

# THE HINDU

MUMBAI :

## **Amitabh to root for Maharashtra fruits**

Bollywood superstar and Gujarat tourism's brand ambassador Amitabh Bachchan may soon be seen promoting Maharashtra's horticulture globally.

Maharashtra's Horticulture Minister Jitendra Awhad said on Friday that he had met Mr. Bachchan with a request to promote State's horticulture. A decision in this regard would be taken soon, he said.

"Maharashtra has always at the forefront in producing fruits. We need branding to promote them on a global platform. Amitabh Bachchan is the best person for it," said Mr. Awhad, who is a leader of the Nationalist Congress Party (NCP).

On Friday, Mr. Bachchan tweeted: "A meet with the Minister to promote horticulture in Maharashtra, best mangoes, pomegranate, cheeku, grapes, onion, tomatoes et al."

SALEM :

## **Water flow to Mettur continues to increase**

The continuous rain in catchment areas has increased the water flow into the Stanley Reservoir at Mettur here from 6,184 cubic feet per second (cusecs) on Thursday to 7,198 cusecs on Friday morning.

Public Works Department officials said that the storage level stood at 43.18 feet as against its Full Reservoir Level (FRL) of 120 feet.

The storage also improved from 13.240 thousand million cubic feet (tmc ft) to 13.786 tmc ft.

Also, the water released for drinking purpose was raised to 763 cusecs from 500 cusecs.

Officials added that during the same period last year, the storage level was 18.74 feet and the storage was 3.743 tmc ft.

With the onset of monsoon and rains in hilly areas, the flow of water is expected to increase in the coming days.

***Storage improves from 13.240 tmc ft to 13.786 tmc ft***

TIRUCHI :

## **Programme on forest cover**

Awareness programme and quiz competition marked the World Environment Day celebrations organised by the Bunge India Private Limited at the Kalaimagal High School here on Friday. The Kalam Kalai Pattarai conducted cultural programmes explaining the importance of protecting the environment and increasing forest cover. R.T.Suresh, General Manager, Bunge India Private Limited, gave away prizes to the winners along with seedlings. Sankar Ganesh, manager-HR, and Angeline Jaya, headmistress of the school, spoke.

MALAPPURAM:

## **Farmer clubs across Malappuram to be linked**

District Collector K. Biju inaugurated Farm Fed, a collective of farmer clubs meant for developing agriculture in the district, on World Environment Day at a function at the Agricultural Research Station at Anakkayam near here.

Mr. Biju said a comprehensive action plan for agriculture development would be prepared by linking the farmer clubs and government departments.

New agriculture schemes would be devised and training programmes arranged on a monthly basis with the support of the National Bank for Agriculture and Rural Development (Nabard). The bank would also make available loans.

The 200-odd farmer clubs across the district would be registered under the Farm Fed. The clubs thus registered would get training in modern farming by using polyhouses.

Farmer bodies would be formed by giving them collective responsibility for cultivating crops and other farm products. Nabard would help the farmers find better markets for their produce.

ALAPPUZHA :

## Supplyco yet to clear dues of paddy farmers

Paddy farmers, especially in the Kuttanad region, are in dire straits due to the failure of the Kerala State Civil Supplies Corporation (Supplyco) to pay dues totalling nearly Rs. 427 for procured paddy.

According to Fr. Thomas Peeliyanickal, the executive director of Kuttanad Vikasana Samithi, the pending dues are for paddy procured since mid-March. It is estimated that dues worth Rs. 136 crore were yet to be paid for farmers in the district alone. Rs. 48 crore and Rs. 13 crore remain to be disbursed in Kottayam and Pathanamthitta respectively. Around Rs. 230 crore were to be paid to farmers in Palakkad, Thrissur, Malappuram and Ernakulam.

The delay in disbursing the dues has threatened the prospects of the second crop of paddy cultivation. Fr. Peeliyanickal said the affected farmers would not be able to avail of a three per cent subsidy on interest available to those who were able to pay back bank loans within the stipulated period. A large number of farmers are also resorting to approach loan sharks for financial assistance.

He called for measures to help farmers tide over the current crisis. According to him, farmers who had provided paddy before March 3 were paid at the rate of Rs. 18 per kg. As a result, they did not gain from the Re.1 hike that was announced by the government. The additional amount they would have received must be provided without delay.

