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Production looks up, farmers downcast

Gargi Parsai

Buoyed by a record food production (241.56 million tonnes) in 2010-11 and expectation of the highest ever (123.95 million tonnes) output in kharif of 2011-12, the Centre has projected a total output of 245 million tonnes in 2011-12. This, despite the the sown area being lower in wheat, oilseeds, pulses and coarse grains this rabi season. Rabi paddy, though, has improved over last year.

Agriculture Ministry officials appear satisfied with the progress made in 2011(calendar year). In fact, the Ministry recommended lifting of the ban on export of wheat and rice “in view of the comfortable stock position.” Wheat exports, prohibited since October 2007, have been allowed under Open General Licence since September 2011.

Of special significance to the officials is that the major increase in foodgrains production has come from the non-traditional States of Rajasthan, Andhra Pradesh, Uttar Pradesh, Maharashtra, Karnataka, Chhattisgarh and Gujarat.

However, the year was also marked by continuing suicide by farmers, testifying to the fact that the growers remain in debt and are distressed, not getting remunerative price for their produce. Recently, Punjab farmers threw away their potato produce as it did not fetch them enough even to cover the input costs. There is also a simmering discontent among farmers over the shortfall in fertilizers.

In Andhra Pradesh, farmers have taken a crop holiday and Punjab farmers are threatening to do the same. In fact, there are worrisome reports of Punjab farmers shifting from traditional to cash crops like sweat peas and maize this rabi. In recent years, maize, a cash crop, has emerged as a preference for its requirement in the poultry sector. With the problem of storage (of wheat and rice) staring the government in the face, some diversification is acceptable to it, especially as the requirement of foodgrains for its mandatory obligation under the National Food Security Bill is still far away.

Controversy

The Bill, introduced in the Lok Sabha during the winter session, has been referred to the Standing Committee. In any case, the passage of the Bill is embroiled in a controversy over the Socio-Economic Caste Census that is supposed to facilitate identification of beneficiaries. Uttar Pradesh and Bihar have raised objections. At the same time, a technical panel in the Planning Commission has been asked to look into the poverty estimates recommended by the Suresh Tendulkar Committee.

All of this was reflected in the difficulty Agriculture Minister Sharad Pawar faced in responding to the Rajya Sabha debate on the agrarian crisis and farmers' suicides. A cornered Minister took refuge in the fact that several issues related to agriculture such as irrigation, power, fertilizers, credit and storage were not within the purview of his Ministry. However, cutting across party lines, Opposition members did not relent until Mr. Pawar came up with the suggestion to form a House committee to study the matter.

For the record, with a paltry allocation of Rs. 400 crore, the Agriculture Ministry turned its focus during 2011 to enhancing production in the eastern States of Bihar, Assam, Jharkhand, Chhattisgarh, Odisha, eastern Uttar Pradesh and West Bengal under the Rashtriya Krishi Vikas Yojna. The allocation is considered poor by most States as it has to be implemented in a difficult terrain with poor infrastructure.

Under the National Food Security Mission for crop development, the best achievement so far is in pulses: from a stagnating level of 14.5 million tonnes over the past 15 years, the production in 2010-11 reached 18.09 million tonnes. The adoption of 60,000 pulses villages gave a boost to the programme.

Pigeon pea genome

Recently, Indian Council of Agriculture Research scientists, in collaboration with State Agriculture Universities and Banaras Hindu University, succeeded in decoding the pigeon pea (arhar) genome. Use of pigeon pea germ plasm resources is expected to accelerate the development of new varieties and hybrids brightening up the chances of higher productivity of pulses.

During the year, the government set up the Norman Borlaug Institute for South Asia with centres in Ludhiana (Punjab), Samastipur (Bihar) and Jabalpur (Madhya Pradesh). The institute will collaborate with others globally to “meet food security challenges.”

The ICAR also launched a National Initiative on Climate-Resilient Agriculture for conducting research in adaptation and mitigation to climate change in crops, livestock and fisheries, and for natural resource management.

All in all, the year that went by was a lucky one for crop production, in that the monsoon was favourable. The challenges in the coming year are high input costs, fertilizer shortage, making agriculture remunerative and finding storage space for farm produce, not to mention the “wait and watch” for a normal monsoon.

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Crop holiday in Andhra Pradesh affects Karnataka farmers

Staff Correspondent

Level of water in Tungabhadra Right Bank Low-Level Canal too low

The level of water and pressure in the Tungabhadra Right Bank Low-Level Canal is so low that it is of hardly any use to the farmers of the Tungabhadra command area, spread over parts of Hospet, Sirguppa and Bellary taluks.

