

THE HINDU

January 31, 2012

Farmers have no say

The price of onion which has declined to an abysmal rate shows the vulnerability of the farmers. To cultivate a crop, the farmers spend much money on fertilizers and also for hiring labour. When the harvested crop doesn't fetch them even the cost of production all their efforts go down the drain. And perhaps it is this irretrievable loss which drives the farmers to commit suicide across India. It is rather ridiculous that farmers have no say over the fixing of their own produce. It is boasted that India is an agricultural country. But who is bothered about the lives of poor agriculturists?

BBC. Chandrasekar,

Anna Nagar.

FIX PAVER BLOCKS

At the end of the Ellis Nagar Bridge near the signal the road is filled with potholes. Even though it gives much hardships to vehicle riders especially two-wheelers, it is of paramount importance to fix paver blocks here as is fixed at the Periyar bus stand. This type of patch work have been done at the New Jail Road, another at the Railway colony entrance and another one at Grammerpuram. The Corporation of Madurai may take necessary steps to repair the road in the tail end of the Ellis Nagar Bridge for the benefit of the vehicle riders.

R. Gopalakrishnan,

Ellis Nagar.

SHIFT POST OFFICE

A post office functioning at an isolated area of Tagore Nagar serves neither public non trade. Hence, it must be shifted to Iyer Bungalow area or a new post office must be set up to function in Iyer Bungalow, as this area is highly populated. Further a post box that was hung at the Krishna Nagar bus stop shed was removed. This should be replaced for the convenience of the people of Krishna Nagar, Iyappan Nagar and the adjoining areas.

A. Vivekanantham,

Krishnanagar.

VILLAGE SANS BANK

There is no bank in Keelaiyur village near Melur town. So the people are forced to go to Melur and other places for bank transactions. Hence, I request the lead bank authority to open a bank branch at Keelaiyur.

S. Muthukrishnan,

Keelaiyur.

SWIMMING POOLS

In cities like Madurai swimming pools are available for those who want to learn swimming. But such facilities are not available in small town like Melur, Usilampatti and Tirumangalam. Hence, I request the district sports authority and concerned Municipality to construct a swimming pool for the students and youth.

M. Sundararaj,

Surveyor Colony.

MORE INFRASTRUCTURE

The residents of erstwhile Annai Nagar 4th ward of Vandiyur panchayat, which was recently annexed with ward no. 32 of Madurai Corporation have sought a syntax tank so that it can be filled up with Vaigai water once in three days .

The road in the colony was laid some years back and after the recent rains lot of potholes have developed. Even if a drizzle occurs the whole area becomes inundated. The residents hope that the corporation authorities would lay cement roads and solve the problem.

S. N. Gurusamy,

Annai Nagar.

FRAIL COPS

It is a pity to see frail looking women constables controlling vehicles at important areas like Simmakal temple, Periyar complex junctions etc. The constables are almost invisible in the bustling crowd. Bike riders and other drivers ignore the instructions given by these constables. It is hoped that the DIG of Police deputed well built constables on this stretch and who are able to control the crowd.

DSM. Mohaideen,

Velmurugan Nagar.

POORLY LIT LIBRARY

The Madurai district library situated at Simmakal occupies a spacious building but is poorly illuminated. During power shutdown even a generator is not operated. This clearly indicates the lethargic attitude of the librarian. The restroom in the rear side lacks water facilities. Large numbers of senior citizens utilise this library regularly. It is hoped that the Collector will take active steps to rejuvenate the library.

R.G. Rethinam,

Simmakkal.

CONCESSION IN BUS FARE

Karnataka State Transport Corporation has introduced new buses from Madurai to Bangalore and is giving a discount of 10 percent for advance reservation. This is not sufficient. The Corporation is giving an added concession for senior citizens of their state. It is hoped that this concession is given to all senior citizens. The TN Government should also follow the principle.

S. Venkadachar,

West Ponnagaram.

ROAD IN BAD SHAPE

The bypass road in Madurai is in a bad shape though at 200 feet width it is supposed a grade 'A' road. The service roads on either side is also ill maintained and there are lot of encroachments. During night time there is no proper lighting and as the median is also not well maintained it proves to be a great threat to road users. As the road comes under the Highway Department but is situated in the corporation limits both the departments ignore the maintenance of the road. It is time that the local authorities look into this .

G. Chitti Babu,

Velmurugan Nagar

ONE WAY TRAFFIC

When traffic was allowed on Chitirai streets there was a circular movement, with people entering from any side and existing on any side. This one way traffic helped contain the traffic jam. I request the authorities to arrange for one such circular movement on Avanimoola street or Masi street this would surely help ease traffic woes.

