THE HINDU

TODAY FARM NEWS

18.12.2012 A.M

Declare Cauvery delta region disaster-hit: Karunanidhi

Compensation of Rs.40,000 per acre sought

Calling upon the State government to take steps to declare the Cauvery delta region as disaster-hit, DMK president M. Karunanidhi on Monday demanded compensation to the extent of Rs. 40,000 per acre to farmers whose samba crop was withering away for want of power and water.

In a statement here, Mr. Karunanidhi said farmers' associations had made a demand in this regard, besides seeking employment to one member of the families of farmers who had committed suicide. The government should accept their demands.

He said while MPs from Karnataka had plans to meet the Prime Minister to press for not notifying the order of the Cauvery Tribunal in the gazette, the Tamil Nadu government had not taken any effort to counter their move.

Mr. Karunanidhi said the CPI (M) had announced that its MPs would meet the Prime Minister and urge him to notify the order and DMK MPs would also meet him for the same purpose. He said samba, the long-term paddy crop, was normally cultivated over 24 lakh acres in the delta region, but the extent had come down to 13 lakh acres this year because of Karnataka's failure to release water.

"Even the crops on 13 lakh acres are withering and farmers who raised the crop by pledging their jewellery are in dire straits," he said. He alleged that though the Chief Minister had promised three-phase power supply for 12 hours, she could not ensure even three hours' supply.

Focus on mechanisation in plantation sector

The Plantation Crops Symposium, hosted by the Tea Research Institute of the United Planters' Association of South India, here from December 12 to 15 focused on mechanisation in the plantation sector as labour shortage was a major problem.

Over 350 delegates participated in the symposium and more than 200 papers were presented.

Research

It was decided at the meeting to increase productivity against specific targets through high yielding planting materials and improved production system management, combat common problems through collaborative research programmes by a lead centre, and increase interface of scientists with various stakeholders.

Consumer preference and market promotion studies would be taken up to make the industry globally competitive, focus on value addition to develop niche products, and have collaborative studies on impact on climate change on plantation crops. There should be enhanced availability of certified, quality planting inputs.

More farmers queue up for crop insurance in Mysore

7,696 farmers have insured their crops in the kharif season in 2012–13

The number of farmers opting for crop insurance scheme in kharif season has gone up in Mysore district, compared to previous years in the backdrop of erratic rainfall, scarcity of water for irrigation, drought, and pest attack.

As many as 7,696 farmers insured their crops in 2012–13, and 6,238 of them are from Nanjungud taluk. The taluk also stands first in terms of the crop area insured with 6,234 hectares. The insured sum is Rs. 4.7 crore and the premium paid by farmers is Rs. 12.42 lakh.

In all, 7,398 ha of crop area has been insured in Mysore district for a total sum of Rs. 7.44 crore and total premium paid is Rs.19.39 lakh, according to K.R. Krishnaiah, Joint Director of Agriculture. The Agriculture Insurance Company of India Ltd., Bangalore, is implementing the scheme.

Surprisingly, just three farmers have paid for crop insurance in Mysore taluk for as many hectares of crop area. The total sum insured is for Rs. 1.04 lakh and they have paid a premium of Rs. 2,600. Twenty-four farmers have gone for the scheme in T. Narasipur taluk for covering 18 ha for Rs. 5.27 lakh. There are 197 farmers in K.R. Nagar taluk who have insured 157 ha for Rs. 60.21 lakh. In Periyapatna taluk, there are 845 farmers who have insured for Rs. 1.74 crore. In Hunsur taluk, 389 farmers with an insured area of 244 ha have opted for the scheme. The sum insured is Rs. 32.06 lakh and the premium paid is Rs. 93,393. Statistics was not available for H.D. Kote tauk.

As many as 42,165 farmers insured their crops in the seven taluks between 2005–06 and 2011–12, Mr. Krishnaiah said.

Total crop area insured was 412.26 crore hectares. The total insurance cover was for Rs. 38.46 crore and premium paid was Rs. 1.39 crore. Of the 42,165 farmers, 17,203 claimed insurance amounting to 1.62 crore, he said.

The number of farmers participating in the scheme in the district in 2005–06 was 13,527. Of this, 5,579 claimed the insurance amount of Rs. 53.36 lakh. As many as 10,993 farmers claimed insurance in 2007–08, amounting to Rs. 8.43 lakh. The figure was high again in 2009–10 during which 9,877 farmers insuring their crops and claiming Rs. 59.23 lakh. As many as 2,456 farmers opted for the scheme in 2006–07 and Rs. 25.9 lakh was claimed.

During 2008–09, 1,818 farmers insured crops and claimed Rs. 12.15 lakh and 1,682 farmers insured crops during 2010–11, but no claims were made. During 2011–12, 1,812 farmers insured crops and claimed Rs. 3.77 lakh. In spite of spreading awareness, farmers were hesitant to come forward to insure crops, Mr. Krishnaiah said.

Cotton farmers a worried lot

Harrowing wait:Long queue of vehicles with cotton stocks waiting outside the Nakirekal CCI Market yard on Monday. -PHOTO: Singam Venkataramana

A large number of them, from several mandals in the district, who have been affected by the recent heavy rains damaging their crops, are now a worried lot as they are not sure of getting the price commensurate with their investment.

As against their hope of getting at least Rs. 4,500 for a quintal, they are being offered a price ranging from Rs. 3,810 to Rs. 3,890 at the CCI procurement centres. Even to receive this meagre amount, they have to wait for days in long queues spending huge amounts on rent of vehicles, expenses of drivers and for their food and stay.

This was the experience of many ryots waiting outside the Narkekal CCI market yard on Monday. A long queue of about 300 vehicles with cotton stocks was seen. Many farmers said they have been waiting since Friday, even as the staff cleared a pile of nearly 25,000 quintals. As only about 10,000 quintals of cotton can be purchased in a day, and and Sunday being a holiday, the wait for them stretched to three days on Monday.

Jala Meenaiah of Sarvaram, in Tipparthi mandal, who brought 50 quintals to the yard in a tractor on Friday, told ‘The Hindu’ that the wait was proving to be costly, as he had to pay Rs. 1,200 as daily rent for the vehicle, Rs. 200 ‘bhatta’ to the driver, and Rs. 800 on his stay. Similar is the plight of Naragoni Venkanna of Mamidala and Talari Ramachandram of Kondaram in Shali Gowraram mandal.

These ryots are facing a tricky situation as they cannot even go back without selling the stocks, having waited for so many days. In desperation, they would have to sell to the village trader/middleman who would shell out only Rs. 3,500-3,600 per quintal. Taking advantage of the situation the farmers are in, the village traders sometimes lower the offer even further.

