THE HINDU

Sow the seeds for quality, food security

SUSHIL KARWA

SUSHIL KARWA

To enhance agricultural yields, quality seeds are most essential. In India, farmers are still struggling to get quality seeds because there is no encouragement for seed companies to invest in seed research.

To promote seed research, seed companies should be given a status of infrastructure companies and the income of seed companies should be treated as agricultural income. Finance extended to seed companies should be treated as priority sector lending by the banks.

The Government is extending various subsidies for distribution of oil-seeds, pulses seeds, hybrid paddy seeds, and so on, but only to government-owned seed corporations. This makes private seed companies uncompetitive.

Hence, private seed companies are not investing the required and desirable resources into this segment, because of which, productivity is stagnant in these crops. Agriculture being crucial to ensuring the nation's food security, such subsidies should be extended to private seed companies also.

Price deregulation, particularly in cotton, is essential; otherwise, new technologies will not come into India as there is no price differentiation between good and bad.

RODE, March 7, 2012

Farmers in Erode affected as turmeric price falls

S. RAMESH

Government yet to announce minimum support price

Turmeric has made many farmers in Erode district poorer this time. With the government making no attempt to announce a minimum support price, the turmeric farming community has been forced to sell the produce while the demand is less. This has led to a further fall in the price.

The price of yellow spice, which stood around Rs. 4,500 a quintal in January, has now come down to Rs. 3,500 following heavy arrivals in the markets. The four markets in Erode are getting around 10,000 to 15,000 bags a day. On Tuesday, farmers brought around 15,000 bags of turmeric. Over 95 per cent of the arrival is new crop, traders here point out.

Many turmeric growers, who bring their produce to the markets, say that they are left with no other option.

“We have invested huge amount for the cultivation. We don't have enough money to take up another crop. We have to sell the produce so that we can take up another crop and cover our expenses. Besides, there is no assurance that the price of turmeric will go up in the future. What if the prices fall further?,” asks S. Palanisamy, a farmer in Gobichettipalayam.

More loss

“If the prices fall further, we will suffer more loss. So, we started bringing our produce to the market. We spent around Rs. 8,500 a quintal for cultivation. We now get Rs. 3,500, losing Rs. 5,000 a quintal,” S. Thangavel, another farmer from Kavunthapadi block, says.

“Turmeric growers have lost hope that the government will come to their rescue. We have been asking the Central and State governments to announce a minimum support price for turmeric for the past several months. But, we are yet to receive a positive response from the authorities,” Turmeric Farmers' Association of India president P.K. Deivasigamani says.

Farmers in the district have covered over 12,000 hectares of land with turmeric, anticipating high returns for the crop, as against the normal area of 6,000 hectares.

- ***Price, which stood around Rs. 4,500 a quintal in January, has now come down to Rs. 3,500***

- *'Turmeric growers have lost hope that the government will come to their rescue'*

CHITRADURGA, March 7, 2012

Vijaya Bank will promote farm loans: Executive Director

Farmers' conventions to be held in rural, suburban areas

HELPING HAND:Zilla panchayat Chief Executive Officer N. Jayaram handing over cheques to a member of an SHG during the Vijaya Bank loan distribution campaign in Chitradurga on Tuesday.

Shubhalakshmi Panse, Executive Director, Vijaya Bank, has said that the bank has decided to hold farmers' conventions in rural and suburban areas to promote its agriculture loans.

Speaking at the launch of an agriculture loan scheme here on Tuesday, Ms. Panse said that the bank was focussing on Chitradurga district for the scheme because it was drought-hit.

The bank had 1,280 branches across the country, of which 555 were in rural and suburban areas. These branches were advancing loans to farmers for dairying, horticulture, and sheep rearing.

"The bank is also offering loans to poor people for setting up cottage industries," she said.

Vijay Bank, she said, had been offering financial assistance to farmers, who form over 60 per cent of the country's population, since its inception in 1930 in Mangalore.

She urged people to utilise the loan scheme for improving their socio-economic conditions. In his address, zilla panchayat chief executive officer N. Jayaram said that with help from the Rural

Development and Self-employment Training (RUDSET) Institute, the panchayat was training rural people in sheep rearing and dairy farming.

“Earlier, the training programme was being conducted only in Chitradurga. Subsequently, the zilla panchayat decided to hold such programmes in all taluk headquarters,” he said. He, urged the bank to offer loans to trained youth for setting up cottage industries and for dairy farming. During the launch ceremony, the bank distributed loans to several self-help groups and farmers.