## Water level

### Mettur:

The water level in the Mettur dam stood at 43.34 feet on Friday against its full level of 120 feet. The inflow was 4,034 cusecs and the discharge, 828 cusecs. — Special Correspondent

Chennai - INDIA

## Today's Weather



Partly Cloudy

Rain: 0  
Humidity: 51  
Wind: normal

## Saturday, Jun 7

Max Min  
36° | 28°

Sunrise: 05:41  
Sunset: 06:33  
Barometer: 999

## Tomorrow's Forecast



Partly Cloudy

## Sunday, Jun 8

Max Min  
40° | 29°

## Extended Forecast for a week

Monday  
Jun 9



38° | 28°  
Partly  
Cloudy

Tuesday  
Jun 10



39° | 28°  
Partly  
Cloudy

Wednesday  
Jun 11



38° | 26°  
Partly  
Cloudy

Thursday  
Jun 12



35° | 26°  
Partly  
Cloudy

Friday  
Jun 13



37° | 27°  
Partly  
Cloudy

## Airport Weather

Delhi

Rain: 0      Sunrise: 05:22  
Humidity: 26      Sunset: 07:17  
Wind: normal      Barometer: 998



## **Global food prices up 4% in Jan-Apr this year**

### **New Delhi :**

International prices of food increased 4 per cent between January and April 2014, mainly because of growing weather concerns and import demand, says the World Bank's latest 'Food Price Watch.'

"This spike in prices puts an end to a downward trend sustained since August 2012," said a World Bank release, urging governments to keep a close watch on the global El Nino conditions, the consequences of Ukraine tensions, and the weather in the US.

The latest 'Food Price Watch' also flags concern over the role food prices and shortages could have on food riots, stressing on why monitoring prices was important not only for food security and welfare, but also for political stability and security concerns.

The sharpest increase in prices was seen in wheat and maize which rose 18 per cent and 12 per cent, respectively, according to the report, which says the increase took place despite continued projections of record grain harvests, stronger stocks expected in 2014 and 2013 bumper crops.

### **Stable prices**

Overall, domestic prices were mostly stable between January and April 2014, but saw fluctuations between countries, such as monitored markets in Ukraine, Ethiopia, Sudan and Kyrgyzstan saw some of the largest wheat price increases, while in Argentina and Pakistan, prices declined.

The hike in maize prices was the most in countries such as Ukraine and Russia, but was down markedly in Mozambique. Rice prices rose in Myanmar and Somalia, but declined in Thailand and Cambodia.

Ana Revenga, Acting Vice-President for the Poverty Reduction and Economic Management Network of the World Bank Group, said, "Over the next few months, we must watch these prices carefully, making sure that any further increases do not put additional pressure on the least well-off around the world."

# Sugar stocks soar on Govt intention to help



**Mumbai :**

Shares of most sugar companies on Friday rallied as the Government expressed intention to help companies' pay back farmers their dues for buying sugarcane.

Shree Renuka Sugar and Bajaj Hindusthan were up 13 per cent each to Rs. 31, while Balrampur Chini increased 8 per cent to Rs. 84. Dhampur Sugar gained 15 per cent to Rs. 67.

**Fall in prices helps**

Sharp fall in international prices has made import of sugar more profitable. Most sugar companies import raw sugar, refine it at their port-based refinery and sell it in the domestic market. Food Minister Ram Vilas Paswan had said the Government may consider increasing the 15 per cent import tax on sugar to support domestic prices. Sugar companies are struggling to repay about Rs. 15,000 crore they owe to sugarcane farmers.

But analysts feel that the increase in import duty will benefit sugar companies only marginally. They, however, added that the realisations in domestic market have seen some improvement, which is positive for the sugar industry.

In December, the Government had approved Rs. 6,600 crore interest-free loans to the sugar industry exclusively for clearing sugarcane arrears. It decided to give loans via banks equivalent to the excise duty paid by the mills in the past three years.

Paswan also hinted at the possibility of providing additional interest-free loans of Rs. 4,400 crore to cash-strapped sugar mills to clear dues to cane farmers. This apart, he said, the Government may increase ethanol blending in petrol from 5 per cent to 10 per cent to boost liquidity of mills.

Besides, increasing the ethanol blending the Government should also address the pricing issue between the oil marketing companies and sugar producers. Sugar companies are demanding an increase in ethanol prices to Rs. 40 a litre against Rs. 39 offered by oil companies. Since alcohol fetches Rs. 41 a litre, sugar companies prefer to sell it to alcohol makers.

Oil companies make payment 45 days after receiving ethanol which needs an additional round of refining compared to what is supplied to liquor makers.

