

## A college's gift to farmers

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*It has made CD with details of remedies for diseases affecting crops*

TIRUNELVELI, February 13, 2014 - Two faculty members and a group of students of Sri Paramakalyani College at Alwarkurichi have prepared a farmer-friendly compact disc with information on diseases that affect paddy and vegetable cultivation, and remedial measures prescribed by experts.

When National Service Scheme officers of Sri Paramakalyani College R. Ranjit of Department of Information Technology and S. Selvakumar of Department of Electronics and Communication, with the help of the NSS volunteers, distributed vegetable seeds to every family at Alwarkurichi last year to ensure creation of homestead garden in each house, the result was overwhelming. The vegetables produced in these gardens fulfilled the day-to-day requirements of most of the families for several months.

### **Good response**

Encouraged by the response, the duo, with the help of student volunteers A. Selvasubramanian, M. Marimuthu, P. Babu, S. Sathish Krishnan and F. Mohamed Iduroos, has prepared the CD.

"Though most of the information in our CD can be obtained from the State Government's website also, access to Internet for several farmers, is very limited. So, we prepared the CD that can be easily played in every home so that we can reach the target audience effortlessly," Mr. Ranjit says.

"On seeing the photographs of affected plants on our CD, the farmers can easily compare the situation in their field with those photographs and come to a right conclusion about the pest attack. With the prescription given by the experts for the diseases, the agriculturists can pinpoint the right pesticide and the effective way of application, says Mr. Selvakumar.

### **Upgraded version**

Though the maiden attempt mostly discusses the inorganic farming practices to be successfully followed for paddy cultivation and few horticultural crops, both Mr. Ranjit and Mr. Selvakumar are keen on preparing an upgraded version of the existing CD with the same content along with organic farming practices too including the treatment for the diseases with organic formulations.

"We've planned to cover more crops in the CD so that farmers from other regions cultivating different crops would get benefited," they say.

When the college recently conducted the NSS camp at Sivasailam near Alwarkurichi, principal A.J.A. Ranjit Singh distributed the CDs to the farmers, who heaped encomiums on this effort.

## 'Take care of small farmers'

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*TISS chief seeks parity in trade tariff*

KASARAGOD, February 13, 2014 - With neo-liberal economic values holding increasing sway in contemporary society, India should strive to ensure a level playing field among nations to safeguard interest of small-time business groups and farmers in the country, Director of Tata Institute of Social Sciences (TISS) S. Parasuraman has said.

"If you are talking about level playing field for all nations, after having become part of the WTO treaty, India should ensure parity in trade tariff among various nations to paint a sustainable and equitable growth picture," Prof. Parasuraman said.

The TISS chief was addressing delegates after inaugurating the three-day international conference on 'Public policy and governance in the era of globalisation' hosted by the Department of Economics, Central University of Kerala (CUK) on Wednesday.

"If you withdraw subsidies for Indian farmers, make sure that other countries followed similar pattern at a time when countries like the United States are helping the farmers with export and production subsidy for select crops like cotton," he said.

The government should come out with development projects that support small farmers as they are not able to reap profits with the input costs becoming very expensive these days. Procurement prices for farm produce are not always stable and in the process the marginal farmers tend to run into losses.

If the World Trade Organisation (WTO) preaches that tariff is made equivalent, the subsidy being provided by other nations are extended uniformly. However, the rates tend to vary in each State making the situation complex, he said.

Akbaruddin Ahmad, Chairman of Policy Research Centre, Bangladesh, and Vice Chancellor of Darul Ihsan University, presided over the inaugural session.

K.C. Baiju, Associate Professor and organising secretary, briefed about the programme while P. Abdul Kareem, Dean, School of Global Studies, CUK, welcomed the gathering.

Around 150 delegates from nations including Bangladesh, Canada, Sri Lanka and Cuba are taking part in the conference.

## Farmer's notebook

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Novel idea: At 3-4 weeks of age, grown up ducklings are allowed to enter the polythene pond.— Photo: Special Arrangement

*An investment of Rs. 1,000 fetches a net profit of Rs 15,000 in 18 months*

## Management of pigeonpea podborer

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Pigeonpea is one of the most important pulse crops in India. Despite the fact that a large number of high yielding varieties have been released, productivity of this crop remains stagnant at around 700 kg/ha as compared to its potential yield (1500-3000 kg/ha, early – long duration).

### **Pest attacks**

As pigeonpea is grown under a wide variety of agroclimatic conditions and under varied cropping systems of different maturities, it is susceptible to many pest attacks. About 250 species of insects attack this crop.

Early or vegetative pests do not cause huge damage. However, those which attack the flowers and pod borers are the major pests. Major pod borings pests are: grampod borer,

plume moth, spotted pod borer, spiny pod borer, field bean pod borer, redgram podfly or Tur pod fly.

Grampod borer larva feeds on pods. Plume moth's green or greenish brown spiny larva enters the pod partially, and eats the seeds. Spotted pod borer larva is dull white or yellowish caterpillar that feeds on the leaves. Spiny pod borer cause shedding of flowers and young pods. Older pods are marked with a brown spot (rotten patch) due to the build up of faeces inside the pod. If the pods are split open the larva can be seen.

