THE HINDU

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Onions bring tears as prices crash

M. Ahiraj

Farmers, who were initially worried about the low yield of onion this year, owing to depletion of groundwater caused by failure of monsoon, are now hit hard by a sudden crash of its price.

“After the failure of kharif crop for want of rain, I cultivated onion as a summer crop on one acre of land by getting water from a borewell in the neighbourhood for a consideration, expecting some income to run the family. But to my bad luck, the groundwater has depleted due to failure of rain, which has, in turn, adversely affected the yield. Now, even the low yield is not fetching me the cultivation costs due to a steep fall in the price of onion,” Nabisab, a farmer at Susheel Nagar in Sandur taluk, said.

The plight of those who had grown onion as a summer crop in villages in Sandur taluk, including Vaddu, Kurekuppa, Bhujanganagar, Basapur, Talur, Lakshmipur, to name a few, is similar to that of Mr. Nabisab. All these farmers have tube well irrigation facility. Onion is also preferred and cultivated in some pockets of Hospet and Hadagali taluks. According to an estimate, onion is grown on about 4,000 acres with tubewell irrigation facilities in the district.

COIMBATORE, April 16, 2012

Farmers asked to reduce area under turmeric cultivation

Since the price of turmeric is expected to be around Rs. 3,200 and Rs. 3,500 a quintal in the next three months, turmeric farmers are asked to decrease the extent of cultivation to avoid a drastic price decline in the coming season.

According to a release from the Domestic and Export Market Intelligence Cell of Tamil Nadu Agricultural University, at least 50 per cent of area should be reduced this year.

If this is done, the price in February 2013 is expected to increase.

Those who want to store the produce, are asked to avail storage facilities in the Regulated Market, Central and State warehouses and co-operative godowns.

So far, only 25 per cent of turmeric has arrived in the market.

At present, turmeric from Dharmapuri, Attur, and Mysore, are arriving in the market.

Turmeric from Coimbatore, Kodumudi, Sivagiri and Erode will arrive from next month. Turmeric arrivals will start increasing in major markets in India.

COIMBATORE, April 16, 2012

Sugarcane farm damaged

Nine elephants of a herd damaged sugarcane farm in Somayampalayam.

According to the Boluvampatty Forest Range officials, the herd that included three calves remained stationed at the farm despite efforts to chase them.

Water

After a long struggle, the herd moved towards the forests near Marudhamalai temple. The officials said that the elephants could return to the village for want of water.

CHENNAI, April 16, 2012

6,000 milk cooperative societies to be formed

As many as 6,000 new milk co-operative societies would be formed in the State in a bid to bring milk producers outside the co-operative ambit into the fold, Minister for Dairy Development V. Moorthy said here on Wednesday.

Inaugurating an orientation programme and releasing a handbook for veterinarians, non-government organisations (NGOs) and district co-ordinators, he said this project would be taken up under the Strengthening Grassroot Milk Structure Scheme which is implemented in 60 taluks in 12 districts where milk yield is low and more than 50 per cent of the revenue villages do not feel the impact of the dairy co-operatives. According to an official release, this scheme will be implemented by NGOs, district co-ordinators and social workers.

Health cover

Apart from improving milk production to the desired level, the animals would get health cover under this.

The Minister said Chief Minister Jayalalithaa was aiming for a Second White Revolution. Those present at the function include Gagandeep Singh Bedi, Secretary, Animal Husbandry, Dairying and Fisheries Department, and M.R. Mohan, Commissioner for Milk Production and Dairy Development and Managing Director, Tamil Nadu Co-operative Milk Producers' Federation.

JAIPUR, April 16, 2012

Modern farming methods will drive agricultural prosperity, say experts

"India's farmers need to change with the times to enhance their efficiency"

Experts taking part in a panel discussion on agricultural technology here over the weekend laid emphasis on giving a fillip to farm technology and underscored the need for adopting modern methods to boost farm productivity, even as the country's agro-based economy is stated to be on the threshold of a second green revolution.