Paras Bothra, Vice-President, Ashika Stock Broking, said sugar company stocks have been beaten down in last two years and many of them are trading below their replacement cost.

“With the new Government taking measures to set things right, investors are showing renewed interest in this sector,” he added.

# Business Standard

## White stem borer back in coffee plantations



Coffee growing regions in Karnataka have reported severe incidences of [white stem borer](#) (WSB) in the last few months, which is likely to result in a sharp drop in production this year.

According to planters, the WSB attack is so severe that many estates have resorted to uprooting of [Arabica](#) trees to avoid further spread of the borer.

“There is a severe incidence in Arabica Coffee Plantations in [Chikmagalur](#), [Hassan](#) and [Kodagu](#) districts in the State,” Karnataka Planters’ Association ([KPA](#)) Chairman D Govindappa Jayaram said in a statement.

The severe incidence is due to continuous dry weather from October 2013 to April 2014 and high temperature this summer during April-May as high as 38 degrees Celsius, he said.

The Blossom Rains were also highly delayed and it rained only during the first week of April. This was conducive to the Borer to be active to breed and spread, he said.

The KPA has written to the Chairman of Coffee Board to make a survey of the affected areas and



take stock of the situation. The association has requested the Board to write to the state government to declare and publish the areas affected by White Stem Borer in Chikmagalur, Hassan and Kodagu districts as White Stem Borer affected areas. This will help in effectively controlling the severe WSB incidence, Jayaram said.

The Coffee Board has already conducted a survey in the growing regions and initiated remedial measures.

“We have initiated a Mission Mode Programme to tackle the problem. We have told the farmers to take a set of measures that includes tracing, pruning and uprooting of the infested crops,” said Jawaid Akhtar, Chairman, Coffee Board.

He said the Board would provide financial assistance to farmers in case of block replanting. “We are waiting for the government of India approval for a hike in the subsidy amount of Rs 1.75 lakh per hectare during the 12th plan for block replanting with high yielding varieties,” he said.

The incidence of WSB is severe in Chikmagalur, Mudigere and Tarikere Taluks, the Arabica Coffee growing areas of Hassan district. In Kodagu district, one of the largest Arabica growing Taluk, the entire Somwarpet Taluk is the worst affected.

High incidents are also reported from Virajpet and Arabica growing areas of Madikeri Taluks.

Jayaram said the borer ridden Arabica plants in more than 40 per cent area are being uprooted. Loads of WSB affected stems are being transported for use as firewood. It is said this severe WSB incidence was not seen in the last 40 years.

The pheromone traps prescribed are not effective and have not helped in trapping the Borer beetles, the KPA said.

## Palm oil up 0.1% as demand picks up

**Analysts said fresh positions created by speculators after pick-up demand in the spot market mainly led to the rise in crude palm oil prices in futures trade**



Amidst pick up in spot demand, [crude palm oil](#) rose marginally by 0.08% to Rs 508 per 10 kg in futures trade as speculators created fresh positions.

At the [Multi Commodity Exchange](#), crude palm oil for delivery in June edged up by Rs 40 paise, or 0.08%, to Rs 508 per 10 kg in business turnover of 95 lots.

Oil for delivery in July contracts rose by a similar margin at Rs 504.40 per 10 kg in 41 lots.

Analysts said fresh positions created by speculators after pick-up demand in the spot market mainly led to the rise in crude palm oil prices in futures trade.

## Chana down 0.3% on increased supply



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**Chana** prices fell by 0.39% to Rs 2,817 per quintal in futures trade today as speculators trimmed positions amid increased supplies from producing regions against lower demand in the spot market.

At the National Commodity and Derivative Exchange, chana for delivery in June declined by Rs 11, or 0.39% to Rs 2,817 per quintal with an open interest of 70,640 lots.

Similarly, the commodity for delivery in July contract shed Rs 8, or 0.28% to Rs 2884 per quintal in 1,21,310 lots.

Market analysts said besides lower demand in the spot market, higher supplies from producing regions, led to the fall in chana prices at futures trade.

## Cardamom down 0.9% on subdued demand

### **Spice for delivery in July contract traded tad lower by 0.06%**

Cardamom remained weak for the third day and prices fell by 0.93% to Rs 901 per kg in futures trading today on increased offloading of positions by speculators, tracking subdued demand in the spot market.

Adequate stocks position on increased arrivals from producing belts also influenced cardamom prices.

