

Farmers expect a good harvest



Paddy cultivation begins on 1,900 hectares in three blocks

Bounty:Harvesting at Athimarapatti near Tuticorin on Tuesday.— Photo: N. Rajesh
Sowing of paddy has started in various parts of Tuticorin district.

TUTICORIN, March 5, 2014 - After kar and pishanam seasons, the farmers are relying on a good harvest this summer

season.

So far this summer season 1, 900 hectares in Srivaikuntam, Alwarthirunagari and Karungulam have been covered and 600 more hectares were expected to be covered by March end, Joint Director of Agriculture, N.K. Dhakshinamoorthy, Tuticorin, told *The Hindu* here on Tuesday.

Farmers were also happy since harvest of paddy, which had been cultivated in the pishanam season during the fag end of last year, commenced. He said the farmers had been expecting about 7.5 tonnes to eight tonnes of yield per hectare from these three blocks.

With the adoption of System Rice Intensification technology and better management practice, the productivity has improved.

Farmers are being guided to use organic manure, inorganic fertilisers and have been exposed to weed control and integrated pest management system, the Joint Director said.

The total paddy cultivation from three seasons including kar, pishanam and summer in various blocks of the district had so far recorded 11, 900 hectares.

“The average cultivation area of paddy during the months of October, November and December has been 13, 000 ha, but its coverage has dwindled to 7, 700 ha in 2013-14. Since rain fed tanks were not filled due to shortage of rainfall, the expected level of cultivation could not be attained. But there is hope to extend the area under cultivation in the coming days”, he said.

Bowing to pressure from Kerala, Centre keeps farmland out of ESA

Decision comes on the eve of poll schedule announcement



NEW DELHI, March 5, 2014A view of the Western Ghats from Walayar in Kerala.— Photo:K.K. Mustafah

Habitations, plantations and agricultural areas in the 123 villages falling within the Western Ghat eco-sensitive area will be taken off the protective zone as

demand by the Kerala government.

The Union Ministry of Environment and Forests announced the decision on Tuesday, a day before the Election Commission is likely to announce the Lok Sabha poll schedule, with which the model code of conduct will come into force.

Yielding to political pressure building up in the State for months, the Ministry said: “The State government is of the view that agricultural lands, plantations and habitations may be kept out of the Ecologically Sensitive Areas (ESAs). Recommendations of the State government were examined, and it has been decided to accept them...”

To do justice to the five other States in the Western Ghats region, the Ministry opened the space for them to approach the Centre. “It has also been decided that the MoEF will consider recommendations of the other States in the Western Ghats region, based on a similar on-ground exercise, if such proposals are forwarded to the MoEF within 60 days of issuance of the draft notification.”

In November 2013, the Ministry passed two orders for implementing the Kasturirangan Committee’s report. One of the orders, accepting the report in principle, said a formal ‘draft notification’ demarcating the geographical boundaries of the ESA under the Environment Protection Act, 1986, would shortly be put out for comments. Under the law, the draft notification would have been open for comments for two months before it was notified after amendments that the Centre may accept based on inputs.

In a parallel second order, the Ministry banned, with immediate effect, any environmental clearance panel, either at the Centre or in the six States, from entertaining proposals for new polluting industries, mining, thermal power plants or large construction projects in the villages. The second order had not been withdrawn till Tuesday evening when the press release claiming a revised boundary for the ESA was sent out by the Ministry.

The Ministry’s November 2013 orders had specifically mentioned that agricultural, rural livelihood and plantation practices would not be banned. But that offer did not assuage the sentiments of powerful sections in Kerala which also found political support to mount pressure on the UPA government to step back.

While the new Minister, M. Veerappa Moily, did make a noise initially in favour of easing the orders, the Ministry was in a bind in an ongoing case before the National Green Tribunal.

The Tribunal had warned that any complete withdrawal of the orders could lead to implementation of the Madhav Gadgil Committee’s report, which recommended far wider areas in the six States and stricter regulations than what the Kasturirangan Committee did. At the last hearing, the Tribunal gave the ministry a month to take a clear stance. Unlike the Madhav Gadgil Committee’s report, the Kasturirangan Committee demarcated ‘cultural landscapes’ from ‘natural landscapes,’ reducing the proposed protected area to 60,000 square kilometres. The Kasturirangan Committee kept out these cultural landscapes (area with a high population density), stating “close to 60 per cent of the Western Ghats region is under cultural landscape — human-dominated land use of settlements, agriculture and plantations.” But this still did not find acceptance with lobbies in Kerala.

While issuing the press release on Tuesday, the Ministry did not put out the draft notification for the ESA, stating it would be done subsequently. Specific changes that it may have made in the nature of restrictions as well as the specific areas proposed for the protective zone remained unknown.

The release only said: “The Ministry is now in the process of issuance of a draft notification which, among other things, will include the demarcation and boundaries of Ecologically Sensitive Areas, as identified by the High-Level Working Group [the Kasturirangan Committee], seeking comments of various stakeholders.”

Memorandum cuts no ice with farmers

They will officially announce the end of their fast today morning

KOZHIKODE, March 5, 2014 - The office memorandum by the Union Ministry of Environment and Forests (MoEF) seeking to redraw the borders of environmentally sensitive area (ESA) villages has cut no ice at the ground level.

The Western Ghats Villagers Protection Forum, which is coordinating an indefinite hunger strike of farmers here, received the news of the MoEF's office memorandum coldly. A November 13 notification of the Ministry had, as per the recommendations of the Kasturirangan report, listed 123 high-range villages in the State with a total area of 13,000 sq km as ESA.

The UDF government has demanded that the areas with human habitations be excluded from ESA. It had sought to redraw the borders to avoid human habitations and agricultural lands.

"The November 13 notification clearly says that the directions in it will come into force until further orders are issued. A mere office memorandum cannot counter a notification issued by the Ministry," forum members said here. They said the issuance of this memorandum at the eleventh hour before poll dates are announced on Wednesday clearly shows that this is "the only extent to which this government can go to help the farming community."

"We will now officially announce the end of our fast on Wednesday morning and opt for other democratic means of fighting to save our livelihood which is at stake," the forum members said shortly after news of the office memorandum was beamed on TV.

The indefinite agitation at the district collectorate's main entrance has been gathering steam with the farmers refusing to settle for anything short of a total rollback of the Madhav Gadgil-Kasturirangan reports on the Western Ghats.

Tough fight

Monday midnight had witnessed the arrest and removal of five protesters on hunger strike. But on Tuesday, the forum began Day 7 of the strike by fielding the exact number replacements in a clear signal to the government that they will not back down. Of the 123 villages affected by the ESA tag, those in the district are Thiruvambadi, Kodenchery, Thamarassery, Chakittappara, Kattipara, Koorachundu, Kavilumpara, and Naripetta.

"Kakkadampoyil is one of the most ecologically sensitive areas in the district. But they have completely ignored this region in the Kasturirangan report. Why? Because there is more minerals to be quarried in Kakkadampoyil, but quarries are mostly exhausted in places like Thiruvambadi... so why cherry-pick high ranges to make them ESAs?" Biju Permailil, a protestor, asked. The camp saw religious leaders and politicians across party lines flock to the protest sight on Tuesday.

Forum coordinator and Thamarassery Diocese Chancellor Father Abraham Kavilpurayidathil berated the "cloud of uncertainty" created by the MoEF's lack of clarity and the spate of dilly-dallying by the State government in the issue.