M. Aravind Jain

West Chitirai Street.

ROBBERS AT LARGE

The increasing case of robberies is creating panic among people. Bank robberies, chain snatching and house break-ins became very common. As it is not a trifling matter, the police men should apprehend the dacoits at the earliest and ensure public safety.

C. Gabriela,

P&T Nagar,

FRIENDLY DRIVERS

On seeing Tamakkam's unfriendly bus stand, I am reminded of the unfriendly attitude of the government bus drivers to senior citizens. Sometimes the drivers fail to stop buses for old people. It is time that the government bus drivers are sensitised to the problems faced by aged persons.

S. Nazrin Salma

A. Kosakulam,

KUDOS TO HINDU

Thanks to the introduction of the "no parking" regulation for four wheelers along the North Veli Street, effective from 24-1-2012, a long felt need of the road users has been fulfilled {The Hindu, page 2,25-1-12}. Hopefully, this arrangement will ease the traffic congestion to a considerable extent. In this context the role played by The Hindu, in influencing the opinion of the law enforcing authorities to take the initiative in the matter is commendable. The paper had highlighted these problems in its issues dated 21-1-2012 {Law and Order p 3} and 23-1-2012 {Reporters Diary p3}.

V. Krishnamoorthy,

Narayanapuram.

UNCERTAIN POWER

The regular two-hour power cut is common to all areas besides two more hours of undeclared cuts. Further, about an hour's power cut often occurs at night. Then there is the one-day shut down for maintenance. Now, people dream of continuous electricity for at least few hours a day.

B. P. Pereira,

Railar Nagar

BATTERED ROAD

The corporation authorities had announced that once the rains got over, work on relaying battered roads would be taken up. But no work has been done especially on

the Arasaradi – Kalavasal road strip which is highly damaged. Further, the median is proving to be more a hindrance than an advantage . Earlier, the Mayor had announced the mobile numbers of officials to whom the residents can inform about the civic problems. Had the system worked well, this sorry state of roads would have disappeared by this time.

K. Chandran,

Nataraja Nagar.

TNAU suggests post-harvest units

Value chain becomes very important to curtail post-harvest losses and at the same time to promote food processing and increase farmers' income. The university has suggested to the Government to establish post-harvest centres at block and district levels to enable surplus production to be profitably processed without any wastage, P. Murugesu Boopathi, Vice-Chancellor of Tamil Nadu Agricultural University, said here recently.

Inaugurating a national training programme on “Commodity Market Research and Value Chain Analysis” for scientists from State Agricultural Universities and Fisheries' Colleges at the university, he said that until recently, impetus was given to production-oriented agriculture to increase food grain production, and in the process, post-harvest practices and food processing were not given due attention.

“Farming is becoming one of the most risky operations in India as it is exposed to many risks. The recent cyclone ‘Thane’ resulted in loss of over 1.5 lakh hectares of rice that amounts to yield loss of around nine lakh tonnes. In spite of such risks, the Indian farmer has been able to achieve high levels of agricultural production and the country is now self-sufficient in food grains,” the Vice-Chancellor said.

But though the production had increased, post-harvest losses were very high.

For example, eight to 12 per cent of grains and 25-35 per cent of perishables like fruits and vegetables, worth Rs. 46,000 crore per annum of fruits and vegetables, was lost. The university also gave farmers price forecasts, but they did not use this information to take appropriate marketing decisions, he added.

M. Paramathma, Director of Research, TNAU, said forming effective and efficient value chains in agricultural, horticultural, fisheries, and dairy products, were in urgent need for augmenting farm business income, employment and livelihood security.

N. Ajjan, Director, Centre for Agricultural and Rural Development Studies, TNAU, said policy-makers needed to focus increasingly on development of agro-industries with emphasis on promoting effective agro-value chains for economic growth and poverty reduction.

Farmers urged to take up organic farming

KARWAR, January 31, 2012

Excess use of fertilizers has resulted in soil losing its fertility.

Farmers should give importance to organic farming. For this to happen, people should begin to rear cows, Dinakar Shetty, Kumta MLA, has said.

He was speaking at an exhibition of hybrid cows organised by the Veterinary Department at Hosakuli village in Honnavar taluk on Tuesday.

Mr. Shetty has urged the Government to provide fodder to farmers in concessional rates.

Youths hailing from agriculturists' families and background were not interested in farming because it was not profitable, he said.

Most of them were migrating to cities in search of jobs. Hence, the government should give priority to agriculture, Mr. Shetty said.

H.R. Ganesh, manager of VSS Bank, Hosakuli, and Balakrishna Hegde, Hosakuli gram panchayat president, spoke.