Field bean pod borer larva is green coloured and bores holes on the pods; Pale greenish or yellowish flat larva of blue butterflies feed on flower buds, flowers and young pods, Podfly causes the pods to shrivel and partially eaten seeds are signs of this infestation.

### **Management**

- Remove the weeds. Collect and destroy the egg masses and pupae
  - Set up bird perches at 50 perches for a hectare. Set up a light trap to monitor, attract and kill the pod borer moths
  - Set up pheromone traps at 12 traps/ha to reduce grampod borer. Mechanically collect grown up larva. Release egg parasite, *Trichogramma* spp and egg larval parasite
- Apply any one of the following insecticides like Azadirachtin 0.03 per cent WSP 2500-5000 g/ha.

(S.Pasupathy is Professor (Entomology) and R.P. Gnanamalar is Professor & Head, National Pulses Research Centre, TNAU, Vamban, Pudukkottai-622 303, e.mail: [sundarampasupathy@rediffmail.com](mailto:sundarampasupathy@rediffmail.com), Mobile:9443291019.)

## Genetic finding keeps wheat disease-free

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Researchers have found a way to breed disease-resistant wheat. When disease-sensitivity genes are taken away from the wheat germplasm, pathogens find it difficult to latch on to wheat and cause damage.

## Paddy procurement picks up

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THANJAVUR, February 13, 2014: After a slump for two days due to the bank strike, procurement of paddy picked up at the Direct Purchase Centres (DPCs) of the Tamil Nadu Civil Supplies Corporation (TNCSC) in Thanjavur and Tiruvarur districts on Wednesday. On Monday and Tuesday, TNCSC had to procure paddy with whatever amount it withdrew from banks on Saturday, before the strike. "Procurement picked up on Wednesday as we had disbursed Rs four laksh to five lakhs to each DPC", said TNCSC officials.

In Thanjavur district, arrival at the DPC was around 7,000 tonnes per DPC on Wednesday against 3,250 to 4,000 tonnes on Monday and Tuesday.

TNCSC officials said that procurement till Tuesday for this kharif season from October 1, 2013 in Thanjavur district was 1.58 lakh tonnes.

Nearly 2,000 tonnes per day is moved by trains and 400 to 500 tonnes through lorries from Thanjavur to other districts.

## Grow more trees

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If not enough preventive measures are taken with proper initiatives, the depleting water table in Madurai is a sure sign of deep crisis waiting to explode. Sadly, a number of resourceful water bodies are encroached for all sorts of governmental and non

governmental constructions. Some of the other measures recommended to augment the water table are to make rain water harvesting effectively mandatory; to plant, grow and preserve a large number of trees to attract more rain and find ways to make Vaigai River keep flowing. Also, residential settlements have to be planned and regulated in such a way that buildings do not concentrate in a limited space drawing excessive amount of ground water.

T. Smiles, *Madurai*

## Grow your own veggies

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*UAS-B pilot project will show how to use kitchen waste*

For green thumbs: Seedlings of vegetables and plants that can be easily grown in limited spaces will be made available to the public.— File Photo: Sampath Kumar G.P.

BANGALORE, February 13, 2014 - The University of Agricultural Sciences-Bangalore (UAS-B) is set to start a pilot project to help citizens of the Garden City grow their own vegetables in whatever little space they have at home or in terrace gardens.

This green project envisages the use of used water and kitchen waste as compost. Announcing this at a press conference here on Wednesday, UAS-B Vice-Chancellor K. Narayana Gowda said the project would be taken up on an experimental basis by April at a ward in each of the 17 Assembly constituencies under the Bangalore Urban region. The wards to be included under the project would be finalised by the Bruhat Bangalore Mahanagara Palike (BBMP), he said.

The project, which would be implemented in association with the BBMP, the Horticulture Department and chosen nationalised banks, is a follow-up of the two-day Urban Krishi Mela held by the UAS-B in October 2013 to motivate people to grow their own vegetables.

### **Jobs for youth**

Under the pilot project, the university would identify four to five unemployed youth in each ward and train them on the methods of raising quality vegetable seedlings. The BBMP would give them space of about 100 ft X 100 ft in each ward to set up a nursery under the supervision of the university and with the help of bank loan.

These seedlings would then be made available to the public at affordable cost.

The idea was to ensure that vegetable seedlings are available to residents near their residences, he said, while observing that several people had shunned the idea of growing vegetables mainly because of the fact that seedlings were not readily available.

### **Easy to grow**

The vegetables, which are used in everyday food and can be grown easily with limited water, such as tomato, chillies, radish and greens would be promoted under this project, Prof. Gowda said.

The highlight of the project is that it would make use of the wet waste generated by each house as compost for the vegetables. The main idea was to reduce the burden of garbage on the city, he said while pointing out that presently the BBMP was spending about Rs. 400 crore a year on garbage disposal.

According to him, people can get nutritious and fresh as well as organic vegetables through this method if they spend a few minutes a day on managing the plants.

The university hopes to extend the project to the entire city in about a year from now, he said.

The pilot project also wants to target the huge space available on the premises of educational institutions, corporate houses and vacant sites.