Cotton ryots cry foul

Tension prevailed at the Enumamula agricultural cotton market with the cotton farmers suddenly resorting to flash strike as the market officials insisted for ‘pattadar passbooks’ to buy cotton from them.

The farmers who thronged the market in large numbers were dumbstruck when the officials wanted them to show their pattadar passbooks and show their bank account details.

Stage demonstration

Enraged at the curt attitude of the officials, the farmers gathered in large numbers and staged a demonstration. They raised slogans against the Cotton Corporation of India (CCI) officials and accused them of siding with the traders.

The farmers also went berserk pulling down the banners and burning them down.

They damaged the security outpost too.

Taken by surprise

Over 50,000 bags of cotton arrived in the market on Monday and farmers were in upbeat mood expecting a good remunerative price.

However, the new directive came in as a shock to them shattering their hopes at once.

“We are tenant farmers. We do not have the pattadar passbooks, which they had asked for. It is just to deny our right and help traders benefit from the situation. The CCI officials are colluding with the traders,” said Surender, a farmer.

‘Helping traders’

Another farmer, Dhanunjaya, said the officials did not inform them about the sudden change in procurement process.

“The officials want the farmers not to sell their produce. But, they want the traders to procure,” he said.

According to him, the officials were asking for the price of gunny bags too.

Ashok Reddy, an official informed that new rule of producing pattadar pass book was imposed by CCI officials, and market officials had nothing to do with it.

High demand for Murrah cattle

Animal Husbandry Department releases animal census report

The farmers in Medak district have been showing interest in Murrah animals and mixed cross-breed cows as they yield more milk.

Mechanisation of farming

This was revealed in the census report conducted by the Animal Husbandry Department as part of its 19th All India Animal Census released on Monday.

While the growth in cross-breed animals had touched 200 per cent in the past five years, in Murrah animals it was 13 per cent.

The other growth sub-sections include sheep (20 per cent), hen (20) and layers and broiler (24).

However, there was considerable fall in the draught animals by 17 per cent due to mechanisation of farming and that was not being remunerative. Farmers do also not prefer local animals in view the less milk yield and it has fell down by 8 per cent.

Decrease in growth

The growth in sheep has also fall down by 17 per cent and this was attributed to butchering of animals in the festival season when the census was conducted by the department that had spread from October 15 to November 15.

Poultry

“Farmers are able to look things in commercial perspective and the increase of poultry and layers is an indication for that.

The poultry population has been increasing due to the preference for nutritious food being given by the public,” said Mr. Lakshma Reddy, Joint Director, Animal Husbandry.

hindustantimes

TODAY FARM NEWS

18.12.2012 A.M

Chennai

Chennai - INDIA

Today's Weather

Sunny

Tuesday, Dec 18

Max	Min
30.6°	23.2°

Rain: 0
Humidity: 55
Wind: normal

Sunrise: 06:25
Sunset: 05:46
Barometer: 1015

Tomorrow's Forecast

Cloudy

Wednesday, Dec 19

Max	Min
31°	25°

Extended Forecast for a week

Thursday Dec 20	Friday Dec 21	Saturday Dec 22	Sunday Dec 23	Monday Dec 24
31° | 24°	26° | 24°	26° | 24°	26° | 24°	26° | 24°
Cloudy	Overcast	Overcast	Overcast	Overcast

Airport Weather

Delhi **Delhi**

Rain: 0
Humidity: 63
Wind: normal

Sunrise: 07:08
Sunset: 05:27
Barometer: 1019

THE HINDU Business Line

TODAY FARM NEWS

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TN farmers' plea to PM on Cauvery issue

TIRUCHI, DEC 17:

Various Cauvery Farmers' Associations of Delta districts have appealed to Prime Minister Manmohan Singh to publish the final notification for implementing the Cauvery Water Disputes Tribunal award in the gazette.

They assured all cooperation to Chief Minister Jayalalithaa in her efforts in this regard.

The Associations also appealed to former Chief Minister M. Karunanidhi to urge Singh to gazette the final notification as it was during his tenure the tribunal was constituted.

A meeting of the Associations held here last evening also decided to send a delegation to meet the Prime Minster if the chief minister wanted them to do so.

The farmers expressed anguish over Karnataka political leaders deciding to meet the Prime Minister to plead against issuing of final notification by this month-end for implementing the Cauvery Water Disputes Tribunal award.

Meanwhile, P.R.Pandian, State Council member of the Tamil Nadu Vivasayigal Sangam, told newsmen that unless two wettings were done immediately, crops in various districts could not be saved.

Rice steams up on new export deal

KARNAL, DEC. 17:

Aromatic and non-basmati rice varieties rose on overseas and domestic buying and trade enquiries on Monday.

Tara Chand Sharma, proprietor of Tara Chand and Sons, told *Business Line* that demand is up for aromatic varieties, including in the export market. Exporters have signed new contracts for Pusa-1121 at $3,125 a tonne.

Small millers are holding on to stocks, as they are waiting for better margins, he added. In the physical market, Pusa-1121 (steam) was up Rs 300 at Rs 6,800-7,000 a quintal, while Pusa-1121 (sela) sold at Rs 5,900 a quintal, Rs 100 up.

Pure basmati (raw) improved by Rs 500 and quoted at Rs 8,000. Duplicate basmati (steam) gained Rs 200 and traded at Rs 5,500-5,600 a quintal.

Sharbati (steam) quoted at Rs 4,200, while Sharbati (sela) was at Rs 4,100 a quintal.

PR-11 (sela) improved by Rs 200 and sold at Rs 2,650-2,750, while PR-11 (raw) quoted at Rs 2,650 a quintal, Rs 150 up. Permal varieties went up by Rs 50; Permal (raw) sold at Rs 2,100-2,250 a quintal, while Permal (sela) fetched Rs 2,150-2,250 a quintal.

PADDY ARRIVALS

About 10,00010 thousand bags of PR variety arrived and sold at Rs 1,150-1,250. Around 5,000 bags of Sharbati arrived and quoted at Rs 1,750-1,850, while around 5,000bags of DB variety arrived and sold at Rs 2,500-2,800.

About 12,000 bags of Pusa-1121 arrived and quoted at Rs 2,850-3,150. Around 2,000 bags of pure basmati arrived and sold at Rs 3,450-3,650.

