

‘Organic farming gaining ground in India’

COIMBATORE, January 23, 2014 - “Adoption of organic farming is gradually increasing and it is practised in nearly 100 countries, with the area under organic practices continually growing in India,” R. Rabindran, Registrar of Tamil Nadu Agricultural University, said here on Wednesday.

Speaking at a training on ‘Organic Farming: Approaches and Applications’, he pointed out that possibly the greatest impact of organic agriculture was change in the mindset of the people.

“It uses traditional and indigenous farming knowledge, while introducing select modern technologies to manage and enhance diversity, to incorporate biological principles and resources into farming systems, and to ecologically intensify agricultural production,” the Registrar said.

Conventional agricultural practices have caused soil erosion, reduced water availability, increased salinisation, increased pollution due to fertilizer use, reduced socio-economic values, caused danger to food security, quality and safety, etc. These, coupled with lack of sustainable agricultural policies for future generations and problems posed by modern-day agriculture had given birth to organic farming, he added.

Pointing out that according to organic monitor estimates, consumer demand for organic products was concentrated in North America and Europe – these two regions made up for 97 per cent of global revenues. Asia, Latin America and Australia were important producers and exporters of organic foods.

“In India, organic farming has grown manifold and number of initiatives at the Government and non-Government levels has given it a firm direction. By 2009, India has brought more than 9.2 million hectares of land under certification. Growing awareness and increasing market demand, besides other factors, has resulted in the phenomenal growth in total certified area during the last five years. As on March 2009, total area under organic certification process stood at 12.01 lakh ha and the overall market potential is estimated to be around Rs. 1,452 crore,” Mr. Rabindran said.

In India, States such as Odisha, Jharkhand, Uttaranchal, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Gujarat, Madhya Pradesh and Chhattisgarh were categorised as low or negligible fertilizer consuming regions.

Water wars between farmers and beverage giant at Kaladera

KALADERA (GOVINDGARH), January 23, 2014 - Farmers blame drastic fall in groundwater table on bottling plant, saying it draws out far more water than can be naturally recharged

Till the late 1990s, Bansi Aheer, like all other farmers around Kaladera, used to irrigate his seven-bigha farm, drawing water from a well. “Water was easily available at about 40 feet. But it dropped annually by one or two feet and later by eight or ten feet,” he says.

Today, covered with thorny shrubs, the well appears no more than a relic. Since 2000, the groundwater levels at Kaladera have dropped so sharply that even wells deepened to 80 feet couldn’t satisfy irrigation needs.

In 2002, another farmer, Rameshwar Kudi, had to sink a borewell on his farm to grow water-intensive crops. “I was among the first people to do that. By 2003, most farmers, including

the small ones, had borewells dug on their farms,” he says. The initial borewells at Kaladera were 120-140 feet deep, but the new ones are “easily 200 feet.”

Farmers of the region blame the drastic fall on the bottling plant set up by Hindustan Coca-Cola Beverage, which allegedly draws far more water than can be naturally recharged. Mr. Kudi is an active member of the Kaladera Jan Sangharsh Samiti, an organisation of farmers, that has been demanding closure of the plant, set up in the Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) industrial area in 1999. According to data compiled by the Rajasthan Groundwater department, in the 16 years from 1984 the groundwater levels at Kaladera dropped from 13 to 42 feet, at an average annual rate of 1.81 feet. But from 2000 to 2011, the drop was sharp from 42 to 131 feet at the rate of 8.9 feet a year.

While the beginning of Coca-Cola’s operations coincided with the start of Kaladera groundwater getting depleted rapidly, there are several reasons, including increased extraction by farmers through motorised pumps and the setting up of other water-intensive industries such as paper mills.

For the farmers, however, the multinational beverage giant is the main culprit.

Two panchayat samitis — Amber and Govindgarh — have passed unanimous resolutions demanding closure of the plant. Groundwater officials, however, do not see Coca-Cola as the main culprit. “Groundwater levels are dropping rapidly almost everywhere in Rajasthan, especially around Jaipur. But the primary reason for this is agricultural use, not industrial,” says P.K. Parchure, Regional Director, Central Groundwater Board, Jaipur office.

Heera Lal Regar, owner of five bighas of farmland, is amused by comparisons between farmers and Coca-Cola. “We produce food that feeds the country. What does Coca-Cola produce? Is it as important as food?” he asks.

Coca-Cola, however, claims it recharges “at least nine times more groundwater than it uses, thanks to the rainwater harvesting potential created by the bottling plant.”

“Nine times are a lot... but even if they manage to recharge double the amount they use, they are doing a good job,” says Dr. Parchure. “It is difficult to confirm the quantum of recharge as the only way to arrive at a tentative figure is based on the number of recharge structures they build and the recharge potential of these structures.”

“Our plant at Kaladera uses less than one per cent of the area’s available water, which is negligible in comparison to agriculture according to the TERI report of 2008,” a statement by Coca-Cola claims.

The company says it has improved its water usage ratio — defined as litres of water used to make one litre of finished beverage — over the last six years.

“While water withdrawal has remained almost stable — 89,502 kilolitre/annum in 2007 to 89,467 in 2013 — the water usage ratio has improved significantly — from 3 in 2007 to 1.7 in 2013,” it claims.

☐ ***Coca-Cola plant began operations in 2000***

☐ ***From 2000-2011, groundwater level fell sharply from 42 ft to 131 ft***

Cabinet to take decision on FDI in farm land

NEW DELHI, January 23, 2014 - The UPA government has formed a three-member Cabinet committee to examine the possibility of opening up agricultural land to Foreign Direct Investment (FDI), following a proposal by the Urban Development Ministry on letting foreign realtors buy agricultural land.

The committee includes Urban Development Minister Kamal Nath, Finance Minister P. Chidambaram and Commerce and Industry Minister Anand Sharma.

At present, FDI is banned in farm land. Further, Indian banking rules disallow loans for the purchase of farm land even for domestic investors — except in the case of large-scale projects — to safeguard against speculative land acquisition and hoarding. The Ministry's argument is that as farm land is already being acquired for township development, FDI would only help raise more funds for the purpose. Real estate developers would in any case be applying for land use change after acquiring farm land, the Ministry said.

"When the proposal was put forth by the Ministry, the Department of Industrial Policy and Promotion (DIPP) declined to comment and said the decision rests with the Reserve Bank of India. Thereafter, there were concerns from other Ministries over relaxation of norms. So the Cabinet has decided that a three-member sub-committee will take a call on the issue," an official said.

Another proposal on relaxing the FDI regulations for the construction sector has been hanging fire due to lack of consensus on a host of issues, including the policy on purchases of agricultural land.

"As of now banks do not give loans for purchase of land, unless it is part of a large development project which will generate revenue. A common complaint against builders is that they collect money from prospective home buyers and then make them wait because they scout for land and apply for change of land use policy. All this eventually delays projects," the official said.

📄 **Indian banking rules disallow loans for purchase of farm land even for domestic investors**

📄 **FDI will only help raise more funds for township development: Ministry**

Paddy farmers suffer loss

For second successive year, owing to drought



SAD: Ministers and officials inspecting a withered paddy field at Ettivayal near Ramanathapuram on Wednesday. — Photo: L. BALACHANDAR

RAMANATHAPURAM, January 23, 2014 - Revenue Minister P.V. Ramana on Wednesday inspected withered paddy fields at Ettivayal near here and heard the woes of the farmers, who had lost the crops for the second successive year following drought.

Accompanied by Minister for Handlooms and Textiles S. Sundararaj, Additional

Chief Secretary and Commissioner for Revenue Administration T.S. Sridhar and Collector K. Nanthakumar, the Minister, after a review meeting at the collectorate, consoled the affected farmers.

