which might have a negative impact on the price, they claimed. The market witnessed a positive trend last week, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line*. He said the CPMC will not have an auction on Wednesday on account of *Mahanavami*.

Total arrivals during the current season up to October 1 stood at 3,860 tonnes against 1,735 tonnes in the corresponding period lastseason. Sales during the period were at 3,782 tonnes and 1,623 tonnes respectively. Weighted average price as on October 1, 2011 was at Rs 603 a kg, while that on the same day last year was at Rs 1,210 a kg.

The arrivals on Monday at the CPA auction in Bodinayakannur in the morning were at 55 tonnes, trade sources in Bodi said.

(This article was published in the Business Line print edition dated October 4, 2011)

Mixed trend in rubber

Aravindan
Kottayam, Oct. 3:

Physical rubber prices showed a mixed mood on Monday. The market opened weak but regained strength in major counters as domestic futures recovered the initial losses on late trades.

The overall sentiments were bearish, while the remaining grades including latex lost mainly on buyer resistance.

With peak production season on and climatic conditions improving, gains will be limited though the projected demand-supply deficit and falling inventories in warehouses might cushion a fall.

As China goes for a week-long holiday starting Monday, activities are expected to be dull during the week in the global scene.

Sheet rubber closed unchanged at Rs 209 a kg according to traders.

The grade dropped to Rs 208.50 (209.50) a kg both at Kottayam and Kochi as quoted by the Rubber Board.

RSS 4 improved at its October series to Rs 209.50 (208.82), November to Rs 205.70 (205.04), December to Rs 207.40 (206.36), January to Rs 208.50 (207.06) and February to Rs 209.55 (209) a kg on the National Multi Commodity Exchange. RSS 3 (spot) slipped to Rs 203.53 (207.33) a kg at Bangkok.

The October futures declined to ¥294 (Rs 188.15) from ¥301.8 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 209 (209); RSS-5: 206 (206); ungraded: 197 (198); ISNR 20: 201 (203) and latex 60 per cent: 130.50 (131).

(This article was published in the Business Line print edition dated October 4, 2011)

Flooding of poor, adulterated teas in S. India worries trade

Our Bureau

'10-15 persons under scrutiny for such activities'

Kochi, Oct. 3:

The rampant flooding of inferior and artificially coloured teas in the Kerala market through alternate routes from outside the State poses a greatest threat to the industry, the Tea Buyers Association of Cochin said. This has also undermined the legitimate tea trade in the region. While these issues have already been brought to the notice of the Government through memorandum submitted by related associations and through the media, the Cochin Tea Buyers Association urgently demanded that this menace be rooted out.

E-auction system

Addressing the 38 {+t} {+h} Annual General Meeting of the Association, Mr Benzy Jose, the association's President said that the recurrent interest rate hikes, spike in prices of petroleum products and high working capital requirements have collectively thrown the tea trade industry into great difficulty. He urged the Tea Board to take necessary steps to encourage the producers to sell the maximum quantity of tea through the transparent and open e-auction channel.

Though the production of tea increased marginally last year in the domestic market, global production declined in comparison. Even as the e-auction system and online settlement through banks have made the working of the tea auction centre in Kochi more efficient, participants taking part in the auction continue to face several other problems. Mr Benzy Jose demanded that the tea-growing areas should not be burdened in any other manner.

He said that it is a fact that quality teas would get support and fetch good price from the market. However, if there is a concerted effort to enhance the quality by the appropriate authorities, the availability of sufficient premium tea can be ensured in the national and international market which could lead to better price realisation for the producers.

L.N. Revathy reports from Coimbatore:

The Executive Director of Tea Board, Mr R Ambalavanan, has urged the members of the trade to desist from going in for private sale to get the maximum benefit of the auction platform.

Addressing the 29th Annual General Meeting of the Tea Trade Association of Coimbatore (TTAC), Mr Ambalavanan asked the members to put in more efforts to dispose of the maximum quantity offered to boost the confidence of the sellers.

The total volumes offered at Coimbatore auction centre in the first nine months of this calendar year stood at 20.26 million kg. The sold quantity, however, was 13.95 million kg, accounting for 69 per cent of the offered volumes.