Mixed trend in sugar amid slack demand

MUMBAI, DEC. 17:

Spot sugar on the Vashi wholesale market lost Rs 5-6 a quintal for S-grade, while it gained Rs 4-6 for M-grade on Monday. *Naka* and mill tender rates were unchanged. Supplies from mills continue even as demand remains tepid. Futures were range bound.

Demand from other States for Maharashtra's produce has been absent for long, which has increased supply in local markets, said Vashi-based wholesaler Jagdish Rawal. Prices in Uttar Pradesh, Madhya Pradesh, Karnataka, Rajasthan and Gujarat are ruling on par with those in Maharashtra.

Retail demand in Maharashtra is low, keeping volumes need based. Vashi has more than 100 truckloads of stocks forcing stockists to keep away from fresh bulk buying. The free-sale quota for December-March at 70 lakh tonnes is more than sufficient. However, domestic prices are not expected to not fall below Rs 3,200 a quintal at the mill level, as higher fair remunerative prices for cane for the current year has raised costs.

The export market sentiment has weakened due to higher supply from world's top producer Brazil.

On the National Commodities and Derivatives Exchange, January contracts were down to Rs 3,290 (Rs 3,293), February to Rs 3,337 (Rs 3,339) and March to Rs 3,371 (Rs 3,369) till noon. In Vashi, 64-65 truckloads (each of 100 bags) arrived while 60-62 truckloads were despatched. On Saturday, about 14-15 mills offered tenders and sold 56,000-58,000 bags (each of a quintal) to local traders at Rs 3,200-3,270 (Rs 3,200-3,270) for S-grade and at Rs 3,270-3,340 (Rs 3,270-3,340) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,326-3,411 (Rs 3,332-3,411) and M-grade Rs 3,416-3,561 (Rs 3,412-3,556).

Naka **delivery rates were:** S-grade Rs 3,270-3,320 (Rs 3,270-3,320) and M-grade Rs 3,370-3,500 (Rs 3,370-3,500).

Cotton drops Rs 600 a candy in 2 days as demand falls

RAJKOT, DEC. 17:

Cotton was down Rs 200-300 a candy of 356 kg on Monday, as demand fell. Increasing arrivals may put further pressure on prices this week.

The Sankar-6 variety declined by Rs 200-300 to Rs 33,800-33,900 a candy. The V-797 variety was offered at Rs 30,000-30,500 a candy. Prices have dropped by almost Rs 600 a candy in past couple of days, as buying by mills was limited and export demand is weak.

About 34,000 bales of 170 kg each arrived in Gujarat, while 1.48 lakh bales arrived in the rest of the country.

During the last week, 29,000-30,000 bales arrived daily;. *Kapas* or raw cotton declined here by Rs 5 to Rs 800-875 for a *maund* of 20 kg, while it traded at Rs 870-890 a *maund* for delivery at Kadi.

In North India,low demand and higher supplies pulled down prices; 27,000 bales arrived. New cotton for ready delivery quoted at Rs 3,480-3,490 a quintal in Punjab, at Rs 3,485-3,505 in Haryana and at Rs 3,520-3,525 in Rajasthan.

Traders said that buyers were unwilling to buy at the higher price despite demand from yarn industry rising.

Upcountry orders push up turmeric

ERODE, DEC. 17:

Demand from other States lifted spot turmeric by Rs 150 a quintal on Monday.

"Some exporters that received upcountry orders quoted higher. Similarly, stockists too purchased at higher prices. Arrivals also have dipped to 2,800 bags, of which 70 per cent to 80 per cent was sold," said Erode Turmeric Merchants Association President R.K.V. Ravishankar.

He said that prices will remain high for a few days following an uptrend at Nizamabad, Sangli and Warrangal. North Indian merchants have placed orders for quality turmeric. If arrivals go up, prices may go down Rs 50-100 a quintal.

At the Erode Turmeric Merchants Association sales yard, the finger variety fetched Rs 3,719-5,589 a quintal, the root variety Rs 3,509-5,269.

Salem hybrid crop: The finger variety was sold at Rs 5,599-6,116, the root variety at Rs 4,917-5,459. Of the751 bags that arrived, 65 per cent was sold.

At the Regulated Market Committee, the finger variety was sold at Rs 4,472-5,559, the root variety at Rs 4,369-5,239. Of the 794 bags that arrived, 775 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 4,634-5,819, the root variety at Rs 4,164-5,489. Of the 679 bags that arrived, 617 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 4,169-5,619, the root variety at Rs 3,569-5,012. All the 205 bags kept for sale were sold.

Sugar futures open higher

MUMBAI, DEC 17:

Sugar futures on NCDEX opened marginally higher on Monday at Rs 3,296 a quintal against the previous close of Rs 3,293. The January contract hit a high of Rs 3,296 and low of Rs 3,291. It was trading down by 0.09 per cent at Rs 3,290 at 12.55 p.m.

The prices are under pressure as crushing activities are gaining momentum. Despite the rise in state advised price by the Uttar Pradesh Government, sugar prices are not getting support due to adequate supply ensured by the Central Government.

NCDEX allocated about 3,780 tonnes for delivery in December contract. Sugar extracted from fresh crop is being delivered on the exchange platform as crushing is gaining momentum.

Sugar prices in the futures market may remain weak on selling pressure.

Godrej to look for strategic partner for Agrovet

COIMBATORE, DEC 17:

Godrej Industries Ltd’s board of directors has approved a plan to look for strategic partner(s) for Godrej Agrovet Ltd.

It has also okayed part sale of the company's investment in the subsidiary.

During 2011-12, Godrej Agrovet reported sales of Rs 2,439 crore. The company has exposure to animal feed, oil palm plantations, agri-inputs and poultry businesses.

Godrej Agrovet also has a joint venture with the ACI Group in Bangladesh. It has 45 manufacturing facilities across India, according to the company's Web site.

Shares of Godrej Industries were trading at Rs 307.65 (face value Re 1), down by Rs 2.35, in the morning trade on the BSE.

'India raised market access issue for agri products with China'

NEW DELHI, DEC 17:

The country has consistently raised the issue of market access and removal of bottleneck for its domestic agricultural products with China, Parliament was informed on Monday.

India-China bilateral trade stood at $ 75.5 billion, but the ballooning trade deficit in Beijing's favour, which rose to about $ 40 billion in 2011-12, has raised concerns among Indian authorities.

"India has consistently been raising the issue of market access and removal of bottleneck of Indian agricultural products with the Chinese side," Minister of State for Commerce and Industry D Purandeswari said in a written reply to the Lok Sabha.

She said although China has allowed imports of nine fruits including mangoes and grapes and eight vegetables, it has yet to grant imports for remaining 14 fruits and vegetables.