T. Somasundaram, a farmer, told the Minister that he had cultivated paddy crops on eight acres, spending Rs.12,000 per acre, but completely lost the crops. Last year too, he had lost the crops following failure of monsoons.

If the devastation was at the terminal stage last year, it was at the initial stage itself this year, he told the Minister.

The farmers also urged the Minister to desilt the Ettivayal Kanmai (waterbody) maintained by the Public Works Department. The waterbody, which had ayacut areas of about 350 acres, had not been desilted for the past 25 years, they complained.

This was the first time in the recent years that farmers were hit by drought for successive two years, officials said.

Joint Director of Agriculture N.V. Krishnamurthy and PA to Collector (Agriculture) Kanagaraj told reporters at the field site that during 2013-14 paddy was cultivated on 1.17 hectares in the district and crops on 97,709 hectares suffered more than 50 per cent loss.

The remaining crops on 19,243 hectares would also meet the same fate, if it did not rain in the next 10 days, they said, adding more than one lakh farmers, including 85,929 non-loanee and 14,179 loanee farmers, had insured their crops.

In 2012-13, paddy was cultivated on 1.19 hectares and crops on 1.03 lakh hectares suffered total loss, they said.

More than 93,000 farmers, who had lost the crops, were being distributed crop insurance from Monday, they added.

Earlier, Mr. Ramana inspected the site at the Collectorate complex for building a four-storey integrated office complex with 70,000 sq ft space.

Farmers' grievances meeting

THANJAVUR, January 23, 2014 - The district administration will conduct the farmers grievances day meeting at the collectorate hall here at 10 a.m. on January 31. N. Subbaiyan, Collector, will preside over the meeting. An official press release issued here on Wednesday urged the farmers and their representatives to participate in the meeting and get their grievances solved.

Reviving interest in sugarcane cultivation among farmers

HUBLI, January 23, 2014 - 'Aalemane Habba', a concept being implemented with the objective of reviving interest in agriculture, especially in cultivation of sugarcane in Uttar Kannada, is being held here from January 24 to 27.

The festival will focus on sugarcane products, especially 'joni bella' (a type of jaggery from Uttar Kannada). Manjunath Hegde Mavinakoppa and his 'geleyara balaga' (friends club), who have held similar festivals earlier, told presspersons here on Wednesday that the festival was being organised in association with the Hubli-Dharwad Havyaka Shaikshanika Mattu Samskrutika Samsthe. It would be held at Havyaka Sabhabhavana from 4 p.m. to 9.30 p.m.

Mr. Hegde said the event was part of the efforts to revive interest among farmers in sugarcane cultivation, which was declining in Uttar Kannada because of lesser returns. During the festival, the ambience of an 'aalemane' (farm area where jaggery is prepared from sugarcane) would be created at the venue and visitors would also get to savour varied delicacies made of sugarcane, apart from jaggery.

Office-bearers of the Havyaka Samsthe said 'aalemane' was a symbol of culture of Uttar Kannada and the festival had been organised to introduce the culture to the younger generation.

New farming mode promises profits on Mattu gulla

New cultivation method promises higher profits



A farmer showing the Mattu gulla grown by adopting the new farming method at Mattu in Udupi district on Wednesday.

For most of the farmers, the new method of cultivating Mattu gulla, introduced a couple of years ago, has come as a blessing and increased their yield.

The Mattu gulla, a brinjal unique to Mattu and its surrounding villages that

enjoys the Geographical Indication (GI) tag, is much sought-after as its taste is different from other brinjals. Nearly 200 farmers grow this brinjal on about 150 acres of land in Mattu, Kopla, Kaipunjai, Uliyargoli and Pangala villages.

The Mattu gulla is a seasonable vegetable, available till the month of June or the outbreak of monsoon. After the monsoon, the farmers normally grow paddy on the same land.

A team of presspersons were taken by the Department of Information from Udupi to Mattu to show the benefits of the new method of cultivation.

In the traditional method of cultivation, the seeds are sown directly in the soil and watered in the conventional method. The new method of cultivation involves growing the saplings in pro-tray in a net house and then planting them in soil covered with a plastic mulch sheet and watering them through drip irrigation.

Sadashiva Rao, Senior Assistant Director of Horticulture, said the new method protected the saplings from attack of insects and soil-borne problems. The plastic mulch prevented evaporation. "It saves labour and consumes lesser water," he said.

Nearly 14,000 saplings can be planted in one acre of land and the amount of water required for these plants under drip irrigation was about 1.4 lakh litre once in two days.

The Horticulture Department had got the brand Mattu gulla registered and received a temporary registration number.

Hence the farmers can paste brand stickers on the vegetable. The permanent number was expected in a month.

Farmer M. Lakshman said that with the traditional method, he used to spend Rs. 35,000 per acre for cultivation of the vegetable and earn a profit of Rs. 65,000. But with the new method, he spent Rs. 30,000 per acre and made a profit of Rs. 1.2 lakh. The subsidy provided for drip irrigation, fertilizers, pesticide and mulching provided a relief of nearly Rs. 15,000 per farmer, he said.

Sudhakar D. Amin, president of Mattu gulla Growers Association, said the new method of cultivation had brought down costs drastically. "Earlier, a farmer used to get a yield of 10 tonnes of Mattu gulla per acre from January to June. But due to the new method, the farmer is getting 18 tonnes per acre of the vegetable in the same period," he said.

As many as 26 farmers cultivated Mattu gulla through the new method in 2012-13. This figure rose to 42 farmers in 2013-14. By next year, the Department hopes that all the farmers would adopt the new method.

Unimpressed

However, not all farmers are impressed with the new method. Rama Kotian, who grows Mattu gulla on 40 cents of land in the traditional method, and uses the new method on 20 cents, said the yield was more in the traditional method, which was labour intensive. "But I will try both methods next year also and then decide which is better," he added.

Families unite to reap success in organic farming in Idukki



(Top), A member of the farming group with harvested carrot in her hands at Valiyakandam near Kattappana in Idukki. (Above), Farmers launch harvesting of carrot.— Photos: Giji K.Raman



They dedicate all Saturdays for vegetable cultivation

KATTAPPANA, January 23, 2014 - Environmentalist C.P. Roy travels to Valiyakandam in Idukki every Saturday from Kottayam with the excitement of a budding farmer. He is part of a group of 21 families who came together to produce organic vegetables for their own consumption. They also sell the vegetables at a higher market price. "There is good demand for organic vegetables," says C.P. Roy. The 5km-stretch from ITI Junction to Vellayamkudy was lying idle till June 5, 2013, the World Environment Day. The families took the land on lease for two years. Though the land had been used for paddy cultivation before, they chose to do vegetable cultivation initially

because of shortage of water. They successfully cultivated beans for the first time. This time it is carrot cultivation on a trial basis. "The main aim is to produce organic vegetables for the family needs of each member," says Shaji Thundathil, district co-ordinator of Zero Budget Farming. "It is also an answer to those who say farming is a loss-making business," adds Mr. Roy.

They also plan to restart paddy cultivation here. Efforts are already under way in this direction. An endemic and traditional paddy variety from Anakkara known as 'Palthoni' was sown in nearly 50 cents of the land. It will be ready for harvest by the end of this month. "We got the seeds free of cost from farmers there. They knew about our venture," says Mr. Shaji.

"We don't use any chemical pesticide and fertilizer. Every Saturday we just sow the seeds and clear the field with minimum intervention on the fertile soil," he adds.

Retired officers, students, farmers and homemakers are part of the group. They are now engaged in cultivation of all kinds of vegetables including tapioca, yam and plantain.

Mr. Shaji says they plan to form a seed bank of all traditional crop and vegetable varieties that face extinction. The seeds will be distributed free of cost to the farmers. Every Saturday, a festive mood prevails here. Sujatha Thankappan, a member of the group farming community, says she now enjoys farming at Valiyakandam and feels the coming together of families every Saturday has become very productive.