"If the government fails to sympathise with the ordinary farmers involved in this strike, the results will be fatal," he said. Speaker after speaker at the protest criticised the State government for its "poor show" at the National Green Tribunal in representing the concerns of the settler-farmers and its inaction over the Oommen V. Oommen and panchayat-level reports meant to identify and rework the parameters set by the Kasturirangan report for the 123 ESA villages in the State. "All we are asking for is the freedom to grow some tapioca, elephant yam, and colocasia for our sustenance. Crops have failed. Agriculture is in crisis. This is our circumstance," Lucy Mani, a panchayat member, said.

Farmers blamed "bureaucrats" for writing off the Western Ghats — a World Heritage Site and biodiversity hotspot — without even giving a thought to the numerous farmers who lived off it.

"What is the democracy in such practices? Their empty assurances have forced us to launch this third phase of protests," Joikutty Lukos, a farmer, said.

📌 ***Farmers to opt for other means of struggle***

📌 ***State government flayed for its 'poor show'***

Farmers condemn illegal tapping of water

TIRUPUR, March 5, 2014 - Hundreds of farmers from the command areas of Parambikulam Main Canal came out to the streets at Palladam on Tuesday to protest against the illegal diversion of water from the canal.

“We have resorted to agitation because the district administration and the Public Works Department (Water Resources Organisation) did not take effective steps on the issue despite frequent pleas from the farmers.

The situation has now come to a stage where the farmers at the tail-end are getting only 40 per cent of the supposed quantity of water entitled due to the indiscriminate drawing of water and the natural seepages,” A. Swamiappan, president of Veerapandi Water Users Association, and president of Palladam Water Distribution Committee under PMC canal irrigation system, told *The Hindu*.

The farmers, affiliated to 134 water users association and 9 water distribution committees, who took part in the agitation, pointed out that indiscriminate drawing of water was more in the stretch between the Arasur and Kallipalayam water regulators.

Mr. Swamiappan added that pipelines to a total length of 10 kilometres had been laid illegally to take water from the canal in the said stretch.

The farmers were of the view that water could be taken all through the PMC command area through pipelines, right from the Thirumoorthy Dam, instead of the open canal system.

“The water thus taken can be distributed through equitable distribution method by which 6,000 litres of water can be allocated for a day for every acre of cultivation. Such distribution will ensure that farmers get water for at least 275 days a year,” said Mr. Swamiappan, former Superintending Engineer in Agriculture Engineering Department.

‘The farmers at the tail-end are getting only 40 per cent of the supposed quantity of water entitled to them’

Rs.20.99 crore for farm sector in Attappady

PALAKKAD, March 5, 2014 - Vice-president of the Attappady block panchayat Sreelakshmi Sreekumar presented a budget of Rs.71.67 crore for the financial year 2014-15 at the panchayat council at Agali on Tuesday. The budget earmarked Rs.20.99 crore for agriculture, Rs.15.15 crore for the service sector, and Rs.10 crore for housing.

The budget aims to spend Rs.16.80 crore under the Mahatma Gandhi National Rural Employment Guarantee Scheme in the next fiscal.

The meeting was presided over by block panchayat president K. Rajan.

Call to support family farmers

THRISSUR, March 5, 2014 - A seminar on ‘Family farming’ held on Tuesday at ‘Agrifesta 2014’, an agricultural exhibition, called for effective ways to support family farmers and better understanding of the challenges faced by small-holders.

The exhibition has been organised by the Kerala Agricultural University, Union Ministry of Agricultural Cooperation, NABARD and the Agriculture Technology Management Agency (ATMA).

The seminar touched on factors that influence family farming, including agro-ecological conditions; territorial characteristics; access to markets, land, natural resources, technology, extension services and finance; and demographic, economic and socio-cultural conditions. Addressing the seminar, C. Raveendranath, MLA, said sustaining family farming was a major challenge before the global community.

“A shift in global economic policy and the commitment of all stake-holders are needed to push family farming. Family farming essentially means creating sustainable ecosystem models in each homestead. Such models ensure coexistence of trees, fruit plants, birds, animals and microorganisms. A combination of such models contributes to a global ecosystem,” he added.

He stated that the ecosystem had been affected by exploitation of natural wealth. KAU Vice Chancellor P. Rajendran termed family farming as the most energy-efficient, productive and easy-to-manage cropping system. “The canopy of big trees, plants, vegetables and creepers covering soil surface ensures energy conservation and protection of soil and its ingredients. As world population is set to grow rapidly, food security should be a major goal,” he said. The United Nations has declared 2014 as the International Year of Family Farming (IYFF).

‘Family farming essentially means creating sustainable ecosystem models in each homestead’

1,200 acres of crops damaged in Bellary

BELLARY, March 5, 2014 - Horticultural crops, especially Sapota, over 1,200 acres were severely damaged following unseasonal rains that lashed on Monday evening in and around Moka village in Bellary taluk.

“The rain was accompanied by hail storms and gusty winds and lashed for about 30 minutes, damaging our Sapota crop. The hail storm has damaged the fruit, and branches of many trees were broken due to the gusty winds. This year we will incurring a heavy loss,” lamented Jambanagouda, a farmer on Tuesday.

Sapota grown in and around Moka are very popular and are exported to other states.

According to Mr. Jambanagouda, the farmers had already leased out the crop for Rs. 70,000 per acre. The contractors have been cancelling the agreement and were demanding their advance back.

There were fears that harvested chilli, kept in the open for drying, was also damaged. “We did not have time to cover the chilli as it started raining all of a sudden,” Mallanagouda, another farmer said.

Senior Assistant Director of Horticulture Ramesh, who went to the affected areas, told *The Hindu* that around 50 to 60 percent of the crop had been damaged in the 28 mm rain fall that was recorded in Moka on Monday. He further added that the extent of damage was being assessed and a report would be created soon.

Can we make crops climate change tolerant?



PHOTO: M. GOVARTHAN

According to scientists from the Queen Mary University of London, plants grown without the ability to respond quickly to highlight intensity, had a reduced capacity to protect themselves from damage.

Changing climate would lead to fluctuations in temperature, humidity, drought and light. Knowing the limits of how much sunlight a crop can happily tolerate could be valuable information for farmers or people who breed new plants, lead author Alexander Ruban said. The scientists demonstrated a novel method that enables them to relate the photoprotective capacity of a plant to the intensity of environmental light by measuring the fluorescence of the pigment chlorophyll, which is responsible for absorbing sunlight. The photosynthetic apparatus in the plants is like the retina in human eyes — it is sensitive to how much light can be soaked up, said the study. IANS

Over 3,100 hectares to come under summer paddy

Uniform spacing, konoweeders facilitate easy clearing of weeds



An average yield of six tonnes per hectare expected during the current summer cultivation season. — File Photo: B. Velankanni Raj

PUDUKOTTAI, March 5, 2014 - The State agriculture department has proposed to cover over 3,100 hectares under summer paddy cultivation for achieving the food

production target in the district.

The System of Rice Intensification (SRI) technique is being recommended for this cultivation, as it demands less water for irrigation. Against the usual 1,500 hectares, the department has planned to cover 3,100 hectares in all the blocks except Avudaiyarkovil and Manamelkudi. The nursery is raised for 14 days and the popular variety is 'BPT 5204'.