The summer crop will be cultivated on around 56,000 acres of land this year. “The inability to get water to fields is likely to affect the farmers of the command area going in for the summer crop. Those who have completed the sowing and transplanting of paddy and others who are yet to start cultivation will suffer for want of water immediately as well as at a later stage,” bemoaned Desai Jadyappa, vice-president of the State unit of the Karnataka Rajya Raitha Sangha (KRRS).

Low discharge

According to Mr. Jadyappa, as per the decision of the Irrigation Consultative Committee (ICC) of the Tungabhadra command area, water was let into the canal on January 1, meant to last until March 15. The discharge was lower than the normal rate of 650 cusecs, resulting in a water level lower than that required to flow into the field channels.

He said enquiries revealed that the dip in the discharge of water from the reservoir was a result of the crop holiday announced by farmers in Andhra Pradesh.

Purushottam Gowda, a farmer leader, said “If they have declared crop holiday, why should the farmers in the State suffer? The authorities should ensure that the water level in the canal is increased, either by increasing the discharge or by closing the regulators on the inter-State border to ensure that Karnataka farmers are not be made to suffer.”

Meeting

Mr. Desai said a meeting of farmers had been convened at Sirigeri cross in Sirguppa taluk on Thursday to discuss the issue and chalk out a plan of action to get the required head in the canal.

When contacted, Jagadish, Executive Engineer of the No. 6 canal division, told *The Hindu* that the water level had come down as Andhra Pradesh had announced that would not grow a second crop, and hence did not require its quota.

'Problem to be tackled'

“That is why we are unable to get the head. We have already taken up the matter with all concerned at the State level and at the Tungabhadra Board level to intervene in the matter and ensure that farmers in Bellary district do not suffer. Meanwhile, we are bringing down the regulators downstream to get the head for easy flow of water into fields. By [Wednesday], the problem will be resolved,” Mr. Jagadish said.

According to the note circulated by the Command Area Development Authority (CADA), the water available in the reservoir stands at 4.452 tmc ft, against the demand of 5.732 tmc ft of water for the Right Bank Low-Level Canal, recording a shortage of 1.280 tmc ft.

As this is the case, farmers going in for light irrigated crops may face shortage of water by about 30 to 40 per cent, while those cultivating water-dependent crops like paddy will be worse off.

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- *The quota of water for Andhra Pradesh has not been released*
 - *Farmers in parts of Hospet, Sirguppa and Bellary taluks hit*
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Meet seeks revival of organic farming methods

Staff Reporter

A workshop on zero budget natural farming here recently underscored the need to revive and adapt to age-old organic farming methods to ensure clean and healthy food habits and to reduce the mounting farm expenses.

The programme, supervised by Subhash Palekar, agriculture scientist from Amravati district in Maharashtra, stressed the concept of using micro-organisms to culture, preserve, and enrich soil biodiversity to help plants grow.

He said manure in the form of dung and urine of an indigenous cow alone could help farming on 12 hectares of land. The dung of Zebu cows was rich in useful bacteria and fungi.

A resolution passed unanimously at the workshop, which concluded on Saturday, said the application of “Jeevamrutham,” a culture of microbes, straw mulching, and humus, could help do away with the use of chemical fertilizers, compost, or any other external inputs.

Several speakers at the workshop, attended by over 500 farmers, alleged that a few agriculture institutions were draining huge funds for the “destruction of resistant varieties of indigenous seeds and livestock.”

Agriculture colleges should give thrust to impart requisite skills in nature- and human-friendly farm practices. Paddy field and farmstead schools should be set up to impart training in traditional and nature-friendly farming techniques to sustain agriculture, they said.

A resolution adopted at the workshop asked the State government to make immediate amendments to the Livestock Act to save indigenous cows from extinction. It urged the authorities to regulate the spread of rubber and cashew nut mono-crop plantations, which would destruct the biodiversity of Kasaragod district.

N. Gopalan, Assistant General Manager, National Bank for Agriculture and Rural Development, which, along with the State Horticulture Mission, co-sponsored the event, gave the inaugural speech. N.A. Nellikkunnu, MLA, and leading farmers from Rajasthan and Maharashtra spoke.

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Minister inaugurates district industrial, agriculture expo

The district 36th horticulture, agriculture, and industrial exhibition was inaugurated by Union Minister of State for Defence M.M. Pallam Raju here on Tuesday. Speaking on the occasion, the

Union Minister said the exhibition was not meant only for people of Kakinada and it was for the entire district.

He said all government departments have put up stalls in the exhibition and the revenue accrued through entrance fee and stalls would be spent on development of the city.

MLC K.V.V. Satyanarayana Raju said last year the amount which came through exhibition was spent for development of graveyard near RTC complex and he had also given Rs.5 lakh for the same purpose.

He asked the organisers of the exhibition to collect a nominal entrance fee of Re. 1 from schoolchildren.

