THE HINDU

Published: May 18, 2012 00:00 IST | Updated: May 18, 2012 05:31 IST

Forest department has failed to maintain jatropha plantations: CAG

Special Correspondent

The jatropha puzzle has finally been solved.

In 2005-06, most of the districts in the State were abuzz with the talk of jatropha. In press conferences, the then District Collectors, especially in those adjoining western and eastern ghats, talked of largescale jatropa plantations as the oil extracted from its seeds (blended with diesel up to 20 per cent) could be used as a substitute to petroleum diesel.

In 2006, the Centre released Rs. 10.50 crore for 3.50 crore jatropha plantations in the State for raising 3.50 crore jatropha seedlings. The funds were directly released to 26 District Rural Development Agencies (DRDAs) for distribution to the Forest Development Agencies (FDAs) for raising nurseries.

As per Central guidelines, the DRDA was responsible to ensure full utilisation of jatropha seedlings raised and plantations that were to be taken up on a cluster basis. Then no one knew what happened to the jatropha plantations and the government stopped making statements about bio-diesel.

Now, CAG audit reveals that the Forest Department and DRDAs failed to maintain the plantations, leading to a loss of Rs 8.35 crore. The DRDAs did release Rs 9.20 crore between June and December 2006 to 30 FDAs for raising 3.50 crore seedlings. The FDAs raised 2.80 crore seedlings at a cost of Rs 8.35 crore and refunded the remaining amount.

Out of the 2.80 crore seedlings raised, the DRDAs lifted 1.40 crore seedlings and distributed to the panchyats for planting on panchayat lands. The Forest Department planted 1.36 crore in forest fringes. Audit information has revealed that the survival rate of the seedlings planted on the panchayat land was in the range of nil to 75 per cent in 10 districts.

The Forest Department, despite instructions from state forest chief to take up plantation on a cluster basis, took up planting in forest fringes under wild condition without tending and watering.

The current status of survival was not recorded except in Madurai and Theni FDAs, the CAG said, emphasising that the two agencies did not have any action plan for eventual maintenance of the plantation and seed collection for oil extraction.

In its reply to CAG, the Rural Development and Panchyat Raj department blamed the poor growth of jatropha seedlings to monsoon failure and water scarcity. The Forest Department replied that the plantations served as forest boundary demarcation strip, fire retardant, live hedge, soil binder and repel cattle entry into forest areas.

The CAG dismissed Rural Development department's argument as the annual rainfall in three years 2006-07 to 2008-09 was never below 200 mm. It also refused to accept the arguments of the Forest Department as the main objective of collection of jatropha seeds for extraction of oil was not achieved for production of bio-diesel which could have been an economic source of income to the farmers, and for which the Centre released funds.

- *“The current status of survival was not recorded except in Madurai and Theni FDAs”*
- *“Forest department took up planting under wild condition without tending and watering”*

Published: May 18, 2012 00:00 IST | Updated: May 18, 2012 05:30 IST

Farmers markets in Karaikal soon

Staff Reporter

Farmers markets or Uzhavar Sandhais are proposed to be set up in the district, said Minister for Agriculture Chandrakasu here on Thursday.

Unveiling a demonstration on paddy transplanters by KVKat Maadhur, Mr.Chandrakkasu said the transplanter that was purchased at Rs.30 lakh would be let out to farmers at subsidised charge.

Three more paddy transplanters and three harvesters are proposed to be purchased for the use by farmers. Sathyaseelan, Director, Agriculture, was present .

Published: May 18, 2012 00:00 IST | Updated: May 18, 2012 05:30 IST

Mettur level

The water level in the Mettur dam stood at 79.14 feet on Thursday against its full level of 120 feet. The inflow was 2,773 cusecs and the discharge, 1,153 cusecs.