- *Zilla panchayat training rural youth in dairy farming and sheep rearing: CEO*
- *Bank urged to extend loans to trained youth*

for setting up cottage industries

BANGALORE, March 7, 2012

Slums have to go for sustainable growth: Minister

For sustainable growth, slums have to go, opined Urban Development Minister S. Suresh Kumar.

Speaking at the 27th National Convention of Architectural Engineers on “Sustainable urban development — challenges and opportunities” here on Tuesday, he said the State Government was taking steps to eradicate slums. “When we talk of urban development, slums are a deterrent to sustainable growth. Slums have to go, and the Government is working towards this,” he said.

“Urban development plays a major part in a country's overall planning. This needs dedicated departments and the State Government has started work on this front,” the Minister said.

The private sector came in for some praise from Mr. Kumar for its participation in housing, who, however, expressed concern about the affordability.

“It is good that the private sector is participating in housing, but affordability is a concern. We need housing that is affordable to all.”

Long-term plans

Adviser to the Chief Minister on urban affairs A. Ravindra emphasized the need for long-term urban plans. “Our planning lacks an insight into the future and is based on current situations. We need plans that look 20 to 30 years into the future. This is the only way we can address urban problems,” he said.

Commenting on the city's biggest bane — traffic woes — Mr. Ravindra said that effective use of public transport was the solution. “The automobile sector is important for the Indian economy, and we see private vehicles outnumbering public transport. We need to increase awareness among urban residents to use public transport more often,” he said.

BANGALORE, March 7, 2012

Coconut vendor killed in bee attack

Mardan Imaam (41), a tender coconut vendor, died in a bee attack close to his house in Nagenahalli near Hebbal late on Monday.

According to the police, a beehive had cropped up on the balcony of a building close to Imaam's house.

So, he and his friend Mohammed Ataullah tried to clear the hive late on Monday only to be attacked by the bees.

While Ataullah managed to escape, Imaam collapsed and was stung to death.

Murdered

Meenakshi (45) was found dead in the bedroom of her house in M.S. Palya in Vidyaranyapuram by her 16-year-old son Ratan on Tuesday afternoon.

The boy returned from college at around 1.30 p.m. to find the front door ajar.

He went inside to find the badly mutilated body of his mother.

Police suspect the murder might be the handiwork of a person known to her. Her husband Shankar is living separately after severing the relationship with her, said the police.

Suicides

Two persons committed suicide in separate incidents in the city between Monday evening and Tuesday.

Pramod a 31-year-old man is suspected to have killed himself at his home in Someshwarnagar late on Monday evening. His body was discovered by his wife, Aparna, who returned late in the evening after visiting her parents. The Yelahanka New Town police suspect that he was being harassed by money-lenders.

In the other incident, Ganesh (25) a garment factory worker is suspected to have killed himself at his single-room tenement in Gadadahalli.

Neighbours discovered his death when a foul smell began to emerge from his room on Tuesday morning.

Robbed

A student was robbed of his valuables by three unidentified persons at Hoodi Circle in Mahadevapura police station limits on Monday night.

The victim, Abhishek Singh (21), a resident of Rajapalya Main Road in Hoodi Garden had gone to a hotel at Hoodi Circle to have dinner.

While, he was walking back home, three unidentified miscreants in multiutility vehicle waylaid him and snatched his gold chain weighing 3 gm, a mobile phone and cash, total worth Rs. 10,000, and sped away.

Mahadevapura police have registered a case and are investigating.

DAVANGERE, March 7, 2012

KRRS seeks relief for drought-hit farmers

The Karnataka Rajya Raitha Sangha (KRRS) has said that farmers across the State, except those whose fields are irrigated, were facing hardship owing to drought, and urged the Government to provide financial assistance and waive loans availed by them from cooperative societies and nationalised banks.

M.S.K. Shastry, president of the district unit of the sangha, stated in a press release here on Tuesday that even though the Government was aware that farmers had suffered huge losses due to failure of rains, it had not initiated action to help them.

The Government had only launched schemes to provide people in drought-hit places with drinking water.

The Government had, however, not announced any relief to farmers. They were all facing hardship due to failure of rains and the resultant crop loss, he said. He claimed that many farmers had committed suicide after being served notice by banks for repayment of loans.

Demand

Hence, the Government should immediately waive all farm loans availed from cooperative societies and nationalised banks. The Government should instruct private financiers not to put pressure on farmers to repay loans.