"Further, China approved the import of Indian Basmati rice in April 2012. However, the formalities have not been completed by them," Purandeswari said.

"Issue of market access to Indian agricultural products has been taken up at various inter-governmental interactions at different levels," she added.

The minister said the government is making all efforts for enhancing merchandise exports from India to bridge the trade deficit with China.

During April-September period of the fiscal, India's imports from China stood at $ 28 billion, while exports aggregated at $ 6.43 billion.

In an another reply, she said the percentage share of exports to traditional market (the US and Europe) during 2009-10, 2010-11 and 2011-12 has been 32.4 per cent, 29.9 per cent and 30.2 per cent, respectively.

“The global economic crisis, the sovereign debt crisis in Europe and the economic slowdown in developed economies have adversely impacted demand for our exports in India’s traditional markets,” she said.

Meanwhile, Commerce and Industry Minister Anand Sharma in a written reply to another question said India has received FDI worth Rs 80,427 crore during April-October 2012.

In 2011-12, the country has attracted FDI worth Rs 1.65 lakh crore.

On Patents, he said as on November 30, 84 applications were filed by foreign entities and 523 applications were filed by Indian entities for grant of patents for products, formulation, composition and processes in the field related to traditional ayurvedic medicine, medicinal plants and herbal based formulations.

“Of these, as on that date, 26 patents have been granted to foreign entities and 93 patents to Indian entities,” he said.

Higher arrival of broken white arecanut raises eyebrows

MANGALORE, DEC. 17:

The bullish trend in white arecanut has continued this year.

The commodity could have gained from lower arrivals, going by data from APMCs (agriculture produce marketing committees).

An analysis of Puttur, Mangalore, Sullia and Bantwal APMCs till December 14 indicates that arrivals were lower in these markets. (Puttur, Bantwal, Sullia and Mangalore markets contribute a major share to total arrivals.)

Interestingly, there was a rapid increase in the arrivals of ‘koka’ stocks of white arecanut in some markets. (Koka stocks are either defective in colour or broken ones.

Though pure processed arecanut is devoid of any outer fibrous layer of the fruit, some koka stocks contain them.)

OLD STOCKS

The arrival of old stocks of white arecanut in Puttur and Sullia APMCs was low compared with 2011, and it was marginally up at Bantwal.

However, there was a good jump in Mangalore APMC (See Table). Except Sullia, the arrival of ‘koka’ was more in other APMCs.

Some farmers whom *Business Line* spoke to wondered how there could be such a big increase in the arrivals of ‘koka’. They said that ‘koka’ stocks contribute 10-15 per cent of the total arecanut stocks of a farmer.

This stock commands a lower price compared with old stocks and new stocks.

Subrahmanya Bhat, a farmer from Bantwal taluk, suspected that there could be some undervaluation by traders to avoid tax and cess on the commodity. The maximum price for the old stocks during the year was almost Rs 50 a kg more than in 2011. The price of old stocks touched a record high of Rs 250 in September.

However, it was trading in the range of Rs 190 a kg on December 14.

NEW STOCKS

The price of old stocks had crossed the Rs 100-mark in 2010.

Though arrivals of new stocks dropped sharply in Puttur APMC, they went up in Mangalore APMC.

On decline in arrivals, M. Srinivasa Achar, President of All-India Areca Growers' Association, said that some farmers, who have the ability to hold the stocks, are not releasing them to the market. (Old stocks of white arecanut command good price in the market).

The decline in arrivals in regions such as Sullia is mainly because of the yellow-leaf disease in that place. This has made some farmers there to shy away from arecanut cultivation, he said.

The new stocks breached Rs 200/kg mark this year. It was trading in the range of Rs 130-135 on December 14.

Cardamom loses flavour on slack demand

KOCHI, DEC 17:
The cardamom market turned sluggish last week on slack demand from domestic and export markets at auctions.

Upcountry buyers slowed down buying, while exporters are believed to have stayed away saying prices were too high for their clients. Consequently, individual auction average dropped to below Rs 800 a kg, trade sources said.

The downward trend in prices is attributed to decline in the upcountry demand due to slow retail sales in most of the regions affected by severe cold, they said.

Normally, demand used to be thin for cardamom during December but it picks up in January, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line.*

Arrivals last week fell to around 400 tonnes from 480 tonnes during the previous week due to drop in output coupled with a self imposed market intervention exercise to release small quantities following the decline in prices to below Rs 800 a kg, he said.

At the auction conducted on Sunday by the KCPMC, arrivals stood at 68.6 tonnes and almost the entire quantity was sold out. The maximum price was at Rs 1,070 and minimum was at Rs 544.

Auction average price dropped to Rs 786.71 from Rs 825.74 the previous Sunday, Mr Punnoose said.

Arrival of 8mm bold capsule was thin and that of good colour was fetching Rs 1,050-1,100, trade sources in Bodinayakannur said.

Total arrivals and sales during the current season from Aug 1 to Dec 16 were at 5,564 tonnes and 5,298 tonnes respectively.

The weighted average price as on Dec 16 stood at around Rs 767.41 .

Prices of graded varieties were marginally down and that in Rs/kg were AGEB: 980-990; AGB: 780-790; AGS: 745-755; and AGS-1: 720-730.

There had been a consistent decline in imports of cardamom during the past five years.

Imports declined further to 51 tonnes valued at Rs 3.62 crore in 2011-12.

The main reasons attributed to the fall in imports are mainly inferior quality and non-availability, market sources said.

Wilting cotton price leaves AP farmers in the lurch

HYDERABAD, DEC. 17:

Cotton farmers seem to be heading for big trouble. The violent protest by farmers at the Yenumamula Market Yard in Warangal district, one of the biggest cotton mandis in the country, is an indication of anger simmering among farmers.

CCI OFFICE

Hundreds of farmers ransacked the Cotton Corporation of India (CCI) office at the market, demanding that the agency buy all the cotton that arrived there.

HIGH ACREAGE

Hoping to cash in on the huge demand for the natural fibre last year, farmers had increased the acreage by almost 50 per cent — from 15 lakh hectares to 22 lakh hectares — last kharif.

A series of dry spells and cyclone Nilam left the crop badly affected, as in the case of other crops in the State.

"The production came down by 50 per cent. "We used to get 12-13 quintals an acre. But we are not going to get more than 5-6 quintals," Ruthu, who grew cotton on five acres, said.

The interest was so huge that the cotton acreage surpassed that of paddy for the first time in Andhra Pradesh.