# Water level

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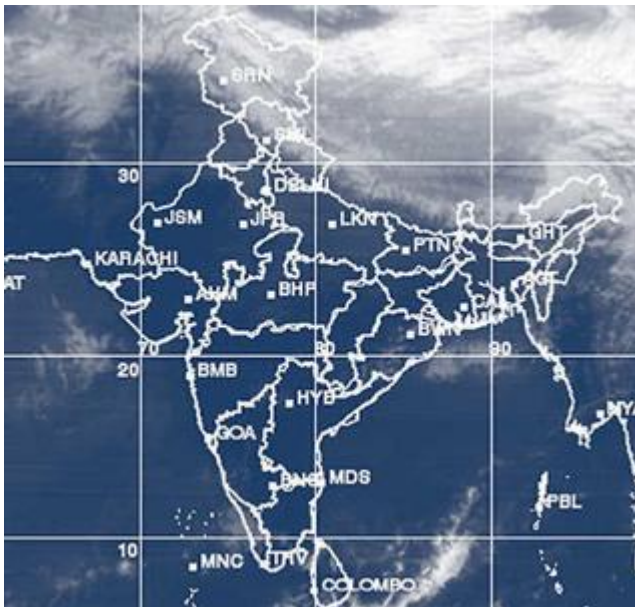
Water level in Papanasam dam on Wednesday stood at 65.15 feet (maximum level is 143 feet). The dam had an inflow of 495.25 cusecs and 673.50 cusecs was discharged. The level of Manimuthar dam stood at 80.68 feet (118 feet) with an inflow of 30 cusecs and 53 cusecs was discharged.

**Kanyakumari** - The level in Pechipparai dam stood at 15.65 feet, 45.80 feet in Perunchani, 6.43 feet in Chittar 1, 6.52 feet in Chittar 11, 3.80 feet in Poigai and 54.12 feet in Mamabazathuraiyaru.

The water level in the Mettur dam stood at 51.2 feet on Wednesday against its full level of 120 feet. The inflow was 139 cusecs and the discharge, 600 cusecs.

# Weather

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INSAT PICTURE AT 11-30 hrs. Observations recorded at 8-30 a.m. on February 12.

## ANDHRA PRADESH

Anantapur	36	18	0	0
Arogyavaram	33	17	0	0
Bapatla	30	17	0	0
Calingapatnam	32	19	0	0
Gannavaram	32	19	0	0
Hanamkonda	34	17	0	0
Hyderabad AP	33	19	0	0
Kakinada	32	20	0	1
Khammam	32	20	0	0
Kavali	32	19	0	2
Kurnool	35	19	0	0
Mahabubnagar	32	18	0	0
Machilipatnam	33	20	0	0
Nandyal	33	20	0	0
Narasapur	32	21	0	0
Nellore	33	22	0	tr
Nizamabad	33	17	0	0
Ongole	31	20	0	2

Ramagundam	32	17	0	0
Tirupathi AP	34	18	0	1
Tuni	34	22	0	0
Vizag AP	34	20	0	3
Vizag	31	22	0	19
<b>KARNATAKA</b>				
Agumbe	33	11	0	0
Bangalore AP	30	16	0	0
Bangalore	32	17	0	0
Bagalkote	32	13	0	0
Belgaum AP	32	13	0	0
Bellary	35	18	0	0
Bijapur	33	16	0	0
Chitradurga	33	17	0	0
Chickmagalur	31	14	0	0
Chintamani	31	13	0	0
Gadag	32	16	0	0
Gulbarga	35	18	0	0
Hassan	32	13	0	0
Honavar	33	19	0	0
Karwar	33	18	0	0
Madikeri	27	11	0	5
Mangalore AP	32	21	0	0
Mysore	32	20	0	0
Mandya	32	18	0	0
Panambur	33	23	0	0
Raichur	35	19	0	0
Shirali	33	19	0	0
<b>KERALA</b>				
Alappuzha	33	23	0	1
Kannur	34	24	4	4
Kochi AP	32	22	0	0
Kottayam	33	22	0	0
Kozhikode	34	25	0	tr
Punalur	35	18	0	1
Thiruvanantha				
-puram AP	31	23	0	140
Thiruvanantha				
-puram City	32	22	0	45
Vellanikkara	35	23	0	0
<b>TAMIL NADU</b>				
Adiramapattinam	31	20	0	12
Chennai	32	21	0	tr
Chennai AP	32	21	0	1
Coimbatore AP	33	19	0	0
Coonoor	22	13	0	12
Cuddalore	32	20	0	tr
Dharmapuri	33	16	0	0
Kanyakumari	33	22	0	85
Karaikal	30	21	0	7
Kodaikanal	20	7	0	17
Madurai AP	35	20	0	10
Nagapattinam	31	21	0	7
Palayamkottai	35	21	0	31
Pamban	31	21	0	63
Parangipettai	30	21	0	6
Puducherry	31	21	0	1

Salem	34	19	0	0
Thanjavur	33	23	0	1
Tiruchi AP	33	19	0	tr
Tirupattur	35	18	0	0
Tiruttani	33	17	0	2
Tondi	30	22	0	43
Tuticorin	30	23	0	21
Ooty	19	5	0	0
Valparai	29	11	0	12
Vellore	32	18	0	1
<b>LAKSHADWEEP</b>				
Amini Divi	33	26	0	68
Minicoy	31	23	0	12
Kavarathi	—	—	—	—
<b>OTHER STATIONS</b>				
Kolkata (Alipore)	28	18	0	0
Mumbai	26	17	0	1
New Delhi	22	7	0	11

The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (trace) and total rainfall in mm since January 01, 2014.