Several practical suggestions for augmenting agricultural growth, which in turn would increase farmers' prosperity, were made at the interaction attended by agricultural experts and scientists. Titled "Technology as a driver of growth: Ensuring farm prosperity", the discussion was the first in a series organised by a New Delhi-based web portal.

Indian Council of Agricultural Research Deputy Director-General (Crop Science) Swapan Datta presided over the dialogue, while other speakers were S. L. Kothari of Rajasthan University's Botany Department and Indian Maize Development Association president Sain Dass.

While advocating an action plan for evolving improved plant varieties, experts called for employing advanced technology for production, undertaking research for developing disease-resistant varieties and formulating strategies for dealing with climate-driven events such as droughts, floods and temperature fluctuations.

Plant biotechnology could help address issues related to limited resources like water and fertile land, impact of climate change and growing dependence on chemicals such as fertilisers and pesticides, pointed out the speakers. The significance of machinery was highlighted for effective and quick agricultural operations.

The farm machinery is useful for the works of deep ploughing, land levelling and other operations. For threshing and harvesting, multipurpose machineries are imperative, while machines used for drying crops are manufactured in a variety of designs and sizes to cover the diverse requirements of different crops.

Mr. Datta said there was “no correlation” between biotechnology and loss of biodiversity. “Biodiversity means enhancing crops by adding genes to make it more productive. One can supplement the other,” he said, while affirming that technical varieties of seeds being stored in gene banks should be used to analyse their potential impact on farm produce.

Mr. Datta said the farmers must change with times to enhance their efficiency in view of the fact that 40 to 70 per cent more agricultural production was required to feed everyone in the country: “We need to make crops grow in high temperature and saline areas. Crops must be developed to put up with the [impact of] drought, floods and harsh climatic conditions.”

The senior ICAR functionary said the agricultural production needs to be increased to meet the demands of population growth in the next 10 years. “We have to augment crop yield because we don't have much land and water and the agricultural land area is just not increasing.”

Prof. Kothari said though agriculture is providing jobs to millions of people, the incomes are low for most of them. This gap could be filled through the use of technology, development of stress-tolerant plants, protection of plant varieties and better water management, he added.

Mr. Dass affirmed that the farmers' standard of living could not be enhanced without transferring the technology directly to them. “With the help of technology, farmers will produce more, reduce input costs and augment their income,” he said while emphasising the significance of innovations for the benefit of agriculturists.

H. Ramachandran, head of the web portal and former journalist with Reuters and Press Trust of India, said the series of panel discussions across the country would highlight the significance of technological interventions in agriculture sector and generate awareness about practical applications of technology at the farmland.

The participants said the use of modern technology for agricultural production would be the most plausible solution to combat food insecurity and related challenges. Agricultural research and technological infusion are the keys to strengthening domestic agriculture, ensuring sustainable growth, reducing farm losses and augmenting farmers' incomes.

Experts also expressed concern over the declining popularity of agriculture as an occupation among the youths because of stagnating crop yields. They called upon the research institutes, Agriculture Departments of the Union and State Governments and corporate houses to engage more closely with farmers and take proactive steps for using farm technology to revamp the sector.

- *Must augment crop yield because available land and water is limited*
- *Concern over the declinin popularity of agriculture as an occupation*

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hindustantimes

Mon,16 Apr 2012

weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Monday, Apr 16

Max	Min
35.1°	26°

Rain: 00 mm in 24hrs

Humidity: 66%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1010

Tomorrow's Forecast

Cloudy

Tuesday, Apr 17

Max	Min
35°	24°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Apr 18	Apr 19	Apr 20	Apr 21	Apr 22

The Indian EXPRESS
JOURNALISM OF COURAGE

Offset ban on export of farm items by hiking MSP by 10%: CACP

Agencies Posted online: Sun Apr 15 2012, 22:07 hrs

New Delhi : The government should raise the minimum support price (MSP) by 10 per cent immediately after it imposes ban on the export of agricultural commodities, says the Commission of Agricultural Costs and Prices.