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hindustantimes.com

Wednesday, March 07, 2012 | Last Updated 10:48 IST

Sunny	Max Min
	34.5° | 23.6°
Rain: 00 mm in 24hrs	**Sunrise:** 6:35
Humidity: 70%	**Sunset:** 18:03
Wind: Normal	**Barometer:** 1008

Sunny	Max Min
	33° | 20°

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Mar 9	Mar 10	Mar 11	Mar 12	Mar 13
32° | 20°	31° | 19°	32° | 20°	32° | 20°	32° | 23°
Partly Cloudy	Partly Cloudy	Cloudy	Partly Cloudy	Cloudy

THE ECONOMIC TIMES

Commodities

7 MAR, 2012, 05.26AM IST, MADHVI SALLY,ET BUREAU

CCI procures cotton in Andhra Pradesh as prices crash

AHMEDABAD: A central agency has begun cotton procurement at minimum support price (MSP) in Andhra Pradesh where prices have crashed after Monday's export ban. Exporters and traders are foreseeing big claims after contract defaults as more than 14 lakh bales which have been contracted are yet to be shipped out.

"With cotton prices ruling at MSP of Rs 3,300 a quintal, we have started procuring it from Warangal, Guntur and Adilabad districts in Andhra Pradesh," said an official of Cotton Corporation of India (CCI) in Mumbai. CCI procured 5,000 quintals from Guntur district on Monday and over 7,000 quintals from the three districts on Tuesday.

Traders said prices of 29.5-30.5 staple length cotton fell by 5% on Monday at the Adilabad market. CCI had not procured cotton from Andhra Pradesh in the previous year. However, prices in other major markets across the country were still ruling higher than the MSP. Cotton prices were 25-30% higher than the MSP in Gujarat, 10-15% in Maharashtra and 30-35% in Rajasthan.

Ahead of the two-day strike announced by ginners across the country, farmers have started offloading cotton stock. "Farmers have been getting good quality cotton to the market. Small mills from south India, larger mills like Vardhman and Nahar from north India and multinational trading companies like Louis Dreyfus and Paul Reinhart made steady purchases," said Saurashtra Ginners Association secretary Anand Popat.

Exporters were confident of the government allowing shipments in the coming days. "Over 25 lakh bales have been registered (for exports) and not shipped. We expect the government to revoke the ban. If it doesn't happen, exporters will face claims and arbitration with their buyers," said Cotton Association of India presidentDhiren Sheth.

It takes 15-20 days from the signing of the contract to getting the letter of credit (LC) for an exporter. In addition, 3-4 days are required to register their contracts with the Textile Commissioner's office. Further, depending on the availability of vessel, shipments take place in a week to ten days.

According to estimates, exporters' unshipped long position against registration certificate (RC) was at 10.53 lakh bales. Companies which handled international arbitration suits and claims in the previous year want to avoid a repeat this year.

"I had four international arbitration cases and innumerable claims which we eventually settled. It leaves a bad taste for all business partners," said Cotton Association of India (CAI) additional vice president and Bhadresh Trading Company MD Bhadresh Mehta. The company's unshipped long position against RC was at 2.50 lakh bales.

"International Cotton Association rules and regulation on cotton contracts are very stringent and we are already getting innumerable queries from our buyers. We expect the government of India to look into the issue," said Mehta. Uncertainty over the issue has led exporters whose cotton is in ports to wait for clarity.

"Over 25,000 bales were ready to be loaded on vessels in Mundra and Pipava ports for China. We are now reviewing the situation as port charges and duties will be levied if we don't offload the cotton. We have to once again book godowns and warehouses apart from taking an insurance cover," said Rajkot-based Jaydeep Cotton director Mansukh Patel.

Small traders who have been directly exporting cotton to China bypassing large international traders and Indian export houses are feeling the heat.

"I had exported 45,000 bales and was yet to get the LC for 2,700. The buyers are demanding deliveries. Veiled threats have also been made," said a trader, who has 6,000 bales unshipped long position against RC.

Business Standard

Wednesday, Mar 07, 2012

Oilmeal exports fall 33% in February

Press Trust Of India / New Delhi March 07, 2012, 0:56 IST

Oilmeal exports declined by 33 per cent to 470,000 tonnes last month from 703,000 tonnes in the year-ago period, according to the industry data released on Tuesday.

Oilmeal shipments increased nine per cent to 4.89 million tonnes (mt) in the first 11 months of this financial year from 4.49 mt in the April-February period of 2010-11, the Solvent Extractors' Associa-tion of India (SEA) said in a statement.

Exports to West Asian countries rose to 505,506 tonnes in the April-February period of 2011-12 financial year from 482,919 tonnes in the year-ago period on the back of rise in shipments to Iran, the UAE and Egypt, it added.