Published: May 18, 2012 00:00 IST | Updated: May 18, 2012 05:31 IST

Subsidy for growing fodder crop

Special Correspondent

The Tamil Nadu government has proposed to provide subsidy to farmers for cultivating the CO-3 and CO-4 fodder variety on 900 acres in Vellore district and for the purchase of grass-cutting equipments during 2012-13, in order to enable them to provide nutritious fodder to their cattle, increase the milk yield and improve their income. Interested farmers could approach the veterinary surgeon/veterinary assistant surgeon in their area, obtain the necessary information and submit applications for the subsidy.

So far, 1283 farmers in Vellore district have benefited by 100% subsidy to the tune of Rs.51.8 lakh for the cultivation of CO-3 and CO-4 fodder on 500 acres in the district, a release said.

Published: May 18, 2012 00:00 IST | Updated: May 18, 2012 05:29 IST

‘Pro-capitalist policies forcing farmers to stop farming'

Staff Reporter

Members of the Raita Krishi Karmikara Sanghatane at the first State conference of the organisation in Bangalore on Thursday.— Photo: Bhagya Prakash K.

The agriculture sector in India is in deep crisis and farmers are forced to stop cultivation owing to pro-capitalist policies of the governments, said Asit Bhattacharya, politburo member of the Socialist Unity Centre of India – Communist (SUCI-C).

Speaking at the open session of the first State conference of Raita Krishi Karmikara Sanghatane (RKS) here on Thursday, he said farmers continued to lose land, high input cost had made agriculture unviable and unemployment in rural areas was forcing migration of landless labourers to cities.

“Poverty in rural areas is far higher than what it was in pre-Independence period. While the farmers are losing land, the remaining land holding is uneconomical since cost of inputs has increased leaps and bounds,” he said.

Despite high input cost, he pointed out, farmers were not even getting their cost price, let alone reasonable or remunerative price for their produce. The net result, he said, was that farmers were getting into debt, leading to many of them committing suicide while many others were leaving their land uncultivated.

Mr. Bhattacharya said that mechanisation in agriculture could pull up the sector and increase per capita income. He, however, said that mechanisation would mean crores of rural youth being rendered jobless, and that the industries in India would not be able to absorb them.

He said that the corporate houses were producing goods to meet the demands of only a section of the population, and hence denying employment opportunities to the youth. “New industries that can employ youth are not coming up while the older industries are closing down. The government is pursuing and safeguarding pro-capitalist policies.” Earlier, hundreds of RKS delegates took out a procession from Chikka Lalbagh to Bannappa Park where the convention had been organised.

Published: May 18, 2012 00:00 IST | Updated: May 18, 2012 05:31 IST

Rain damages plantations in over 40 acres

Special Correspondent

Rainfall and heavy gale caused damage to betel leaf, banana, mango and papaya plantations in Tsundupalle, Rajampet, Pullampet, Pendlimarry and Duvvur mandals in Kadapa district in the last two days.

Banana, papaya and lime plantations were damaged on over 40 acres in Kothagangireddipalle village in Pendlimarry mandal and banana and betel leaf plantations were damaged in about 20 acres in Ananthampalle and Patchavaripalle villages in Pullampet mandal. Mango crop was damaged in Kuppagutta, Kolimimitta, Thoorpu Malapalle, Bodeppagaripalle, Komatipalle and Mathamma Harijanawada.

Mango and banana crops were also damaged in Obulavaripalle, Chitvel, Veeraballe and Rajupalem mandals while mango crops were damaged in Veeraballe and Galiveedu mandals.

As many as 115 electric poles were uprooted and five transformers were damaged by the gales in several villages in Veerapunayunipalle mandal, according to mandal Transco AE Hariprasada Reddy.