Fishing community to be integrated into coastal security system



West Bengal Governor M.K. Narayanan flags off motorcycles of Coast Guard personnel during a campaign, at Raj Bhavan in Kolkata on Wednesday. — Photo: PTI

The Coast Guard launched a security awareness and medical campaign here on Wednesday to sensitise the fishing community along the coastal regions of

West Bengal and Odisha and integrate them into the coastal security mechanism for purposes of vigil.

The Governor of West Bengal, M.K. Narayanan, who inaugurated the campaign said: "I think it is an excellent initiative both in terms of improving the health of fishermen community and in making them act as a first line of defence, in case of a possible intrusion."

Commemoration

The campaign also commemorates 37 years of the Indian Coast Guard that celebrates its raising day on February 1.

A 32-member team comprising personnel from the coast guard, marine police as well as members of the fishing community riding 16 motorcycles started the awareness campaign from the Raj Bhavan precincts, said a press release issued by the Press Information Bureau (Defence Wing).

The team, divided into two, will travel along two different routes including the Diamond Harbour (the State's South 24 Parganas district) and Contai (Purba Medinipur district) fishing zones. The campaign will conclude at the Coast Guard enclave in the Manicktala area in the city on Saturday.

"During the campaign the teams will visit fishing hamlets en route and undertake community interaction programme and medical camps with the assistance of medical teams from Coast Guard and Calcutta Medical Research Institute," the release said.

Farmer's notebook



Virtuous: Shiitake variety has a good demand among consumers for its taste.—Photo: Special Arrangement. Willow wood was used for the first time to grow the mushroom variety

Pesticide use results in smaller worker bees



Exposure to a widely used pesticide used on flowering crops to prevent insect damage causes worker bees to grow less and then hatch out at a smaller size, according to a new study by Royal Holloway University of London.

Demonstration of 125 crop varieties planned at mahotsava

HUBLI, January 23, 2014 - As many as 125 crop varieties will be on display at the annual Suttur Jatra Mahotsava in Suttur, Mysore, from January 27 to February 1.

Addressing presspersons here on Wednesday, programme coordinator of the JSS Krishi Vijnan Kendra Arun Balamatti, Maleyuru Guruswamy of JSS Mahavidya Peeth, and media convener Jambukeshwar spoke about the 'Krishi Mela' and the 'Suttur Jatra Mahotsava'. Mr. Balamatti said the mahotsava, which attracted thousands of people from across the State and adjoining States in the previous year, was known for its unique programmes. This year, a 'vertical garden' will be a special attraction during the Krishi Mela.

He said that the event, held as part of the annual mahotsava, will have progressive farmers and farm experts interacting with farmers and providing counselling to them.

Demonstration

Mr. Balamatti said there would be a demonstration of 125 crop varieties grown especially for the event.

Preparations for the same had begun three months ago. The objective was to inform farmers about the latest advances in the farming sector and thereby help them make agriculture more viable, he said.

Mr. Guruswamy said that political leaders and scholars will be participating in the mahotsava.

There will be competitions in indigenous games, wrestling, drawing and kite flying during the mahotsava and the annual car festival will be held on January 29, he said.

'Bhajan mela'

Mr. Guruswamy said there would be a 'bhajan mela' in which troupes from north Karnataka would be participating. He added that a mass marriage, in which over 200 couples from different communities will tie the knot, is also planned.

A vertical garden will be the special attraction during the Krishi Mela

Cash incentive for milk producers

VILLUPURAM, January 23, 2014 - Rural Industries Minister P. Mohan has given away a cash incentive of Rs 3.4 lakh to members of the Kachirayapalayam Cooperative Milk Producers' Society.

At a function held on the Society premises in Chinna Salem block recently, the Minister disbursed assistance to 640 members. He said that the incentive was being given away to encourage cattle owners to increase milk production.

Aavin Chairman K.Vijayakumar, General Manager S.Sundaresan, Society president G.Ganesan, secretary P.Sathyamurthy and others were present.

Exhibition of SHG products

THANJAVUR, January 23, 2014 - A three day exhibition of products made by the members of women self help groups commenced at the Bon Secours College for Women here on Wednesday. The exhibition brought up by the Thanjavur district unit of the Mahalir Thittam, formed the first leg of marketing strategy for the SHG products.

N. Subbaiyan, Collector, declared the exhibition open. He said that similar exhibitions titled 'Kalloori Santhai' have been planned in five colleges during the current year.

Artificial jewellery, garments, bangles, jute products, fancy goods, textiles, herbal soaps have been displayed in the 15 stalls put up at the exhibition. The Collector urged the

students to patronise the products made by the women SHGs, to improve rural economy. The exhibition will be held in the college for three days. P. Kaniyakumari, project officer, Mahalir Thittam, Rev. L. Victoria, principal, Rev. Jayarani, secretary of the college spoke.

Disaster management training centre opened

TIRUNELVELI, January 23, 2014 - *It will concentrate on disaster preparedness activities*



Regional Disaster Management Training Centre, which will cater to the capacity building aspects of the disaster response system by training the youth, has been established here.

At a function held on the Indian Red Cross Society's Tirunelveli Chapter premises at Palayamkottai on Wednesday, S.P. Agarwal, secretary general of IRCS, New Delhi, inaugurated the Centre in the presence of Collector M. Karunakaran and chairman, IRCS, Tamil Nadu, Harish L. Mehta. Dr.

Karunakaran inaugurated the Platinum Jubilee Arch of the Tirunelveli Chapter of IRCS. The objective of this facility is to create an awareness of natural calamities and how to reduce the vulnerability of people and ways to cope when a disaster strikes. It will concentrate on disaster preparedness activities by training youth.

The IRCS initiated a nation-wide community-based disaster preparedness training programme in 1999 after a series of awareness workshops held between 1996 and 1998. In 2000, it convened a national strategic planning workshop attended by 19 State branches, from which a strategic plan for disaster preparedness and disaster response was formulated.

Junior Red Cross Society was established in the schools for the blind and the deaf on the occasion by enrolling 20 each from the visually challenged and hearing impaired students.

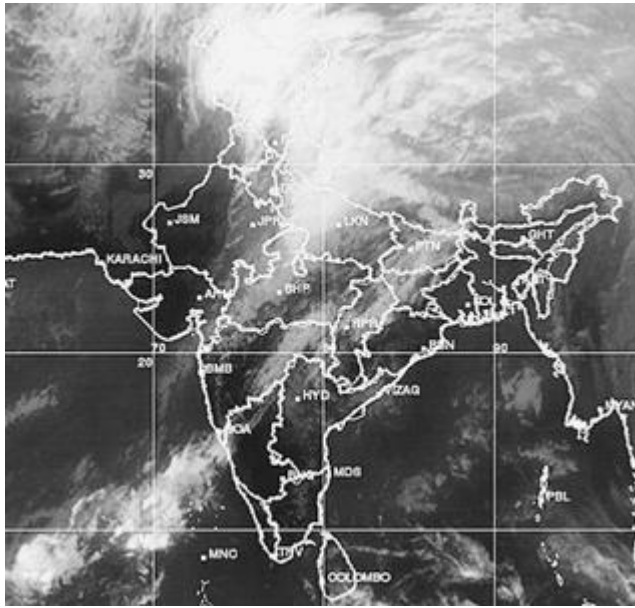
Water levels

Mettur - The water level in the Mettur dam stood at 51.98 feet on Wednesday against its full level of 120 feet. The inflow was 309 cusecs and the discharge 2,000 cusecs.