India’s major oilmeal — used primarily as animal feed — export destinations are Japan, Vietnam, South Korea, Thailand, China and Indonesia, among other South Asian and European countries.

According to the agriculture ministry's second advance estimate, oilseed production is pegged downwards at 30.52 mt in the 2011-12 crop year (July-June) from 32.47 mt in the year-ago period.

Guarseed rises further on low stocks

Press Trust of India / New Delhi March 06, 2012, 14:11 IST

Guarseed prices spurted by Rs 594 to Rs 22,162 per quintal in futures trade today due to brisk buying by speculators on limited stocks positions.

Marketmen said lower production of guarseed and damage of crops in the neighbouring country sparked sharp fluctuations in prices.

Strong export demand on account of weakness in the rupee against the dollar and higher consumption of the guarseed in oil drilling industries too influences the uptrend, they said.

On the National Commodities and Derivatives Exchange, guarseed prices for delivery in March rose by Rs 594, or 2.75%, to Rs 22,162 per quintal, with an open interest of 16,770 lots.

The July contract gained Rs 860, or 4%, to Rs 22,343 per quintal, with an open interest of 370 lots.

No plan to ban cotton yarn exports

BS Reporters / New Delhi/mumbai March 07, 2012, 0:54 IST

The government has no plan to ban export of cotton yarn for now. Today, the Union textile ministry clarified that cotton yarn exports had not been banned and there was no proposal to do so.

“Putting quantitative restrictions or imposing a tax on export is a restrictive measure, while we believe in maintaining equilibrium for all,” Textiles Secretary Kiran Dhingra said on Tuesday while addressing the media.

For 2011-12, yarn exports are pegged at 900 million kg and the total exports so far have still been much lower than that.

In Mumbai’s yarn market, prices fell on Tuesday by Rs 5-7 a kg following a fall in cotton prices yesterday and on rumours of an export ban on yarn. In 40- and 30-count yarn, where exports are happening, prices fell to Rs 200 and Rs 180 a kg, respectively. However, as cotton prices have revived after the announcement of ban being reviewed on Friday, some pull back in yarn can be expected.

Bharat Malkan of Mumbai-based I B Yarns said, “In fine counts yarns like 60 counts and above, which are mostly exported to Europe, there is not much demand, as the destination markets are in recession. However, coarse yarn export demand could provide support to the market.”

He said in case of finer count yarns, prices have stabilised at higher levels because of lower production in the south due to power cuts. While north India spinners are in a comfortable position as they produce mostly coarse yarns.

Cotton prices up

Meanwhile, during the day, cotton prices recovered after agriculture minister Sharad Pawar and Gujarat chief minister Narendra Modi opposed the export ban.

Arun Dalal, a trader based at Ahmedabad, said, “Following hope of intervention by the chief minister, in the Gujarat market, cotton was down to Rs 32,500 a candy (356 kg) which was trading at Rs 33,000 yesterday.”

On the Multi Commodity Exchange, cotton prices were down nearly four per cent in the morning to Rs 15,900 a quintal but soon after reports of Union agriculture minister Sharad Pawar intervening in the ban decision, prices improved. And, when the textiles secretary said the export ban decision would be reviewed, the near-month contract reached as high as Rs 17,130 a quintal, before settling at Rs 16,690.

Cotton prices soared in New York, too, after India abruptly banned exports, a move that traders said could send Chinese buyers flocking to the US market. India is the world's second-biggest cotton exporter.

Cotton futures prices shot up on the ICE exchange in New York. The benchmark contract for May delivery rose the daily maximum of four cents in early trade to 92.23 cents per pound and held there for the rest of the session.

THE HINDU Business Line

Pepper prices rise above Rs 400/kg

G. K. Nair
Kochi, March 6:

Pepper prices in both spot and futures markets recorded history by taking prices above Rs400 a kg on Tuesday on strong domestic demand amid tight supply, and thus became totally out priced in the international market.

The bull operators "who were in full control of the market were showing their might and were allegedly creating a lot of problems to their counterparts who are paying mark to market margins every," trade sources said..

The gap between the Indian parity and that of other origins are much wider and hence there will be no buyers from overseas, market sources told *Business Line*. However, they said domestic demand is strong as the pipelines are empty and the availability as of now is very tight, they said adding the stock available on the exchange platform is at 2,012 tonnes for March, against an open interest for the month of 4,185 tonnes. Some 50 tonnes and 10 tonnes of fresh pepper respectively were reportedly deposited in the exchange warehouses in Kochi and Kozhikode, they said.