At the [Multi Commodity Exchange](#), cardamom for delivery in June eased by Rs 8.50, or 0.93%, to Rs 901 per kg in business turnover of 6 lots.

Likewise, the spice for delivery in July contract traded tad lower by 50 paise, or 0.06%, to Rs 899.50 per kg in 155 lots.

Market analysts said the fall in cardamom prices in futures trade was mostly due to offloading of positions triggered by subdued demand at spot market.

## Sugar stocks up on hopes of stimulus

### **Shares of major producers gain between 8% and 13%**

Sugar stocks on Friday rose sharply on the hope of revival of industry fortunes and increase in spot prices.

This followed Food Minister Ram Vilas [Paswan](#)'s assurance of a revival package for the sector. He had said the government was considering raising the duty on imported sugar.

Shares of all leading producers, such as [Shree Renuka](#), [Balrampur Chini](#) and Bajaj Hindusthan, gained between eight per cent and 13 per cent following the minister's comment. The head of large private sugar mill said, "A rally of 10 per cent in sugar prices in the open market cannot be ruled out if the government takes this move."

Mills have been demanding that the government raise the import duty from the current rate of 15 per cent to 40 per cent. They say although imports are not happening, a lower duty is a barrier to their price realisations. The spot sugar price has not seen an impact yet but in the futures segment on the National Commodities and Derivatives Exchange, the sugar price had risen two per cent in the past five days, expecting some revival in sentiment.

More than import duty support, the industry is hopeful that the assurance of increasing the subsidy for sugar exports will be helpful. Paswan said on Thursday that the plan was to fix a subsidy for two

years instead of revising it every two months. For June-July, the subsidy might be raised to Rs 3,300 a tonne instead of the present Rs 2,200 a tonne.

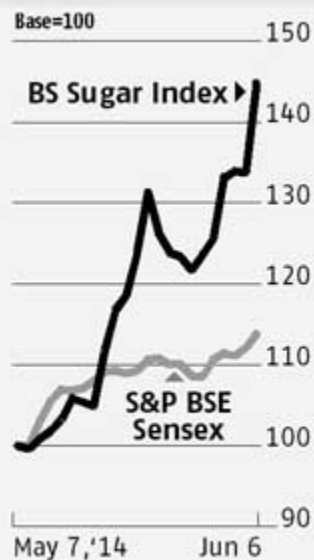
The industrialist quoted earlier said if announced immediately, this would result in increasing exports, helping improving their realisations. At present, most mills say their ex-factory prices are 10 per cent lower than their cost of production.

## SWEET SPOT

Shares of major sugar producers rallied on hopes that import duty would be raised

	Closing share price (₹)	Chg (%)
Shree Renuka	31	13.4
Balrampur Chini	84	7.8
Bajaj Hindusthan	31	9.8
Bannari Amman	1,150	10.8
Triveni Engineering	34	10.0
Dhampur Sugar	67	15.2
KCP Sugar	28	12.1

Compiled by BS Research Bureau; Closing price as on June 6; % change over previous close



"We have to keep farmers' interest in mind and have to ensure that sugar mills are in good financial health to clear Rs 11,000 crore of arrears to cane growers," Paswan had said.

India is the world's second largest producer of sugar, after Brazil.

Analysts, however, say the increase in import duty will only be mildly positive for sugar companies.

"Domestic production is high, while Brazil's production is low this year," said independent stock market analyst S P Tulsian. He also said a rise in import duty will also hit import of raw sugar and negatively impact sugar refining.

## THE FINANCIAL EXPRESS

### Sugar stocks in demand, surge up to 15.2 pct

*Shares of sugar companies gained as much as 15.2 per cent today after the government said it is examining...*

Shares of sugar companies gained as much as 15.2 per cent today after the government said it is examining providing additional interest-free loans of Rs 4,400 crore to cash-starved sugar mills to clear dues to cane farmers.

Dhampur Sugar Mills climbed 15.21 per cent, while Shree Renuka Sugars surged 13.44 per cent on the BSE.

Shares of Triveni Engineering & Industries soared 10 per cent, while Bajaj Hindusthan rallied 9.82 per cent, Balrampur Chini Mills Ltd (7.82 per cent) and Oudh Sugar Mills (4.32 per cent).

The government is also looking at hiking sugar import duty from 15 per cent to 40 per cent to curb cheap imports and increase ethanol blending in petrol to 10 per cent as an effort to improve the liquidity of mills.