The level in the **Papanasam dam** on Wednesday stood at 93.80 feet (permissible level is 143 feet). The dam had an inflow of 300.11 cusecs and 784.75 cusecs of water was discharged from the dam. The level of **Manimuthar dam** stood at 84.35 feet (118 feet). The dam had an inflow of 37 cusecs and 30 cusecs of water was discharged.

Kanyakumari - The level in Pechipparai dam stood at 20.20 feet, 54.15 feet in Perunchani, 11.02 feet in Chittar I, 11.12 feet in Chittar II, 4.40 feet in Poigai and 54.12 feet in Mamabazathuraiyaru.

Weather



INSAT PICTURE AT 11-30 hrs. Observations recorded at 8-30 a.m. on January 22.

ANDHRA PRADESH

Anantapur	30	18	0	0
Arogyavaram	28	17	0	0
Bapatla	29	19	0	0
Calingapatnam	27	19	0	0
Gannavaram	30	20	0	0
Hanamkonda	31	18	0	0
Hyderabad AP	28	18	0	0
Kakinada	30	21	0	1
Khammam	32	20	0	0
Kavali	30	19	0	4
Kurnool	31	18	0	0
Mahabubnagar	27	18	0	0
Machilipatnam	29	21	0	0
Nandyal	31	19	0	0
Narasapur	31	21	0	0
Nellore	31	21	0	1
Nizamabad	32	18	0	0
Ongole	30	20	0	2
Ramagundam	30	17	0	0
Tirupathi AP	31	18	0	1
Tuni	30	21	0	0
Vizag AP	30	22	0	3
Vizag	29	21	0	19

KARNATAKA

Agumbe	30	11	0	0
Bangalore AP	27	15	0	0
Bangalore	27	16	0	0
Bagalkote	31	16	0	0
Belgaum AP	29	16	0	0
Bellary	31	17	0	0
Bijapur	29	17	0	0
Chitradurga	29	16	0	0
Chickmagalur	29	15	0	0
Chintamani	27	13	0	0
Gadag	29	18	0	0

Gulbarga	31	18	0	0
Hassan	28	12	0	0
Honavar	35	22	0	0
Karwar	36	23	0	0
Madikeri	25	13	0	5
Mangalore AP	34	21	0	0
Mysore	28	18	0	0
Mandya	29	16	0	0
Panambur	36	22	0	0
Raichur	29	18	0	0
Shirali	35	22	0	0
KERALA				
Alappuzha	34	24	0	1
Kannur	34	23	0	1
Kochi AP	34	21	0	0
Kottayam	32	23	0	0
Kozhikode	35	24	0	tr
Punalur	35	21	0	1
Thiruvanantha				
-puram AP	32	23	0	129
Thiruvanantha				
-puram City	34	23	0	24
Vellanikkara	32	24	0	0
TAMIL NADU				
Adiramapattinam	31	21	0	12
Chennai	30	24	0	tr
Chennai AP	30	23	0	1
Coimbatore AP	30	20	0	0
Coonoor	18	12	1	12
Cuddalore	30	21	0	tr
Dharmapuri	30	17	0	0
Kanyakumari	32	23	0	85
Karaikal	29	25	0	7
Kodaikanal	17	8	0	17
Madurai AP	33	22	0	10
Nagapattinam	29	25	0	7
Palayamkottai	33	23	0	31
Pamban	29	25	tr	59
Parangipettai	31	20	0	6
Puducherry	30	21	0	1
Salem	31	19	0	0
Thanjavur	31	22	0	1
Tiruchi AP	31	21	0	tr
Tirupattur	31	19	0	0
Tiruttani	31	17	0	2
Tondi	29	22	0	43
Tuticorin	31	22	0	21
Ooty	20	6	0	0
Valparai	27	9	0	12
Vellore	30	19	0	1
LAKSHADWEEP				
Amini Divi	31	24	4	63
Minicoy	32	25	0	2
OTHER STATIONS				
Kolkata (Alipore)	22	13	0	0
Mumbai	26	21	1	1
New Delhi	15	13	7	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 light rain occurred over Telangana and Lakshadweep. Mainly dry weather prevailed over Tamil Nadu and dry weather prevailed over coastal Andhra Pradesh, Rayalaseema, Kerala and Karnataka.

The minimum temperature fell at one or two places over coastal Andhra Pradesh, Tamil Nadu and changed little elsewhere over the region.

They were appreciably above normal at one or two places over Telangana, coastal Karnataka, Tamil Nadu, above normal at one or two places over rest Telangana, north interior Karnataka, rest coastal Karnataka, rest Tamil Nadu, below normal at one or two places over south interior Karnataka and were remained normal over the rest of the region. Chamrajanagar recorded the lowest minimum temperature of 13 degree Celsius in the plains of the region.

Forecast (valid until Friday morning): Isolated rain may occur over south Tamil Nadu, Kerala and Lakshadweep. Mainly dry weather will prevail over north Tamil Nadu, Puducherry, Andhra Pradesh and Karnataka.

Outlook for Subsequent Two Days: No significant change.



Weather

Chennai - INDIA

Today's Weather



Sunny

Thursday, Jan 23

Max Min
29° | 21°

Rain: 0

Humidity: 74

Wind: normal

Sunrise: 06:35

Sunset: 06:05

Barometer: 1017

Tomorrow's Forecast



Partly Cloudy

Friday, Jan 24

Max Min
30° | 22°

Extended Forecast for a week

Saturday

Jan 25



30° | 22°

Partly Cloudy

Sunday

Jan 26



25° | 23°

Cloudy

Monday

Jan 27



23° | 22°

Overcast

Tuesday

Jan 28



25° | 22°

Overcast

Wednesday

Jan 29



24° | 23°

Overcast

‘Narmada water not reaching farmers for want of minor canals’



Manish Doshi said that Modi was misguiding the people on the Narmada issue.

SUMMARY

Over 80 per cent of minor canals are yet to be built,” Doshi said.

Reacting to Chief Minister Narendra Modi alleging that the sluice gates over the Narmada dam could not be installed because the Congress-led UPA government did not give permission and this came in the way of farmers being supplied irrigation water, state Congress spokesperson Manish Doshi said that Modi was misguiding the people on the issue.

Modi made the comments at a function at Khodaldham Temple in Rajkot on Tuesday. He attacked Prime Minister Manmohan Singh for delaying the approval for installation of gates at Sardar Sarovar dam, and requested him to at least heed the demand of state Congress leaders on the same. “I congratulate Gujarat Congress leaders, who met Prime Minister on this issue. My question (to Prime Minister) is even if you don’t want to listen to me, listen to them (your leaders). At least, listen to your party leaders,” Modi said. “I urge PM, Gujarat Congress leaders to leave politics aside and give us permission to install gates on Sardar Sarovar Dam. For five years, this work has been pending,” he said, criticising the PM for being slow in decision-making. “I don’t know the reason why they are not allowing to install gates on the dam,” Modi said.

Speaking to mediapersons, Doshi said that Narmada water was not reaching farmers’ fields because Modi had not completed minor canals to carry Narmada water during his 12- year rule. “Over 80 per cent of minor canals are yet to be built,” Doshi said, doling out figures from a government publication.

“Because of the non-completion of minor canals, excess of Narmada water, released from hydro-power plants at the dam site, is released into the sea and is wasted,” Doshi, a civil engineer, told reporters. “Modi should first complete the minor canals and then go for installation of the gates if he really wants the farmers to benefit from Narmada water,” he said.

After fruits and veggies, state govt plans to decontrol five more items

SUMMARY

Deepak Taware, Director, Marketing, Maharashtra said, “These are farm derivatives and there is no need to keep them on the APMC commodity list,” he said.

The state government is planning to decontrol some items after strong opposition to its move of decontrolling fruits and vegetables from the clutches of the APMC.