Capitalising on the tight situation, Karnataka dealers were reportedly offering pepper at Rs 400 a kg delivered at the doorsteps of upcountry buyers on a cash- and-carry basis. They have even raised the price to Rs 410 a kg. Meanwhile, some small quantities of high range pepper was traded here at Rs 408 a kg, while that of the plains at Rs 390-395 a kg, trade sources said.

The trade and the growers alleged that given the price advantage there is every possibility of imported pepper to enter the domestic market to depress prices.

March contract on the NCDEX shot up by Rs 1,610 to close at Rs 41,810 a quintal. April and May prices increased by Rs 1,630 a quintal each to close at Rs 42,275 and Rs 42,275.

Oil prices higher on Iran concerns

PTI
Singapore, March 7:

Oil prices rebounded in Asian trade today amid lingering concerns over Western efforts to rein in Iran's nuclear programme, analysts said.

New York's main contract, West Texas Intermediate crude oil for delivery in April, gained 40 cents to $105.10 a barrel while Brent North Sea crude for April delivery was up 50 cents at $ 122.48.

Israeli Prime Minister Mr Benjamin Netanyahu ended a visit to the US on Tuesday with assurances that Washington is prepared to use force to prevent Iran from getting a nuclear weapon.

Mr Netanyahu, who met the US President, Mr Barack Obama, and the Secretary of State, Ms Hillary Clinton, during the visit, put the world on notice that his patience was wearing thin and, if necessary, he would launch unilateral strikes.

Iran has denied it is building an atomic bomb, saying its nuclear programme is for peaceful purposes.

Security analysts say a nuclear-armed Iran would alter the balance of power in the politically volatile West Asia.

"Concerns over Iran's nuclear ambitions are... a factor (for the price rise), despite signs that Iran is willing to return to talks," said Nick Trevethan, senior commodities strategist at ANZ Research.

EU foreign policy chief Catherine Ashton offered Tuesday to resume talks between global powers and Iran in response to Iran's chief negotiator Saeed Jalili's call for negotiations to be resumed at the "earliest" opportunity.

Iran has previously threatened to close the strategic Strait of Hormuz — a transit point for one-fifth of the world's oil supply — if the West imposes further sanctions.

World cotton glut may put pressure on prices

Our Bureau

Mumbai, March 5:

For the third year in a row, world cotton consumption is projected to trail world cotton production as a result of which stocks are set to accumulate further and prices run the risk of weakening.

As the planting season for 2012-13 in the northern hemisphere approaches, the Washington DC-based International Cotton Advisory Committee (ICAC) said global production could decline to 25.7 million tonnes compared with 27.2 million tonnes . in the previous year. On the other hand, world cotton use is likely to reverse the declining trend of the last two years and rise to 24.3 million tonnes following expectations of improving economic growth and lower prices.

Ending stocks which are projected to reach a new high of 13.1 million tonnes by the end of the current season because of the surplus are projected to rise further next year to reach a massive 14.5 million tonnes. The ending stocks will be equivalent to 60 per cent of global mill use, the largest stock-to-use ratio since the late 1990s, ICAC pointed out adding that the inventory pressure was sure to weigh on global cotton prices next season. .

Although world cotton prices have fallen from the unprecedented 200 cents a pound level about a year ago, they are still high by historical standards. Indeed, they should have fallen well below the 90 cents a pound mark but for the solid support provided by the Chinese government via its reserve buying program initiated in September 2011. Significant purchases from both domestic and foreign markets have shored up prices in an otherwise weakening global cotton market.

China factor

So, China will continue to be a critical factor for the world cotton market. The rebuilding of the Chinese national reserve means that by the end of 2011-12, it might hold over 3 million tonnes or as much as a quarter of global stocks. The key question, therefore, would be how much more would the Chinese accumulate. There are uncertainties attached to this.

As the northern hemisphere enters planting season and the next harvest will be available not before September, it is highly likely that cotton prices may remain firm at current levels, but gradually weaken as we move towards the second half of the year. Of course, weather conditions are assumed to remain normal.

After the planting period ends and the crop begins to take shape, the current prices are most unlikely to hold as world market fundamentals are not supportive. Prices will be dragged down in the second half of 2012. On current reckoning, world cotton prices are likely to fall below 90 cents a pound in the second quarter moving further down towards 80 cents in the second half of the year.

It is this emerging global scenario that players in the Indian cotton market and policymakers must bear in mind. Growers are unlikely to receive high prices. There will be competition in the export market. Indian cotton must compete on price in order to garner a respectable market share. The exchange rate will play a critical role. Nothing should be done to disturb the liberal trade policy.