---

hindustantimes

Fri,18 May 2012

weather

INDIAN CITIES | INTERNATIONAL CITIES

Chennai

Chennai - INDIA

Today's Weather

Sunny

Friday, May 18

Max Min

42.9° | 28.2°

Rain: 00 mm in 24hrs

Humidity: 56%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1005

Tomorrow's Forecast

Cloudy

Saturday, May 19

Max Min

39° | 29°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
May 20	May 21	May 22	May 23	May 24
37º | 29º	38º | 29º	38º | 29º	38º | 28º	36º | 26º
Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Partly Cloudy

THE ECONOMIC TIMES

18 MAY, 2012, 02.56AM IST, ET BUREAU

Cardamom prices to show bullish trend: Report

KOCHI: Cardamom prices are likely to shoot up in the coming weeks due to a combination of factors like robust export demand, production shortfall and possibility of a delayed harvest.

While the average cardamom prices are hovering around Rs 800 per kg, the premium quality is selling in the range of Rs 1,000 and Rs 1,200 per kg. The futures delivery contracts are also indicating a bullish trend. The June contract for delivery in MCX ruled at Rs 1,300 per kg on Thursday evening.

Growers say the extended dry period before the current spell of summer rains has damaged the crop. "We are expecting a 30% crop loss due to dry spell. The next harvest may be delayed by a month to August," said PC Punnoose, general manager, Kerala Cardamom Processing and Marketing Co-operative Society.

After the record exports in 2012-13, the overseas demand continues to be strong. Punnoose said the exports could have touched 4,500 tonne last year as, till January, it had reached 3,900 tonne. "Since the quality of cardamom from Guatemala is bad, the buyers prefer to source it from India," said a leading exporter.

But the traders are skeptical about the supply. Last year had seen a bumper crop with various estimates putting it anywhere between 13,000 tonne and 16,000 tonne. The total quantity that came for auction in 2011-12 was 21,000 tonne compared with 12,000 tonne in the previous year.

The arrivals at the auction centres are averaging 50 tonne a day. "This will come down next month because the growers are selling more this month to meet the bonus settlement of workers," said KK Devassia, secretary, Cardamom Growers Association.

18 MAY, 2012, 02.49AM IST, BLOOMBERG

Malaysia may amend palm oil tax policy

KUALA LAMPUR: Malaysia, the world's second-largest palm oil producer, needs to reform the industry's tax structure to counter new rates in Indonesia that improved the competitiveness of refiners there, according to a trade group.

Without changes to create a so-called level-playing field, there will be "a slow death of the refining industry when the independent refiners move away," said Mohammad Jaaffar Ahmad, chief executive of the Palm Oil Refiners Association of Malaysia. The tax changes by Indonesia last year made crude palm oil (CPO) cheaper than in Malaysia, cutting costs for refiners, according to Jaaffar.

Southeast Asia's largest economy is seeking to boost the value of commodity shipments, including metals, to raise investment flows and spur economic growth.Bernard Dompok, Malaysia's plantation industries and commodities minister, said that changes are being drawn up.

"The problem is that the refiners are feeling the pinch of the tax changes in Indonesia and they want a level-playing field," Dompok said on May 11. "We will be proposing to the government a solution to the problem for the producers and the refiners," he said, without giving details.

Palm oil, the world's most-consumed cooking oil, is used in everything from candy bars to biofuel. Malaysia and largest producer Indonesia account for about 89% of global shipments.

Crude palm oil, which has more than doubled in the past decade, traded at 3,130 ringgit ($1,007) a tonne on the Malaysia Derivatives Exchange at the mid-day break.

"If nothing is done then the industry will face very bleak prospects over time with potential closures," Ivy Ng, an analyst at CIMB Group Holdings, said in an e-mail referring to Malaysian refiners.

The country may face difficulty attracting investment given the less appealing tax structure compared with Indonesia, Ng wrote in a report dated April 6.

The association wants the Malaysian government to end the practice of allowing the annual tax-free export as much as 3.5 million tonne of crude palm oil, boosting raw supplies for local refiners, Jaaffar said. At the same time, tax rates on Malaysian crude shipments should be cut to less than Indonesia's rate from about 21% to 22%, he said.