"We went for cotton expecting a price of Rs 4,500-5,000 a quintal. But we are being forced to sell it at Rs 3,100-3,500," a farmer, who participated in Monday's protest at Warangal, told *Business Line* over phone.

Sarampally Malla Reddy, Vice-President of All-India Kisan Sabha, said that there were no scientific methods used at some mandis in measuring the length of the staple.

"They are deciding the price unilaterally. Farmers are at the receiving end as they are not in a position to take the stock back home," he said.

Poor price and rejections at *mandis* are forcing the farmers to sell to traders off-the-market.

"But traders are getting more when they sell the same at the mandis," he said.

The Government has increased the minimum support price to Rs 2,800-3,600 a quintal for medium staple and Rs 3,300-3,900 for long staple for the 2012-13 season.

Malla Reddy said farmers had to sow more than once in at least four lakh hectares due to the climatic vagaries, forcing them to spend about Rs 7,000 more.

Spot rubber rules steady

KOTTAYAM, DEC 17:

Physical rubber prices remained steady on Monday. Growers are likely to hold the stocks expecting a moderate recovery in the short run since the domestic natural rubber (NR) prices have fallen below the global levels.

According to sources, chances for an immediate increase in demand are also quite remote as the tyre makers seem to be comfortable with their imports.

Sheet rubber finished unchanged at Rs 163.00 a kg both at Kottayam and Kochi, according to traders and the Rubber Board.

Meanwhile, the key TOCOM rubber futures hit a seven-month high as the yen slumped against the dollar following a landslide victory of the Liberal Democratic Party in Japanese general elections on Sunday.

In futures, the January series closed at Rs 166.30 (Rs 165.96); February at Rs 168.50 (Rs 168.43); and March at Rs 171.20 (Rs 170.81) while the April and May series remained inactive on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) flared up to Rs 170.12 (Rs 166.99) at Bangkok.

December futures increased sharply to ¥267.2 (Rs 174.83) from ¥260.4 during the day session but then slid to ¥267.1 (Rs 174.74) in the night session on TOCOM.

The spot rubber rates Rs/kg as follows: RSS-4: 163.00 (163.00); RSS-5: 157.00 (157.00); Ungraded: 152.00 (152.00); ISNR 20: 152.00 (152.00) and Latex 60%: 106.00 (106.00).

Pepper moves up on buying support

KOCHI, DEC. 17:

The pepper market moved up on good buying support amid limited availability on Monday and all the active contracts, especially the nearby ones, increased substantially and closed much above the Saturday closing.

As the farmers were not releasing the material following the decline in prices, the buyers were covering from stockists for meeting their commitments old pepper at Rs385 - Rs390 a kg and an estimated 40 tonnes of the material were traded today, market sources told *Business Line*.

There was short covering in February and March, pushing up prices of these deliveries significantly.

Arrival of fresh pepper has not been taking place because of the overcast weather in Kerala's growing areas such as Kollam, Pathanamthitta and Thiruvananthapuram districts, they said. Besides, the Sabarimala pilgrims were buying small quantity of pepper on their way back from these districts

December contract on the NCDEX moved up by Rs 55 a quintal to close at Rs 39,135 a quintal. February and March increased by Rs 560 and Rs 520 respectively a quintal and closed at Rs 35,150 and Rs 34,945 a quintal.

TURNOVER

Total turnover rose by 1,365 tonnes to 2,083 tonnes. Total open interest decreased by 327 tonnes to close at 3,849 tonnes.

December open interest fell by 269 tonnes to 1,064 tonnes while that of February dropped by 67 tonnes to 2,186 tonnes. March moved up by eight tonnes to close at 520 tonnes.

Spot prices continued to remain steady at the previous levels of Rs37,200 (ungarbled) and Rs38,700 (MG 1) a quintal on limited activities.

Indian parity in the international market according to Dec prices was at $7,450 a tonne (c&f) Europe and $7,750 a tonne (c&f) USA. At Feb and Mar prices the parity was at $6,900 and $6,800 a tonne (c&f) respectively for Europe, they said.

Tea prices mixed at Kochi sale

KOCHI, DEC 17:

A mixed trend persisted for almost all varieties of tea at the Kochi tea auction. In dust category at Cochin Sale No: 50, the quantity on offer in the CTC grades was 11,22,500 kg.

There was a better demand and the market was fully firm to dearer by Rs 1 to Rs 2 and sometimes more, especially clean black well-made grainier teas with good liquoring properties.

However, the orthodox grades witnessed only a fair demand and the quantity on offer was 12,500 kg. The market was lower with many withdrawals and bulk of the offerings was absorbed by exporters and upcountry buyers.

In the best CTC dusts, PD varieties quoted Rs 100/110, RD grades stood at Rs 106/116, SRD ruled at Rs 108/117 and SFD at Rs 105/117.

Fair demand at leaf sale

The leaf sale witnessed only a fair demand and the quantity on offer in the orthodox grades was 1,45,000 kg.

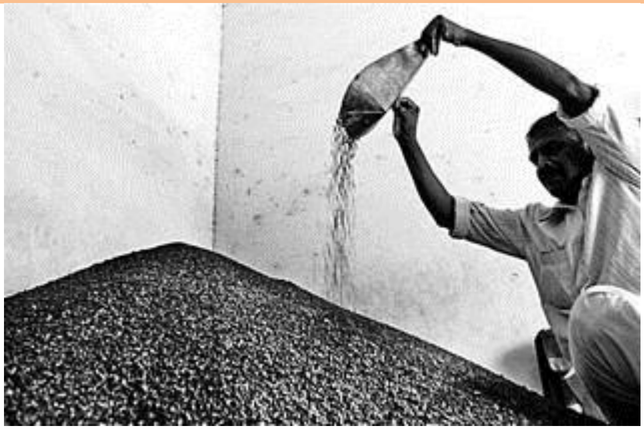
The market for select best Nilgiri brokens and whole leaf was firm to dearer. Others were irregular and tended to ease. Corresponding fannings also tended to ease.

Clean black, well-made medium, tippy grades, bolder brokens were steady to firm. Others were irregular and declined in value and witnessed some withdrawals. Whole leaf showed an easier tendency, while fannings sold around last levels.

The quantity on offer in CTC leaf was 71,000 kg and the market was barely steady and tended to ease.

In the dust category, Injipara (Prm) SRD fetched the best prices of Rs 131 followed by Injipara (Prm.) RD at Rs 130. In the leaf grades, Pascoes Hyson Green Tea quoted the best prices of Rs 331 followed by Chamraj FOP-Sup Green Tea at Rs 311.