“Farmers have a liking for the variety, though other varieties could also be cultivated under the system,” K.M.Shajahan, Joint Director of Agriculture, told *The Hindu*. The summer cultivation has various unique features, including raised bed nursery technique.

It can be raised as a second crop in Cauvery Mettur Project (CMP) areas and requires only two kg of seeds for one acre of crop. The mechanical transplanting ensures uniform spacing of nine inches – between rows and plants.

Vaccination camps against foot-and-mouth disease

KOLLAM, March 5, 2014 - As part of a State-wide exercise, the Animal Husbandry Department will launch vaccination camps against foot-and-mouth disease in the district from March 5 to 21.

District Veterinary Officer K. Chandra Prasad said here on Tuesday that over a lakh doses of the vaccination and syringes required for it have been stocked.

The camps are being organised as a preventive measure in view of the fatalities caused by the disease across the State when it spread five months ago.

In Kollam district, it resulted in the death of 529 head of cattle that included cows, heifers, goats and pigs.

The department had paid Rs.30 lakh as compensation for the deaths to the farmers. To carry out the vaccination from Wednesday, 200 squads comprising livestock inspectors have been constituted.

Dr. Chandra Prasad said under the Livestock Disease Control Act, the vaccination was mandatory and farmers should cooperate with the same.

He said some cows showed a drop in milk production for a couple of days after the vaccination.

This would get rectified soon afterwards. But the fall in production had caused apprehension among farmers that it would be permanent. Based on this fear, many were reluctant to vaccinate the cows. Such fears were unfounded, Dr. Chandra Prasad said.

1.5 lakh more families to come under Food Security Scheme from April

NEW DELHI, March 5, 2014 - With the Delhi Government deciding to merge the Anna Shree Yojna with the Food Security Scheme launched by the UPA Government in September last year, officials said around 7.5 lakh more people would start getting their entitlements under the scheme from April.

At present, around 32 lakh people are receiving highly subsidised rations in the city under the Food Security Scheme.

“Since the launch of the scheme, we have received around 15 lakh applications. While data entry of around 8 lakh applications has been completed, we have also conducted field inspection of around 2 lakh applicants. Around 1.5 lakh applications were found to be genuine and the process of issuing smart cards to the eligible applicants has been initiated. They are likely to start getting their entitlements from the beginning of the next financial year,” said S. S. Yadav, Secretary (Food and Civil Supplies).

As per the National Food Security Act, 2013, all families holding ration cards are entitled to subsidised food grains at the rate of 5 kg per member per month. While around 72 lakh people would ultimately be covered under the scheme in Delhi, around 3.5 lakh families (32 lakh people) holding ration cards under different schemes like Below Poverty Line, Antyodaya Anna Yojna and Jhuggi Ration Card are getting subsidised rations. As per the Act, all beneficiaries have to be identified and covered under the scheme by July 5, 2014.

Apart from identifying new beneficiaries and issuing them smart cards, the Department is also renewing the ration cards of the existing card holders. Officials said the exercise has also helped them in checking duplication and bogus ration cards.

Meanwhile, the Delhi Government has also decided to merge with the Food Security Scheme its cash benefit transfer scheme Anna Shree Yojna, under which the eldest female members of 1 lakh families were receiving Rs. 600 per month directly into their bank account. The amount was fixed considering the difference between the market rate of ration and those being given to ration card holders.

Officials said the cash scheme was launched two years back due to the cap on the ration card holders enforced by the Centre in 2007. But with the cap now increased to 14.5 lakh families under the Food Security Scheme, the cash transfer scheme lost relevance.

Water level

Mettur - The water level in Mettur dam stood at 49.29 feet on Tuesday against its full level of 120 feet. The inflow was 807 cusecs and the discharge 1,000 cusecs.

Water level in the Papanasam dam on Tuesday stood at 49.40 feet (maximum level is 143 feet). The dam had an inflow of 97.11 cusecs and 92.25 cusecs of water was discharged from the dam.

The water level in Manimuthar dam stood at 72 feet (118 feet). The dam had an inflow of 124 cusecs and no water was discharged.

Africa seeks Coimbatore's help to develop cotton sector



Sixteen-member delegation meets members of the Indian Cotton Federation

Members of an African delegation interacting with office-bearers of Indian Cotton Federation during a visit to the federation's office as part of the Cotton Technical Assistance Programme, in Coimbatore, on Tuesday.- Photo: K. Ananthan

COIMBATORE, March 5, 2014 - Members

of an African delegation have urged the cotton traders and textile mill owners here to assist them in developing cotton trade from their countries.

A 16-member delegation including Government officials and private players in cotton and textile sectors from six African countries met the members of the Indian Cotton Federation here on Tuesday.

The delegates are visiting some of the textile clusters in India, including Tirupur and Coimbatore, and having a meeting with the textile industry in New Delhi.

Vice-presidents of the Indian Cotton Federation K.N. Viswanathan and P. Nataraj told the delegates that textile mills in Coimbatore region are sourcing substantial volume of cotton from Africa. However, it is through international merchants and traders and they are interested in buying cotton directly from the African farmers and traders.

Indian trade and industry will be interested in investing in Africa and buying cotton from the African nations. Textile mills in Coimbatore region need more than 10 million bales of cotton a year and they buy most of it from Gujarat now. In the case of African cotton, there were issues such as the time taken for delivery, contamination and shade variation.

The shipments need to be regular and the infrastructure problems should be sorted out. They are willing to assist the African sector. However, they need to know more about the volume of production in each country, the marketing season, Government norms, taxation, and security. This is the fourth African cotton delegation to Coimbatore in the last three months.

Milan Sharma, head-Africa Initiatives of IL&FS Cluster Development Initiative, told presspersons that the visit is organised as part of the Central Government's Cotton Technical Assistance Programme for Africa.

The IL & FS is the programme manager for the project that aims at capacity building and technology transfer for development of the cotton sector in seven African countries.

Project

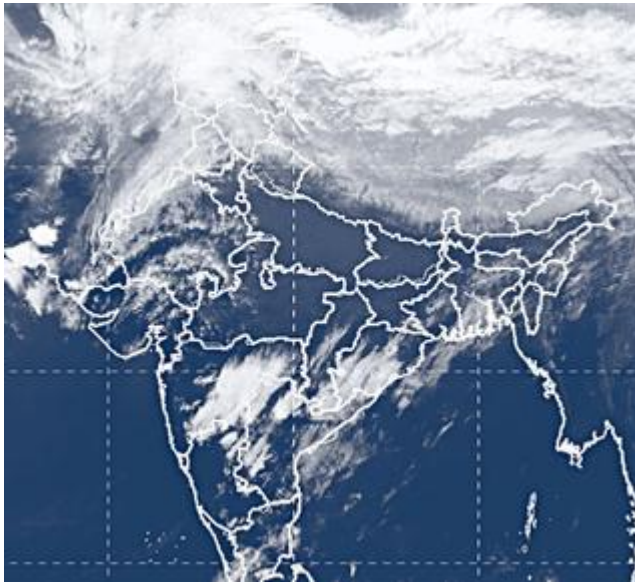
The project is on till 2015. It includes establishing a knowledge cluster in Benin, bio pesticide laboratory in Uganda, and skill development schools in Nigeria and Malawi. These will be in association with agencies such as the Central Institute for Research on Cotton Technology and the Directorate of Cotton Development. The programme has been extended for trade co-operation. An Indian delegation will visit the African countries this year, Ms. Sharma said.

Exposure

The visit is to give an exposure and create awareness on the cluster concept.