Unfazed by strong opposition to its move of decontrolling fruits and vegetables from the clutches of the Agricultural Produce Market Committee (APMC), the state government is now planning to decontrol items such as rava (semolina), atta (wheat flour), maida (refined flour), sugar and split dals. As expected, the proposal has been slammed by traders and commission

agents, with objections pouring in at the office of the director of marketing.

Deepak Taware, Director, Marketing, Maharashtra said, "These are farm derivatives and there is no need to keep them on the APMC commodity list," he said.

He added, "These commodities attract multiple cess." Multiple cess and commission increases the price of the commodity, which do not benefit farmers or give any relief to customer.

Deepak Chavan, Commodity Analyst, Agro Futures, said rava, atta, maida and split dals are processed foods and not agriculture produce. They should not have been on the APMC commodity list at the first place. However, this was done so that APMCs could charge the 0.5 per cent cess and 5 per cent to 6 per cent commission.

If these commodities can be decontrolled, it will be a major achievement as it will have an impact on the price, he added. However, he is sceptical about the state government taking on the powerful lobby of traders and commission agents.

"There will always be resistance to reforms. Traders fear their interests will be hurt. There is enough space for everybody to operate," said Taware.

THE  NEW
INDIAN EXPRESS

Free Vaccination for Cattle Across Karnataka

The Animal Husbandry Department will give free vaccinations to cattle from February 15 to protect them from the foot-and-mouth disease, Animal Husbandry Minister T B Jayachandra said on Wednesday.

At the valedictory function of the third innovative and progressive farmers' meet organised by the National Institute of Animal Nutrition and Physiology, Jayachandra said around 25,000 cows have died due to the disease. Besides offering `25,000 as compensation for each death, the government will also provide free vaccinations to protect cows from the disease. Blaming the previous government for not vaccinating the cattle for the past four-and-a-half years, Jayachandra said the disease would not have affected the cattle if the vaccinations had been provided in time.

He asked farmers to embrace new technologies and integrated farming to become successful. "Our hesitation to embrace new technologies in our farms is affecting our produce. Even the Raitha Sangha opposed us when we tried to introduce Bt cotton in the state and, today, the farmers are happy due to that as they get good yields and are saving money on pesticides."

Highlighting his efforts to make sheep-rearing more profitable, Jayachandra said he had recently visited Maharashtra, where scientists are making the sheep bear two lambs at a time through artificial insemination. "We are planning similar facilities in the state as well," he said.

Mining Policy Soon: Minister

Bangalore: The government will soon come out with a mining policy for the state, Law Minister T B Jayachandra said here on Wednesday. At a conference on 'Mining in Karnataka', he said a Cabinet sub-committee has been formed already to revive the industry. "The government's focus is on value-added service and employment generation in the mining sector. One of the reasons for the delay in formulating the policy is the poor presentation of our case before the Supreme Court," he said. The Cabinet has already discussed the issue in detail and the Chief Minister is keen to resolve all pending issues at the earliest, he said. He said the government will look into mine owners' issues, especially the delay in obtaining clearances.



Shrimps dying early from disease, farmers worried



Indian aquaculture farmers who did the country proud by producing excellent quality cultured shrimps for the last three years are now facing a serious threat due to the dreaded Early Mortality Syndrome, a disease which destroyed stocks in best shrimp producing countries like China, Thailand and Vietnam.

Cultured shrimps grown by aquaculture farmers in the States of Andhra Pradesh, Tamil Nadu, Odisha and Karnataka contributed to 77 per cent of the shrimp exported from India during the last fiscal.

India earned Rs 12,601-crore from export of marine products during April 2013 to November 2013 compared to Rs 6,720-crore during April 2012 to November 2012, according to Leena Nair, chairperson, Marine Products Export Development Authority. Frozen shrimp was the major item exported in these periods.

"At a time when there is every possibility of India becoming the number one shrimp exporter in the world, we face some kind of mortality in the produce. We are yet to identify the pathogens and bacteria striking the aqua farms," V Balasubramanian, general secretary, Prawn Farmers Federation of India, told The Pioneer.

Speaking on the sidelines of a national workshop on Early Mortality Syndrome (EMS) organised by the Ministry of Agriculture, Government of India and the Bay of Bengal Programme (Inter-Governmental Organisation), Balasubramanian blamed the policy paralysis which has struck the Union Government over the threats faced by aqua farmers. "The Government has failed to provide the farmers with quality shrimp seeds. We also do not have quality brood shrimps because of the severe restriction on imports," he complained.

Pointing out that more than 50 per cent of the earnings through export of marine products came from shrimps grown in prawn farms, Balasubramanian said the Union Government failed to ensure the availability of loans and the quality of brood shrimps.

“Hundreds of thousands of people are engaged in aqua farming. An average employee takes home Rs 350 per day. He could be employed continuously for ten months every year. But indecisiveness is slowly destroying the industry which has the potential to be the world leader,” he said. Last year the US imported majority of its shrimps from India.

However, Raja Sekhar Vundru, Joint Secretary (Fisheries) Government of India, who inaugurated the workshop, said on Monday there was no EMS threat to Indian shrimp. “The bio-security notifications issued by the Union Government are the main reason why this phenomenon was held back. Ours are the only bio-security laws which have stringent legislations, including penal sections,” said Vundru.

Experts from Thailand and Vietnam, who have first-hand experience in fighting EMS and other bacterial diseases and scientists from various research establishments and fisheries institutes in India are participating in this two-day brainstorming session to prepare a protocol to counter EMS.

THE HINDU Business Line

Spud glut



Prices decline: Farmers unloading potatoes at Farrukhabad mandi in Uttar Pradesh. With arrivals of the rabi crop picking up, prices of potatoes in major wholesale markets have dropped below Rs 600 a quintal from the Rs 1,000-plus levels seen last month. — Kamal Narang.

Coffee revolution perking on café culture



Bangalore, January 22: Café culture in the country has led to the growth of coffee culture. This has also resulted in more people in non-traditional centres such as Mumbai, Delhi and Kolkata consuming the beverage in their homes. In an interview with Business Line, Venu Madhav, Director, Café Coffee Day (CCD), shares the company's roadmap for increasing the per capita consumption of coffee.

Excerpts from the interview:

How is the coffee retail shaping up in the country?

Coffee retailing in India is growing at a very fast pace. The coffee culture in India has been triggered by the 'café' culture. Currently, the top eight cities of the country have seen rapid expansion. So is for Café Coffee Day (CCD) as numbers show.

We are proud to say that CCD has left its footprints in 200 cities in India which means semi-urban India too is warming up to café culture. Out-of-home coffee consumption is also on the rise as well as in-home coffee.

What is the consumption pattern across the country as a whole and region-wise?

We have always believed that the out-of-home consumption in India is fast-growing and has contributed immensely to the growth of in-home consumption in the non-traditional markets such as North, West and East.

The country currently has around 2,000 cafes and is growing at a faster pace. So essentially, the potential for growth in consumption is huge. For penetration in non-coffee market, CCD is spreading coffee culture by holding festivals.

What is the scene on the coffee retail on highways as compared with coffee shops in town centres?

Highway travel in the country has seen an upsurge and therefore, a need for a space to take a break en-route, facility to refuel, use clean washrooms.

Café Coffee Day alone has close to a 100 cafes on major national highways across the country.

Some of these spaces are adjoining fuelling stations and some are stand alone. We have been one of the first to introduce the highway café model in the country.

Is coffee retail still a tier-I city phenomenon? And what is the scene in the tier-II and -III cities?

The Tier-I expansion will continue for CCD as it offers a place to unwind, relax, meet-up. This experience is being extended to smaller cities and towns. This is exactly the reason why CCD is present in 200 cities across the country.

CCD is able to fill this space in smaller cities and on many occasions it also serves as a destination location.

With MNC coffee retailers opening shops across the country, how is CCD coping with?