CACP advises the government on the pricing policy for major farm produce.

"Our considered view is that as when the export ban is imposed on any agri-commodities, it is an implicit tax on farmers and should be immediately compensated with 10 per cent increase on the MSP," CACP Chairman Ashok Gulati said.

It is necessary to link trade policy with farmers' income as the MSP does not fully cover the rising input costs, he said, adding that they are entitled for remunerative price and sudden ban on exports hurts their income.

Citing the case of cotton, Gulati said, "When the ban was imposed on cotton export on March 5, I was in Maharashtra and I saw spot prices falling from Rs 4,000 to Rs 3,000 per quintal on that day. Such a fall in price will definitely affect farmers."

He further said that CACP has already submitted its recommendations for the forthcoming Kharif (summer) season to the Agriculture Ministry.

"We have suggested a substantial increase in MSP of cotton, paddy and other Kharif crops," he said.

Because of higher support price fixed in 2011-12 crop year (July-June), the country is estimated to have harvested a record 250.42 million tonnes of foodgrains, including 102.75 million tonnes of rice and 88.31 million tonnes of wheat.

Amul milk to be dearer by Rs 2/litre

Agencies Posted online: Sun Apr 15 2012, 19:56 hrs

New Delhi : Milk prices in the national capital and adjoining areas will rise by up to Rs 2 per litre from tomorrow with two leading suppliers hiking rates, but largest seller Mother Dairy is not increasing rates just yet.

Amul and Quality Dairy will increase milk prices from tomorrow. Mother Dairy and Paras are the other two major milk suppliers in the national capital and its adjoining areas which consume over 115 lakh litres milk a day.

"Amul Taaza (toned) milk will cost Rs 30 per litre from tomorrow in Delhi and NCR compared to Rs 29 per litre, while slim and trim shall cost Rs 26 per litre in place of Rs 25.

Amul Gold (full cream) will be Rs 40 per litre against Rs 38 per litre," R S Sodhi, Managing Director, Gujarat Cooperative Milk Marketing Federation (GCMMF), which sells products under Amul brand name, told PTI.

Quality Dairy would also raise the price by Rs 2 for full-cream milk and Re 1 for tonned and double-tonned, its Vice President (Marketing), Rajesh Verma said. The company sells 1.25 lakhs litre everyday in Delhi and NCR.

Mother Dairy, the largest milk supplier in the region, however, said it would not immediately increase the price.

Amul, the second largest milk supplier in Delhi and NCR with a daily sales of nearly 20 lakh litres of milk per day, said expenditure on milk production has gone up for farmers and GCMMF has also hiked the procurement price.

Gujarat Cooperative Milk Marketing Federation has already increased milk prices in Gujarat and Mumbai in April.

Business Standard

Monday, Apr 16, 2012

Co-op mills pitch for cut in levy sugar obligation

Sanjay Jog / Mumbai Apr 15, 2012, 00:02

The cooperative sugar industry has asked the government to amend its notification on procurement of levy sugar for 2011-12 to four per cent from 10 per cent to do away with carry-over obligation into the next year. It also made a case for factory-wise fair and remunerative price for 2011-12 before the end of the first quarter of the season.

The National Federation of Cooperative Sugar Factories, a representative body of cooperative units, in its letter to agriculture minister Sharad Pawar and food minister K V Thomas also urged for removal of compulsory sugar packaging in jute bags.

According to the federation, the continuation of Jute Packaging Materials Act, 1987, enforcing 100 per cent compulsory packing of sugar and grains in jute bags, puts unnecessary financial burden on the sugar factories.