The delegates were from Benin, Burkina Faso, Chad, Nigeria, Uganda, and Malawi. They explained about cotton cultivation in their countries, facilities available and steps taken to sell cotton directly to buyers in countries such as India.

Weather



INSAT PICTURE AT 11-30 hrs. Observations recorded at 8-30 a.m. on March 04.

ANDHRA PRADESH

Anantapur	33	22	0	0
Arogyavaram	31	19	0	23
Bapatla	31	21	0	0
Calingapatnam	30	22	0	0
Gannavaram	32	22	0	0
Hanamkonda	31	19	5	46
Hyderabad AP	28	20	0	7
Kakinada	32	24	0	0
Khammam	32	21	0	0
Kavali	31	23	0	0
Kurnool	34	23	tr	25
Mahabubnagar	31	21	tr	tr
Machilipatnam	31	23	0	0
Nandyal	33	23	0	0
Narasapur	32	22	0	0
Nellore	33	24	0	0
Nizamabad	31	16	32	32
Ongole	32	23	0	0
Ramagundam	31	20	0	8
Tirupathi AP	34	22	0	0
Tuni	32	22	0	0
Vizag AP	31	23	0	0
Vizag	29	23	0	0

KARNATAKA

Agumbe	32	13	0	0
Bangalore AP	29	18	0	0
Bangalore	29	19	0	4
Bagalkote	33	16	0	0
Belgaum AP	33	13	0	tr
Bellary	33	19	1	2
Bijapur	31	17	9	9
Chitradurga	33	19	5	5

Chickmagalur	31	19	0	0
Chintamani	29	18	0	—
Gadag	33	18	0	0
Gulbarga	32	19	4	5
Hassan	33	14	0	0
Honavar	31	21	0	0
Karwar	32	19	0	0
Madikeri	27	15	0	0
Mangalore AP	32	21	0	0
Mysore	31	21	5	7
Mandya	31	21	1	7
Panambur	32	22	0	0
Raichur	33	21	0	0
Shirali	32	18	0	0
KERALA				
Alappuzha	32	25	0	0
Kannur	33	25	0	0
Kochi AP	33	23	14	14
Kottayam	34	23	0	0
Kozhikode	34	25	0	0
Punalur	35	21	0	12
Thiruvanantha				
-puram AP	31	24	0	81
Thiruvanantha				
-puram City	33	24	0	31
Vellanikkara	35	25	0	0
TAMIL NADU				
Adiramapattinam	33	23	0	0
Chennai	32	24	0	0
Chennai AP	32	24	0	0
Coimbatore AP	33	24	tr	tr
Coonoor	21	14	18	62
Cuddalore	32	23	0	0
Dharmapuri	32	21	0	2
Kanyakumari	31	25	0	0
Karaikal	32	25	0	0
Kodaikanal	19	10	2	4
Madurai AP	35	25	0	0
Nagapattinam	32	25	0	0
Palayamkottai	32	25	0	17
Pamban	32	25	0	0
Parangipettai	32	26	0	0
Puducherry	32	24	0	0
Salem	34	22	0	tr
Thanjavur	35	25	0	0
Tiruchi AP	35	23	0	0
Tiruchi	—	—	—	—
Tirupattur	32	21	0	11
Tiruttani	33	19	0	0
Tondi	31	27	0	0
Tuticorin	31	26	0	0
Ooty	20	12	0	0
Valparai	28	15	3	13
Vedaranyam	—	—	—	—
Vellore	33	24	0	0
LAKSHADWEEP				
Amini Divi	31	24	0	2

Minicoy	31	25	0	0
Kavarathi	—	—	—	—
OTHER STATIONS				
Kolkata (Alipore)	29	20	0	0
Mumbai	30	21	0	0
New Delhi	26	12	0	10

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

ISOLATED RAIN IN ANDHRA PRADESH

CHENNAI: Rainfall occurred at a few places over North Interior Karnataka and Telagana. Isolated rainfall occurred over Tamil Nadu, Kerala, south interior Karnataka, Rayalaseema and coastal Andhra Pradesh. Dry weather prevailed over Lakshadweep and coastal Karnataka.

Forecast (valid until Thursday morning): Rain or thundershower would occur at a few places over Telangana and north interior Karnataka. Isolated rain or thundershowers may occur over Tamil Nadu, Puducherry, south interior Karnataka, Kerala, Lakshadweep, Rayalaseema and coastal Andhra Pradesh. Mainly dry weather will prevail over coastal Karnataka.

For next 48 hours: Isolated rain or thundershowers may occur over Tamil Nadu, Puducherry, interior Karnataka, Kerala, Lakshadweep and Andhra Pradesh.

Mainly dry weather will prevail over coastal Karnataka.

Outlook for subsequent four days: No significant change.



Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Wednesday, Mar 5

Max 34° | Min 27°

Rain: NO
Humidity: 0
Wind: 0

Sunrise: 0
Sunset: 0
Barometer: 0

Tomorrow's Forecast



Partly Cloudy

Thursday, Mar 6

Max 34° | Min 27°

Extended Forecast for a week

<p>Friday Mar 7</p> <p>33° 28° Overcast</p>	<p>Saturday Mar 8</p> <p>33° 28° Overcast</p>	<p>Sunday Mar 9</p> <p>32° 28° Cloudy</p>	<p>Monday Mar 10</p> <p>32° 28° Cloudy</p>	<p>Tuesday Mar 11</p> <p>29° 24° Partly Cloudy</p>
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Human habitations, agriculture land left out of ESAs

THIRUVANANTHAPURAM: Accepting the demand of the Kerala government, the [ministry of environment and forest](#) (MoEF) on Tuesday issued an office memorandum on the Kasturirangan-led High Level Working Group (HLWG) report to exempt plantations, agriculture land and human habitations from Ecologically Sensitive Areas (ESAs).

The OM said boundaries of the ESAs as identified by the HLWG may be fine-tuned after receiving inputs from "stakeholders/state governments and suggest modifications based upon physical verification."

The OM means that MoEF, in-principle, wants to keep all the 123 villages in ESA as classified by the Kasturirangan Committee but will amend the boundaries - a demand made by Kerala --wherever there is human inhabitation and plantation areas.

TOI had reported on Monday that the MoEF will approve the demands made by the state government especially in view of the upcoming general elections.

"As the village-wise details of the ESA proposed by the state government are available with the Kerala State Biodiversity Board, the stakeholders may access the same from the websites while sending objections or suggestions on the draft notification," the OM said.

"Kerala had pointed out that while all other states in the Western Ghats region had only a portion of natural landscape recommended as ESA by HLWG. In Kerala, the area of ESA (13,108 sqkm) is more than the area of natural landscape (12,477 sq km)," the OM said.

The MoEF said the new OM was a continuation of a previous one dated December 20, 2013, regarding the 'in principle' acceptance of the report.

The HLWG had classified around 13,108 square kilometres as ESAs in Kerala using satellite data. This included large areas of plantations and human settlements.

"The OM has been specifically issued to address Kerala's demand. This is a move in the right direction to help conserve the Western Ghats region," Oommen V Oommen, chairman of Kerala state bio-diversity board, who had headed the state appointed three member expert committee which drafted Kerala's position vis-a-vis Kasturirangan report.

The greens, however, said the OM was not legal and binding but only an election stunt to placate [Kerala Congress](#) which has threatened to withdraw support to UDF.