DRY WEATHER

IN A.P.

**CHENNAI:** Isolated rainfall occurred over Kerala. Mainly dry weather prevailed over coastal Andhra Pradesh and south interior Karnataka and dry weather prevailed over Tamil Nadu, Rayalaseema, Telangana, Lakshadweep, coastal and north interior Karnataka.

The minimum temperature fell at one or two places over Rayalaseema, rose appreciably at one or two places over Karnataka, rose at a few places over Telangana, north interior and coastal Karnataka, at one or two places over Tamil Nadu and changed little elsewhere over the region.

They were appreciably below normal, at one or two places over north interior Karnataka, below normal at a few places over Tamil Nadu, rest of north interior Karnataka, Rayalaseema, coastal Andhra Pradesh, at one or two places over Kerala, coastal Karnataka, Telangana and were remained normal over the rest of the region.

Adilabad recorded the lowest minimum temperature of 10 degree celsius in the plains of the region.

**FORECAST (valid until Friday morning):** Isolated rain or thundershowers may occur over Kerala. Dry weather will prevail over Tamil Nadu, Puducherry, Lakshadweep, Andhra Pradesh and Karnataka.

**Frost Warning:** Ground frost may occur at a few places over hill ranges of Nilgiris district of Tamil Nadu during next two nights.

## Weather

Chennai - INDIA

Today's Weather



Sunny

Thursday, Feb 13

Max 29° | Min 23°

Rain: 0

Humidity: 88

Wind: normal

Sunrise: 06:32

Sunset: 06:14

Barometer: 1012

Tomorrow's Forecast



Partly Cloudy

Friday, Feb 14

Max 33° | Min 21°

Extended Forecast for a week

Saturday

Feb 15



32° | 21°

Partly Cloudy

Sunday

Feb 16



25° | 23°

Overcast

Monday

Feb 17



27° | 24°

Overcast

Tuesday

Feb 18



27° | 24°

Cloudy

Wednesday

Feb 19



26° | 24°

Cloudy

# THE HINDU Business Line

## Dry ginger imports rise as output drops

**Kochi, February 12:** India is increasingly depending on imports to meet its dry ginger demand in view of fall in domestic production.

Unremunerative prices for dry ginger and good prices for fresh (vegetable) ginger have discouraged farmers from taking up production of dry ginger, PV Eliyas, a ginger farmer and trader of Kerala's Wayanad district told *Business Line*.

He said that the production cost of dry ginger will be over Rs. 200 a kg and hence, it has turned out to be an unviable proposition. The variety used for making dry ginger is mainly grown in Kerala. At the same time, fresh (vegetable) ginger prices are, of late, ruling at moderately remunerative levels.

Hence, no farmer in recent years is interested in dry ginger business, he said. This has resulted in traders importing from Nigeria and China.

This year the crop in China has failed. Hence, the spice is being brought from Nigeria at \$1,500 a tonne.

The landed cost works out to Rs. 135 a kg, a Kochi dealer told *Business Line*.

Domestic prices are ruling at Rs. 225-250 a kg. A sharp fall in ginger production – both fresh and dry – resulted in a record import of 57,090 tonnes valued at Rs. 104.09 crore in 2012-13, according to Spices Board sources.

Imports were 16,920 tonnes valued at Rs. 47.39 crore in 2011-12.

According to the growers, fresh ginger production this year is estimated to be higher by 50 per cent from last fiscal. The current price for vegetable ginger is Rs. 3,400 for 60-kg



bag. Growers expect prices to cross Rs. 4,500 with a possibility of touching Rs. 6,000 a bag by May/June.

## Spot rubber continues to rally

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**Kottayam, February 12:** Physical rubber prices continued to regain strength on Wednesday. The market improved mainly since most growers and dealers were waiting for the prices to recover up to their expectations.

Sheet rubber improved to Rs. 147 from Rs. 146.50 and Rs. 146 a kg respectively, according to traders and the Rubber Board. The grade closed firm at Rs. 144 (Rs. 143) as quoted by dealers. February futures inched up to Rs. 148 (Rs. 147.92), March to Rs. 151 (Rs. 150.92), April to Rs. 155.65 (Rs. 155.19), May to Rs. 158.49 (Rs. 157.59) and June to Rs. 158.62 (Rs. 158.51) on the National Multi Commodity Exchange. RSS 3 (spot) firmed up to Rs. 133.83 (Rs. 131.91) at Bangkok. February futures closed at ¥221.2 (Rs. 134.14) on the Tokyo Commodity Exchange.