We are committed to bring coffee experience and superior customer service and believes this is what will keep the chain ahead.

CCD has a core team of F&B experts, food technologists, trainers who ensure that the chain remains relevant and trendsetting in terms of what it brings to its consumers.

It is ensured that there is something new and exciting on offer at regular intervals.

With CCD becoming youth hangout across the country, what measures are you taking to retain it?

Yes, youth are hanging out in all our stores.

At CCD we understand this 'youth' very well and try and 'listen' to them. In some ways, they are defiant and are a group that needs no instructions for anything.

The challenge in reaching out to them is the fact that their interests are ephemeral.

Therefore to hold their attention for more than a few minutes are a humongous task.

The fact that they want to take on multiple things as well as have minuscule attention spans, reaching them is a challenging task.

Global black tea output up

Coonoor, January 22: Malawi is the only country to officially report on December tea production so far.

In December 2013, its tea output fell marginally by 0.40 million kg (mkg) to 4.10 mkg.

Collectively in 2013, Malawi's tea production rose by 4.04 mkg to total 46.45 mkg.

"According to our compilation, global black tea production posted a massive increase of 158.26 mkg over 2012 and rose to 2,020.54 mkg," Rajesh Gupta, publisher of Global Tea Digest 2013, told *Business Line*.

India's production till November was 1141.10 mkg – 75.06 mkg more than 2012.

Sri Lanka reported 8.42 mkg more to produce 309.01 mkg.

Pepper rules steady on limited activity

Kochi, January 22: The pepper market was sluggish on Wednesday with activities being limited.

Spot prices continued to rule steady. On the IPSTA, prices were unchanged. However, prices on the NMCE moved up.

The domestic market was active with buyers looking for material. But sellers withdrew expecting prices to rise further.

On the terminal market, 10 tonnes of fresh pepper were traded between Rs 480 and Rs 505 a kg.

Validity-expired stocks which were being sold at Rs 506 last week was offered at Rs 512 and buyers were reportedly ready at Rs 510, market sources told *Business Line*.

On the NMCE, February and March contracts increased by Rs 100 and Rs 305 respectively to Rs 51,320 and Rs 51,705 a quintal.

Turnover went up by 10 tonnes to 19 tonnes, while net open position moved up by eight tonnes to 18 tonnes. On the IPSTA, all the active contracts ruled steady.

Spot prices also stayed unchanged at Rs 49,000 (ungarbled) and Rs 51,000 (garbled) a quintal on matching demand and supply.

Export prices are at \$8,500 c&f for Europe and \$8,750 a tonne c&f for the US.

Profit-booking drags castorseed futures

Ahmedabad, January 22: PROFIT-BOOKING DRAGS CASTORSEED

Castorseed futures decreased on Wednesday, as market participants booked profits. Spot prices also dropped on weak overseas demand. On the RCX, castorseed March contracts fell by Rs 30 to Rs 4,220 a quintal, while RCX spot castorseed slid by Rs 17.50 to Rs 4,060. Castor oil decreased by Rs 5 to Rs 850/10 kg in Rajkot. On the NCDEX, castorseed February contracts decreased by Rs 27 to Rs 4,309 a quintal. NCDEX March contracts dropped by Rs

30 to Rs 4,376. About 15,000-16,000 bags of castorseed arrived in Gujarat and sold at Rs 815-831/20 kg. Around 3,400-3,500 bags arrived in Saurashtra region and they were quoted at Rs 760-802/20 kg. Our Correspondent.

Mixed trend in edible oils as demand eases

Mumbai, January 22: Edible oils ruled mixed on Wednesday as physical demand eased and futures turned weak.

Soyabean refined oil gained Re 1 for 10 kg, while groundnut oil and cotton refined oil rose by Rs 5 each. At Rajkot, groundnut oil increased to Rs 1,210 (Rs 1,190) for *telia* tin and loose (10 kg) to Rs 775 (Rs 750).

The Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 790 (785); soya refined oil 648 (647); sunflower exp. ref. 610 (610); sunflower ref. 665 (665); rapeseed ref. oil 730 (730); rapeseed expeller ref. 700 (700); cottonseed ref. oil 625 (620); and palmolein 568 (568).

Vikram Global Commodities (P) Ltd quoted Rs 595/10 kg for Malaysia super palmolein February delivery.

Sugar under pressure on higher supply

Mumbai, January 22: SUGAR UNDER PRESSURE

Sugar prices ruled weak on the Vashi wholesale market on Wednesday as physical demand eased. On the spot, prices dropped by Rs 10-15 a quintal for S-grade and Rs 10-20 for M-grade, as producers continued to sell at lower rates. Naka prices were unchanged. Mill tender rates declined by Rs 10-20 a quintal. In the absence of local and upcountry demand, along with bleak chances of exports, the market remained under pressure of higher supply. Arrivals at the Vashi market declined to 56-57 truckloads (each 100 bags), while local dispatches were 54-55 truckloads. On Tuesday evening, 17-18 mills offered tenders and sold 48,000-50,000 bags at Rs 2,550-2,630 (Rs 2,570-2,650) for S-grade and Rs 2,700-2,830 (Rs 2,700-2,840) for M-grade. Our Correspondent.

Poultry-feed prices unchanged despite dearer inputs

Karnal, January 22: POULTRY-FEED PRICES UNCHANGED

Following volatility in prices of key ingredients over the last few days, poultry-feed prices remained unchanged on Wednesday. Aditya Mishra, an expert, told *Business Line* that despite an uptrend in prices of soyameal and a few other ingredients, prices of poultry-feed products were unchanged as traders are waiting for input costs to stabilise. Soyameal moved up by Rs 900 to Rs 34,500 a tonne, while bajra gained Rs 200 to Rs 13,600 a quintal. Di-calcium phosphate eased marginally by 10 paise to Rs 34.60 a kg, while maize sold at Rs 1,450 a quintal. DRB went up by Rs 100 to Rs 8,000, rice bran oil quoted at Rs 53 a kg, MBM improved by Rs 1.80 to Rs 39.80, while mustard de-oiled cake increased by Rs 100 to Rs 14,600 a tonne. Our Correspondent

Bearish sentiment likely to continue in tur

Indore, January 22: BEARISH OUTLOOK FOR TUR

A sluggish trend continues in tur with mandis remaining closed for the third consecutive day. On Wednesday, tur (Maharashtra) ruled at Rs 4,250 a quintal, tur (Madhya Pradesh) was quoted at Rs 4,200-4,300 a quintal, and tur (lemon) ruled at Rs 4,100. According to traders here, the sentiment in tur will continue to be bearish in the coming days, with the rise in arrival of new tur from Maharashtra. Tur dal (full) quoted at Rs 6,300-6,700, tur dal (sawa no.) at Rs 6,000-6,700, and tur dal marka at Rs 6,900-7,100. Our Correspondent.

Spot rubber rules flat

Kottayam, January 22: Spot rubber finished almost unchanged despite a firm closing in domestic futures on Wednesday. According to observers, most traders were hesitant to enlarge their commitments in an uncertain market.

Sheet rubber was quoted steady at Rs 151 a kg by traders and the Rubber Board. The grade finished flat at Rs 148, according to dealers. The trend was partially mixed as latex (60%) fell on buyer resistance. February futures improved to Rs 153.60 (Rs 152.44), March to Rs 155.81 (Rs 154.67), April to Rs 159.15 (Rs 158.17) and May to Rs 162.10 (Rs 161.29) on the National Multi Commodity Exchange.

RSS 3 (spot) weakened to Rs 144.37 (Rs 145.25) at Bangkok. January futures closed at ¥259.5 (Rs 153.81) on TOCOM.

Spot rubber rates (Rs/kg) were: RSS-4: 151 (151); RSS-5: 145 (144.50); Ungraded: 141 (141); ISNR 20: 146 (146) and Latex 60%: 124.50 (126.50).