MLA Dwarampudi Chandrasekhara Reddy, who presided, said Rs. 10 lakh would be spent on graveyard and rest of the amount on different development works. He said the committee would decide on entrance fee for schoolchildren. Treasurer of the exhibition L. Satyanarayana Raju said they would initiate measure to have a permanent set up in Raja Tank for conducting exhibition every year. Municipal Commissioner P. Ravikumar said there would be 100 commercial stalls and 70 government stalls in the exhibition.

Share

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Officials collect samples of milk to check quality

Officials from Aavin and block health supervisors collected samples of milk from six vans to check quality. The van was proceeding to Andhra Pradesh. The samples were collected after the district administration received complaints regarding adulteration and low quality milk being supplied to the neighbouring State.

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Illegal dyeing units trouble farmers; effluents discharged to farms

Staff Reporter

Off the Ukkadam – Sundakkamuthur Road, about a km away, in the midst of banana farms lie three or four thatched roofed temporary structures.

At first sight they appear to be houses or sheds for watchmen.

But they are not. They are not even mushroom cultivation farms, as a board outside one of the sheds claims. They are yarn dyeing units.

Nearly a dozen workers, surrounded by green cover are actively dipping yarn into tanks with dyes.

A few yards away, behind pots on firewood, lay pools of dyed slush. Such pools are spread over the banana farm, as there is no proper effluent disposal system.

The effluent runs straight from the tanks into the farm. There is no treatment facility, either.

The entire operation is manual. The only machine is the water pump, which runs on diesel and not electricity.

The “illegal” units have been going for six months, complains farmer N.G. Prabhuram. “The effluent from the dyeing units reaches River Noyyal to pollute the river. It will sniff out whatever little life is left in the water. It will also affect agriculture lands that are dependent on the water.”

His farm is south of the River and dependent on its waters.

The functioning of the make-shift units came to light when farmer P. Suresh and his friends went bird-watching along River Noyyal.

“The mushroom farm board drew me closer to the thatched roofed structures. But I was shocked to find dyeing units without effluent treatment facility.”

The operation is so low-key that it is difficult to observe. Dyed yarns are transported on two-wheelers. No big vehicle is used.

The units are also close to the Big Tank's surplus weir as well. To be precise, they are south-west of the Tank, sandwiched between the weir and River.

There are around 100 acres agriculture lands North of the River and another 50 in the South, all of which will get affected if the units continue to do what they do, he adds.

The workers refuse to identify themselves. They also claim to not know the owners name or phone number.

“We do not have the numbers,” they told *The Hindu* .

Sources in the Tamil Nadu Pollution Control Board say they are seized of the issue related to the dyeing units. Thanks to farmers, they got wind of the activities there.

Conceding that it is difficult for the Board to identify such make-shift units, the sources say they depend on tip-off from public. In the last six months, the Board has sealed six such units in various parts of the district – from Anaimalai to Singanallur to Podanur.

The Board is waiting for approval from its headquarters in Chennai to seal the units. It is expected anytime, the sources add.

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THE ECONOMIC TIMES

Commodities

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4 JAN, 2012, 03.30AM IST, SUTANUKA GHOSAL,ET BUREAU

Tea Board to put tea waste on e-auction

KOLKATA: With e-auction of tea becoming hugely successful, [Tea Board](#) of India has decided to put tea waste on e-auction shortly. NSE.IT has been given the mandate to work out the trading module for tea waste. [State Bank of India](#) and [IndusInd Bank](#) have been identified as settlement banks for e-auction transactions in tea waste.

Tea Board is also mulling introduction of e-auction for teas that are sold at the estate level and are termed as private sales. Subsequently, packaged teas will also be offered on e-auction.

Talking to ET, V Rajaraman, vice president of NSE.IT, said: "Officials from NSE.IT visited Jorhat, Dibrugarh, Siliguri, Coonoor, Coimbatore and Kochi. Training sessions have been conducted already. It is expected that e-auction in tea waste will begin from June-July this year. Interestingly, seeing India's success with e-auction, Kenya and Sri Lanka, the other two tea-producing nations, have shown interest to introduce the system in the primary marketing of tea."

J Kalyansundaram, secretary of [Calcutta Tea Traders Association](#), said: "E-auctions have resulted in better price recovery."

According to Tea Board officials, nearly 25 million kg of tea waste will be put for e-auction. Tea waste is generated during the production of tea. This product is usually bought by caffeine manufacturers for use in medicines, instant tea and fertilisers. This sale and disposal of tea waste is strictly monitored by Tea Board. It is expected that about 2,000 sellers and 20 buyers registered with Tea Board across India will take part in tea waste auctions.

Tea Board is also introducing e-auction for bulk tea currently being sold directly by sellers and manufacturers from their gardens or factories to buyers.