Farmers claim officials yet to conduct panchnama

AURANGABAD: Though the district administration claims to have ordered speedy panchnama of the crops affected due to unexpected rains and hailstorms during the last

one week in the region, the farmers claim that no official in majority of the farms and villages from the administration has visited.

Jayajirao Suryawanshi, president of sweet lime growers farmers association, said that horticulture cultivation has been worst affected due to the rains during the last eight days. "Pomegranate, lemon, orange, sweet lime, mango and grapes have been affected from Latur to Nashik districts," he said.

Majority of the farmers have availed heavy loans from various banks, but with losses suffered it would be difficult to repay the loans. Hence the farmers have collectively demanded that the state government waive off the loan amount.

Marathwada is the main producer of jowar, a rabi crop. Farmers claim that the entire standing crop of jowar, wheat and gram have been completely lost.

Suryawanshi said that one onion cultivator, Dattu Shevale, a resident of Borsar village, Vaijapur tehsil, allegedly committed suicide succumbing to pressure of heavy loans.

Also, the fruits have started deteriorating, hence the agriculture and revenue department officials should conduct panchnama considering the points and other practical aspects, the farmers demanded.

The farmers have also decided to sport black flags during the rally of Congress vice-president, Rahul Gandhi, that is scheduled to be held on March 5. tnnSuryanwashi said that the state government has failed to meet its promises. "Last year the government had assured to provide financial help through compensation of the loss incurred due to severe drought conditions faced by the region. Also, the government has not taken speedy steps to implement Maharashtra Water Resources Regulatory Act, 2006 (MWRRA), that focuses on equal distribution of water across the state, "he added.

Moreover, the government had assured inquiry over illegal selling of sugar of 41 sugar factories in the state after a protest was led by Medha Patkar and Anna Hazare recently at Mumbai.

THE HINDU Business Line

Export enquiries lend flavour to cardamom

Kochi, March 4: Cardamom prices gained last week on export demand amid good arrivals at the auctions. Moderate buying by upcountry dealers also aided the uptrend. Exporters bought available exportable grade capsules and that, in turn, pushed prices up. They are said to have purchased an estimated 70 tonnes of cardamom last week, market sources in Bodinayakanur said.

Good capsules of 7mm and above were fetching Rs. 775 a kg and above, while 8mm bold was traded at Rs. 850-875 a kg. Non-availability of good quality material from Guatemala is the reason for export enquiries.

According to the trade, the next crop in Guatemala is reported to be lower. Other grades arrived in the market are being bought by upcountry dealers in view of the lean season ahead.

Shortage of sufficient quantity of exportable grade capsules is being felt. Cardamom growing tracts in Kerala's Idukki district have received good rains on Sunday. According to growers, if another shower is received in the region, it could help advance the arrival of the next crop to June.

Individual auction average price crossed the Rs. 700-a-kg mark last week. Harvesting of the current season is over. No material is coming from the estates now and whatever capsules arrive, currently, are from the stocks held by growers and primary market dealers, trade sources in Kumily said. According to them, ever since prices showed an uptrend, some of the growers started releasing their stocks and it reflected on the arrivals.

During the current season from August 1, arrivals are 15,638 tonnes against 8,849 tonnes during the same period a year ago. Sales are 15,241 tonnes against 8,389 tonnes.

The weighted average price as on March 2 stood at Rs. 602.93 a kg (Rs. 766.33) in the same period a year ago). At the Sunday auction, arrivals decreased to 88 tonnes from 97 tonnes the previous Sunday and almost all the entire quantity was sold. The maximum price was Rs. 991 and the minimum Rs. 389. The auction average increased to Rs. 694 (Rs. 666), PC Punnoose, General Manager, CPMC said.

Prices of all graded varieties (Rs. /kg): AGEB 850-860; AGB 690-700; AGS 660-670 and AGS - 1: 630-640.

Unseasonal rains dampen masur prospects

Cold snap in North India, Canada pushes prices of the lentil higher



marilyn barbone/shutterstock

Chennai, March 4: A combination of cold weather and untimely rains in North India has affected masur (lentil) crop during the current rabi season.

As a result, prices have increased in the last few weeks and they could tend to rule firm at least until the weather clears

also in Canada, a major exporter of the commodity.

Traders say that lentil production is down by at least 15 per cent this year. Lentil is treated as "other pulses".

According to the Agriculture Ministry, production of "other pulses will be up at 3.87 mt this year against 3.40 mt last year."

"The masur crop has been damaged by rains in Uttar Pradesh and Madhya Pradesh. There could be a 15-17 per cent decline in production," said Pravin Dongre, Chairman of India Pulses and Grains Association.

Prices may rise

"Masur prices could rise sharply since the carryover stocks have also been less," he told *Business Line* much before a pulses trade meet at Goa in the third week of February.

"Rains in Uttar Pradesh in particular have caused heavy damage to masur crop. There are more problems due to cold weather too," said Mukesh Sodhia, a trader.

Masur is a small crop which is sensitive to weather developments. Though its consumption is lower compared to other pulses, domestic production, too, is low.

"So far, there is no clear picture on the crop loss due to weather changes," said Prakash Vora, a trader in Indore.

An unclear scenario has led to rise in masur prices by Rs. 250 a quintal last week.

Currently, masur is ruling at Rs. 3,850 at Mandasaur in Madhya Pradesh with quality produce commanding nearly Rs. 4,250. During the same period last year, prices ruled at Rs. 3,000 a quintal.

Canadian imports

“More problems seem to be on cards since Canada, a major supplier, is unable to move farm products due to cold snap in North America,” said Sodhia.

As a result, imported masur has become dearer at over \$650 from \$600 a couple of weeks ago.

Cold weather and snow in Canada has affected movement of rail cars with more priority for energy products. Also, rail companies are running services only on short routes since there are problems with air brakes as gaskets tend to contract due to cold wave.

“Canada has plenty of masur to supply but the weather must clear first. Then, it could take at least 45 days for shipments to reach Indian shores,” said an importer.

Until then, prices are likely to rule firm.

Output estimates

Though the Ministry of Agriculture has projected a higher production of pulses this season to June, there are concerns over black matpe (urad) and masur.

In its second advance estimates, the Ministry projected this year’s pulses output at 15.45 million tonnes (mt) against 14.94 mt.

Production of gram (chana) is seen at a record 9.79 mt against 8.83 mt last year, riding on a record acreage of over 100 lakh hectares.

Black matpe output is seen down at 1.59 mt against 1.90 mt.

Pulses trade is questioning the Ministry’s projection of chana production, pointing out to effect of cold weather and rain on the crop.

It is also sceptical about estimates of a record acreage of the crop.

With inputs from our Indore correspondent

Will the rally in crude palm oil sustain?



On a slippery floor Some fear the current palm oil prices are unsustainable given the impending surge in soya oil output.

Kuala Lumpur, March 4: The mood here at the annual Palm and Lauric oils Price Outlook 2014-15 conference is upbeat. Traders are expecting a further surge in crude palm oil prices from the current levels of 2,800 Malaysian ringgit a tonne. The market last week rallied by over 150 ringgit a tonne because of the perceived threat of adverse weather.

In addition, biodiesel demand is mentioned as a strong price driver. Indonesia, world’s largest palm oil producer, recently decided to promote

palm-based biodiesel for domestic transportation in partial replacement of mineral diesel. Palm oil producers have not had it so good for quite sometime now. CPO prices had been range-bound at 2,400-2,500 ringgit for several weeks. The weather scare has coincided with lean season for palm oil production – November to March.