Conceding that the low average price realisation was another area of concern for the auction centre here, the Tea Board ED called upon the members to offer high quality teas to get better returns.

Referring to the return of huge consignments from Iraq, Mr Ambalavanan said, “Whatever may be the reason attributed to such returns or rejections, such situations become irreparable and cause a serious blow to the image of South Indian teas. Merchant exporters, therefore, ensure that only high quality teas are procured and exported.”

The Tea Board is proposing to have proper quality assurance checks before shipment and also proposing to fix the minimum price level below which the export of teas would not be permitted. “A final say on this is yet to be ascertained,” he added.

Quality assurance

On adulteration, he appealed to the members to help the Board isolate the perpetrators of colour-added teas in the domestic market. “By using the loopholes in law, a few of these adulterators maximise their profits unethically and it is due to these unscrupulous elements that the image of the South Indian tea industry is getting adversely impacted. We should remain united to fight this menace," the ED said, adding "it is all the more important to stay united as the sector is facing various problems such as global warming, seasonal fluctuation, labour shortage, unstable market and so on. We need to understand and work to get equitable and optimum returns using the potential of tea as a health drink."Later briefing presspersons, he said that the Board has identified about 10–15 people, who indulged in adulteration and are monitoring them closely."While the guilty would be punished, the punishment for those indulging in such activities should be made harsher," he said.

Shrinking acreage

Responding to a query on shrinking acreage, he said: "A survey finding revealed that 9 per cent of the area under tea was diverted. We will have to reconfirm this and take it up with the Government."Earlier addressing the 29th AGM, Mr N Anand, Chairman, TTAC appealed for getting the DEPB scheme for tea exports extended beyond the September 30 deadline till an alternative and better mechanism is introduced, as its discontinuance would dampen tea exports and affect tea prices.The association drew the attention of the State Government to the dual VAT on tea and appealed that it (VAT) be made uniform at one per cent for all teas sold through the auction centres at first point of sale and the need to organise workshops to educate the trade to ensure smooth transition from the present VAT system to the proposed Goods and Services Tax (GST) before implementing the same.

(This article was published in the Business Line print edition dated October 4, 2011)

Cotton rises despite limited demand

Rajkot, Oct. 3:

Cotton prices rose on Monday even as demand from exporters and millers remained limited amid new arrivals in Saurashtra.

A-grade Sankar-6 variety sold at Rs 38,500-39,000 a candy of 356 kg while B-grade sold at Rs 35,000-37,000 a candy. Raw cotton or *kapas* quoted at Rs 960-965 for delivery to ginners. It was traded at Rs 925-955 for a *maund* of 20 kg in the local market. New *kapas* was traded at Rs 700-850 for a *maund*.

While 12,000-15,000 bales of 170 kg each arrived in Gujarat, 27,000-30,000 bales arrived in the rest of the country.

Kalyan variety sold at Rs 25,000-27,000 a candy.

Traders said new kapas had started coming to the market in small lots.

Reckoning bumper production this year, MCX has launched cotton futures trading. The October contract declined by 0.68 per cent to Rs 18,870 a candy on the exchange.

The February contract was up Rs 4.20 to Rs 725.90 for a *maund*, with an open interest of 141 lots, on the National Commodity and Derivatives Exchange while April contract gained a nominal Rs 1.60 at Rs 725.90, with an open interest of 7,542 lots.

(This article was published in the Business Line print edition dated October 4, 2011)

High moisture, arrivals pound paddy

Our Correspondent

Karnal, Oct. 3:

More than 80,000 bags of paddy varieties arrived at the Karnal Grain Market Terminal on Monday. Procurement went on smoothly in the market and the entire stock was lifted by

Government agencies and rice mills. Because of high moisture level in some of the consignments and high arrivals, the stock was purchased on lower rates by the mills while government agencies were procuring it on MSP.

According to the report, 22,849 tonnes of different paddy varieties have arrived at the various grain markets of Karnal district till October 2.

In the rice market, with equal demand and supply in the market, prices of aromatic and non-basmati rice remained almost unchanged on Monday. Market may not turn volatile soon, and may remain stable until arrivals of new stock begin, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company.