Spot rubber rates (Rs. /kg) were: RSS-4: 147 (146.50); RSS-5: 145 (144.50); Ungraded: 143 (142); ISNR 20: 144 (143) and Latex 60%: 118.50 (118.50).

## Cotton exports likely to be hit by Chinese move to cut inventories

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**Chennai, February 12:** China's plan to sell raw cotton cheap in the domestic market to cut down its inventories may hit exports from the country.

With massive reserves to offload, allocation of import quota by the country has become uncertain.

China could cut the base selling price of 18,000 yuan/tonne (Rs. 1.84 lakh) of cotton by about five per cent to spur purchases, according to trade sources.

This may diminish the arbitrage advantage offered by Indian imports. Now, Indian raw cotton is available for Chinese mills are at around 12,301 yuan. Chirag M Pan, Chief Executive Officer of Rajkot, Gujarat-based Jaydeep Cotton Fibres, which shipped 40,000 tonnes of

raw cotton, about 65 per cent of its exports, to China during 2012-13, says exports will come down significantly this year. "Since the Chinese markets are closed for New Year, we are not able to get the indicators on whether more import quotas will be issued. We have been receiving reports about a price cut, but nobody can predict Chinese policy."

### Unwinding inventory

According to the Chinese Government's cotton news website [cncotton.com](http://cncotton.com), as on January 22, about 4.01 lakh tonnes of cotton found their way into the textile mills and garment factories jeopardising Indian exports.

Why China is doing this is not far to seek: A 2011 procurement programme to allay fears of cotton growers and encourage planting boomeranged.

It had set a high floor price of 19,800 yuan a tonne ( Rs. 2.03 lakh), at least 4,000 yuan higher than the prevailing global average, jacking up prices of domestic cotton yarn and making Indian imports attractive.

Last month China said it is unwinding the inventory it built over the last three years, and support growers through a subsidy programme.

The US Department of Agriculture estimates say by March 2014 China will be stuck with more than 58 million tonnes or 60 per cent of the global cotton inventory.

### **Import quota**

DL Sharma, Managing Director, Vardhman Yarns and Textiles Ltd, said, "With such high reserves, I wonder if China will issue more import quotas." It could cut back on duty-free import quota. The country has a complex "sliding tax" system, where imports above the quota attract duties in the range of 4-40 per cent.

## Govt clears Rs. 3,333/tonne sop for raw sugar exports

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**New Delhi, February 12:** The Government will offer an export incentive of Rs. 3,333 a tonne to sugar millers for shipping raw sugar abroad over a two-month period. This will help move out surplus sugar, while stabilising domestic prices, which hit a five-year low in the recent past.

After deferring thrice over differences between the Agriculture and Food Ministers on the quantum of subsidy to be offered, the Cabinet Committee of Economic Affairs on Wednesday approved the export incentive. The scheme will be reviewed after two months in April, sources said.

Raw sugar shipments of up to 40 lakh tonnes will be allowed over two seasons including the current season to September. The proposed move will directly benefit sugar mills in Maharashtra and Karnataka provided they ship out the raw sugar over the next two months. Other sugar producers will indirectly stand to benefit on expectations that domestic prices will stabilise.

The Indian Sugar Mills Association welcomed the Government's decision to assist the sugar industry in disposing of the surplus sugar. Though not much time is left for producing raw sugar in the balance crushing period during the season, ISMA expects that this will give the much-required liquidity to the sugar mills.

This, in turn, will help them clear a part of the cane price arrears that have already crossed Rs. 10,000 crore.

"Since the window to produce raw sugar is very short, we would pray for an early notification of the scheme and procedure" ISMA Director-General, Abinash Verma said in a statement.

Raw sugar is being taken up as a new product in India's export basket.

The proposed export incentives, compatible with the norms of the World Trade Organisation, are to be provided from the Sugar Development Fund.

# Business Standard

## Cardamom futures remain weak on subdued demand

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[Cardamom](#) remained weak for the second day and [prices](#) fell 0.30% to 823 per kg in futures trade today as speculators trimmed positions amid subdued demand in the spot market.

At the [Multi Commodity Exchange](#), cardamom for delivery in March fell further by Rs 2.50, or 0.30% to Rs 823 per kg in business turnover of 215 lots.

Similarly, the spice for delivery in April weakened by Rs 2.50, or 0.29% to Rs 853 per kg in 37 lots.

Analysts said offloading of positions by speculators due to low demand in the spot market against adequate stocks position mainly influenced cardamom prices at futures trade.

## Potato weakens by 0.2% on fresh supply pressure

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[Potato prices](#) drifted by 0.18% to Rs 1,115.40 per quintal in futures market today after speculators offloaded positions, triggered by supply pressure from producing regions against weak demand in the spot market.

At the [Multi Commodity Exchange](#), potato for delivery in March softened by Rs 2, or 0.18% to Rs 1115.40 per quintal in business turnover of 134 lots.

Likewise, the potato for delivery in April weakened by Rs 1.40, or 0.12% to Rs 1158.40 per quintal in 24 lots.

Market analysts said offloading of positions by speculators, triggered by higher supplies from producing regions against subdued demand in the spot market led to decline in potato prices at futures trade.