Futures, thin arrival perk up spot chana

Indore, March 6:

Bullish futures and weak arrivals perked up chana by Rs 50-75 to Rs 3,450-3,475 a quintal on Tuesday.

Desi chana rose by Rs 50 to Rs 3,450 a quintal; annagiri chana ruled at Rs 3,350-3,400, mausmi chana at Rs 3,600-3,800, chana kaktu at Rs 4,200-4,300, v2 chana at Rs 3,200-3,300 vishal chana at Rs 3,300. Arrival declined to 2,000 bags.

Despite a rise in spot chana, chana dal remained unchanged even as demand for it was on weak. Average dal quoted at Rs 4,200-4,225 a quintal, medium dal at Rs 4,325-4,350 and bold dal at Rs 4,425-4,450.

Dollar chana ruled unchanged even as buying improved at the close of trading. Best quality dollar chana ruled at Rs 5,700-6,200 a quintal, while average quality ruled at Rs 5,000-5,500.

Hina marka dollar chana ruled at Rs 7,000, golden marka at Rs 6,900 silver marka at Rs 6,500. On Tuesday, 7,500-8,000 bags of dollar chana arrived. According to traders, dollar chana is unlikely to turn bullish in near future as arrivals will further pick up after Holi.

Bullish forecast hopes buoy edible oils

Our Correspondent

Mumbai, March 6:

Edible oils ruled firm on Tuesday on expectations of a bullish forecast at Bursa Malaysia's Palm Oil Conference on Wednesday.

Groundnut oil rose by Rs 10 taking cues from Saurashtra. Cottonseed refined oil was up Re 1, sunflower seed refined oil Rs 5 and palmolein Rs 4 for 10 kg. Malaysian crude palm oil futures closed slightly higher paring a morning decline as market participants covered short positions due to expectations of the forecast. Sources said in the physical market, leading local refiners did not quote for palmolein. Routine local demand kept volume thin. About 200-250 tonnes of palmolein were traded at Rs 565-566. Resellers quoted it at Rs 568-570. Ruchi offered soya refined oil Rs 680 and sunflower seed refined oil at Rs 690. Malaysian crude palm oil's March contract settled at 3,217 ringgit (3,220 ringgit), April at 3,237 ringgit (3,240 ringgit) and May at 3,244 ringgit (3,246 ringgit) a tonne. On the National Board of Trade in Indore, soya refined oil for March delivery closed at Rs 710 (Rs 710) and for April at Rs 721.10 (Rs 715.70).

Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 1,120 (1,110), soya refined oil 680 (680), sunflower seed exp. ref. 635 (630), sunflower seed ref. 700 (695), rapeseed ref. oil 782 (785), rapeseed expeller ref. 752 (755), cottonseed ref. oil 636 (635) and palmolein 576 (572).

Retail demand keeps spot sugar firm

Our Correspondent

Mumbai, March 6:

Sugar prices on the Vashi wholesale spot market ruled unchanged on Tuesday.

Improved retail demand kept the spot market firm. Prices increased by Rs 5-8 a quintal in Hajir in Maharashtra.*Naka* and mill tender rates were unchanged on routine bulk demand. Market sources said there was no impact of the Agriculture Minister, Mr Sharad Pawar's hint to allow additional exports of 10 lakh tonnes. The second tranche of 10 lakh tonnes for exports declared last month is not yet over yet.

Crushing has picked up and production is higher than last year till February-end, leaving surplus with mills. However, there is no demand from neighbouring States of Maharashtra, forcing mills to sell on the local markets. Retail demand remains less than usual at the beginning of a month. Onset of summer may improve buying, but till then ample stocks will keep market under pressure, said sources.

Arrivals in Vashi was higher at about 55-56 truckloads and despatches were about 54-55 truckloads. On Monday, about 18-20 mills offered tenders and sold 55,000-60,000 bags at Rs 2,770-2,840 (Rs 2,770-2,840) for S-grade and Rs 2,870-2,940 (Rs 2,870-2,940) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,900-2,962 (Rs 2,900-2,955) and M-grade Rs 2,992-3,066 (Rs 2,982-3,061).

Naka delivery rates: S-grade Rs 2,850-2,900 (Rs 2,850-2,900) and M-grade Rs 2,950-3,000 (Rs 2,950-3,000).

‘Palm oil set to take centre-stage in vegoil crops'

G. Chandrashekhar

Kuala Lumpur, March. 6:

With expanding population and rising consumption demand, the world will need to produce at least 4 million tonnes of additional vegetable oils year after year, and palm oil is eminently placed to take the centre stage due to its high output-to-land ratio vis-a-vis other vegoil crops, Mr Carl Bek-Nielsen, Vice-Chairman of United Plantations, said here on Tuesday.