Futures trading, peppered by controversy



Pepper has exposed the limitations of the futures trading mechanism.

The recent price manipulation detected in pepper futures contract on the National Commodities and Derivatives Exchange (NCDEX) has once again kicked off the debate on whether futures trading in narrow commodities should be allowed. Narrow commodities are those that are largely grown in a particular state or region, with their production being meagre.

Being the first-level regulator, the exchange did well to identify the cartel involved in the price rigging and issue a show-cause notice to eight brokers.

A handful of 10-15 traders (clients) acted in collusion to corner the pepper available in the futures market and pushed up the prices. This also led to spike in prices in the spot market.

The traders were able to abuse the system with impunity, despite the stringent checks and balances on the electronic trading platform. The exchange had to manually pore over the trading pattern of suspected manipulators for four to six months before it could spot the gameplan and stem the rot.

Low-hanging fruit

Narrow commodities have become an easy target for market manipulators. The widely-held opinion is that quantity of production should not be the criteria for qualifying a commodity for trade in the futures market.

A combination of production, market size and export potential for the particular commodity should be taken into account before listing it for trade on the exchange. Needless to say, the commodity market regulator — Forward Markets Commission — agrees with this view.

Rubber is one of the few narrow commodities to have made its mark on the futures exchange.

Despite mild opposition, the entire eco-system in the rubber industry has started accepting the e-platform for hedging their risks.

Sadly, spices could not emulate the success of rubber in the futures market.

The entire spectrum of spices — which includes pepper (annual production of 45,000 tonnes), turmeric (10 lakh tonnes), jeera (two lakh tonnes) and chilli (14 lakh tonnes) — would qualify as narrow commodities.

The trading interest in these commodities is substantial as they are largely export-oriented. The success of rubber in the futures market can be traced to the fact that its production is concentrated in Kerala, unlike spices which is grown in different parts of the country.

Spot market impact

The manipulation in the futures market sends distorted price signals to the spot market. The display of futures price tickers at various spot markets has led to farmers pricing their produce close to the future trend.

In most cases, buyers do not match the farmers' price expectations, as it is far removed from reality.

This tempts farmers to hold back their stock and create an artificial shortage of the produce in the market, leading to a gradual rise in prices. Unable to time the market, farmers sometimes desist from selling their produce. They get carried by the spiralling prices and hoard their stock for better gains, leading to inflation. The case in point is guarseed. The price of this non-descript commodity was taken to dizzying heights, before futures trading was banned.

Globally, the spot and futures market compliment each other as they are more transparent. However, in India, the spot markets, which are largely unorganised, depend on futures for price signals.

The different State tax structure, control on storage and restriction in transportation of commodity between States complicate things further.

Commodity market experts are unanimous in their view that the futures market has taken off in a big way even before reforms could set right the spot market.

Regulatory reaction

Reforms have started creeping into local *mandis*, but that has a long way to go. State governments have started adopting the model Agricultural Produce Market Committee (APMC) Act mooted by the Centre.

But the riders incorporated in the amended State APMC norms remain a deterrent. The long hands of the law are yet to curb the *dabba* or illegal trading that still goes on in the regional centres of different States.

FMC's powers to prevent *dabba* trading are limited as it is not a full-fledged regulator like the Securities and Exchange Board of India or the RBI. Despite the shortcomings, the FMC has managed to bring in some discipline in futures market by making delivery compulsory for most agriculture commodities. The staggered delivery system (of 15 days) introduced recently has come as a reprieve for serious players in the market. However, the contrarian view is that the move has reduced the life-cycle of the contract by 15 days. The regulator tames the market by reducing the open interest and increasing margins whenever it goes haywire.

The instances of client code modification have reduced drastically after a penalty of Rs 5,000 or one per cent of trade value was imposed as per modification.

Deepen the market

The lack of depth in terms of participation has made it easier for traders to rig the futures market. Players are pinning their hopes on the passage of Forward Contract Regulation (Amendment) Bill in Parliament to widen and deepen the market.

The Bill paves the way to widen the market with launch of new products and deepen it with participation from banks and financial institutions.

Technically, nothing stops these institutions from tapping the markets now. The nod for the Bill in Parliament will give all regulatory powers to the FMC and boost the confidence of other regulators such as RBI and SEBI in the commodity market.

Banks' participation in the futures platform will not only bring in the much-needed liquidity, but also work in their interest as they already lend against commodity stored at exchange-accredited warehouse. This will enable them to hedge their risk against warehouse lending.

Govt high on fertiliser subsidy cash transfer

Come January 2013, the department of fertilisers is launching pilot projects in 10 districts spread over nine states to track the movement of the nutrient from the retailer to the farmer.

The finance ministry's mid-year economic analysis of 2012-13 has pointed out that in these districts, part of the subsidy to manufacturers will be linked to sale of fertilisers to farmers by retailers.

The ministry, in the section outlining implementation of Budget announcements this year, has further added that after successful implementation of this phase in these 10 districts, cash subsidy would be transferred to farmers in the next phase from April 1, 2013.

Simultaneously, the exercise of tracking the movement of fertilisers from the retailer to the farmer will be rolled out in the whole country, the mid-year review has said.

The department, with the technical support of the National Informatics Centre(NIC) has already developed a mobile and web application named mobileFertilisers Monitoring System (m-FMS) which provides information about stock position, sale and receipt of fertilisers till the last retail point.

On the implementation of the Budget announcement on the pilot project on direct transfer of subsidy for kerosene into the bank accounts of beneficiaries, the review has mentioned that the programme has been undertaken in the Kotkasim tehsil of Rajasthan's Alwar district. As of September 30, 2012, a total of 15,020 bank accounts have been opened as against 25,843 cardholders. Till that date, an amount of Rs 52.06 lakh has been deposited in those accounts as subsidies.

Mamata opposes scheme

West Bengal Chief Minister Mamata Banerjee today strongly opposed the Centre's cash transfer scheme, saying the poor will not get the money, as there is no mechanism to implement it. “We don’t agree with the scheme. West Bengal never agreed for this. How will you transfer the cash? What is the mechanism? Where is the machinery? There must be some mechanism so that money can reach (the beneficiaries),” she said.

Punjab may waive off market fee on fruit, vegetables

Taking a step forward in agriculture marketing reforms, Punjab may soon waive off market fee on fruits and vegetables, which, due to its trickle down effect, would benefit the farmers and consumers.

The board of directors of the state agriculture marketing board has approved the abolition of market fees and has forwarded the proposal to the financial commissioner, development.