Now, such teas do not get cataloged in any of the six auction centres and are often termed as private/ex-estate sales. The bulk tea e-auction programme is in the final stages of testing.

Another auction is being planned for packaged tea, which is similar to the branded tea sold in retail packets. This will be a reverse auction in which an MRP will be assigned to each lot by sellers.

Buyers will bid for the rebate they are seeking from the seller on the MRP. The buyer asking for the lowest rebate wins the lot.

4 JAN, 2012, 03.18AM IST, PK KRISHNAKUMAR,ET BUREAU

Eurozone debt crisis forces coffee exporters to explore new markets

KOCHI: With the sovereign debt crisis in Europe showing no signs of letup, Indian coffee exporters are exploring newer regions in Asia like South Korea. They are also trying to regain the market for Indian coffee in Japan, after a pesticide residue problem impeded Indian shipments a few years ago.

Europe is the principal customer for Indian coffee. While there has been no drop in demand in the recent months, growers and exporters are worried that it might show up soon because a solution is evading the EU sovereign debt crisis. Italy, one of the affected countries, is the largest buyer of Indian coffee. Exporters say shipments in 2012 may pale in comparison to the exports in 2011 as prices would be lower.

Indian exporters have now identified South Korea to be a promising buyer. "Coffee consumption

has been rising in South Korea and the country is showing interest in Indian coffee," said Coffee Board chairman Jawaid Akthar.

Coffee Board gives incentives to high-value exports to far-off countries. This is currently applicable to five countries - the US, Canada, Japan, Australia and New Zealand. Exporters sending supplies to these countries get an incentive of Re 1 per kg. The board is planning to propose to the Centre to include South Korea in the list given the good response for Indian coffee at the coffee exhibition held at Seoul recently.

Shipments to the US and Canada have increased in the recent years. Japan was a good buyer of Indian coffee till a few years ago but export was hit over a pesticide problem which led to a reduction in the offtake of Indian coffee by Japan. "We are trying to recoup the market in Japan," said Ramesh Rajah, president of Coffee Exporters Association of India.

Vietnam, a large producer of coffee, could be a serious competitor to India in making inroads to Korea and Japan. But Jawaid Akthar thinks India has an advantage as it can supply both Robusta and Arabica varieties. Vietnam is a Robusta coffee exporter. India could supply premium quality Robusta which has been popular in the global market.

Business Standard

Wednesday, Jan 04, 2012

Cardamom auctions to normalise this week

George Joseph / Kochi January 4, 2012, 0:06 IST

Cardamom auctions will normalise at all eight auction centres from this week as transportation of goods between the Kerala and Tamil Nadu borders has been restored. All auctions are scheduled for this week, except by Spices Trading Corporation Limited (STCL) in Bodinayakanur.



Cardamom auctions in Kerala and Tamil Nadu had come to a standstill since December 5 due to row over the Mullaperiyar dam. Road transportation between the two states had halted for the last few weeks owing to tense situation on the border areas. Stock worth Rs 100 crore had piled up due to no auctions.

Auctions were re-started partially from December 28, after a meeting of stakeholders, convened by the Spices Board.

According to P C Punnoose of CPMC, the auctions have got a good response and arrivals to various auction centres have also increased. In major auction centres like the Kerala Cardamom Processing and Marketing Company, 100 tonnes were brought to be auctioned on an average and minor centres got 40 tonnes. On January 1, KCPMC had auctioned 122 tonnes as there was good demand from north India markets.

There is also a spurt in prices and average price has increased to Rs 500-520 a kg. This was Rs 400 when the dam issue had brewed up and auctions were stalled. Best quality cardamom now fetches Rs 800-850 a kg.

Punnoose added that trading of cardamom would pick up after January 15 as the people of Tamil Nadu celebrate Pongal festival. Most of the traders are from Tamil Nadu, hence after Pongal, sale of cardamom is expected to pick up further.

Guar gum traders to face FMC ire

Dilip Kumar Jha / Mumbai January 04, 2012, 0:03 IST

Suspecting price manipulation, the regulator plans to issue showcause notices to leading traders this week.

To nab the culprits involved in price rigging of guar gum and guar seed, the Forward Markets Commission (FMC) is planning to issue 'showcause notice' to many leading traders in Rajasthan. The notices will be served to them by Friday.

The commodity derivatives regulator is awaiting reports to be submitted by various teams sent out separately by both FMC and the National Commodity & Derivatives Exchange

(NCDEX) to examine books of traders' account two weeks ago. Teams were sent in coordination with each other to avoid duplication and needless delay in action.

“Both NCDEX and FMC teams were back last week. But, they are yet to submit even preliminary reports, which are expected in a day or two. On receiving the initial findings, we will issue show cause notices to the price manipulator, if any,” said a senior FMC official.