He was delivering the keynote speech on challenges and opportunities for the palm oil industry at the Palm and Lauric Oil Conference and Price Outlook here on Tuesday. The event, organised by Bursa Malaysia, saw a record participation of close to 2,000 delegates.

“However, this position (palm oil taking centre stage) can only be attained respectfully if all future and current production complies with the essentials of sustainability,” he said, adding that if not, the industry will face a backlash.

Enumerating the challenges, Mr Nielsen said that labour shortage, stagnating yields, spread of disease and sustainability are the key issues to be addressed by the palm oil industry to be able to meet the growing demand for edible oils, especially in the world's populous and emerging markets.

Coming down on environmental activists spreading disinformation about palm oil suggesting plantations were responsible for deforestation, he said that of the 300 million hectares deforested from 1990 to 2010, only about 3 per cent or 9 million hectares were replaced with oil palm. However, in return, this accounted for as much as 42 per cent of the net growth in the 17 oils and fats produced during that period.

To address labour shortage, Malaysia should engage with Bangladesh for supply of labour in rural surroundings, he said. As for arrest of the spread of disease (bud rot) in South America and Africa, last month the Malaysian Palm Oil Board in February set up a joint task force with Colombian participation.

Ministers' panel to review cotton export ban on Friday

COMPARISON OF SUPPLY AND DEMAND*

	CAB ACTUALS 2010-1	CAB FORECAST 2011-12	REVISED ON BASIS OF TRENDS TILL MAR 2012
SUPPLY			
Opening stock	40.5	48.3	32.59
Crop	339	345	340
Imports	5	6	8
Total supply	384.5	399.3	380.59
DEMAND			
Mill / SSI consumption	245.91	240	230
Non Mill consumption	26	240	20
Exports	80	84	94
Total offtake	351.91	344	344
Carry over stock	32.59	55.3	36.59

*- all figures in lakh bales (of 170 kg each)

New Delhi, March. 6:

Even as the Agriculture Minister, Mr Sharad Pawar, demanded lifting of the cotton export ban, the Textiles Ministry on Tuesday said an inter-ministerial panel will review the prohibition order on Friday.

The Union Textiles Secretary, Ms Kiran Dhingra, told reporters on Tuesday that there is no move to impose a ban on cotton yarn exports. She said during the March 9 review of the decision to ban cotton exports, the ministerial panel will look into the demand and supply situation.

Earlier in the day, Mr Pawar expressed his displeasure over being “kept in the dark” regarding the notification of the Directorate General of Foreign Trade (or DGFT which falls under the Commerce Ministry headed by Mr Anand Sharma) on banning cotton exports.

Mr Pawar, who is the President of the Nationalist Congress Party, told reporters that he learnt about the Government's move only after the DGFT had issued the notification. He said that he has asked the Prime Minister, Dr Manmohan Singh, to intervene and sort out the issue.

Alleging that the move was taken without proper consultations and was therefore ‘highly objectionable', Mr Pawar said such decisions should be taken only after discussion by the Cabinet Committee on Prices or the Cabinet Committee on Economic Affairs as it is done with other commodities such as sugar, wheat and rice.

Mr Pawar said that farmers in Madhya Pradesh, Gujarat, Maharashtra, Karnataka and Andhra Pradesh are in trouble because traders have halted their purchases anticipating that prices will decline even further. He said that the cotton export ban was therefore “harmful” to the farmers.

The Textiles Secretary said that Cotton Corporation of India has been advised to protect farmer's interests by procuring cotton in all *mandis* if prices fall below the minimum support price.

The Secretary said that cotton exports at 94 lakh bales so far has brought down the carryover stock for next season to 36 lakh bales.

The informal Group of Ministers had in April 2010 laid down that a carry forward balance of 50 lakh bales should be maintained and only surplus cotton stock should be exported, she said.

The Commerce Ministry had said that on Monday that the ban was necessitated as almost 94 lakh bales of cotton had already shipped out against an estimated export surplus of 84 lakh bales. The ban followed higher than anticipated exports and apprehensions of a tendency of hoarding the item in bonded warehouses abroad, it said.

UP sugar industry expects reforms in cane pricing

Vishwanath Kulkarni

The Politics of Sugar: Who's the sweetest of all?