Hedging – a case for incentives

Why firms should focus on hedging costs of raw materials



Cost and benefits: The challenge to making a hedge is often an issue of a financial incentive, where the firm considers its own cost of hedging against the benefits and is dissuaded from it.

I have seen many times where the real impediment to hedging is a lack of incentive both from the equity and debt holders in a firm.

To highlight such an issue, let us consider a specific case of a feed producer, hereafter called the “firm” that uses corn (maize) as the key input to produce feed. Just as for any corn end-user, gross

margins for such a firm can be modelled in two ways: firstly, where the cost of raw material

has no bearing on the sale price of the feed (which I call a “static” model), and secondly, where the cost of the raw material can be passed on to the sale prices (which I call a “dynamic” model).

In addition, let us also assume that this firm is fully debt financed by a bank. I chose a 100 per cent debt capital structure for distinguishing between the creditor and the firm. The hedging incentive is irrelevant to the capital structure.

In a static model, if the firm operates under this scenario then one way to improve the internal rate of return of its corn investment is to lock in the corn costs, and make a forward sale of the feed.

Assuming that revenues are thus locked in, and assuming credit risks arising from the firm’s customer arrangements are negligible, the firm should clearly focus on hedging the cost of corn. The challenge to making a hedge is often an issue of a financial incentive, where the firm considers its own cost of hedging against the benefits and is dissuaded from it. In addition, hedging activity usually requires additional capital to fund the marked to market positions, making the firm additionally levered. This could increase its cost of debt, creating one more strike against hedging.

In a dynamic model, if the firm operates under this scenario, then one could say that costs of corn should presumably have no bearing on the gross margins of feed, as these costs can be passed through to the selling price. Well, in a real world, we know that as prices fall, demand increases and vice-versa. Thus, in this model even if the gross margins were kept constant, the firm’s debt service ratio doesn’t remain static. The firm could foreseeably lose a perspective on cash flow, and there have been numerous situations where there have been sudden needs for liquidity in volatile markets, despite firms having robust pass-through dynamic models.

In both cases, we see a definite need for hedging but an unfortunate lack of incentive on the firm’s part to hedge. It turns out it is fairly easy to come up with different hedging strategies in either case and maximise profits, but ultimately it is imperative that there is an incentive to hedge that can be quantified. I argue this incentive needs to apply in two places – for the firm’s provider of capital (in this case its bank, since its 100 per cent debt financed) and of course, for firm itself.

To illustrate this quantifying incentive, let us assume the notional borrowing for a firm as described above is \$100 million at a cost of capital of 7 per cent. At a 95 per cent confidence level, the firm would need to allocate an additional \$24 million capital towards hedging at the onset of business.

Thus in a simple cost benefit analysis, I would argue the firm’s additional borrowing cost of \$1.7 million (7 per cent x \$24 million) would annually provide a benefit of less volatile cash flows irrespective of cost of corn for the firm, and a guaranteed debt service for the lender. In theory, the cost of capital here should also reduce a bit given the better credit profile generated by the firm through this hedge (good for the firm) as well as a reduction in capital allocation for provision against the firm’s default (good for the bank). Thus, both the lender and the borrower are incentivised towards hedging practices – indisputably a better outcome for all.

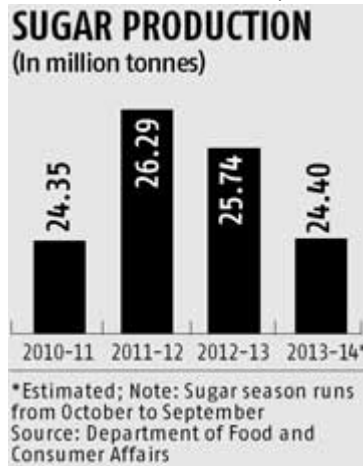
(The writer is the Managing Director of Opalcrest, New York)

Business Standard

Sugar sector players feel ignored

The fundamental problems of the [sugar](#) sector have taken a back seat but haven’t gone away, with the policy framework unchanged. The problem of a disconnect between the price of cane, sugar and its by-products in almost all states remains unresolved. Officials in the sector said the fundamental problem was pricing.

In 15 months, ex-mill sugar prices have dropped Rs 7-8 a kg but the expenses (including the price paid to farmers) have risen. "Till reforms are done on cane pricing, the fundamental problem with the sector will remain and all these interest-free loans or export incentives are short-term measures," B B Mehta, chief executive of Dalmia Sugar, told Business Standard.



"We need to ensure the Rangarajan (committee) formula of price sharing is implemented fully on both the raw materials and finished products, as it is beneficial to both the farmers and the sector," said Ajit Shriram, deputy managing director of DCM Shriram Consolidated. He said for farmers, the formula was beneficial as they sold cane on weight basis, irrespective of the recovery rate. By the formula, cane with higher sucrose content will get a better price. "This will encourage farmers to plant better varieties," said Shriram.

[C Rangarajan](#), chairman of the Prime Minister's Economic Advisory Council, had suggested a revenue-sharing formula for cane, one based on sugar prices and the second including the price of by-products. His recommendations were part of a report on reform in the sector. Of the major cane-producing states, those in the sector said Maharashtra had accepted the [Rangarajan formula](#) and Karnataka in part. Uttar Pradesh had set up its own board to determine a price formula. Maharashtra and Karnataka have also announced the formation of such boards.

The UP example

In UP, the cost of producing sugar is Rs 35-36 a kg, while the ex-mill price is Rs 28-28.5 a kg. In Maharashtra, it is Rs 30-31 a kg, while the ex-mill price is Rs 26-26.5 a kg. "The current price is not remunerative for mills," said Abinash Verma, director-general of the Indian [Sugar Mills](#) Association.

He said the recent decision to provide interest-free loans of Rs 6,600 crore to mills was full of conditionalities. "In 2007-08 (the previous occasion when the government had sanctioned interest-free loans), it was mandatory for banks to extend those to mills. This year, the government has imposed conditions like the viability of mills, their cash flow in five years and security."

In UP, according to sectoral estimates, cane payment dues to farmers had climbed to Rs 4,400 crore till December 31, of which Rs 2,250 crore was more than 14-day old. The official rules say payment for cane has to be within 14 days, after which it is calculated as dues. "Already, dues are piling this year; from last year, Rs 1,881 crore is still pending." He said even if all the mills get the promised Rs 6,600 crore, the share of mills in UP won't be Rs 1,920 crore, as 30 per cent of the country's sugar production comes from here.

"With this money, mills will only be able to clear last year's dues," said Verma.

Agreed Mehta of Dalmia Sugar, "We have started making payments to farmers but most of these are last year's dues."

Mills in UP had suspended operations in November, expressing inability to pay a higher cane price due to their precarious financial position. The UP government later kept the State Advised Price for the 2013-14 season unchanged at last year's level of Rs 280 a quintal. Part of this, Rs 260 a qtl, is to be paid upfront and the rest only if mills make profits.

However, like the mills, farmers associations are also not satisfied. "This (the price agreed by the UP government for payment to farmers) does not even cover our basic cost of producing cane," a farmer leader said.

"The cane dues which were estimated to be Rs 12,000 crore in 2012-12 will swell to Rs 15,000-20,000 crore by the end of the 2013-14 season unless the government makes

availing of interest-free loans smoother and also helps in absorbing the surplus sugar," said Verma.

Chart for sugar production (in million tonnes)	
Year	Production
2010-11	24.35
2011-12	26.29
2012-13	25.74
2013-14	24.4
<i>*Estimated</i>	
<i>NOTE: Sugar season runs from October to September</i>	
<i>Source: Department of Food and Consumer Affairs</i>	

Tea auction prices firm despite good output

According to the [Indian Tea Association](#) (ITA), in January to November, the production was 1,066 million kg. It was 1,126 million kg for January to December a year ago, higher by 75 million kg. The production till November was higher 75 million kg compared to a year ago.