"This will give some breathing space to our refiners," said Jaaffar. "We're not depriving our CPO exporters to export but they must pay tax. But it will be lower than our current duty and the duty that Indonesia pays." The association represents about 80% of the nation's refining capacity. Increased consumption of crude palm oil within Malaysia may cut stockpiles and help to increase prices in the long term after an initial drop, he said.

Indonesia, the largest tin exporter and a producer of copper and bauxite, wants to raise the value of commodity shipments by promoting processing.

The country banned shipments of 14 raw minerals including copper and silver from May 6, while introducing a 20% tax on exports from companies exempted from the curb on condition they build processing facilities.

Last October, Indonesia reduced the maximum export tax on refined, bleached and deodorized (RBD) palm oil to 10% from 23%, according to a finance ministry decree. The rate for RBD palm olein was cut to 13% from 25%, while the highest tax for crude palm oil was set at 22.5%

"This is without a doubt the best policy from President Susilo Bambang Yudhoyono for the palm-oil industry and Indonesia," said Sahat Sinaga, second deputy chairman at the Indonesian Palm

Oil Board. Refining capacity may surge to 25 million tonne next year from 18.5 million tonne as new plants are built and existing operations are expanded, Sinaga said.

Business Standard

Coriander rises 2% on firm spot demand

Tight stocks following restricted arrivals from the producing regions supported the upswing in prices

Press Trust of India / New Delhi May 17, 2012, 14:56 IST

Coriander prices rose by Rs 71 to Rs 3,602 per quintal in futures trade today as traders created fresh positions due to rising spot markets demand.

Tight stocks following restricted arrivals from the producing regions also supported the upswing in prices.

At the NCDEX, the May delivery rose by Rs 71, or 2.01%, at Rs 3,602 per quintal, with an open interest of 2,500 lots.

The June contract is higher by Rs 53, or 1.44%, to Rs 3,731 per quintal with a turnover of 23,160 lots.

Market experts said increased buying by speculators on pick-up in spot market demand against less arrivals, mainly pushed up coriander prices at futures trade.

Indian spices to be showcased at Olympics

Press Trust Of India / New Delhi May 18, 2012, 1:12 IST

Aiming to promote Indian spices, the Spices board will be taking part in a two-day special India promotion campaign from August one during the London Olympics to showcase the rich variety of spices grown in the country. Around 40 stalls would be set up on the South Bank Centre in

London. The Spices Board will have at least seven stalls where Indian spices exporting companies can take up space.

Maize up on global cues

Restricted supply and pick-up in demand in physical markets pushed up the prices

Press Trust of India / New Delhi May 17, 2012, 14:52 IST

Maize prices improved by Rs 20 to Rs 1,090 per quintal in futures trading today following increased buying by traders in line with firm overseas cue.

Marketmen said tracking firm global markets sentiment, traders preferred to enlarge holdings.

Restricted supply and pick-up in demand in physical markets also pushed up the prices.

At the NCDEX, the May contract moved up by Rs 20, or 1.87%, to Rs 1,090 per quintal, depicting an open interest of 2,090 lots.

The June contract went up by Rs.14, or 1.25%, to Rs 1,135 per quintal, showing an open interest of 15,340 lots.

THE HINDU Business Line

Pepper slips onselling pressure

G. K. Nair

Kochi, May 17:

The pepper market on Thursday slipped on some selling pressure. As schools in Kerala are set to reopen, some growers were selling, albeit small quantities, and that aided the price decline.

There was domestic demand for quality pepper from upcountry markets even though some North Indian dealers were spreading bearish propaganda, trade sources claimed.

Small and medium growers who were in need for money to meet the school opening expenses were selling whatever quantity they were holding. But the volume arriving at the markets were much less compared with the usual selling pressure at this time of the year in the past, primary market dealers said.

There was liquidation in May and June while switchover was there to July. Turnover moved up marginally. Much of the activities were said to be taking place outside the exchange platform as both buyers and sellers preferred to give and take delivery outside the platform, market sources told *Business Line*.