Pusa-1121 (steam) ruled at Rs 4,900-4,950 a quintal, while Pusa-1121(sela) was around Rs 3,950. Basmati (raw) was at Rs 5,700 a quintal while Basmati sela sold at Rs 3,900 a quintal. Sharbati (steam) ruled at Rs 2,900-3,060 while Sharbati (sela) was at Rs 2,875 a quintal.

PR-11 (sela) sold at Rs 2,150-2,415 a quintal, while PR-11(raw) quoted at Rs 2,000-2,320 a quintal. Permal (sela) sold at Rs 1,850-2,070 a quintal while Permal (raw) was at Rs 1,900-2,100 a quintal.

More than 80,000 bags of paddy varieties arrived. Fifty thousand of PR variety and sold at Rs 1,050-1,150. Around 11,000 bags of Sugandha-999 arrived and it was lifted at around Rs 1,500-1,600 a quintal. About 12,000 bags of Sharbati variety arrived and quoted at Rs 1,550-1,630. RS-10 variety came with a stock of around 7,000 bags and went for Rs 1,250-1,340.

(This article was published in the Business Line print edition dated October 4, 2011)

Renewed buying boosts soya oil

Indore, Oct. 3:

Renewed buying at lower prices on the back of improved global cues lifted soya oil futures on Monday.

Soya refined oil for October delivery closed Rs 8.90 higher at Rs 614.90 for 10 kg on National Board of Trade. Soya oil, too, gained on improved buying at Rs 608.55 for October delivery and at Rs 591.60 for 10 kg for November delivery.

Soya refined sold at Rs 598-600 for 10 kg (Rs 600-603). Despite demand for soya solvent, its prices in the spot and delivery markets declined marginally at Rs 550-560 for 10 kg. Higher arrivals checked a rise in soya seeds at Rs 1,700-2,000 a quintal. Soyabean futures rose on strong buying, with its October contracts closing higher at Rs 2,115 a quintal, up Rs 14, and November contracts at Rs 2127 a quintal, up Rs 3.50. Arrivals of soyabean in state mandis on Monday jumped up to 3.25 lakh bags. Indore mandis received 10,000 bags, Ujjain 18,000 bags, Dewas 17,000 bags, Neemuch 15,000 bags and Mandsaur 10,000 bags. Plant deliveries of soyabean sold at Rs 2,040-2,090 a quintal.

Soya de-oiled cake sold at Rs 16,800 a quintal in Kandla port against Rs 15,000 a quintal in the local market.

(This article was published in the Business Line print edition dated October 4, 2011)

Quality sugar gains on bulk purchases

Mumbai, Oct 3:

Sugar prices ruled steady for average quality on the Vashi wholesale market, while rates for superior quality increased by Rs 8-10 a quintal on Monday.Bulk consumers such as confectionery and sweets maker favoured good quality white sugar for use. Local retailers' demand was as usual in normal quality. With sufficient arrivals and routine dispatches, the sentiment was steady. Traders are expecting improvement in demand from this week said, traders.Market sources said announcement of sufficient free sale quota of 17.50 lakh tonnes for the current month has eased the expectation of high volatility during the festival time based on speculation. Freight rates were also steady despite continue normal dispatches to local market and for exports. Local demand is expected to pick up for soon.

Mr. Mukesh Kuwadia, Secretary of Bombay Sugar Merchants Association, told *Business line*: “Sugar prices are not expected to rise as quota is sufficient to meet festival demand. Mills are carrying sufficient inventory stocks as production is higher. Lifting pressure for stockist also eased with start of new month. Sugar market now is passing through sufficient demand – supply equation and there is no reason for high volatility”.With the routine retail demand and absence of inventory buying sentiment, arrivals in the Vashi market were about 52-53 truckloads (each 100 bags), while local lifting was 50-51 truckloads. On Saturday to till noon on Monday, about 22 – 24 mills offered tenders and sold about 65,000 – 70,000 bags to local traders in the range of Rs 2,640 – Rs 2,715 (Rs 2,640 – Rs 2,705) for S-grade and Rs 2,740 – Rs 2,840 (Rs 2,740– Rs 2,830) for M-Grade.**Bombay Sugar Merchants Association's spot rates** : Spot: S-grade Rs 2,768 – Rs 2,840 (Rs 2,768 – Rs 2,841) and M-grade Rs 2,848- Rs 2,986 (Rs 2,848- Rs 2,981).*Naka* **delivery rates :** S-grade Rs 2720- Rs 2760 (Rs 2,720 –Rs 2,760) and M grade Rs 2,800- Rs 2,940 (Rs 2,800 – Rs 2,920).