The big question everyone is asking is whether the price rally will sustain. While there are many who bet on a firm to rising market, there is a minority which believe current prices are

unsustainable given the impending surge in soyabean oil production, driven mainly by South America.

Indeed, the recent price surge in palm oil has been so sharp that other competing oils are either equal to or at a discount to palm oil, an unusual phenomenon.

No wonder, sceptics think high prices mean palm oil runs the risk of losing market share to other oils. Clearly, there is a tug of war between demand side and supply side factors.

Organised by Bursa Malaysia Derivatives, the annual palm oil price outlook conference will see 2,000 delegates from over 50 countries taking part. Well-known speakers such as Thomas Mielke, *Oil World*; Dorab Mistry, Godrej International, and James Fry, LMC International, are slated to address the conference on Wednesday. They will present the price forecast for palm oil for 2014-15.

25% tea unsold at Coonoor sale

Coonoor, March 4: Due to inadequate demand, 25 per cent of 13.25 lakh kg offered at Sale No: 9 of Coonoor Tea Trade Association auction remained unsold.

Compared to previous week, average price was flat at Rs. 82.70 a kg.

Homedale Estate tea, auctioned by Global Tea Brokers, topped CTC market when Mittal Tea Co bought it for Rs. 221 a kg. All 'Homedale Estate' category teas fetched above Rs. 200.

In all, 76 marks got Rs. 125 and more.

Among orthodox teas, Havukal topped at Rs. 227 a kg. In all, 43 marks got Rs. 125 and more.

Quotations held by brokers indicated bids ranging Rs. 56-60 a kg for plain leaf grades and Rs. 110-180 for brighter liquoring sorts.

They ranged Rs. 66-72 for plain dusts and Rs. 130-190 for brighter liquoring dusts.

Groundnut oil rules flat on subdued buying

Rajkot, March 4: GROUNDNUT OIL FLAT ON SLACK BUYING

Groundnut oil traded unchanged as demand was limited. Cotton oil also ruled steady on normal buying activities in the market. According to traders, stockists' demand decreased slightly after the price went up last week. In Rajkot, groundnut oil loose was traded at Rs. 725-730 for 10 kg while new tin stood at Rs. 1,315-20 for 15 kg. Washed cotton oil quoted at Rs. 617-620 for 15 kg, while new tin remained unchanged at Rs. 1,110-20 for 15 kg. Our Correspondent

Wheat seen ruling at current levels; futures drop

Karnal, March 4: WHEAT TO RULE AT CURRENT LEVELS

Good domestic demand coupled with easy availability of stocks kept dara wheat and flour prices unaltered on Tuesday. Satish Kumar, a trader, said FCI's stocks and domestic demand are providing good support currently and prices may continue to rule around current levels even in the coming days, he added. In the physical market, dara wheat sold at Rs. 1,610-20 a quintal. Around 1,000 bags of wheat arrived and stocks were directly offloaded at the mills. Mill delivery was at Rs. 1,610 while delivery at the chakki was at Rs. 1,620. Flour remained

Dealers-growers spat stalls rubber market

Kottayam, March 4: Spot rubber weakened on Tuesday. Unless the rubber with dealers is not cleared, there may not be a recovery in the market.

Dealers continue to hold stocks with them and they are not likely to buy rubber from growers, who are unwilling to sell below Rs. 171 a kg for RSS 4. Hence the stalemate continues, said market observers. The trend was mixed. Sheet rubber slipped to Rs. 147 (Rs. 147.50) a kg, according to traders. The grade declined to Rs. 147.50 (Rs. 148.50) and Rs. 144.50 (Rs. 145.50) respectively, according to the Rubber Board and dealers.

March futures weakened to Rs. 146.60 (Rs. 147.10), April to Rs. 151.00 (Rs. 151.23) and May to Rs. 154.10 (Rs. 154.11) on the National Multi Commodity Exchange. RSS 3 (spot) inched up to Rs. 136.35 (Rs. 136.10) at Bangkok. March futures closed at ¥228.9 (Rs. 139.15) on the Tokyo Commodity Exchange.

Spot rubber rates (Rs. /kg) were: RSS-4: 147 (147.50); RSS-5: 145 (146); Ungraded: 142 (142); ISNR 20: 143 (143) and Latex 60%: 118 (119).

Dealers continue to retain stocks and growers are unwilling to sell below Rs. 171/kg. This has affected the trade

Paddy makes late gains in rabi sowing; maize area up



Hyderabad, March 4: As the rabi season draws to a close, farmers in Andhra Pradesh seem to have overcome some setbacks that affected them in the season early on.

Paddy, the main rabi crop that suffered heavily initially, managed to cross the average area of 14.31 lakh hectares (lh) in Andhra Pradesh at 16 lh.

Farmers in Nellore and Chittoor districts, where paddy was sown pretty early, have started harvesting. Other crops that witnessed reverses included maize with coverage of 4.48 lh against the average of 3.36 lh.

The increase in acreage is due to the shift in favour of maize from sugarcane in some coastal areas.

Oilseeds

Sunflower (85,000 ha) and sesamum (24,000 ha) couldn't make any gains as their acreage fell by about 50 per cent.

"We thought groundnut would see a rout this year. But late gains helped the farmers improve crop health. It just fell short of the average of 2.74 lh to close at 2.59 lh," a Government executive said. Three cyclones –Phailin, Helen and Lehar – not only ravaged the

kharif crop on 20 lakh hectares but also delayed rabi sowings, casting a shadow on the crop year.

The loss was so huge that the Government had pared foodgrain production target for the year from 225 lakh tonnes to achieve 207 lakh tonnes.

Late gains in rabi could help increase in the production of rice. The official estimates had forecast a reduction of 10 lakh tonnes in rice production at 137 lakh tonnes.

Spot pepper rules firm



Kochi, March 4: BUYERS SHIFT FROM INDIAN PEPPER

Higher prices for Indian pepper have led to some overseas buyers in selected markets to shift to pepper from other countries.

These buyers have been supporting Malabar even at a \$200 premium over other origins, according to export sources.

Consistent upcountry demand, especially from industrial users amid a squeeze in availability has kept the prices at higher levels, market sources told *Business Line*. Spot prices remained unchanged at Rs. 51,500 (ungarbled) and Rs. 53,500 (garbled) a quintal .

Export prices were at \$8,700-50 c&f Europe and \$8,950-9,000 a tonne c&f US and remained totally outpriced. GK Nair

Corn to sugarcane, commodities surge on weather woes

Gaining from double trouble

Commodity	%age rise*
Crude oil	7.99
Ethanol	46.26
Natural gas	36.93
Gasoline	4.40
Gold	8.96
Silver	11.13
Beef	6.15
Corn	7.27
Coffee	42.47
Oat	12.21
Soyabean	12.21
Sugar	9.70
Wheat	15.00

*Increase over a one-month period

Source: Trading economics

Chennai, March 4: On Monday, the commodities market was shaken by developments in Ukraine as Russia threatened to turn aggressive to protect its interest.

But commodities from gold to grains, corn to crude oil and sugar to soyabean have been blowing hot and cold in the last one month, literally. Regions from Ottawa in Canada to Mato Grosso in Brazil, from Illinois in the US to New South Wales in Australia are going through indifferent weather patterns: be it the coldest season in a decade-and-a-half or a prolonged period of dry weather.