But, notices would be issued by Friday at the earliest to send a right signal to the market, said the official. FMC had launched

investigation suspecting manipulation as guar gum and seed prices have risen sharply from April, up over 150 per cent.

Categorised under narrow commodity with a limited potential for cultivation in a circumspect agro climatic environment, guar seed is produced largely in Rajasthan. The commodity is used purely for extracting its derivative guar gum for its use in a number of industrial applications.

An FMC investigating team member, however, is understood to have recovered some objectionable documents from a Jaipur-based trader. Another team also seized similar papers from a Jodhpur-based traders. Apparently, the funds used for trading in guar gum and guar seed through the trader's account were not traceable.

According to the FMC official, these traders were also involved in frequent client code modifications (CCM).

FMC fears the possibility of margin funding in these cases where some industrialists and large traders transfer the money into the account of a small and unnoticeable person and trade commodities on his behalf. Traders manage to corner huge quantity of guar gum and seed through different account for price rigging in future while the person gets a small sum as margin for allowing use of his account for transferring the amount.

FMC also does not rule out the possibility of stock movement through illegal routes in this case which needs immediate attention. Possibility also looms large for the same transport moving through different warehouses “on paper only” in order to show the delivery of the

goods.

Apparently, fundamentals remained strong favouring price rise in the two commodities sharing around 40 per cent of NCDEX's daily average turnover. Against the total estimated output of 1.5 million tonnes last year, the crop size is forecast to remain at 1.25 million tonnes this year. With least carry over stock left from the last year to support the availability this year, the commodity is expected to remain in short supply this season.

India shared 97 per cent of the global demand through exports of 400,000 tonnes of guar gum. With an estimated exports of 500,000 tonnes, the total requirement of guar seed stands at a minimum 1.55 million tonnes. This means, the market is expected to remain in deficit of nearly 20 per cent.

During the investigation, the official found that genuine exports are hedging guar gum with producers at the future prevailing price in "forward contract" in order to get assured supply. Since, bilateral forward contract does not fall under the domain of FMC, the regulator cannot act on such assurances, the official said.

Meanwhile, both guar gum and guar seed contracts hit the upper circuit to set the lift time record on Tuesday. Guar gum for delivery in March closed with a gain of 4 per cent at Rs 25,490 a quintal while guar seed contract for delivery in April ended the day at Rs 7,740 a quintal. Guar gum price has risen by 42 per cent while guar seed shot up by over 32 per cent in a month.

Maize futures up on global cues

Press Trust of India / New Delhi January 03, 2012, 13:32 IST

Maize prices firmed up by Rs 27.50 to Rs 1,299 per quintal in futures trade today as speculators preferred to raise holdings on higher overseas advices.

Marketmen said rise in maize prices in the international markets and restricted supply at domestic markets, mainly boosted the trading sentiments here in future markets. At the National Commodity and Derivatives Exchange, maize prices for delivery in February rose by Rs 27.50, or 2.16% to Rs 1,299 per quintal, with an open interest of 6,310 lots.

January maize moved higher by Rs 21.50, or 1.74%, to Rs 1,258.50 per quintal, witnessing an open interest of 9,870 lots.

Mentha oil futures rise as demand picks

Press Trust of India / New Delhi January 03, 2012, 13:28 IST



Mentha oil prices traded higher by Rs 2.80 to Rs 1,324 per kg in futures trade today due to pick up in spot demand against less arrivals from producing region.

At the Multi Commodity Exchange, mentha oil for delivery in February rose by Rs 2.80, or 0.21%, to Rs 1,324 per kg, with a business turnover of seven lots.

The January contract edged up by Rs 2.40, or 0.18%, to Rs 1,324.10 per kg, with an open interest of 71 lots.

Market analysts said rising demand from pharmaceutical units in the spot market against less arrivals from producing region mainly led to the rise in mentha oil futures prices.

THE HINDU **Business Line**

Diversion of cane to jaggery units in UP may be lower

Vishwanath Kulkarni, *Improved supply likely to sugar mills on higher price*

New Delhi, Jan. 3:

Sugar millers in Uttar Pradesh expect a lower quantity of cane to be diverted to jaggery and khandsari units this year, thanks to high support prices announced by the State Government.

“Cane diversion will be negligible this year as farmers are getting better prices from sugar factories,” sources at the Indian Sugar Mills Association (ISMA) said. As a result, mills are getting full cane from their designated areas and are operating at full capacity, resulting in higher output. In the current season that began in October, sugar output till December increased 17 per cent to 7.57 million tonnes (mt), about 1.1 mt more than the corresponding season last year.

Hike in SAP

Traditionally, about 30 per cent of the sugarcane gets diverted to jaggery and khandsari units. But this year, the industry expects it to be around 5 per cent. “It will be very negligible and much less than a year ago,” an official at ISMA said.