Federation sources told Business Standard the central government has notified the ratio between levy sugar and non-levy sugar obligation for 2011-12 at 10:90. The government usually requires 2.8 million tonne (mt) levy sugar for public distribution scheme (PDS) in a year.

"According to the stock position posted by the directorate of sugar, carry-forward levy obligation of previous seasons have been shown as 2.07 mt. It means the government required seven to eight lakh tonne from 2011-12 season.

According to industry estimates, sugar production during 2011-12 would be 26 mt, which means the government required only 2.69 per cent to 3.08 per cent of the total sugar production in the current year for PDS. Therefore, there was a need for reduction in levy sugar obligation," sources said.

The federation said the levy sugar prices be notified well before the releasing of the order. According to the federation, the central government has started releasing levy sugar for PDS from 2011-12 season.

However, it has not yet notified zone-wise levy sugar prices. Factories were already delivering levy sugar well below the cost of production which has increased the financial burden on the factories.

The federation has demanded permission for export of sugar under open general licence.

Maharashtra co-operative

The cooperative sugar industry of Maharashtra has appealed to the state government to provide a subsidy of Rs 1,000 per tonne, especially when export is low due to falling prices. The Federation of Cooperative Sugar Factories in Maharashtra, which is a representative body of 170 mills, said sugar price in the global market was $643.9 per tonne.

So far, about two lakh tonne has been exported from the state. Maharashtra till date has produced 8.3 mt of sugar compared to 7.6 mt during the corresponding period of last year.

THE HINDU Business Line

Pepper remains bearish despite supply woes

G. K. Nair

Kochi, April 15:

The pepper market continued to remain bearish. There was neither any significant demand nor any selling pressure. It is sending out an impression that the market does not move on fundamentals. Supply scenario continues to remain under speculative assessments/estimates even though no material is arriving at the terminal market for the past several days.

Those who were holding short positions on the exchange platform and those having pending export commitments in April, May and June were making concerted efforts by spreading bearish propaganda to push the market down so as to cover.

At the same time, the industry which import pepper for value addition and re-export might have imported the material duty free. They might not venture to push the imported material into the domestic market as covering back pepper from the indigenous sources might be difficult given the tight supply situation here, trade sources told *Business Line*.

Much of the domestic demand is met by supplies from Karnataka and by inter-State dealers based in Erode, Bodinayakannur, Cumbum. They were reportedly buying fresh high range pepper from primary market dealers in Idukki district of Kerala at terminal market prices.

Growers in Idukki, Pathanamthitta and Kollam districts said their crop has dropped to 50 to 60 per cent of what they received last season. Drop in productivity coupled with high inputs cost has raised the cost of production significantly. They said they were not holding back any pepper. All the active contracts fell. Apr, May and June contracts decreased by Rs 810, Rs 490 and Rs 335 respectively to the last traded price (LTP) of Rs 36,750, Rs 38,095 and Rs 38,825 a quintal.

Total turn over lat week increased by 3,954 tonnes to 25,930 tonnes. Total open interest decreased by 976 tonnes to 6,602 tonnes. Spot prices declined by Rs 300 a quintal during the week to close at Rs 36,000 (ungarbled) and Rs 37,500 (MG 1) a quintal.

Indian parity in the international market was at $7,450-7,500 a tonne (c&f) Europe and $7,350-7,800 a tonne (c&f) for the US.

Meanwhile, Japan reported to have covered good quantity of Asta grade pepper from Indonesia at $7,500 a tonne because of the delayed harvest in Malaysia. In the international scenario, Sri Lanka is reported to have a good crop this year with an estimated production of 12,000 tonnes. Nearly 50 per cent of this crop is usually harvested when it is immature for the extraction industry in India as this pepper is claimed to have high oil content.

The balance available estimated at around 6,000 tonnes of black pepper could also find its way into India if the material is allowed to be imported by the authorities here under the free trade agreement. Harvesting in Sri Lanka is in Apr-May.