They said validity of about 620 tonnes will expire on June 5. The balance in May delivery as of today is 338 tonnes, they said.

May contract on the NCDEX decreased by Rs 300 to the last traded price of Rs 37,170 tonnes. June and July declined by Rs 50 and 55 respectively to the LTP of Rs 38,050 and Rs 38,650 a quintal.

Turnover

Total turnover moved up by 43 tonnes to close at 2,027 tonnes. Total open interest decreased by 118 tonnes to 4,942 tonnes.

May and June open interest dropped by 92 tonnes and 151 tonnes respectively to 338 tonnes and 4,077 tonnes while July increased by 122 tonnes to 472 tonnes.

Spot prices dropped by Rs 200 on some selling pressure to close at Rs 36,500 (ungarbled) and Rs 38,000 (MG 1) a quintal and still remained much above the May future delivery prices.

Indian parity in the international market was at $7,125 a tonne (c&f) Europe and $7,425 a tonne (c&f) USA at the average price of May and June futures delivery prices, they said.

Lower supply may cap fall in jeera

Rajkot, May 17:

Spot jeera prices dropped on lower demand in the domestic market on Thursday. Prices slipped in the futures market too. But lower arrivals kept the fall on leash.

According to an analyst, the downtrend in jeera price will not prolong as export demand demand was expected to pick up. Moreover supply is also declining and it limited the fall in price. In coming days jeera price may move up.

On the National Commodity and Derivatives Exchange, jeera June contract declined by Rs 60 to Rs 13,835 a quintal with an open interest of 18,840 lots. The NCDEX July contracts dropped by Rs 65 to Rs 14,190 with an open interest of 10329 lots. Stocks in the NCDEX accredited warehouses increased by 47 tonnes to 11,096 tonnes.

In the spot market at Unjha, jeera dropped marginally by Rs 10-15 for a *maund* of 20 kg. New jeera medium quoted at Rs 2,075-2,175 for a *maund*, the NCDEX quality raw quoted at Rs 2,425-2,525 at Unjha. Arrival stood at 21,000-22,000 bags and traded around 20,000-21,000 bags. Raw jeera at Jodhpur in Rajasthan quoted at Rs 12,200-13,000 a quintal. Arrivals reported were around 700-800 bags.

At Rajkot jeera was traded lower by Rs 15-20 to Rs 2,180-2,645 and arrivals were 2,800-2,850 bags.

According to Kedia Commodity, support for jeera is at Rs 13,740 a quintal. A drop could support at Rs 13,585. Resistance is now seen at Rs 14,060 and above it at Rs 14,225.

Mustard oil rules flat; futures perk up seeds

Indore, May 17:

Mustard oil ruled flat on Thursday as cottonseed oil and palmolein prices keeping it on leash. Mustardseeds, on the other hand, gained in the spot market taking cues from the futures market.

According to Mr Cheeman Lal, a Neemuch-based trader, the sluggish trend is likely to continue as long as cotton and palm oil prices attain parity with mustard oil.

Mr Vinod Choudhary, an Indore-based broker, said that due to ongoing expiry of monthly contracts, mustardseeds have remained range-bound in the last few days. A clear picture will emerge only after 2-3 days . However, in any case, mustardseeds prices are unlikely to drop below Rs 3,700-3,800.

In fact, mustardseed may witness a rise in the coming days due to demand from pickle manufacturers, he said.

Mustard oil ruled flat with prices in Indore *mandis* being quoted at Rs 727 for 10 kg. In Neemuch and Morena, it ruled at Rs 720 and Rs 730, respectively. In Rajasthan and Gujarat mandis, mustard oil ruled stable with price in Kota being quoted at Rs 730, at Rs 730 in Ganganagar and at Rs 745 in Japur.

In Gujarat *mandis*, it was stable at Rs 720. In the past one week, mustard oil has declined by Rs 15 on sluggish buying .