## Crude palm oil extend losses on sluggish demand

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[Crude palm oil](#) extended losses for the second day and [prices](#) fell 0.15% to Rs 549.90 per 10 kg in futures market today owing to slackened demand against adequate stocks position.

At the [Multi Commodity Exchange](#), crude palm oil for delivery in March declined by 80 paise, or 0.15% to Rs 549.90 per 10 kg in business turnover of 64 lots.

Similarly, the oil for delivery in February shed 20 paise, or 0.04% to Rs 548 per 10 kg in 41 lots.

Market analysts said besides sluggish demand in the spot market, adequate stocks availability mainly kept pressure on crude palm oil prices at futures trade.

## Chana adds 0.62% on pick up in spot demand

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[Chana](#) prices rose 0.62 per cent to Rs 2,931 per quintal in futures trading today as speculators enlarged positions, supported by pick up in demand in the spot market.

At the National Commodity and Derivative Exchange, chana for delivery in February rose by Rs 18, or 0.62 per cent to Rs 2,931 per quintal with an open interest of 24,210 lots.

The March contract edged up by Rs 4, or 0.13 per cent to Rs 3,042 per quintal in 94,040 lots.

Analysts said speculators enlarged positions, supported by pick up in demand in the spot market mainly led to rise in chana prices at futures trade.

## Global coffee exports down 1.8% in 2013

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Global [coffee](#) exports fell by 1.8 per cent to 108.9 million bags in 2013 on sharp decline in shipments from [Vietnam](#), the world's second biggest exporter, according to the [International Coffee Organisation](#) (ICO).

World coffee exports stood at a record 110.8 million bags in the 2012 calendar year. One bag contains 60 kg of coffee.

"Total exports in 2013 reached 108.9 million bags, 1.8 per cent below the record volume of 110.8 million bags in 2012," ICO said in its latest report.

Maximum fall in exports were from Vietnam, which exported 18.4 million bags in 2013, lower by 19.5 per cent from the previous year, it said.

Coffee shipments were also down from Angola, Bolivia, Burundi, Cameroon, Cuba, Ecuador, Ghana, Guatemala, Honduras, Mexico, Nicaragua, Panama, Papua New Guinea, Sierra Leone, Thailand, Togo, Yemen, Zambia and Zimbabwe in 2013, it added.

However coffee shipments from [Brazil](#), the world's largest producer and exporter, rose by 9.8 per cent to 31.1 million bags in 2013 from 28.31 million bags in the previous year, according to the ICO data.

Exports from Indonesia, the world's third biggest exporter, rose marginally to 10.9 million bags from 10.7 million bags, but shipments from Colombia increased by over a third to 9.7 million bags -- the highest since 2008.

Coffee exports from India, the world's fifth biggest exporter, rose marginally to 5.38 million bags in 2013, as against 5.28 million bags in the previous year.

ICO said total export of both '[Colombian Milds](#)' and '[Brazilian Naturals](#)' were higher for the

year, up 31 per cent and 2.1 per cent, respectively. However, these increases were outweighed by lower shipments of 'Other Milds' particularly from Central America, and 'Robustas.'

World coffee production stood at 145.1 million bags during the 2012-13 crop year (October-September), as per ICO.

## Sugar falls 0.8% on profit-booking

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[Sugar](#) prices fell by 0.80 per cent to Rs 2,729 per quintal in futures trading today as speculators booked profits at prevailing higher levels, driven by low demand in the spot market against ample supplies.

At the National Commodity and Derivatives Exchange, sugar for delivery in March fell by Rs 22, or 0.80 per cent to Rs 2,729 per quintal with an open interest of 19,670 lots.

The February contract lost Rs 6, or 0.22 per cent to Rs 2,703 per quintal in 8,320 lots.

Analysts attributed the fall in sugar futures to profit-booking by speculators at prevailing higher levels, driven by low demand in the spot market against ample supplies from producing region.

## Thailand interested in importing rice-bran oil from India

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[Thailand](#), which has an established market for [rice bran oil](#), has shown interest in importing the oil from [India](#). India, on the other hand, is a net importer of edible oil to meet its domestic demand.

B V Mehta, executive director, The Solvent Extractors' Association of India ([SEA](#)), said, "Thailand has shown in importing rice bran oil from India. They have an established market for the oil in that country. However, as per government policy, bulk exports of edible oil is not allowed."

India is one of the major producers of rice brand oil globally. The country produces around 900,000 tonnes of rice bran oil annually, while the global production is around 1.2 million tonnes. Japan and Thailand produce around 70,000 tonnes and 60,000 tonnes respectively, while China produces around 50,000 tonnes per annum. India is increasing production by 50,000 tonnes per annum.

Of this 900,000 tonnes of production only 300,000 tonnes is consumed as edible oil, while the rest is used by the vanaspati industry or is blended with other oils. Mehta further informed that the country produces 9 million tonnes of rice bran, of which around 5 million tonne is processed for producing oil, and the rest is used as cattlefeed. Paddy production in the country has increased from 125 million tonnes in 2004-05 to 158 million tonnes in 2013-14 (expected).