	SP	BSP
Capacity Added	29 Greenfield units 2,01,200 tonnes crushed per day (tcd)	NIL NIL

State Advised Price

2003-04	04-05	05-06	06-07	07-08	08-09	09-10	2010-11	2011-12
100	112	120	130	130	145	260	205	240

New Delhi, March. 6:

The sugar industry in Uttar Pradesh hopes that the return of Samajwadi Party to power in the State will do to sugarcane pricing reforms for what it did previously to invite investments in new mills.

The sugar industry in UP is reeling under mounting cane arrears, which currently stand at around Rs 4,000 crore. Such arrears are a result of the successive hike in State Advised Prices (SAP) by the outgoing Mayawati Government, which espoused the cause of farmers. The SAP during Mayawati regime almost doubled in the past five years, while it saw a marginal increase during the previous Samajwadi Party regime.

“We look forward to the new Government to consider establishing a linkage between the prices of sugarcane and end product,” said Mr Abinash Verma, Director-General, Indian Sugar Mills Association. “We also want the Government to emulate Maharashtra in terms of lobbying for the industry with the Centre and look forward to some kind of a financial package to rescue the industry from mounting arrears,” Mr Verma said.

Stocks of UP-based sugar companies such as Balrampur Chini and Bajaj Hindustan, which registered early gains on Tuesday tracking election results, could not sustain them towards the end of the day. The Bajaj Hindustan scrip shed 8 per cent to close at Rs 33.40, while Balrampur Chini ended 4.45 per cent down at Rs 51.50.

Mr Mulayam Singh's return would also prompt the industry to make claims of incentives promised under the UP Sugar Industry Promotion Policy, 2004, during his previous regime. Through the policy, Mr Singh had then offered a 10 per cent capital subsidy on investment, reimbursement of transport cost of sugar from factory up to a distance of 600 km, reimbursement of purchase tax on cane and cane society commission among others. Such concessions were to be given for five years to a company investing a minimum of Rs 350 crore and for 10 years in case of investment of Rs 500 crore and above.

Buoyed by such incentives, sugar companies rushed to set up green field units and a total of 29 units with a capacity exceeding 2 lakh tonnes crushed per day (TPD) came up. However, by the time these mills started making claims, the State administration saw a change in guard and the new Chief Minister, Ms Mayawati, discontinued the policy, resulting in losses for the industry.

No new sugar mill came up during Mayawati's regime. Sugar is the largest industry in Uttar Pradesh both in terms of turnover and employment generated. Total claims under the sugar policy of 2004 runs into hundreds of crores and the industry would eagerly look forward to the new Government to reimburse such claims.

‘No rationale in banning cotton exports'

Our Bureau

Guntur, March 6:

The ban on cotton exports imposed by the Union Government all of a sudden will only serve the interests of the textile lobby and middlemen. Farmers will suffer heavy losses, as the domestic market would be depressed, according to Dr Y. Sivaji, former member of the Rajya Sabha and the honorary president of the Andhra Pradesh Tobacco Growers' Association.

Agreeing with the contention of the Chief Minister of Gujarat, Mr Narendra Modi, he said there was no rationale for imposing the ban at this juncture and it was regrettable that the ban had been extended to even cotton stocks which had already been registered.

“No importer will depend on us, if we pursue such erratic and whimsical policies,” he said.

There was no justification for keeping cotton imports under OGL and banning exports. There was a need for formulating a consistent, stable export policy which will help the farmers, he added.

He wanted the Union Government to lift the ban now and not after the stocks had changed hands and reached the godowns of middlemen. Lifting the ban then would only serve the interests of middlemen.

He accused the Union Government of dancing to the tunes of the textile lobby.

Pawar seeks PM's intervention to lift cotton export ban

PTI

Mr Sharad Pawar, Agriculture Minister

New Delhi, March 6:

Seeking the Prime Minister, Dr Manmohan Singh's intervention, the Agriculture Minister, Mr Sharad Pawar, today said he was not consulted on the Commerce Ministry's decision to ban cotton exports.

"I was kept in dark on the issue. I came to know about this only after a notification was issued by DGFT yesterday," Mr Pawar told reporters here on the sidelines of ICAR conference.

Mr Pawar said he has written a letter to the Prime Minister seeking revocation of the ban on cotton exports.

He said that such a decision, which would impact lakhs of farmers, should have been taken after proper consultations either in the Cabinet Committee on Economic Affairs or Cabinet Committee on Prices, like it is done in the case of wheat and sugar.

Describing the decision as harmful, Mr Pawar said the cotton growers in Gujarat, Andhra Pradesh and Madhya Pradesh are in great distress as traders have stopped buying cotton from them after the decision.

“Export of cotton has been prohibited till further orders,” the Directorate General of Foreign Trade said in a notification yesterday.