(This article was published in the Business Line print edition dated October 4, 2011

Turmeric pales on poor sales

Erode, Oct. 3:

Prices of hybrid finger variety turmeric declined by Rs 600 a quintal on Monday due to lack of quality and lack of sales.

“The price of the spot turmeric decreased by Rs 100 a quintal, on the opening day of the market after two-day closure. But the price in Regulated Market Committee increased. But for want of quality, traders quoted low price for the hybrid finger variety. The hybrid variety decreased by Rs 600 a quintal,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association, on Monday.

He said that the hybrid variety increased by Rs 1,000 a quintal on Friday last, due to arrival of fine quality, but on Monday (today) the quality was a bit poor, so the bulk buyers with orders on hand quoted lower price. From North India, fresh orders were received for the hybrid variety by the local traders.

Good quality

The price in the regulated market has improved by Rs 150 a quintal due to arrival of quality turmeric. Similarly, at the Erode Cooperative Marketing Society prices improved due to good arrival. But in both places sales were poor, as only the merchants purchased quality goods.

He also said that only a few limited farmers brought their turmeric for sale, totally 6,600 bags of turmeric arrived for sales, only 55 per cent stocks were sold. At the Erode Turmeric Merchants Association Sales Yard, the finger variety was sold at Rs 3,899-5,109 a quintal, the root variety Rs 3,689-4,400.

The finger variety fetched Rs 4,394-5,450, the root variety Rs 4,196-4,806. Of the total arrival of 1,643 bags, 540 were sold.

(This article was published in the Business Line print edition dated October 4, 2011)

Weak futures, global cues drag edible oils

Mumbai, Oct. 3:

Edible oils declined on Monday tracking weak local and global futures markets.

Palmolein, soya refined oil, rapeseed oil and cotton oil fell by Rs 3-7 for 10 kg in the local market. Groundnut oil and sunflower oil ruled steady despite weak sentiment at producing centres because of increased new arrivals.

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives (BMD) fell to the lowest since October 8, 2010, mirroring sharp falls in soya futures on Chicago Board of Trade. Need-based buying by stockists in the ready market kept volumes low in Mumbai. Local refiners reduced prices of palmolein and soya oil, in line with foreign markets. A refiner sold 300-350 tonnes of soyabean oil and about 200-250 tonnes of palmolein at reduced rates. Resellers traded 70-80 tonnes of palmolein at Rs 530.

Liberty offered palmolein at Rs 533 and soya oil at Rs 620. Ruchi quoted palmolein at Rs 530 and soya refined oil at Rs 615. Allana offered palmolein at Rs 533. In Rajkot and Saurashtra, groundnut oil declined by Rs 10 at Rs 1,285 for a *telia* tin and by Rs 5 to Rs 830 for loose (10 kg).

Malaysia's BMD CPO November contracts settled at MYR2,860 (MYR2,904), December at MYR2,845 (MYR2,905) and January at MYR2,850 (MYR2,895) a tonne. Soya oil for October delivery closed at Rs 614.90 (Rs 608.20) and at Rs 593.80 (Rs 595) for November delivery.

Mumbai commodity exchange spot prices (Rs/10 kg): groundnut oil 870 (870), soya refined oil 617 (620), sunflower exp. ref. 665 (665), sunflower ref. 740 (740), rapeseed ref. oil 675 (680), rapeseed expeller ref. 645 (650), cotton ref. oil 638 (645) and palmolein 530 (535).

(This article was published in the Business Line print edition dated October 4, 2011)

© The Hindu Business Line