Mehta reasoned that, "Rice bran that can be converted into oil is available in the country, if one provides better price to rice millers, then most of the rice bran would go to the oil industry. This can also reduce our import of edible oil."

The country imports around 10 million tonnes of edible oil including plam oil, soybean oil and sunflower oil, each year, which according to the SEA runs into a Rs 60,000 crore import bill. The country's net domestic requirement of edible oil is estimated to be around 18 million tonnes per annum. Earlier last year, Japan too had shown interest in importing the oil from India, however, it is more interested in collaborating with Indian companies to produce value-added products using rice bran oil, which is known as rice oil or 'heart oil' in Japan.

However, the current government policy does not allow export of edible oil in bulk. If allowed, India has the potential to export around 25,000 tonnes of rice bran oil per annum, claimed Mehta, adding that a few containers are already being exported.

The SEA feels that rice bran oil, which contains oryzanol and has numerous health benefits, has a huge potential in the Indian market as well. Coming at around one-fifth of the price of olive oil, and around 10 per cent more expensive than sunflower oil, rice bran oil consumption in the country has been clocking a 20-25 per cent growth rate in the last four-five years. The oil is priced between Rs 115-125 a litre at present. In value terms, the 300,000 tonnes per annum rice bran oil is pegged at around Rs 3,000 crore.

Rich in monounsaturated fatty acids and a higher cholesterol reducing power than other poly-unsaturated fatty acids rich oils works to reduce hypertension, improving insulin sensitivity of the blood, contains natural vitamin E and is an antioxidant.

## Bengal potato output likely to be 15% lower

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[Potato production](#) in [West Bengal](#) is likely to be lower by 10-15 per cent on 'late blight' in a quarter of the growing districts.

Prices, down after a rise in November-December, have gone up Rs 50-75 a quintal in recent few days.

"The disease has spread to 25 per cent of the growing area. This could bring down the yield 10-15 per cent," said Patit Paban De, member, West Bengal Cold Storage Association.

The state produces 10 million tonnes a year. Only 5.5 million are domestically consumed. It ranks second in production, Uttar Pradesh being first.

The Hooghly district accounts for the highest production in the state, followed by Paschim Medinipur, Bardhaman, Bankura and Jalpaiguri. The disease has hit Paschim Medinipur, Bankura and Jalpaiguri, according to De. About 75 per cent of the production in the state comes from these five.

About two months back, a shortage had led to a huge rise in prices. The state did direct procurement and sale at Rs 13 a kg, banned exports and stated a deadline to vacate cold storages. In September, farmers in Bengal were selling at Rs 4 a kg, a loss of Rs 1 a kg. After floods and rain in October, prices started moving up. These reached a record at Rs 900 a quintal. Prices came down to a normal level of Rs 500 a quintal by January, with the arrival of new crop.

## NOT SO BOUNTIFUL

Potato production in West Bengal (mt)

2008-09	6.5	
2009-10	9.5	
2010-11	9.5	
2011-12	8.5	
2012-13	10.0	

Source: West Bengal Cold Storage Association

At present, prices are between Rs 550 and Rs 625 a quintal against Rs 500 a quintal a year ago. Growing is risky for farmers. Suicides and distress sales are not new in the growing season. The reason is poor infrastructure and marketing. With 10 million tonnes, the storage in the state is five million.

While a handful of rich farmers in Paschim Medinipur, Bardhaman and Hooghly can afford to pay for the transportation and rent of cold storage, a large number depend on middlemen to sell their produce. With the cost of production at Rs 5 a kg, the rent for keeping a kg in cold

storage is a third of the total cost at Rs 2 a kg.

Most crop is harvested between January and March, with a smaller, early crop harvested in November and December. Between April and October, demand is met mainly through cold storages.

## Bearish market puts sugar industry in crisis

Bearish demand and falling prices have sent the [sugar](#) industry into another crisis, despite the partial [decontrol](#) announced by the central government last year.

Sugar prices have fallen 12 per cent in Indian markets from their peak last May after the decontrol announcement. In international markets, prices have slipped 20 per cent in the past three and a half months. If mills export raw sugar at the current price, they'd get Rs 4,400 a tonne, less than their cost of production. In the domestic market, they're losing Rs 3,000-3,500 a tonne in Maharashtra and around Rs 7,000 a tonne in Uttar Pradesh.

Earlier, mills were told the [levy quota](#) and free sale quotas were being abolished and the industry would be able to sell all the sugar it produced in the open market. State governments were told to procure sugar from the open market for the Public Distribution System. So, the industry saw a big opportunity.

However, most states contracted for supply with [co-operative mills](#), not private ones. And, exports didn't happen due to the sharp fall in prices internationally, following bumper production. Bulk buyers, such as makers of cold drinks and ice-cream, kept off contracts for supply, due to the continuous fall in prices.