The UP Government had announced a 20 per cent hike in State Advised Prices (SAP) at Rs 240 a quintal, making it attractive for the farmers to sell to sugar factories.

Jaggery production is largely in the unorganised sector and production estimates were not available. Low cane availability to jaggery units is not reflected in prices of jaggery or gur.

On the National Commodities and Derivatives Exchange, gur contracts for January, deliverable at Muzzafarnagar, dropped 2 per cent to Rs 1,066 for 40 kg.

Similarly, March contracts were down 1 per cent at Rs 1,090, while July contracts were up 5 per cent at Rs 1,201. According to the UP Sugarcane Department, about 40.89 lakh tonnes of cane were crushed to produce 1.78 lakh tonnes of khandsari in the 2010-11 season.

“We expect it to be 30 per cent lower than the last year,” a source said.

Sugar output rise

ISMA said sugar production in UP was up 5 lakh tonnes, a rise of almost 50 per cent due to early start of crushing season this year. UP has crushed 26.1 mt of cane till December against 19.7 mt last year. However, the recovery is lower at 8.45 per cent this year against 8.81 per cent last year. A total of 503 factories have started crushing as on December 31, against 490 in the previous season.

Sugar output was up by 3 lakh tonnes in Maharashtra, where cane crushing was higher by 15 per cent at 26.6 mt over last year's 23.1 mt. The recovery has been higher at 10.35 per cent as against 9.8 per cent in corresponding period last year. However, Maharashtra is expecting a

lower yield of sugarcane and therefore, one will have to wait to see the cane production figures in the State, probably at the end of January to better estimate final production, ISMA sources said.

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Tea Board recommends projects worth over Rs 1,000 cr

P.S. Sundar

Coonoor, Jan. 3:

The Tea Board has recommended to Union Government projects worth over Rs 1,000 crore in response to the representations of its members from the South.

“These relate to Rs 600 crore for factory upgradation subsidy, Rs 300 crore for small grower directorate and production worth several crores of rupees by factories awaiting licence.

While some relate to 12th Plan beginning April, others will have immediate effect.

These schemes are for the industry in the country as a whole, not just confined to the South,” Dr S. Ramu, member representing factories, told *Business Line*.

UPGRADATION SUBSIDY

“As we feared that the factory upgradation subsidy scheme was being abruptly ended with the Board's office in Coonoor disallowing fresh applications and stopping post-installation inspection so as to reject 1,085 applications in the pipeline, we represented for the continuation of the scheme in 12th Plan with higher subsidy component. The Board has recommended this,” said Mr P. Viswanathan, representing Parliament on the Board.

“We were informed at the recent Board meeting in Coonoor that the subsidy is proposed to be raised to 40 per cent from the present 25 per cent for machinery manufacturing orthodox tea and equipment used for value-addition. The ceiling is proposed to be increased from the present Rs 25 lakh a year to Rs 1.5 crore for machinery and Rs 2 crore for value-addition for the five year period.”

“The outlay for the scheme is sought to be Rs 500 crore. Besides, applications in the pipeline worth about Rs 100 crore would be processed once funds were received from Centre,” he said.

“Our long pending demand for constituting small grower directorate is coming to reality with Board's recommendation in 12th Plan with an outlay of Rs 300 crore. This will benefit 1.61 lakh small growers in the country including over 60,000 in Nilgiris for whom a separate Joint Director will function in Coonoor,” Ms Koshy Baby, member representing small growers, said.

LICENCES

“The Board has decided to process in time applications for granting licence to bought-leaf factories. We had raised the issue of 35 Nilgiri factories whose application has been pending for long of which, many relate to ownership change. The Board has confirmed action on these, which means, production worth several crores of rupees can take place,” Dr S. Ramu, said.

(This article was published in the Business Line print edition dated January 4, 2012)

Rubber plants raised thru root trainers ready for tapping

Our Correspondent

Kottayam, Jan. 3:

Tapping of the first lot of rubber plants raised through the root trainer technique will be inaugurated by the Chairman of the Rubber Board, Ms Sheela Thomas, on January 6.

The technique, developed by the Rubber Research Institute of India (RRII), involves growing plants in specially designed plastic cups called root trainers.

Plants grown thus develop straight and deep tap roots and profuse lateral roots.

Vertical ridges on the inside walls of trainers help the roots grow.

Unlike polybag plants, coir pith is used for potting in this method.

Root trainer plants grew without failure on transplanting in field trials — growth was, in fact, better than polybag plants.

In 2005, clones of the 400 series and the RRII 105 variety were grown in Kanjirappally through root trainer and polythene bag methods.

Raising of root trainer rubber plants is a modern technique developed by the Rubber Research Institute of India.

Ninety per cent trees of the 400 series clones and 50 per cent of RR11 105 have now attained tappable girth.