Prizes were distributed to owners of the best cows and calves.

Farmers reap rewards of SRI

KOCHI, January 31, 2012



Better yield: The paddy harvest under SRI technique being inaugurated in Mulanthuruthy panchayat on Monday. — Photo: By Special Arrangement

The songs of harvest resounded through paddy fields of Mulanthuruthy on Monday as a group of women under the Kudumbasree group 'Chaitanya' began harvesting paddy in 10 acres of leased land.

The inauguration of the harvest, witnessed by a large group of people from the panchayat, was the culmination of a joint effort by the women, who adopted the System of Rice Intensification (SRI) against the conventional method.

Harvesting of the fields was launched by the Block panchayat president Rees Puthenveedan. Reji Chakrabarty, president of the panchayat, presided at the programme.

Agricultural Department officials said that the group had done extremely well. The yields are expected to be much better than that from conventional paddy cultivation.

SRI involves planting saplings in rows of single plants rather than in clumps. The results in Mulanthuruthy showed that paddy saplings grew faster and stronger under SRI.

An official of the Agriculture Department said that the yield could be about 500 kg more than the average six tonnes harvested from a conventional acre.

The single rows made weeding and fertilizer application easier. Another advantage was that the seed requirement came down drastically in SRI compared to the conventional method.

While an acre under SRI required just 3 kg of seeds, the conventional practice would require over 30 kg.

Another significant aspect of the effort made by the Kudumbasree women in Mulanthuruthy this season is that they adopted bio-control methods on pests as recommended by the Department of Agriculture in about three acres.

Turmeric ryots in a spot as prices fall

NIZAMABAD, January 31, 2012

Turmeric farmers in the district have been at a loss over the declining rate for the produce in the backdrop of succour not coming from any quarters to enable them to come out of losses incurred due to heavy investments and low price in the market.

They are in deep shock as the price per quintal of turmeric which fetched them Rs.8,300 during the last season fell to as low as Rs.3,500 at the agriculture market yard here this year.

When the per quintal price increased to over Rs.16,000 from Rs.2,000 a couple of years ago, many farmers took up turmeric cultivation on a large scale. The price too was encouraging for two years and with that farmers were happy.

High input costs

Over a period of time, the input costs too alarmingly increased burdening farmers cultivating turmeric.

According to a report, input cost per acre has gone up to Rs.1.25 lakh for cultivating the crop in the current season.

Hoping profits on the crop, the farming community went ahead investing huge amounts.

However, their hopes were dashed following the declining prices ever since the season began this year.

Pest problem

In addition to the declining rate, crop production too came down heavily this year due to pests following untimely rains in Armoor, Velpur, Jakranpally, Balkonda, Nandipet, Morthad and Kammarpally mandals where turmeric is grown. As a result, per acre yield which was 22 quintals last season came down to 14 quintals on an average. According to farming sources, this year about 40 per cent less yield arrived due to pests.

Turmeric growing areas gradually went up over the last three years as it brought ryots profits. Crop sown area increased to 13,000 hectares from 9,000 hectares a few years ago. The upcountry traders who purchased the product at high rates in previous years allegedly formed a cartel to rig the market. Therefore, the demand for the intervention of Markfed is largely coming from farmers and they want to fix at least Rs.10,000 Minimum Support Price per quintal.

All political parties and farmers' unions waged struggles for the MSP for turmeric and a separate board for it on the lines of spices board, but to no avail.



weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Tuesday, Jan 31

Max Min

30.8° | 21°

Rain: 00 mm in 24hrs

Sunrise: 6:35

Humidity: 89%

Sunset: 18:03

Wind: Normal

Barometer: 1015

Tomorrow's Forecast



Partly Cloudy

Wednesday, Feb 1

Max Min

27° | 20°

Extended Forecast for a week

Thursday Feb 2	Friday Feb 3	Saturday Feb 4	Sunday Feb 5	Monday Feb 6
25° 20°	27° 21°	28° 22°	27° 24°	28° 23°
Cloudy	Cloudy	Cloudy	Rainy	Rainy

Airport Weather

Delhi

Delhi

Rain: 00 mm in 24hrs **Sunrise:** 7:14

Humidity: 76% **Sunset:** 17:48

Wind: Normal **Barometer:** 1020



Farmers seek more compensation for land given to University

TNN | Jan 31, 2012, 04.02AM IST

COIMBATORE: Farmers who gave up their lands for the development of [Bharathiyar University](#) staged a sit in protest on Monday at collectorate demanding for compensation from the district administration.

The farmers complained that in spite of a court order, the government has refused to give full compensation to farmers, who lost their livelihood due to the acquisition of land. "The government had acquired 1,000 acres of land from nearly 150 farmers in the region in 1980," said VP Elangovan, district secretary, [Tamil Nadu Farmers Association](#).