Weather developments came to the fore so much in February that the commodities market saw volatile movements, particularly those relating to farm produce.

The developments have changed the course of commodities such as coffee and sugar that were

going through a bearish phase. Suddenly, these have become the favourites of hedge funds, money managers and speculators.

US cold snap

It all began with North America undergoing one of the coldest spells since 1996 in December. Though prices of commodities ruled steady then, they really began to take off during the second week of January, when the polar vortex descended from the North Pole into the US via Canada.

Natural gas was the primary beneficiary of this weather phenomenon. With half the households in the US using natural gas for heating, demand shot up, eating into inventories. As the cold wave prolonged and snow began to cover, other commodities such as oat, wheat, corn also began to gain. By Monday, natural gas had gained over 35 per cent despite paring gains last week by 11 per cent. Natural gas ruled at \$4.52/mMBtu on Tuesday. Oat was another commodity which gained due to cold weather since Canada, a major producer, was unable to move the coarse grain to the US. Canada is the top supplier of oat to the US for cereals and breakfast.

The problem with moving oat was that rail companies cut short their journeys to short ones because air brakes tended to fail due to extreme cold. On Tuesday, oat, which has gained over 12 per cent, was up over three per cent at \$4.97 a bushel, turning costlier than corn (industrial maize).

Brazilian drought

Grains, on the other hand, are accorded lower priority for transportation.

In between, wheat and corn, too, gained since farmers in the US couldn't move them to the ports as rivers got frozen. Even when the weather cleared, the rivers were in a spate making it difficult to move grains through barges.

As the market began discounting the cold weather, the news of drought affecting crops in South America, particularly Brazil's centre-south, began to impact the market. Heavy rains in the South American nation's centre-west have left soyabean fields flooded, affecting harvest in Mato Grosso.

Some regions in Brazil have received nearly double the normal rainfall in the last 10 days. According to analysts, this could reduce soyabean production by at least 0.5 million tonnes (mt) in Mato Grosso. In Parana, the production could be lower by at least two million tonnes.

On the Chicago Board of Trade, soyabean has gained over eight per cent. On Tuesday, the bean for delivery in May was up at \$14.13 a bushel.

Palm oil has also gained as a result of dry weather in South-East Asia. Malaysia and Singapore have not received rains for weeks together. Crude palm oil June contract has topped \$850 a tonne as result. On Tuesday, the contract ended at 2,795 ringgit or \$853 a tonne.

Soft commodities

Drought, on the other hand, has affected the coffee and sugar belt, cutting yields. Coffee production in Brazil is now projected at a three-year low of 36.3 million bags (of 60-kg each). This could be lowered if the drought prolongs. Sugarcane production is seen lower by 36 mt due to lack of rains for a period of over 60 days.

Though rains lashed the areas from the third week of February, they were seen as too late to save the crop.

Coffee prices, particularly those of Arabica, have surged by over 42 per cent.

On Tuesday, Arabica contracts for delivery in May were up at \$1.93 a pound on ICE US.

Sugar prices have gained nearly 10 per cent with raw sugar on ICE US for delivery in May rising to 17.72 cents a pound.

Coffee and sugar have tended to shed gains in view of improvement in weather conditions. Fears of drought affecting Australia have also played a part in driving prices higher.

On the other hand, unrest in Thailand and Ukraine has resulted in fears over supplies, pushing up prices of grains such as wheat, corn and rice further.

Wheat at \$6.28 a bushel has gained 15 per cent in view of weather and political unrest, while corn at \$4.68 a bushel is up over seven per cent.

Business Standard

Cardamom down 0.5% on profit-booking

[Cardamom](#) futures fell 0.51% to Rs 773.90 per kg today as traders reduced their holdings amid sluggish spot demand.

Besides, sufficient stocks position in the physical market also weighed on the prices.

At the [Multi Commodity Exchange](#), cardamom for March contract declined by Rs 4, or 0.51%, to Rs 773.90 per kg with a business turnover of 370 lots.

The spice for delivery in April fell by Rs 2.30, or 0.28%, to Rs 809 per kg with a trading volume of 196 lots.

Marketmen said besides profit booking by speculators at existing levels, fall in demand in spot market put pressure on cardamom prices in futures market.

Potato up 0.3% on pick-up in spot demand

[Potato](#) prices moved up by Rs 4.20 to Rs 1,189.50 per quintal in futures trade today on increased spot demand.

At the [Multi Commodity Exchange](#), potato for delivery in March rose by Rs 4.20, or 0.35%, to Rs 1,189.50 per quintal, with a trading volume of 38 lots.

Potato for delivery in April also moved up by Rs 3.40, or 0.28%, to Rs 1,200 per quintal with a trade volume of 22 lots.

Analysts said increased demand in the spot market against tight supplies from producing regions mainly pushed up potato prices at futures trade.

Onion export floor price abolished

With [onion](#) prices in the wholesale markets of Maharashtra and elsewhere dropping to Rs 6-7 a kg, the government on Tuesday abolished the minimum [export](#) price ([MEP](#)).

In December, the commerce ministry had reduced the MEP from \$350 a tonne to \$150 a tonne to boost exports and check the sharp fall in domestic prices.

The MEP was imposed in September when prices were very high. Thereafter, the MEP had to be raised several times to curb exports and boost domestic supplies as retail prices had shot up to Rs 100 a kg. To control the rise, India even had to import.

But now the situation has reversed. According to reports, exports fell to 853,000 tonnes during April-November of this financial year against 1,822,000 tonnes a year ago.

In FY13, India had exported 1.82 million tonnes. India's annual onion production is estimated at 19 million tonnes in 2013-14, while in 2012-13 it was estimated to be 16.8 million.

Sugar output down 11.7%

India's [sugar](#) output declined 11.7 per cent in the first four months of this cane [crushing season](#) (October 2013– September 2014) over the same period last year, due to a late start.

Data from the Indian Sugar Mills Association ([Isma](#)) showed total output at 16.9 mt between October 2013 and February 2014, compared to 18.8 mt in the corresponding period last year. Currently, 460 mills are operational, 23 mills more than at the same time last year.

“The season started with a 10-15 days delay due to farmers’ agitations in Uttar Pradesh and Maharashtra, the two largest sugar producers, over fixation of cane prices. In north Karnataka, crushing was delayed 15 days on high cane prices announced by the state government. Therefore, sugar output has been lower so far this year,” said Abinash Verma, director-general of Isma.

Mills in Maharashtra crushed 51.5 mt of cane to produce 5.7 mt of sugar, a 11.1 per cent recovery.

At the same time last year, mills in the state had crushed 59 mt to produce 6.6 mt of sugar, a 11.15 per cent recovery. Till date, 25 mills have closed operations for the season 2013-14; last year, 36 had stopped by February 28. In Uttar Pradesh, mills have produced 4.3 mt of sugar from 47.5 mt of cane crushing, a 8.99 per cent recovery. Last year’s comparative figures were 56 mt of cane to produce five mt sugar, with 8.94 per cent recovery. All 119 mills are still under operation, against 118 in the same period last year.

Mills have total unpaid arrears (to cane farmers) of around Rs 14,000 crore, of which those in UP owed Rs 10,000 crore, as on February 28. “Due to late commencement, the crushing season will end seven to 10 days later this year,” said Verma.