Mr V.N. Krishnapillai (President, Rubber Producers Society, Kurumkanni), Dr James Jacob (Director, RR11), senior officials of the Rubber Board and representatives of local bodies will be present at the inauguration.

(This article was published in the Business Line print edition dated January 4, 2012)

Spot rubber improves on covering buys

Our Correspondent

Kottayam, Jan. 3:

Domestic rubber prices improved on Tuesday. In the spot market, sheet rubber strengthened mainly on covering purchases, tracking the moderate recovery on the National Multi Commodity Exchange. Most of the traders preferred to remain on sidelines since the Tokyo Commodity Exchange was closed owing to a designated holiday. A clear picture will emerge only when the global trendsetters reopen on 4th January after the New Year holidays, an observer said. The trend was mixed.

Sheet rubber increased to Rs 195 (194) a kg according to traders. The grade was steady at Rs 195.50 a kg both at Kottayam and Kochi as reported by the Rubber Board.

In futures, the January series improved to Rs 199 (194.35), February to Rs 201.85 (197.28), March to Rs 206.20 (201.31), April to Rs 211.38 (206.12) and May to Rs 215.40 (209.40) a kg for RSS 4 on NMCE. Spot rates were (Rs/kg): RSS-4: 195 (194); RSS-5: 190 (189); ungraded: 182 (182); ISNR 20: 186 (186) and latex 60 per cent: 108 (107).

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Weak crop prospects lift tur, its dal

Indore, Jan. 3:

New tur (Maharashtra) gained Rs 100 at Rs 4,200-4,250 a quintal on bleak prospects for the crop despite weak arrivals, while tur (white/Juni) sold at Rs 3,450-3,500 on Tuesday.

Tur (Nimari) perked up to Rs 2,300-2,800. Rise in new tur (Maharashtra) also perked up its dal, with tur dal (full) being quoted at Rs 5,400-5,450, tur dal (*sawano.*) at Rs 4,400-4,450 and tur (marka) at Rs 5,900-6,000.

Rise in demand at the lower price also perked up urad, with the

bold variety being quoted Rs 50 up at Rs 3,600-3,650 and urad (medium) selling at Rs 2,800-3,200. Urad dal was firm despite subdued demand, with urad dal (medium) being sold at Rs 4,050-4,100, urad dal (bold) at Rs 4,700 urad (monger) at Rs 5,600-6,000. Chana declined by Rs 25 at Rs 3,325-3,350, while chana (desi) was firm at Rs 3,275. Chana dal remained unchanged, with chana dal (average) being quoted at Rs 3,950-3,975, chana dal (medium) at Rs 4,050-4,100 and chana dal (bold) at Rs 4,250-4,275.

Masoor (bold) was firm at Rs 3,050-3,075 and masoor (medium) at Rs 2,850. Masoor dal, on the other hand, gained on improved demand. Masoor dal (average) quoted at Rs 3,450-3,475 (Rs 3,400-3,425), masoor dal (medium) at Rs 3,550-3,575 (Rs 3,500-3,550) and masoor dal (bold) at Rs 3,625-3,650 (Rs 3,600-3,625).

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Divided view on why guar is rallying

M.R. Subramani

Chennai, Jan. 3:

The guar complex has resumed its rally with prices touching the upper ceiling on Tuesday. Exporters and analysts, on the other hand, are divided in their views over the rise. While exporters termed it as speculation, analysts said it was due to supply tightness.

Guarseed, a product of guar or cluster beans, for January delivery hit the Rs 7,500-mark and closed at Rs 7,560 a quintal, up Rs 226 over Monday. February contracts increased to Rs 7,700 (up Rs 242), while March contracts were at Rs 7,799 (up Rs 223).

In the spot market at Jodhpur, guarseed was quoted at Rs 7,322.70 a quintal.

Guargum, a derivative of guarseed, increased by Rs 566 to Rs 24,881 a quintal for January delivery. February contracts were up by Rs 678 at Rs 25,395 and March rose by Rs 981 to Rs 25,490. In the spot market, guar gum was quoted at Rs 24,302.30 in Jodhpur.

“Guar complex is soaring due to pure speculation. We don't find any fundamental reason for the rise. Big parties are involved in this,” said Mr Purushottam Hissaria, President, Guar Gum Manufacturers Association. and Managing Director of Sunita Hydrocolloids.

“Finding substitute for guar gum is a tough job. It is one of the reasons for the rise. The price rise is because a higher demand is being anticipated,” said an analyst.

According to Ms Vedika Narvekar, analysts with Angel Broking, guarseed January contracts could hit Rs 7,750 on Wednesday. “We see a technical resistance at Rs 7,800,” she said.

The guar complex declined during the weekend on reports that the Forward Markets Commission, which regulates commodity exchanges, was considering more measures to curb speculation.