Currently, market fees is being charged at 2 per cent on the wholesale price of fruits and vegetables in mandis established by the state. In order to compensate the loss, the agriculture marketing board is contemplating to introduce usage charges (like charges for usage of platform, electricity, water, sewerage, display etc.) per annum on traders.

Sources added, “Our board of directors has approved the abolition of market fees and has sent the proposal to the financial commissioner development for approval. In order to compensate the losses, there are proposal to impose usage charges on traders per annum.”

This will not only enhance marketing efficiency of these perishables but also reduce their marketing cost and post-harvest losses, added the source.

Sources in the marketing board informed this would help the producers as well as consumers and that they have received a communiqué from the Government of India urging the state marketing board to waive off the fee on the lines of Madhya Pradesh and Uttrakhand. So, in order to provide competitive, barrier-free and effective marketing channels to get remunerative prices and ensure availability of agriculture produce, particularly fruits and vegetables at reasonable price, it was decided to waive off the market fee.

Due to charges, there were instances when traders were seen evading market fees. During 2011-12, the total market fees collected from fruits and vegetables was Rs 43.04 crore as compared to Rs 40.48 crore in 2010-11. Although the state witnessed increase in market fees as compared to previous year, but there had been significant amount of tax evasion. According to experts there is evasion of almost 50 per cent, which causes huge revenue losses to state exchequer.

As far production of fruits are concerned, during the year 2010-11, 0.70 lakh hectares were under fruits. Kinnow, orange, malta, lemon, guava, pear, mango and grapes are the main fruits grown in the state. The Total production under these fruits were 13.73 lakh metric tonnes for the year 2010-11.

Also, the total area under vegetable crops was 1.03 lakh hectares in 2010-11. Potato, with an area of 0.64 lakh hectres in 2010-11 was the major vegetable crop of the state, followed by other vegetables. The total production of potato during 2010-11 was 16.10 lakh metric tonnes.

According to agro experts if everything is streamlined, the integration of fruits and vegetables production with their processing will not only add value to the crops of farmers but will also open up big employment opportunities in the state.

Water reaches critical levels in three Cauvery reservoirs

After the release of water to Tamil Nadu following the Supreme Court's directive to Karnataka, the water levels in the three major Cauvery reservoirs here have reached levels that's causing a lot of anxiety, while causing concern over irrigation and drinking water needs of the region for the next six months till the monsoon sets in.

The availability of water from Kabini has reached critical 'nil' level while that from the Krishnarajasagar (KRS) and Harangi reservoirs has steeply fallen to a little over seven tmcft.

The ultimate water that can be drawn for both irrigation and drinking water from the Krishnarajasagar has reached 7.07 tmcft and from Harangi to a level of concern of 0.7 tmcft, the total availability touching 7.14 tmcft for the next half year.

At the KRS, the water level on Monday stood at 89.18 feet as against 124 feet maximum, with an outflow of 1,249 cusecs to the river and 3,751 cusecs to the canals. The inflow was a meagre 1,895 cusecs. This left availability storage in the reservoir at just 7.07 tmcft, which could result in a shortfall in the coming months, while it has to meet drinking water requirements of Bangalore and Mysore too for the next six months, including next year's critical summer season, a priority.

Chief Minister Jagadish Shettar had said the total water requirement from the KRS for drinking purposes would be 20 tmcft. Viewed against this background, the water availability from KRS would be totally inadequate.

Bangalore requires about 363 cusecs of water and Mysore about 82 cusecs per day for drinking purposes from the KRS.

Water level in Kabini was 2,258.16 feet and inflow was just about 172 cusecs, while the outflow to the river was 50 cusecs and canals 860 cusecs.

"Kabini has fallen below the minimum draw level, leaving no storage for further draw. Even standing winter crops are being affected as there is no water at all for the ultimate draw into canals or reservoirs. The 'driving head' is so poor that even the meagre water that is being released is not reaching the down-reach areas where standing crops require water," Cauvery Irrigation Authority officials told Business Standard on Monday.

This has already resulted in protests by farmers in the Kabini irrigated area, an example being the burning of paddy crops as they had dried up for lack of water a few days back.

The delayed water release from the reservoir had affected the present harvest season. After the harvest, the next sowing season has to begin when water is required for crops again, they said.

In the Harangi reservoir, the levels had reached 2,805.01 feet, with an inflow of 129 cusecs. While no water is being discharged into the river, 1,500 cusecs are being released into canals.

The ultimate water availability as it stands today is only 0.756 tmcft," Cauvery Area Development Authority (CADA) officials said.

Coconut board to market value-added products

The projects on the anvil include promoting 100 tender coconut units, 5 virgin coconut oil enterprises, 100 desiccated coconut manufacturing companies and 50 chips making units

The Coconut Development Board (CDB) is planning to explore markets for seven coconut-based products through 63 cities under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The basket includes packaged tender coconut water, virgin coconut oil, milk powder and cream, desiccated coconut powder, ball copra, coconut chips and pure coconut oil.

Demand for these products had been identified based on a consumer acceptability study conducted in metros and through Board's participation in exhibition and fairs in major cities. The projects on the anvil include promoting 100 tender coconut units, 5 virgin coconut oil enterprises, 100 desiccated coconut manufacturing companies and 50 chips making units through JNNURM cities during the current financial year.

The board had already supported 200 processing units under financial assistance of CDB through technology mission on coconut (TMOC). The board plans to market these products in a phased manner, and during the first phase, it could market in seven cities with over four million populations at Delhi, Mumbai, Bangalore, Chennai, Kolkata, Ahmedabad and Hyderabad.

Developing markets for value-added products enhance the price of coconut up to Rs 20 per nut according to the new marketing strategy of the board. The CDB is trying to sell the products through supermarkets, malls, emporia, big stalls and outlets run by the consortia of coconut farmers.

Groundnut oil reaches new high of Rs 2,200 per 15 kg

Groundnut oil prices have reached a new high to Rs 2,200 per 15 kg tin on Monday as most of the mills are having shortage of groundnut for crushing.

During the last three days price of the oil has increased by over Rs 50 per tin. While the millers attributed the price rise to lower groundnut production in the state, the retail demand in the domestic market remained weak. "As this year groundnut crop has almost failed in Gujarat due to poor monsoon, arrival of groundnut is very poor. Currently, hardly 15,000 bags (40 kg each) of groundnut arrive every day in Gujarat that is not enough for millers. Moreover, peanuts traders are also buying around 50 percent of the arrivals," said Ravjibhai Mandanaka, president of Gondal Oil Mills Association.