The [Tea Board of India](#) had revised its 2011 figures to include bought-leaf factories. Bought-leaf factories are small growers who source two-thirds of the green leaves processed in their factories from other growers.

"If the trend continues, we could create a new record in production. However, during December, the ITA members in North India recorded some crop loss, but the overall figures, including South India will have to be accounted for," an industry representative said.

The North India production till November was higher by 70.51 million kg, though the November crop was down by 5.88 million kg. South India recorded 4.55 million kg high production till November. The overall tea production across the world was higher by 152 million kg.

Despite the high production, auction prices remained firm, possibly due to the shortfall in the system. The season started with a pipeline deficit of about 100 million kg.

The average all-India auction price was Rs 128.97 a kg, higher by Rs 8.22 a kg. April-November prices were at Rs 131.61 a kg in 2013-14, higher by Rs 1.76 a kg. Darjeeling tea recorded lower prices during January-November at Rs 324.51 a kg compared to Rs 372.43 a kg.

India's exports till September were higher by 6.7 million kg while imports were higher by 1.33 million kg.

Chana sheds 0.3% on sluggish demand

[Chana](#) prices declined by 0.30 per cent to Rs 3,040 per quintal in futures trading today as speculators trimmed positions on sluggish demand in the spot market against increased supplies from producing belts.

At the National Commodity and Derivatives Exchange, chana for delivery in February was down Rs 9, or 0.30 per cent, to Rs 3,040 per quintal with an open interest of 86,150 lots.

The April contract shed Rs 3, or 0.09 per cent, to Rs 3,190 per quintal in 66,860 lots.

Analysts said trimming of positions by speculators on sluggish demand in the spot market against increased supplies from producing regions led to decline in chana prices at futures trade.

Unseasonal rain likely to damage jeera crop

The unseasonal rains in the last couple of days is likely to damage standing [jeera](#) (cumin seed) and tobacco crops while it could prove beneficial for the [wheat](#) and other rabi crops.

"While recent spell of rain could help conserve water in the soil, the flip side to it is that humidity in the earth could also give rise to diseases in standing crops like jeera and tobacco," said vice chancellor of Anand [Agriculture](#) University (AAU), A M Sheikh.

He said that jeera crop is likely to be more affected by the rains. According to Sheikh flowering of [mango](#) could be affected because of moisture in the atmosphere. "However, rains are likely to benefit most of the Rabi crops," he added.

Gujarat agriculture minister Govind Patel said, "There is no report of crop damage as of now, but crops like jeera, coriander and fennel may be damage due to the recent [unseasonal rain](#)."

"About 5-10 percent jeera crop could get damaged due to recent rains and if such unfavorable weather continues than it may cause more harm to jeera," claimed P D Rathod, joint director, agriculture department, Rajkot. There were also chances of blight disease in jeera crop, he added.

As of January 20, in Gujarat sowing of jeera was done in 455,000 hectares as against last year's 335,200 hectares. Similarly, wheat sowing has covered 1.41 million hectares as against 1.04 million hectares in same period last year. Tobacco sowing has been completed in 949 hectares in Gujarat.

The fear of damage to jeera crop has led to rise in price of the commodity. In the last two days price has increased by about Rs 50 to Rs 2200-2350 per 20 kg. An Unjha based jeera trader said, "Market sentiment was changed after unseasonal rains in Gujarat and price of jeera has increased."

Nationally, the recent spell of rains is considered to be a boon for wheat crop as it could lead to a bumper crop.

"As of now, the current spell of rains is very good for the standing wheat crop and will further aid in achieving bumper harvest. In rainfed areas, the rain spell is like a boon and we have received no report of any damage to the standing wheat crop from anywhere in the country till date. But, for other crops, there could some impact on mustard crop if the rainfall intensity increases in the next few weeks -- Indu Sharma, director, Directorate of Wheat Research.

"We have not received any report of damage to standing rabi crop due to the current spell of rains," a senior agriculture ministry said.

According to the Gujarat agriculture department, sowing for rabi season 2013-14 as on January 6 was complete in 3.84 million hectares as against 2.96 million hectares in corresponding period last year. This means against total sowing area of 3.57 million hectares (average of last three years) sowing has been done in 107% area.

Coriander up 1.87% on rising demand

Amid rising domestic demand and restricted arrivals from producing regions, [coriander](#) prices rose by 1.87 per cent to Rs 9,468 per quintal in futures trade today as speculators enlarged positions.

At the National Commodity and Derivative Exchange, coriander for delivery in April rose by Rs 174, or 1.87 per cent, to Rs 9,468 per quintal with an open interest of 21,560 lots.

The February contract moved up by Rs 111, or 1.32 per cent, to Rs 8,547 per quintal in 34,310 lots.

Analysts said speculators enlarged positions supported by rising demand in the spot market against restricted arrivals from producing regions that led to an upsurge in coriander prices at futures trade.

Jeera slips 0.5% on sluggish demand

[Jeera](#) prices slipped by 0.53 per cent to Rs 12,680 per quintal in futures market today as speculators trimmed positions on sluggish demand in the spot market against adequate supplies.

At the National Commodity and Derivatives Exchange, jeera for delivery in March slipped by Rs 67.50, or 0.53 per cent, to Rs 12,680 per quintal with an open interest of 7,284 lots.

The April contract traded lower by Rs 62.50, or 0.49 per cent, to Rs 12,757.50 per quintal in 2,301 lots.

Analysts said offloading of positions by speculators on the back of weak demand in the spot market against adequate stocks position mainly led to decline in jeera prices at futures trade.

Crude palm oil remains weak on sluggish demand

Crude [palm oil](#) remained weak for the second straight day and prices shed another 0.20 per cent to Rs 537.40 per 10 kg in futures market today on sluggish demand in the spot market against sufficient supplies.

At the Multi Commodity Exchange, crude palm oil for delivery in February fell further by Rs

1.10, or 0.20 per cent, to Rs 537.40 per 10 kg in a business turnover of 39 lots.

The January contract traded lower by 60 paise, or 0.11 per cent, to Rs 533.50 per 10 kg in 25 lots.

Analysts said sluggish demand against sufficient supplies mainly kept pressure on crude palm oil prices at futures trade.

Potato down 1.47% on supply pressure, subdued demand

[Potato](#) prices moved down by 1.47 per cent to Rs 1,063 per quintal in futures trade today as speculators offloaded their positions on increased supplies from producing regions against subdued demand in spot markets.

At the Multi Commodity Exchange, potato prices for April were down Rs 15.90, or 1.47 per cent, to Rs 1,063 per quintal in a business turnover of 81 lots.

March potato shed Rs 9.10, or 0.86 per cent, to Rs 1,054.20 per quintal in 172 lots.

Analysts attributed the fall in potato prices at futures trade to increased supplies from producing regions against subdued demand in the spot markets.

Cardamom extends gains, rises 0.13% as demand picks up

[Cardamom](#) prices extended gains for the third straight day by gaining 0.13 per cent to Rs 709.60 per kg in futures trade today as speculators enlarged their positions on increased demand in the spot market.

Tight stock availability in the physical market on restricted arrivals from producing belt fuelled the uptrend.

At the Multi Commodity Exchange, cardamom for delivery in February traded higher by 90 paise, or 0.13 per cent, to Rs 709.60 per kg in business turnover of 46 lots.

However, the March contract held steady at Rs 739 per kg in eight lots.

Market analysts said speculators enlarged their positions supported by increased spot market demand amid restricted arrivals from producing regions and it kept cardamom prices up for the third day at futures trade.