Demand, particularly from oil drilling companies, is seen behind the rally. But Mr Hissaria said: “We are finding only the usual demand. Because of speculation, prices have sky-rocketed and demand has slowed.”

Demand from food, paper, textiles and mining industries has dropped, he said. Guarseed production last year rebounded to 15 lakh tonnes from around 2.5 lakh tonnes in 2009. This year, production is estimated to be around 11.5 lakh tonnes.

Guar, a leguminous crop, is primarily grown in Rajasthan, besides Haryana, Punjab, Gujarat and Madhya Pradesh. Rajasthan accounts for 70 per cent of the crop in the country. Guarseed is a raw material for producing guar gum. Guar gum is used as a thickening agent and additive in food products such as instant soups, sauces, processed meat products, baked goods, milk and cheese products, yoghurt and ice-creams. It has industrial applications in the paper and textile sectors, ore flotation, explosives manufacture and fracturing of oil and gas formations. India is the major producer of guarseed and gum, accounting for 80-85 per cent of the global supply. *mrsubramani@thehindu.co.in*

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Groundnut oil tops Rs 1,700/15-kg tin

Rajkot, Jan. 3:

A 15-kg new tin of groundnut oil soared beyond Rs 1,700 on Tuesday as nut supplies for crushing fell. Exporters have bought most of the stocks to meet Chinese demand, millers said.

Besides, demand from brand-makers aided the uptrend. In the past 10 days, groundnut oil has risen by Rs 100 a tin, making retail demand hand-to-mouth.

While a 15-kg new tin traded at Rs 1,705-1,710, loose oil sold at Rs 1,040-1,045 for 10 kg. Cotton oil increased to Rs 1,105-1,115 for 15 kg and cotton (wash) traded at Rs 652-655 for 10 kg. About 100-120 tonnes of groundnut oil were traded in Saurashtra, while 400-500 tonnes of cotton oil were traded.

Groundnuts sold at Rs 749-840 for 20 kg at the agricultural produce marketing committee here. About 25,000-30,000 bags are arriving daily in Saurashtra.

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Turmeric shines on lower arrivals

Our Correspondent

Erode, Jan. 3:

Spot turmeric prices increased by Rs 100 a quintal as farmers holding on to the produce led to lower arrivals on Tuesday.

“Most of the turmeric farmers kept away from participating in the auction, as they seemed to be sure that prices will not rise now. So, 8,000-odd bags of turmeric arrived for sale and 60 per cent of the stock was sold,” said Mr R. K.V. Ravishankar, President, Erode Turmeric Merchants' Association.

He said that so far there has been no fresh demand from North Indian merchants and from exporters there. So, local traders and exporters purchased limited quantities only to meet the committed orders received from spices firms. All stocks of quality produce were purchased by traders at the Erode Cooperative Marketing Society and Regulated Marketing Committee. But sales in the Regulated Marketing Committee were low. The hybrid Salem crop has remained stable for the last couple of days and sales were encouraging.

At the Erode Turmeric Merchants' Association Sales yard, the finger variety fetched Rs 3,199-4,489 a quintal, and the root variety, Rs 3,090-4,131.

Salem crop: The finger variety sold at Rs 4,385-4,771 and the root variety, at Rs 4,194-4,240. Of the 1,972 bags of turmeric that arrived, 607 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold for Rs 3,569-4,691, and the root variety, for Rs 3,269- 4,319. Of the 431 bags kept for sales, 406 were sold.

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Frantic buying by mills pushes up dara wheat

Our Correspondent

Karnal, Jan. 3:

Domestic buying coupled with low arrivals pushed dara wheat prices up, while desi varieties managed to maintain their previous levels amid slack buying on Tuesday.

Dara prices rose as lower arrivals led to frantic buying by flour mills, while sluggish demand kept desi wheat prices around their previous levels, said Mr Sewa Ram, a wheat trader. The demand for desi wheat is quite low at present and in order to maintain prices, traders are buying in line with the orders that they have got, he said.

The dara variety went up by Rs 10 a quintal and quoted at Rs 1,170-1,185 a quintal.

In the physical market, around 65 tonnes of dara variety arrived from Uttar Pradesh and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,170-1,185 a quintal, while delivery at chakki was at Rs 1,190 a quintal.

On the other hand, desi wheat varieties ruled flat on their previous levels. Samrat was quoted at Rs 1,880, while Red Rose was trading at Rs 2,200 a quintal.

On the National Commodity and Derivatives Exchange, wheat for January delivery increased by Rs 11 to Rs 1,245 a quintal, it had touched a high at Rs 1,249 a quintal earlier on Tuesday. On the MCX, wheat spot prices increased by Rs 6.40 to Rs 1,223.1 a quintal.

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