The farmers were offered just Rs 8000 for an acre of land. However the farmers went to the court demanding for higher compensation and got a favourable order in 2007 but the administration is yet to compensate them.

"We were growing maize and vegetables in the farm land and were dependent on the land for our livelihood. However after the land was acquired from us, we struggled to live," said S Malathi, another farmer.

The court in its verdict in 2007 ordered the government to increase the compensation to Rs 50,000 per acre with interest. "If we got the compensation we could have given a good education to our children. But the acquisition not only made us landless but also financially weak," added Malathi.

Though all were promised jobs but none got it, said D Babu, who had to give away 24 acres of land. A few fortunate ones got the job but have been working on a daily wage and have not been made permanent yet, he added.



Groundnut, mustard oils fall on sluggish demand

Prices of groundnut and mustard oils fell by up to Rs 100 per quintal in the wholesale oils and oilseeds market today due to sluggish demand at prevailing higher levels.

However, other edible and non-edible oils continued to trade in a narrow range on scattered deals and settled around previous levels.

Marketmen said sluggish demand at prevailing higher levels mainly led to the fall in groundnut and mustard oils prices.

In the national capital, groundnut mill delivery oil (Gujarat) fell by Rs 100 to Rs 10,000, while mustard expeller (Dadri) oil shed Rs 50 to Rs 7,900 per quintal. The following were today's quotations per quintal: Oilseeds: Mustard Seed 2,550-2,680 and Groundnut Seed 2,125-2,875.

Vanaspati Ghee (15-litre tin) 1,030-1,090. Edible oils: Groundnut Mill Delivery (Gujarat) 10,000, Groundnut Solvent Refined (per tin) 1,600-1,650, Mustard Expeller (Dadri) 7,900, Mustard Pakki Ghani (per tin) 1,020-1,175, Mustard Kachi Ghani (per tin) 1,175-1,275, Sunflower 6,300, Sesame Mill Delivery 7,700, Soybean Refined Mill Delivery (Indore) 7,330, Soyabean Degum (Kandla) 6,930, Crude Palm Oil (Ex-Kandla) 6,900, Cottonseed Mill Delivery (Haryana) 6,750, Palmolein (RBD) Rs 7,130, Palmolein (Kandla) 6,780, Rice Bran (phy) 3,800 and Coconut (per tin) 1,550-1,600.

Non-edible oils: Linseed 4,750, Mahuwa 4,000, Castor 8,400-8,500, Neem 4,150-4,250, Rice Bran 3,280-3,380 and Palm Fatty 3,225-3,300. Oilcakes: Groundnut Dehusk 800-850, Sesame 950-1,150, Mustard (New) 1,000-1,025, Mustard 1,200-1,210 and Cottonseed 1,075-1,175.



Govt. hikes levy sugar prices by Rs 58/quintal

The government has hiked levy price— the rate at which it buys sugar from mills for ration shops— by Rs 58 to Rs 1,904.82 per quintal for this year, a move which would increase subsidy bill by up to Rs 300 crore.

The government purchases about 28 lakh tonnes of sugar from millers to supply at subsidised rates through ration shops and para-military staff. It supplies the sweetener at Rs 13.50 per kg via ration shops. However, it is being sold at about Rs 35 per kg in the retail market.

"The average levy sugar price is fixed at Rs 1,904.82 per quintal for 2011-12 season (October-September), against Rs 1,847.05 per quintal last season," a senior official said.

An order in this regard would be issued this week, the official added.

Sugar mills are obliged to sell 10% of their production to the government to meet ration shops' demand.

Although the government has raised the levy price for the current season, it is still below the cost of production at Rs 2,800-3,000 per quintal.

The levy price of sugar is calculated on the basis of Fair and Remunerative Price (FRP), which stands at Rs 145 per quintal for the current season.

"The subsidy and transportation cost on levy sugar itself comes around Rs 3,000 crore. The increase in levy price would have an additional burden on the subsidy bill by about Rs 250-300 crore," the official said.

The total Food Subsidy Bill is expected to expand to Rs over 94,000 crore for the 2011-12 fiscal due to additional allocation of foodgrains.

The Food Corporation of India (FCI), the nodal agency for foodgrains procurement and distribution, normally buys levy sugar from mills and then distributes on behalf of the state governments.

For last few years, only 60% of the total 28 lakh tonnes of levy sugar is being purchased from mills to meet the ration shops' demand due to logistics problems and lack of funds with states.