On the other hand, rise in mustard futures perked up mustard and raida seeds prices in Indore mandis. Mustard seeds in Indore mandis gained Rs 50 to Rs 3,850-3,900 a quintal, while raida ruled at Rs 3,550-3,600 (up Rs 25-50). In Neemuch and Mandsaur mandis also mustardseeds ruled marginally higher at Rs 3,550-3,600 a quintal.

Plant deliveries in mustard seeds were higher at Rs 3,850 (up Rs 10). In the futures market, mustardseeds ruled higher with the May contract on the NCDEX closing Rs 14 higher at Rs 3,769 a quintal, while its June contract closed Rs 12 higher at Rs 3,832 .

Arrival was recorded at 1.30 lakh bags against 13,000 bags in Madhya Pradesh, 10,000 bags in UP, 75,000 bags in Rajasthan respectively.

Limited exporters' buying pounds turmeric

Erode, May 17:

Spot turmeric prices decreased by Rs 150 a quintal on Thursday as exporters bought only limited quantities.

“Despite drop in prices, sales were encouraging on Thursday. Of the 13,500-odd bags that arrived, 70 per cent stocks was sold. Traders, exporters and stockists were the main buyers. Exporters purchase was limited,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Turmeric futures increased by 2 per cent and this did not have an impact on local sales. Prices in other north Indian centres are on the decline, and no buyer has the courage to quote a higher price.

Even Hybrid Salem turmeric prices decreased by Rs 150 a quintal.

At the Erode Turmeric Merchants Association Sales yard, the finger variety fetched Rs 2,401-3,611 a quintal and the root variety Rs 2,299-3,464 a quintal.

Salem crop: The finger variety was sold at Rs 3,811-4,509 and the root variety Rs 3,224-3,716. Of 2,355 bags that arrived, 1,099 were sold.

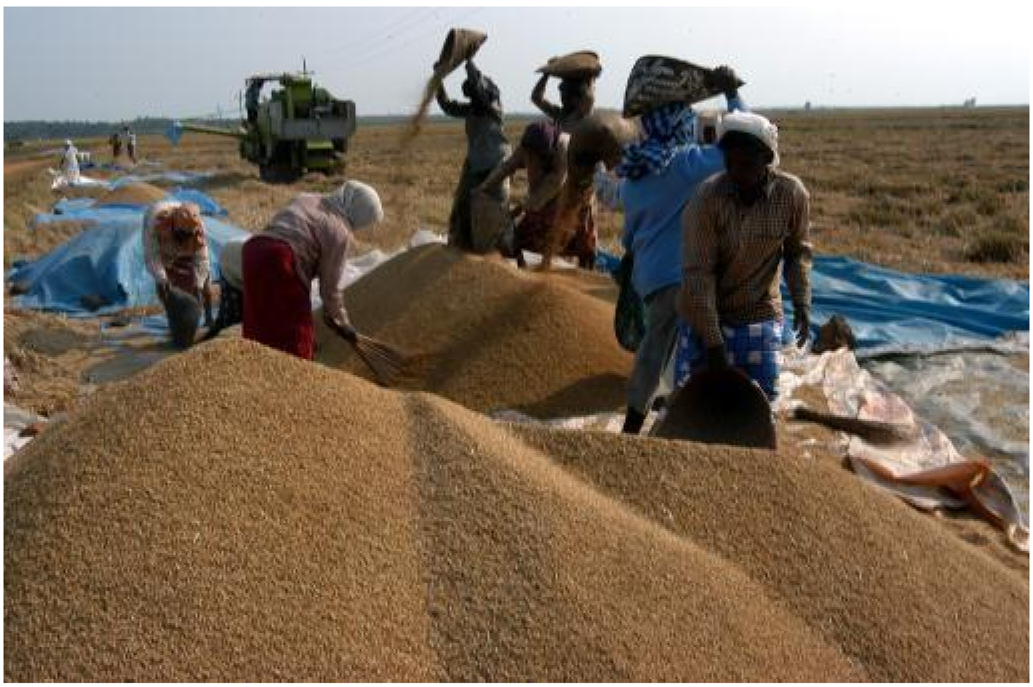
At the Regulated Marketing Committee, the finger variety was sold at Rs 3,349-3,885 and the root variety at Rs 3,209-3,719. Some 1,281 bags were sold against the arrival of 1,446.