Fertiliser Ministry open to import ofgas for urea projects

Vishwanath Kulkarni/Richa Mishra
New Delhi, April 15:

The Fertiliser Ministry's thrust on ramping up urea capacity is likely to widen the demand-supply gap for natural gas in the domestic market. This is because future capacity addition will be mostly gas-based. The proposed urea investment policy envisages the creation of 10 million tonnes of capacity over the next three years. To plug the gap, the Ministry is open to the use of imported gas for such expansion projects and may even facilitate imports.

The additional gas requirement of the fertiliser sector is pegged at 24 mmscmd. While the power sector has maintained that it will set up gas-based projects only when it is assured of committed feedstock supplies, the Fertiliser Ministry is in favour of gas-based capacity expansion, despite dwindling domestic gas supplies.

Imported gas

The sourcing of gas could be done through such major importers as Petronet LNG and GAIL (India). In fact, even if a project is based on expensive imported gas, its capital cost works out cheaper than a naphtha-based project, sources said.

Currently, the fertiliser sector has been allocated 14 mmscmd of domestically produced gas — from the Reliance Industries Ltd-operated D6 block. However, output from producing fields in the D6 block have registered a constant decline after hitting a peak of 60 mmscmd. The fields currently produce 34-35 mmscmd of gas. A major chunk of this output goes to the power sector.

Through the proposed capacity expansion the Government hopes to bridge the rising shortfall in the domestic urea demand, expected to reach 10 million tonnes by end of 12{+t}{+h} Five Year Plan in 2016-17, from the present 7 million tonnes.

Demand-supply gap

Urea demand is currently pegged at 29 million tonnes and is growing annually at 3 per cent, while domestic capacity now stands at 22 million tonnes.

Under the proposed policy, five of the existing units are likely to take up brownfield expansion, while at least two to three greenfield or new units may come up, sources said. One greenfield unit is planned in Tripura to leverage the ONGC presence in the State, while another is likely to be in West Bengal, sources said.

AP Govt to ensure seven-hour power supply to farmers

Hyderabad, April 15:

The Andhra Pradesh Government has directed power utilities to ensure seven-hour power supply to farmers in the on-going season.

At a review meeting with officials held here on Saturday, Mr Dinesh Kumar, Principal Secretary, Department of Energy, Government of Andhra Pradesh, told officials that the rabi season was in full swing which might result in higher demand during the next fortnight.

The demand for power from the agricultural sector is expected to come after end of the season, he added.

The State Government had also directed district collectors to closely monitor seven-hour power supply to agriculture, timely replacement of distribution transformers by regular review meeting with the agriculture and electricity departments.

In the case of any crop distress, arrangements would also be made to provide power supply for more than seven-hours.

Efforts were on to release an additional water supply of about 2 tmcs from Jurala to Srisailam reservoir to extend the generation from Srisailam project to meet the additional requirements.

Control rooms

Special control rooms were also set up in Andhra Pradesh Transmission Corporation and all four distributions companies to attend to the complaints related to power supply to the farmers.

Directions were also issued to ensure uninterrupted power supply between 6 p.m. and 6 a.m. in all areas in the State to avoid inconvenience to students in the current examination season

The demand for power had touched an all-time high of 307 MU on March 29, 2012 and the average demand met per day during April 2011 was 253 MU as against 293 MU now showing a deficit of 40 MU a day.

To meet the supply gap, around 26 MU a day is being purchased through medium, short-term open access and intra-State generators.

The remaining is being met through load relief to industrial and domestic sectors.

Maharashtra to review purchase tax on cotton, oilseeds

Considering the well-being of farmers

Mumbai, April 15:

Cotton and oilseeds traders in Maharashtra can breath easy. The State Government has decided to put on hold the 5 per cent purchase tax which was announced on these commodities in the State Budget.