Sugar production in India, the world's second-largest producer and the biggest consumer, is estimated at 24.5 million tonnes in the 2011-12 marketing year. However, the industry has pegged sugar output at 26 million tonne.

Potato down 1.6% on reduced offtake



Potato futures fell by Rs 11.70 to Rs 715.30 per quintal today as speculators offloaded their positions, driven by less offtake in the spot market.

Increased supplies in the physical market following persistent arrivals from producing region against lower demand led to the fall in potato prices, traders said.

At the Multi Commodity Exchange, the April delivery fell by Rs 11.70, or 1.60%, to Rs 715.30 per quintal, with a business volume of 37 lots.

The May potato eased by Rs 11.80, or 1.55%, to Rs 746.10 per quintal, with a business volume of 14 lots.

For delivery in March, potato traded lower by Rs 11.40, or 1.55%, to Rs 723.20 per quintal, with a trade volume of 324 lots.

Marketmen said fall in potato prices was mostly due to offloading of positions by speculators, driven by subdued demand in the spot market.

Cardamom up 2% on good demand

Cardamom prices rose by Rs 15.50 to Rs 725 per kg in futures trade today as speculators enlarged their positions, supported by pick-up in spot market demand for the ongoing marriage season.

Tight stocks following restricted arrivals from producing regions further fuelled the uptrend in cardamom prices.

At the Multi Commodity Exchange, March cardamom rose by Rs 15.50, or 2.18%, to Rs 725 per kg, with a business volume of 254 lots.

The February delivery also rose by Rs 3.70, or 2.04%, to Rs 685 per kg, with a trade volume of 899 lots.

The April delivery gained Rs 13.50, or 1.81%, to Rs 757 per kg, with a trade volume of 45 lots.

Traders said pick-up in demand in the spot market, supported by the ongoing marriage season, mainly led to the rise in cardamom prices at futures market.

They said tight stocks following restricted supplies from the southern region also influenced the prices.

Turmeric brightens on low arrivals



ERODE, JAN. 30:

The price of the spot turmeric increased by Rs 100 a quintal on Monday on low arrivals.

“Unexpectedly, arrival of turmeric bags to the markets have decreased to 7,000 and odd bags; but only 60 per cent of the stocks were sold. Of this 80 per cent

was new crop,” said Mr R.K.V. Ravishankar, President, Erode Turmeric

Merchants Association.

He said that on Monday nearly 5000 bags of new turmeric arrived for sale. Of this 90 per cent goods were sold. The bulk buyers prefer the new crop as it is cheap and after processing the same will fetch a good remunerative price. Further, for the past one month, the exporters did not get any fresh orders due to winter season. With elections coming up in Uttar Pradesh and other Northern States, no North Indian trader will place fresh orders till February-end. The traders believe this will check any improvement in prices. Growers when asked about the low arrivals said, “We are expecting that the Tamil Nadu Government will consider our plea for direct procurement at Rs 10,000 a quintal as Minimum Support Price for.”

Some traders said turmeric is not an essential commodity like sugarcane, so it is impossible for declaring Rs 10,000 a quintal as MSP.

At the Erode Turmeric Merchants Association Sales yard, finger variety

turmeric (Old crop) was sold at Rs 2,600-4,385 a quintal, root variety Rs 2,569-4,061 a quintal. Finger variety of new turmeric was sold at Rs 2,399-3,677 a quintal; root variety Rs 2,309-2,469 a quintal.

Salem Crop: Finger variety was sold at Rs 4,385-4,705 a quintal, root variety Rs 3,809-4,234 a quintal. Totally 1,986 bags of turmeric arrived for sale, of this 1,371 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Market Society, finger variety was sold at Rs 3,506-4,226 a quintal, root variety Rs 2,800-4,090 a quintal. All the 25 bags that arrived were sold.

At the Erode Cooperative Marketing Society, finger variety fetched Rs

3,691-4,449 a quintal, root variety Rs 3,819-4,139 a quintal. All the 175 bags of turmeric kept for sales were sold.

At the Regulated Marketing Committee, finger variety was sold at Rs

3,890-4,527 a quintal; root variety at Rs 3,889-4,180 a quintal. All the 758 bags kept for sales were sold.

China suspends import of Indian rapeseed meal on contamination grounds

M. R. SUBRAMANI

CHENNAI, JAN. 30:

China has suspended imports of rapeseed meal from India from January 1 since some consignments were found contaminated with malachite green. But trade sources feel there could be more than contamination.

According to documents available with *Business Line*, the Indian consulate in Beijing was informed by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) or the Chinese quarantine authority last week.

Indian rapeseed consignments to China last year were found contaminated with malachite green that is feared to cause cancer if the level exceeds stipulated norms.