At the Gobichettipalayam Agricultural Co-operative Marketing Society, the finger variety was sold at Rs 3,360-3,717 and the root variety Rs 3,269-3,669. All 139 bags kept for sales were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 2,929-3,851 and the root variety Rs 2,839-3,766. All 1195 bags that arrived were sold.

Rice may fall further on slack offtake

Our Correspondent



Karnal, May 17:

The bearish sentiment in the domestic rice market continued with prices of Pusa-1121 varieties falling further and all other aromatic and non basmati rice remaining range-bound on Thursday.

The easy availability of stocks amidst sluggish domestic demand resulted in prices of Pusa-1121 rice dropping, said Mr Tara Chand Sharma, proprietor of Tara Chand and Sons. Traders expect that rice prices may decrease further as domestic demand is not picking up, he said.

The market has been volatile over the last few weeks and the bulk buyers and retailers are not placing orders and are waiting for the market to stabilise, said Mr Sharma. Even the high overseas demand is not supporting the market currently, he said.

In the physical market, prices of Pusa-1121 (steam) eased further by Rs 100 and quoted at Rs 6,600-6,700 a quintal, while Pusa-1121 (sela) sold at Rs 5,500-5,630 a quintal, Rs 70 down from previous level.

For the brokens of Pusa-1121, Tibar sold at Rs 3,600- 3,800, Dubar was at Rs 2,900-3,000 while Mongra was trading at Rs 2,200-2,400 a quintal.

Duplicate basmati remained unchanged and sold at Rs 4,600-5,000 a quintal. PR-14 (steam) was at Rs 2,400-2,600 a quintal while Sugandha (steam) sold at Rs 3,900-3,980 a quintal.

Sharbati (steam) sold at Rs 3,700 a quintal while Sharbati (sela) was at Rs 3,600 a quintal.

Permal (raw) sold at Rs 2,000-2,135 a quintal, Permal (sela) was at Rs 2,100 a quintal, PR-11 (sela) sold at Rs 2,300-2,440 while PR-11 (Raw) was trading at Rs 2,500 a quintal.

Poultry products hatch gains on pricey vegetables

Chennai, May 17:

Pricey vegetables, steady rise in offtake coupled with a cut in production are pushing up egg and broiler prices to record levels.

The Namakkal-based National Egg Coordination Committee (NECC), an apex body for poultry trade, increased by 13 paise the price of egg to Rs 2.75 a piece on Thursday.

Broiler prices, too, are inching up towards the record Rs 75/kg-mark, scaled in April 2011. Prices of cull birds are ruling at Rs 72/kg owing to the demand for animal protein during summer.

Higher input costs and the 45-day fishing ban – that is on till May 29 –imposed by the State Government are also seen as factors catalysing the rise in poultry products price.

Mr P. Selvaraj, Chairman of the NECC's Namakkal zone, told *Business Line* that the industry had cut production owing to summer. Daily egg production in Namakkal has been cut by 10-12 per cent from three crore eggs.

Moreover, spiralling cost of soyameal - a key ingredient in poultry feed– is adding to the woes of the industry. Soyameal at Indore ruled at Rs 28,000-28,200 a tonne on Thursday against Rs 25,300 last month. Feed costs account for two-thirds of cost of production in a poultry unit.

However, he said that there may not be further price hike as they (the industry) want to sustain the demand and to clear the backlog of eggs due to a ban imposed by Oman and non-procurement by schools for the noon meal programme due to holidays.

Prices of layer birds have slipped by Rs 13/kg to Rs 37.