The Finance Minister of Maharashtra, Mr Ajit Pawar, on Friday said that in view of the persistent demands from industry associations and farmers' representatives, the Budget announcement proposing to levy the tax would be reviewed.

The new tax was vehemently opposed by farmers in the Vidarbha region, which has seen a number of cases of cotton farmers committing suicide. Local farmers' bodies such as the Vidarbha Janandolan Samiti had launched an agitation against the tax.

Mr Pawar said in the Legislative Assembly that the State Government would also be giving a set-off on tax collected from the sale of oil cakes.

The decision to withhold the tax was taken considering the well-being of the farmers, he added.

VAT on tobacco

Mr Pawar also announced a 7.5 per cent reduction in VAT on *beedis* and unprocessed tobacco. In the Budget, a VAT of 12.5 per cent was levied on *beedis*, while 20 per cent VAT was on tobacco.

He said that the decision to reduce the tax was taken following pleas from *beedi* workers. The workers' representatives said that the tax could have an adverse effect on the daily wages of workers at *beedi* and tobacco factories.

Responding to the workers' representation, the State Government has decided to reduce the taxes with immediate effect, he announced in the Assembly.

No offerings at Guwahati, Darjeeling tea centres

Our Correspondent
Kolkata, April 15:

This week at Sale No. 15, there were no offerings at Guwahati auction centre nor any offerings of Darjeeling at Kolkata , according to J Thomas & Company Pvt Ltd., the tea auctioneers.

The offerings (packages) at Kolkata comprised CTC/Dust 5494 (6869 in the corresponding sale last year) and Orthodox 1470 (3100). At Siliguri, the corresponding figures were 21,578 (27,247).New season teas offerings continued to meet with strong demand and sold at considerably higher levels than the previous year. Good Assam brokens sold between Rs 190 and Rs 225, while fannings were sold between Rs 180 and Rs 205. Good Dooars sold between Rs 180 and Rs 210, mediums between Rs 160 and Rs 180, while plainer Dooars sold between Rs 130 to Rs 150.Orthodox old season teas sold readily in line with quality. No new season teas were on offer. West Asian shippers were active. There was fair interest from local dealers.

Camson enters farm management biz

Suresh P. Iyengar

Weighty affair: Camson’s ‘Sonmati’ watermelon

Targets NRIs, IT executives in the Western India who have arable land

Mumbai, April 15:

Camson Biotechnologies plans to tap farm land lying idle by entering into farm management business.

The company will soon form a subsidiary and targets managing at least 1,000 to 1,500 acres in Maharashtra and Karnataka this fiscal.

It will take on board 30 students from various agriculture universities for this venture.

Currently, the company extends advisory services to farmers owning 850 acres as part of its business strategy.

Camson offers a wide range of bio-products including biocides, bio-fertilisers and hybrid seeds. Its hybrid vegetables seeds portfolio includes lady finger, bottle gourd, bitter gourd, ridge gourd, sweet corn, baby corn, tomato, brinjal, chilli and sponge gourd.

It also offers hybrid watermelon and musk melon.

Mr Santosh Nair, Chief Executive Officer, said many professionals living abroad and IT executives in Karnataka have 30-50 acres of arable land each and have leased it out for a pittance without knowing its potential.

“We will enter into a joint venture with this kind of professional and take up farming in their field. We will entrust the field to our executives who will decide on entire process from crop selection to farm management,” he said.

The company also offers to find a suitable buyer after a particular crop is grown. The five hybrid water melon varieties – Sonmati, Chandraprabhavati, Hemavati, Netravati and Vedavati – are in big demand in export markets especially in West Asia. About 600 tonnes of watermelon produced from Camson seeds were exported last fiscal and franchises have already bagged orders for 7,000 tonnes this fiscal.

The company is ready to share 50 per cent of the profit if the fixed cost is borne by the partner. Else, it will part with 30 per cent of the profit for just leasing the land. An acre of land requires an annual investment of Rs 30,000-40,000 and could yield a return of Rs 1-1.5 lakh, depending on the crop selection, said Mr Nair.