Following the Chinese complaints, the industry here carried out a study to find out the source of contamination. The study, undertaken by the Export Inspection Council of India, found out that the primary source was the green dye used on jute bags to print identification marks.

NOT CONVINCED

The report, to have been submitted to the Chinese on September 17, was forwarded only a couple of weeks ago. The AQSIQ authorities, it is learnt, is not convinced with the Indian explanation.

Trade sources say the reason for the suspension could be different. "It could be in retaliation for the ban imposed by India on Chinese milk products," a source who did not want to be identified said.

India had banned Chinese milk products, including chocolates, after it was reported to have been contaminated with melamine, a dangerous chemical that led to the death of four children in China. The ban has been in force since 2008 and was recently extended till June.

"China is known for such tactics. Last year, it stopped buying Argentine soyabean oil for a couple months before it ran out of stock and resumed buying. Even in the case of India, it is buying soyameal while stopping rapeseed meal," the source said.

The source said that consignments that were contracted at higher price were not allowed, while those booked at lower price were accepted.

VALUABLE MARKET

The industry, on the other hand, does not want to lose a valuable market such as China which buys four lakh tonnes of rapeseed meal and three lakh tonnes of soyameal from India.

Last season (October 2010-September 2011), China had bought 4.05 lakh tonnes of rapeseed meal valued at Rs 400 crore against 2.6 lakh tonnes valued at Rs 280 the previous year.

Canada is another major source of rapeseed meal to China, accounting for nearly 55 per cent of the market share there. Some Chinese buyers prefer it because of higher profit margins they are able to get from the Canadian meal. A *Reuters* report quoting a Chinese importer said that he was not unduly worried over the ban since Canadian consignments would help them tide over any crisis apart from the domestic crop.

The suspension will be in force until India and China sort out the issue.

The Solvent Extraction Industry has urged the Chinese authorities to visit the extraction plant to get first hand information of the situation. An ACSIQ delegation is likely to visit the country soon to study the situation.

On the other hand, the Solvent Extraction Association of India has told all its members to not buy rapeseed or rapeseed meal in jute bags with green markings. They have also been asked to ensure that jute bags used for packing the meal are not marked with malachite green dye even for domestic supply.

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Spot rubber rules weak on global cues

OUR CORRESPONDENT



KOTTAYAM, JAN. 30:

Spot rubber saw a weak trend on Monday. The market opened almost steady but lost ground following the decline in domestic and international futures. A sharp fall in Bangkok spot also kept prices under pressure during the day. In the international market, Chinese markets resumed trading after a week-long Lunar New Year

holidays. Thailand's Cabinet approved a plan to buy rubber at or above market rate to stabilise the price around 120 baht a kg, sources said

Sheet rubber declined to Rs 189 (191) a kg, according to traders. The grade dropped to Rs 189.50 (191) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

The February series weakened to Rs 189.50 (193.16), March to Rs 193.50 (197.18), April to Rs 200.45 (203.95) and May to Rs 204.40 (207.20) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) surrendered to Rs 199.35 (204.54) a kg at Bangkok. The February futures slipped to ₹298.2 (Rs 193.05) from ₹302.8 a kg during the day session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 189 (191); RSS-5: 184 (186.50); ungraded: 179 (182); ISNR 20: 189 (190.50) and latex 60 per cent: 111 (111).

Orthodox leaf gains at Coonoor tea auction

OUR BUREAU



COONOOR, JAN. 30:

About 86 per cent of the 11-month low offer of 10.22 lakh kg at Sale No: 4 of Coonoor Tea Trade Association auctions was sold with medium teas gaining and high-priced sorts losing.

“Orthodox leaf gained up to Rs 4 a kg. Better liquoring CTC leaf eased up to Rs 5, but plainers gained Rs 2-3 with cleaner blacker sorts fetching good demand. Orthodox dusts oscillated up and down Rs 5-10. High-priced CTC dusts lost up to Rs 5, but some better liquoring sorts gained Rs 2-3 and plainers up to Rs 2,” an auctioneer told *Business Line*.

Among CTC teas from bought-leaf factories, Homedale Estate, auctioned by Global Tea Brokers, topped at Rs 148 a kg. Hittakkal Estate got Rs 142, Kannavarai Estate, Blue Mont Speciality and Vigneshwar Estate Rs 141 each, Deepika Supreme and Shanthy Supreme Rs 140 each and Darmona Estate Rs 139. In all, 107 marks got Rs 100 and more.

Small seed firms want mandatory allocation of crop technology

K. V. KURMANATH

HYDERABAD, JAN. 30:

The Seed Bill might have been put on the backburner; but small and medium seed companies feel that it is only a temporary respite. They feel that the Bill, when passed by the Lok Sabha, could adversely impact their business prospects.