Samir Shah, president of SOMA, said, "Price of groundnut oil has gone up because sellers are not able to fulfill the demand as they don't have enough groundnut for crushing."

Groundnut oil price at new high

Groundnut oil prices reached a new high to Rs 2,200 per 15-kg tin on Monday with most mills facing a shortage of groundnut for crushing.

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"As this year, groundnut crop has almost failed in Gujarat due to poor monsoon, arrival of groundnut is very poor. Currently, hardly 15,000 bags (40 kg each) of groundnut arrive every day in Gujarat. That is not enough for millers. Moreover, peanut traders are also buying around 50 per cent of the arrivals. In this condition, we are having shortage of nuts for crushing," said Ravjibhai Mandanaka, president of Gondal Oil Mills Association.

Groundnut oil loose traded at Rs 1,300-1,310 per 10 kg while teliya tin (15 kg unrefined) stood at Rs 1,995-2,000 per 15-kg tin. Refined groundnut oil for 15-kg new tin was quoted at Rs 2,200 in Rajkot on Monday. Trading of groundnut oil from Saurashtra's mills is about 80-100 tonnes per day.

At the beginning of the edible oil year, in October, groundnut arrival was around 7,000-8,000 bags per day. Gradually, this increased to 60,000-70,000 bags per day. But now it has decreased to 15,000-17,000 bags a day. Short arrival has also pushed up groundnut prices to Rs 1,100-1,150 per 20 kg.

Samir Shah, president of Saurashtra Oil Mills Association, said, “The price of groundnut oil has gone up because sellers are not able to fulfill the demand as they do not have enough availability of groundnut for crushing.”

Due to lower availability of groundnut, hardly 25-30 groundnut oil mills are operational in the Saurashtra region. According to Shah and Mandanaka, groundnut oil prices may go up to Rs 2,300 per tin (15 kg) in the near future.

THE TIMES OF INDIA

TODAY FARM NEWS

18.12.2012 A.M

CCI throws cotton ryots at mercy of middlemen

The Cotton Corporation of India (CCI) is resorting to arm-twisting tactics to purchase produce from farmers . Farmers in all the cotton-growing districts are forced to wait for the middlemen to lift their stocks as the CCI is said to be deliberately refusing to intervene.

The farmers had hopes of getting the minimum support price (MSP) after suffering massive losses in the untimely rains triggered by cyclone Nilam . But that is not to be as the CCI is not accepting the stocks on the pretest of poor quality. Consequently, the farmers are being forced to sell their produce to the middlemen at much lower prices. Ironically, the CCI's agents are accepting the same stocks from the brokers. In fact, the Centre had asked the CCI to swing into action and pick up the stocks almost 30 days ago after sensing that the market conditions did not favour farmers.

Surprisingly, the CCI officials in Andhra Pradesh took their own time to open the purchase centres citing lack of godown space and ginning sources. "The CCI deliberately delayed purchases only to force the farmers into distress sale. It is an open secret that the CCI officials connived with the middlemen resulting in loss to farmers," alleged former minister and senior TDP leader Kodela Sivaprasada Rao. With the merchants not showing any hurry to pick up the stocks at the prevailing price of Rs 3,900 per quintal, the CCI played a diabolical role in inducing price fall to benefit the merchants and spinning mill managements , he said.

While CCI was asked to purchase the stocks under market intervention scheme to stabilize the prices, speculation is rife that the officials were playing into the hands of the merchants. According to information, the cotton production from the state during the current season is expected to touch about 75 lakh bales against the previous year's 55 lakh bale. However, the cotton farmers hoped to reap benefits as the over-all country's production has come down by at least 25-30 lakh bales and the increased production from the state has been expected to compensate the national pool requirements.

Contrary to their expectation, the price tailspin began right from the day the harvest started reaching the market . The situation at several market yards is turning volatile following the violent protests from the farmers after the buyers refused to pick up the stocks. Sources said CCI officials were behind the agitations of the ginning mills and spinning mills in order to delay the purchases . While the ginning mills launched an indefinite strike demanding the waiver of power surcharges, the spinning mill managements have been demanding uninterrupted supply of power .

Curiously, both the ginning mills and spinners decided to agitate only when the farmers brought their stocks to the market. The spinning mills have been opposing the MSP of Rs 3900 per quintal fixed by the Centre.

"I have sold nearly 90 quintals of stocks to a private merchant at Rs 2,850 per quintal as CCI officials refused to take it," said K Venkatramaiah of Krosure village in Guntur district.

As against the total expected crop of about 75 lakh bales in the state, the Cotton Corporation of India (CCI) picked up just around 10 lakh bales leaving the farmers to the mercy of middlemen and private merchants. Sources said that the private merchants too picked up around 5 lakh bales by offering nearly Rs 800-Rs 1000 less than the MSP. "We are picking up the stocks as per the norms. There is no place for middlemen. We are doing our best to alleviate the woes of the farmers ," S K Panigrahi, GM, CCI told TOI.

Farmers fear that the stocks, which were partially damaged in the rains, would further decay if the purchases were delayed. A senior CCI official said that it would take at least 3-4 months to complete the procurement if the purchases were made at the same pace.

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JOURNALISM OF COURAGE

TODAY FARM NEWS

18.12.2012 A.M

Sugar mills owe Rs 444 cr to farmers for last season: Govt

Sugar mills owe over Rs 444 crore to cane farmers out of the total payable amount of nearly Rs 52,000 crore in the 2011-12 marketing year ended October, the Parliament was informed today.

Sugar mills needs to pay sugarcane growers Rs 314.24 more pertaining to marketing years prior to 2011-12, taking the total outstanding to Rs 758.42 crore.

"The outstanding cane price payment for sugar season 2011-12 (October-September) is about Rs 444 crore against the payable amount of about Rs 51,937 crore which is less than one per cent," Food Minister K V Thomas said in a written reply to Rajya Sabha.

Out of Rs 444.18 crore due for the last marketing season, Uttar Pradesh accounts for the maximum arrear of Rs 112.9 crore, followed by Karnataka (Rs 58.99 crore), Maharashtra (Rs 45.96 crore), Bihar (Rs 33.15 crore) and Andhra Pradesh (Rs

33.09 crore), he added.

The Sugarcane (control) Order, 1966 stipulates payment of interest at the rate of 15 per cent annually on amount due for the delayed period beyond 14 days. The State and Union territories have been delegated and vested with the powers for enforcing this provision, the minister said.

The Centre with a view to enhance the liquidity of sugar mills for timely payment of sugarcane dues has allowed export of sugar in 2011-12 and also in 2010-11 sugar seasons, Thomas added.