Camson is also weighing an offer from the Ethiopian government to take over 10,000 acres under farm management. Similar, opportunities in Abu Dhabi, Dubai and Turkey are also on the company's way, he said.

Back home, the Kerala Government has invited Camson to make a presentation on the advantage and ways to promote use of hybrid seeds and biocides in the State.

Water to be released from Bahavanisagar dam

PTI

Chennai, April 15:

The Tamil Nadu Chief Minister, Ms Jayalalithaa, today directed the release of water from Bhavanisagar dam in Erode district for irrigation of over 24,000 acres.

In a Government release here, she said water will be released from April 16 following requests from local farmers. The move would benefit 24,504 acres in Erode district, she said.

Vikram Akula back in biz; to pump money in agri firm

Our Bureau

Business Line Mr Vikram Akula

Hyderabad, April 15:

After experiencing highs and lows in microfinance business, Mr Vikram Akula is back in business again. This time he is associating himself with an agriculture initiative that builds solutions around efficient use of agriculture.

He has joined as a Director of AgSri, the firm founded by Dr Biksham Gujja. He made some angel investment in the two-year-old firm. “It is not a great sum. But what is important is his experience and understanding of things at the grassroots,” Dr Biksham told *Business Line.*

Dr Biksham spent years in enhancing water productivity for major crops such as sugarcane that consume a lot of water.

Dr Biksham has developed measurable models around Sustainable Sugarcane Initiative (SSI) and System of Rice Intensification (SRI). While working on a project with Icrisat (International Crops Research Institute for Semi-Arid Tropics) and World Wide Fund for Nature (WWF) two years ago, he built a cropping model for sugarcane industry taking cues from SRI cultivation.

He claimed that increased yields by 20-25 per cent. He tested this model with farmers in the North, South and in Orissa.

“Our approach increases rural employment and converts labour to more productive gains. Our crop and water management technologies impact soil fertility, water saving and climate change without any extra investments,” an AgSri executive said.

The firm, based out of Hyderabad, would help in building crop management systems to produce ‘more with less' and customising it to different climatic zones. It also offers advice on earning carbon credits and getting seed certification.

It would also take up classes to improve capacities of public sector employees in implementing innovative and sustainable agricultural approaches.

Sugar production to fall 9.8% in FY13: CMIE

PTI

Mumbai, April 15:

Centre for Monitoring Indian Economy (CMIE) has said the production of sugar will fall by 9.8 per cent in FY 13 due to lower availability of sugarcane.

CMIE, which has forecast 18 per cent growth in sugar production in FY 12, observed that the fall in fiscal 2012-13 is due to shrinkage of area under sugarcane production.

“Area under sugarcane will shrink as farmers turn to alternative crops following mounting cane arrears in FY12,” CMIE said in its monthly report here.

As a result, the production of food products and beverages, in which sugar is a major raw material, will see a minimal growth of only 0.5 per cent in FY13 after estimated to have grown by a healthy 15.8 percent in 2011-12, it said.

With a fall in the domestic sugar production, output of molasses will also fall, which is expected to pull down the output of industrial alcohol, it said.

“We expect output of manufactured food products and beverages to remain almost flat in FY13. This will be essentially on the account of supply constraints, mainly of sugar,” CMIE said.

Besides, the production of soybean and mustard oil, which too are the key ingredients in the food products and beverages, is expected to fall in FY13.

“Lower production of soybean and mustard seeds in the domestic market and ban on import of oil seeds is expected to result in low oil production.”

However, output of other manufactured food products and beverages is expected to rise in the year.

“We expect output of biscuits, instant food mixes, milk powder, beer, IMFL (Indian made foreign liquor) and aerated water and soft drinks to rise by around 2-8 per cent in the FY 13,” CMIE said.