In a detailed note on the Bill to be circulated among its members, they said that “new technologies are coming up in large numbers with patent protection. This is fraught with danger as patentees are out to exploit their patents to the hilt, charging huge royalties on seed technologies”. This segment plays an important role in the Rs 8,000-crore seed industry, catering to local needs. Hybrid seeds, including GM hybrids, dominate the scene with a 75-80 per cent market share. They act as big source of seeds for bigger seed companies. Though there are about 300 seed firms in the market, only around 15 of those are large.

“Poor farmers cannot afford these huge fees. The Seed Bill is not giving any hope in this regard,” a representative of Seedsmen Association of Andhra Pradesh said.

The association has called for reserving a certain percentage of the newly developed crop technologies by private seed companies to the small and medium seed companies. It has cited the examples of compulsory sourcing clauses the Government has put in place to protect the interests of the small-scale industry and handloom sector.

“If you do not bring in such reservation, there is every possibility of small and medium seed firms going into the hands of multinational companies. The new Seed Bill will serve only the large and MNC seed companies because they have the wherewithal to conduct research and development and invest heavily in human resources and expansion,” the seed industry representative said.

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Balrampur Chini posts Rs 64-cr net loss on provisioning, costlier inputs

KOLKATA, JAN. 30:

Dragged down by a one-time provisioning of Rs 92 crore and higher input costs, Balrampur Chini Mills Ltd posted a net loss of Rs 64 crore during the quarter ended December 31, as against a profit of Rs 23 crore during the corresponding period last year.

Net sales rose 25 per cent to Rs 662 crore (Rs 531 crore), but the raw material costs jumped by 59 per cent to Rs 807 crore (Rs 509 crore).

“We have made a provisioning of Rs 92 crore during the current quarter as an additional cane purchase cost to be paid to farmers for the 2007-08 marketing season, as per the order of the Supreme Court,” said Mr Kishor Shah, Chief Financial Officer, Balrampur Chini.

The company would have posted a net profit of Rs 28 crore, higher than the corresponding period last fiscal, if not for the provisioning, Mr Shah added.

Shares of Balrampur dropped by 3.36 per cent to close at Rs 46.05 on the BSE Monday.

In January this year, the Supreme Court upheld the Uttar Pradesh Government's cane purchase price for the 2006-07 and 2007-08 seasons, and asked the State's mills to pay the arrears arising from the difference between the purchase price and actual paid price.

“The liability of Rs 23 crore for the sugar season 2006-07 was already provided for during that year,” Mr Shah said.

The company's sugar factories in Uttar Pradesh, with an aggregate crushing capacity of 76,500 tonnes a day, have been running at almost full capacity, he added.

The 17-18 per cent rise in the minimum cane purchase price for the marketing year starting October 1, 2011, also pushed up the input costs of mills in Uttar Pradesh.

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Cashew market quiet as buyers revert to 'watch mode'

OUR BUREAU

KOCHI, JAN. 30: The cashew market was quiet last week after reasonable activity in the previous fortnight, as the buyers seem to have reverted to 'watch mode'. However, some stray business did take place in some markets and the undertone was firm.



Offers were made in the price range of \$3.80-3.90 for W240; \$3.35-3.50 for W320; \$3.25-3.35 for SW450 and SW320; \$2.25-2.50 for splits and butts; and \$2.10-2.25 per lb (fob) for pieces, according to a trade sources in Mumbai.

There is reasonable buying interest for second quarter shipments, but buyers are quoting 10-15 cents lower than the last traded levels, Mr Pankaj N. Sampat, a major dealer told *Business Line*.

CROP OUTPUT TREND

The reliable processors, from whom the buyers want to buy forwards, are not willing to discount the market until there is some indication of the upcoming crops and RCN (raw cashew nut) price trend, he said. They feel that unless the RCN prices come down dramatically there is no reason for a decline in kernel prices.

There was some activity in India for spot/afloat parcels of RCN but the origin market continued to remain dead, Mr Pankaj said. There was no activity in Tanzania/Mozambique. It is now confirmed that the Brazil crop will be at least 15 per cent lower than expected and “this means it will be active in West Africa,” he said.

By mid-February, “we will get some indication of crop prospects and RCN prices in India, Vietnam and West Africa, but a realistic picture will emerge only by April. Till then, we can expect volatility, depending on news reports, rumours,” he said.

For more than a year now, buyers are coming into the market every few weeks to cover a few months' requirement. None of the buyers has bought any significant quantity for shipments beyond April.