"The main concern raised was how to clear Rs 11,000 crore sugarcane dues to farmers at the earliest. A suggestion has been made to extend loans given equivalent to the excise duty paid by the mills in the past three years to five years," Food Minister Ram Vilas Paswan had said yesterday after an informal meeting with other Cabinet ministers.

"Each minister has given suggestions. We have not yet taken any decision...We will discuss among ministries and with the Prime Minister what we can do best for the benefit of both farmers and mills. A cabinet note will be prepared accordingly," he had said.

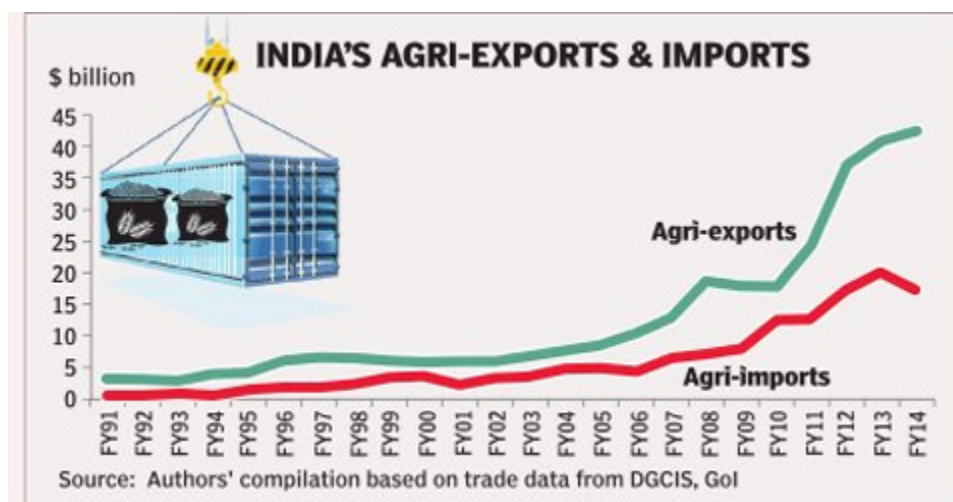
In December, the government had approved Rs 6,600 crore interest-free loans to the sugar industry exclusively for clearing sugarcane arrears. It decided to give loans via banks equivalent to the excise duty paid by the mills in the past three years.

### *Agriculture is more globally competitive than industry, so keep an open trade policy with low import duties*

This is for the first time in the history of independent India that Indian agriculture has given a net trade surplus of more than \$25 billion, in FY14. Its agri-exports crossed \$42 billion vis-a-vis imports of about \$17 billion indicating that Indian agriculture is quite export competitive, as the accompanying chart shows. The Balassa index measuring export competitiveness for agriculture is 1.6 vis-a-vis only 1.0 for manufacturing products, implying that our agriculture is more competitive globally than our manufacturing sector.

India's agri-export basket is quite diversified. But a few need special mention. India has emerged as the largest exporter of rice with exports touching \$7.7 billion, second-largest exporter of meat with exports of \$4.5 billion and cotton (\$3.6 billion), and a large exporter of number of other products ranging from marine products (\$5 billion) to oil meals (\$2.8 billion), spices (\$2.6 billion) and guar gum (\$2 billion). The most impressive growth in FY14 over FY13, in terms of size and growth rate, has been dairy & poultry registering a growth of 72%, marine products of 45%, meat and

preparations of 36%. Even rice has witnessed a growth of about 25% growth in value terms though the quantity exported in FY14 may be similar at 10 million tonnes as in FY13. This is largely credited to the better price that Indian basmati has fetched this year. Even fresh fruits and vegetables, with a total of \$1.6 billion exports, have registered a 29% growth. This is commendable especially in the face of tough SPS laws in importing countries and somewhat weak value-chains that India has. Indian farmers, scientists, processors, traders and policy-makers, who have played a catalytic role in making this happen, deserve compliments and rewards for achieving these results.



On the import side, much of India's imports are concentrated in a few commodities: edible oils (\$9.3 billion), wood and wood products (\$2.6 billion) and pulses (\$1.6 billion). Interestingly, pulses imports have fallen by more than 30% in FY14 over previous year despite zero import duty, and edible oils by 17% despite import duty of 2.5% on crude and 7.5% on refined oils (raised to 10% w.e.f. January 2014).

But a few interesting things need to be noted and rationalised. While India is the largest exporter of rice in the world, it imposes an import duty of 70% on paddy and 80% on rice,