## TURNING BITTER

Price movement during FY14

International			Domestic	
		\$/pound		₹/quintal
March-end	Mar 31, '13	17.66	Mar 28, '13	3,271.00
Year high	Oct 18, '13	19.50	May 23, '13	3,326.50
Year low	Jan 29, '14	14.74	Feb 7, '14	2,871.00
Current	Feb 12, '14	15.46	Feb 12, '14	2,876.00
<b>Change this fiscal (%)</b>		<b>-12.46</b>		<b>-12.08</b>
<b>Change from fiscal high (%)</b>		<b>-20.72</b>		<b>-13.54</b>

Source: Bloomberg/Sugar Association (Mumbai)  
Compiled by BS Research Bureau

B B Mehta, chief executive of [Dalmia Bharat Sugar](#), which did enter into a contract with a north-based sugar mill for its partial requirement, said: "Sugar prices are on a downward spiral and the outlook is still bearish." [Ethanol](#) supply to [oil marketing companies](#) (OMCs) was another opportunity for the

industry, for its blending with petrol, under the national programme announced by the government. However, for one or the other reason, the OMCs have held back. In 2013, the mills offered 12.5 million litres of ethanol in tenders floated by the OMCs, in two phases. However, only half the quantity was accepted. "Had the full quantity been accepted, oil companies could have saved more," regrets Abinash Verma, director-general, Indian Sugar Mills Association.

With all this, and with state governments setting high cane floor prices to be paid to growers, the industry is in a debt trap. Says Verma: "Mills' arrears on cane payments to farmers reached Rs 10,000 crore by January 31. If the government doesn't wake up in time, these would reach Rs 15,000 crore in the next couple of months."

## Price fall hits agri exports

The recent decline in price of [agricultural commodities](#) in both the domestic and international markets has disappointed Indian traders.

Prices of most agri commodities has seen a steady fall since December. Prices of maize and [sugar](#) have fallen 5.3 per cent and 5.7 per cent to close at Rs 1,227 and Rs 2,714 a quintal, respectively, in Delhi's spot market. Sugar faces lack of policy support; bumper supply from America hits India's maize export potential.

"The recent downward price movement will be good for import-oriented commodities, such as [edible oil](#) where our dependency is 50-55 per cent. This will help to lower the cost of imports. However, in the case of exportables like guar or corn (maize) or even sugar, lower prices would mean lower returns in the international market. The fear is of crop migration; farmers should not migrate to other crops because prices are low this season," said Madan Sabnavis, chief economist, CARE Ratings.

After a significant boost initially, prices of rice (both basmati and non-basmati) have fallen by three to four per cent in two months. M P Jindal, president of the All India Rice Exporters' Association, attributed this to settlement of differences between America and Iran, one of India's preferred basmati export destinations.

"The US, one of the world's largest producers, might start supply to Iran, post negotiations. But, our basmati rice will continue to capture Iran's share. We hope the rice price and exports rebound in March," he said.

Shipment of basmati and non-basmati rice rose a marginal 0.75 per cent and 0.25 per cent to 2.7 million tonnes and 5.2 mt, respectively, in the first nine months of the current

PRICE CARD						
Commodity	Domestic price			International price		
	Unit	Feb 11, 14	% chg*	Unit	Feb 11, 14	% chg*
Groundnut	₹/10 kg	740.00	-12.94	-	-	-
Sugar	₹/quintal	2,713.80	-5.72	USd/pound	15.46	-9.85
Maize	₹/quintal	1,227.15	-5.34	USd/bushel	441.5	4.00
Crude palm oil	₹/10 kg	549.30	-1.63	MYR/tonne	2,610	-1.73
RBD palmolein	₹/10 kg	590.00	-0.84	CNY/tonne	5,852	-7.67
Wheat	₹/quintal	1,646.65	-0.68	USd/bushel	590.25	-9.89

\* Change over Nov 30, 2013      Source: Exchanges/Bloomberg      Compiled by BSResearch Bureau

financial year. The recent wheat price fall by a marginal 0.6 per cent to Rs 1,650 a quintal offered an opportunity to compete

with global prices. But, frequent change in government policies and poor quality of wheat hit India's export potential. The government sometimes allows wheat exports and after a few months, bans it. Competing countries like Pakistan, the US and Brazil do not have such



frequent policy changes. Global buyers prefer long-term deals. Therefore, India does not get adequate orders. Also, India's wheat is used preferably as cattle feed, due to poorer quality," said Vimal Sethi, director of Pooja Trading Corporation, an Amritsar-based exporter.

More than price fall, the edible oil industry was hit severely because of an inverse duty structure which made import of refined oil cheaper than crude oil. In 2012, India had imported 1.6 mt of refined oil, with a 7.5 per cent duty difference. With a reduction in the duty differential to five per cent, the import of refined oil jumped to 2.4 mt in 2013.

"Despite a 2.5 per cent increase in import duty on refined oil to 10 per cent now, the price difference between imported crude and refined vegetable oil works out to \$20 a tonne as against the refining cost of \$40-50, making refining unviable in India. For survival of the industry, the government must raise the import duty on refined oil to 14.5 per cent," said Vijay Data, president of the Solvent Extractors' Association.

The sugar industry faces a surplus of four mt. The proposed government subsidy might help in better realisation from exports. According to Abinash Verma, director-general of the Indian Sugar Mills Association, "The industry has been waiting for assistance for two months. The window to produce and export raw sugar in this season will close in the next month. Therefore, the government should take prompt action."

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