Despite this, they do not seem to be in a mood to buy large volumes for the forwards, paying the small premium that reliable processors want. They feel that with large crops coming in over the next four months, prices may not move much and, at the same time, there is lot of uncertainty about demand trends. The economic and financial situation is further reducing the risk appetite and inventory-carrying capacity in the chain, he said.

Reduction in usage is factored into the current price range. Unless something dramatic happens, there does not seem to be any reason to expect a further major decline in usage from “what we have seen in the last 4-5 months. In fact, if prices remain around current levels, we expect usage to be better in the second half of the year at least in Asia, if not in the major importing countries,” he claimed.

MARKET MOVEMENT

Considering all factors, it appears that the market will continue to hover around current levels for the next 2-3 months with potential for some volatility depending on sentiments, news reports and rumours, he said.

By middle of the year, there will be reasonable clarity on the fundamentals — demand and supply. Hopefully, by that time, there will be some stability in the economic and financial situation too. Then a realistic medium-term range can be established.

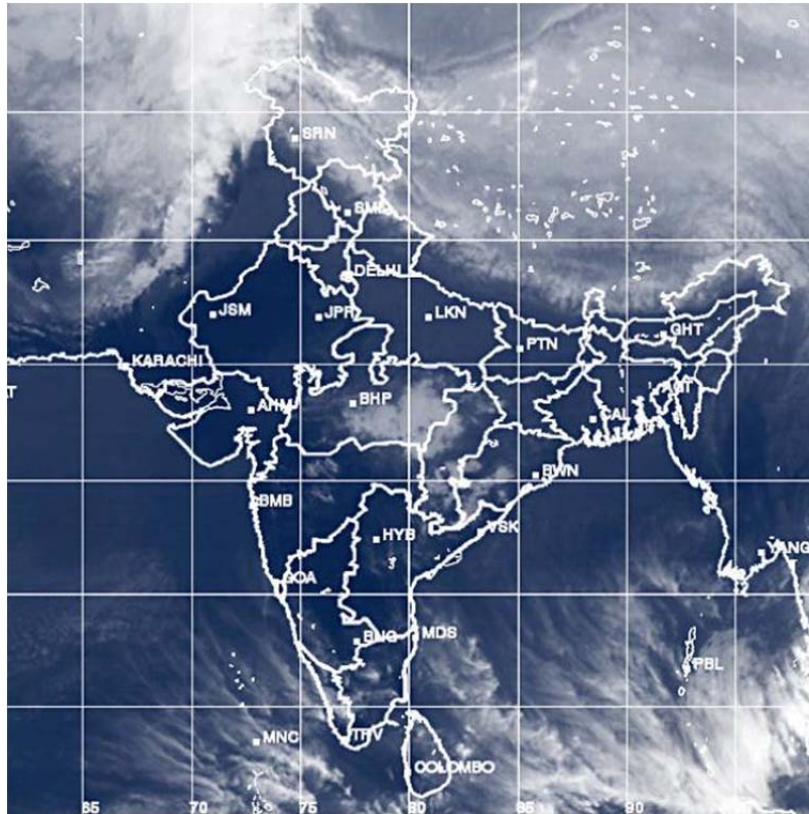
Although it is impossible to predict price levels, it seems reasonable to expect that: a) if the upcoming crops are normal, the market will remain in the current range; b) if they are good, the market will drift to the \$3 level; and c) if they are bad, the market could move up to the \$4 level, he added.

South may get rain by weekend

VINSON KURIAN

THIRUVANANTHAPURAM, JAN. 30:

South peninsular India may expect to get some organised rainfall by the end of this week as an easterly wave comes calling across the Bay of Bengal. An IMD outlook valid for the next two days said that rainfall activity would increase over Andaman and Nicobar Islands.



Rain or thundershowers could break out afresh at a few places over east Madhya Pradesh and north Chhattisgarh. Rains have been forecast also over west Madhya Pradesh, south Chhattisgarh, Jharkhand, Orissa, north Madhya Maharashtra, Vidarbha, north coastal Andhra Pradesh and Andaman and Nicobar Islands. The IMD has flagged the possibility of fog to shallow fog conditions mainly during the morning hours over isolated pockets of Punjab, Haryana, Delhi and the North-eastern States during the next two days.

SUMMER HEATING

The Tokyo-based Regional Institute for Global Change has said in its seasonal predictions for March-April-May that almost entire India is likely to witness below-normal temperatures. Heating up of the land through the summer is a must to set up the ideal pressure gradient for the impending monsoon to run in. These are initial indications yet, and would need to be watched on a monthly basis from now to arrive at any definitive trend. But it's also a given that the 2012 monsoon would break out against the background expected 'ENSO-neutral' conditions in the equatorial Pacific.