Subsidy helps sugar mills export 1.35 mt in a month

Since the government announced an export [subsidy](#) of Rs 3,333 a tonne on February 12 for shipments of raw [sugar](#) in February and March, mills have contracted for around 1.6 million tonnes (mt).

“Of that, we have shipped around 1.35 mt,” said Abinash Verma, director-general, Indian Sugar Mills Association ([Isma](#)). There is potential for another 400,000 tonnes, which would achieve a total of two mt, half the exportable [surplus](#) the industry claims to have for the current season.

While mills in Uttar Pradesh have little potential for export, due to high transportation cost, those in north Karnataka and Maharashtra have taken advantage of the subsidy.

Not much is left of the cane crushing season. Mills in Maharashtra will start declaring closure in mid-March. Those in other parts will also start gradually announcing closure, due to non-availability of cane. Industry sources believe all mills will be closed for this season by April 15.

“For the current season, half the surplus quantity is expected to be shipped. Another half will be taken up during the next season. Hence, we expect mills to see a turnaround next season onwards,” said Verma. According to informed sources, Isma is revising its sugar production forecast to 23.7 mt, slightly lower than the estimated consumption of 23.5 mt.

SUGAR STATS (in million tonnes)

Season	Sugar cane production	Sugar cane crushed	Sugar production	Closing stock
2008-09	285.0	145.0	14.5	4.4
2009-10	292.3	188.5	18.9	5.8
2010-11	342.4	239.8	24.4	6.0
2011-12	361.0	257.0	26.3	6.6
2012-13	339.0	250.6	25.1	9.3

Source: Indian Sugar Mills Association

Therefore, the industry will have a minute surplus when this season ends.

Meanwhile, both domestic and international prices have started recovering, if marginally. This is due to the export incentives announced by the Indian government and extremely bad weather expected to hit the Brazilian cane crop, resulting in lower supply from the world's two largest producers. Fuelled by continued fear over the

damage to output prospects in Brazil's key centre-south region from a dearth of rain, raw sugar futures for delivery in May jumped to 17.51 cents a pound on Monday at the benchmark Intercontinental Exchange, a rise of a little over eight per cent since Delhi announced its export incentive.

Refined sugar at NYSE Liffe in London has gained six per cent, to trade at \$472.80 a tonne since February 12. Spot prices in the Vashi (Navi Mumbai) mandi was up two per cent to Rs 2,751-2,852 a quintal on Tuesday from Rs 2,702-2,792 a qtl on February 12.

The price fell by Rs 6-7 a kg this year, below the cost of production. But, with the slight rise, the industry is currently breaking even, with the spot price at Rs 32-33 a kg, also reason for Verma's "we can expect a turnaround in mills' fortune next season onwards".

20% of UP's potato crop damaged due to rains

Persistent [rains](#) in the last week of February in [Uttar Pradesh](#)(UP) have dashed the state government's hopes of a bumper [potato](#) crop this year. [Dharmendra Nath Pandey](#), deputy director (potato) in UP's horticulture department, pegs the crop area of potato in the state at 556,000 hectares and estimates production at 14.4 million tonnes.

Earlier, a private agency had conducted a remote survey of the potato crop in UP and estimated 13.7 million tonnes of production. According to state government officials, at least 15 per cent of crop has been damaged in the potato belt of UP, while the damages in other parts could be 20-30 per cent.

Not only will the production go down but the farmers expecting a better price this year will also be disappointed, as a rain-soaked potato crop cannot be kept in cold storage for long lest it will rot.

Cold-storage owners say that instead of bringing potato crop to their warehouses, farmers would send the crop directly go to markets due to fear of further damage.

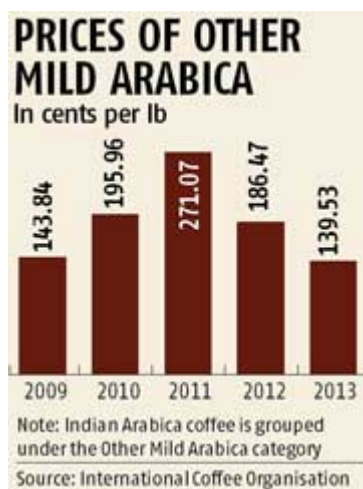
In the districts of Aligarh, Hathrus, Farrukhabad, Etawah, Ferozabad, Jalaun and Aauriyya - known as the potato belt of UP - millions of tonnes of potato has been damaged due to the rains. These districts contributes 60 per cent of the total potato production in UP.

Arabica coffee prices rise 92% in 4 months on Brazil drought

This year, [Arabica coffee](#) prices are likely to stand at 150-160 cents/pound (lb). Currently, the price is 194 cents/lb, a rise of 92 per cent compared with 101 cents/lb in November 2013. The rise in prices has been significantly high in the last 15-20 days.

Analysts say at current levels, some correction could be expected, adding prices might stabilise at about 150 cents/lb.

Prospects of a smaller-than-expected crop in [Brazil](#), the world's top coffee producer, owing to prolonged dry weather, led to the rise in prices. In 2012, the price of the other mild arabica variety (Indian arabica coffee comes under this category) stood at 186.47 cents/lb, before falling to 139.53 cents/lb in 2013. Compared with 237.21 cents/lb in January 2012, arabica prices fell 32.44 per cent to 125.97 cents/lb in December 2013.



“The market has moved up significantly in the last month. The Brazilian crop has been affected by a severe drought. Though the extent of the damage to the crop isn’t known, the supply of beans will be lower than last year. However, we expect prices to fall about 10 per cent in the short-to-medium term,” said [Ramesh Rajah](#), president, Coffee Exporters’ Association of India. He feels this year, prices won’t fall below the 150 cent-mark. Owing to the low supply of arabica and the higher prices, robusta consumption would improve, he said.

As a result of the recent rise in Arabica prices in global markets, farm gate prices in the major growing region of south India rose 61 per cent—from Rs 6,500 a bag (of 50 kg each) of washed arabica in December 2013 to Rs 10,500 a bag.

Exporters, however, aren’t benefiting much from the rise in prices, as they had made advance bookings for their stocks at the prices prevailing earlier. “Unless exporters had held back their stocks and booked containers at the current rate, they wouldn’t see much gain,” said Nishant Gurjer, a coffee exporter and former chairman of Karnataka Planters Association.

He added, “It is too early to say how much the shortage in Brazil this year will be. The damage to the Brazilian crop due to drought is real. We will know the exact position in about a month. If the damage is significantly high, the prices of arabica will be about 180 cents/lb this year.”

Through the last couple of months, Brazil’s coffee-growing regions have seen one of the worst droughts in decades. As a result, the coffee crop was damaged, leading to a rise of about 50 per cent in arabica prices.

In a recent report, Rabobank had scaled up its price forecast to about 140 cents/lb for the first quarter of this year and 150 cents/lb for the second quarter. Below-average rainfall and high temperatures across the key producing states of Minas Gerais, Sao Paulo and Espirito Santo had hit the coffee crop, with limited irrigation adding to the woes, the report had said. While it was too early to predict potential losses, Brazil's arabica yields and quality would be constrained during this season and the next, Rabobank had said.

Meanwhile, slow sales in Vietnam and the adverse weather conditions in Brazil have also raised robusta prices. Rabobank says with just 40 per cent of Vietnam's crop sold so far, prices will ease through the next few months, as more robusta becomes available. The bank revised its robusta price forecast to \$1,800 a tonne for the first quarter of the year and \$1,950 a tonne for the second.
