

Paddy cultivation in kharif season down as farmers switch to vegetables



Area of paddy cultivated in kharif season in Dakshina Kannada decreased by more than 17 per cent and in rabi by more than 15 per cent in the past decade and a half, according to the Department of Agriculture.

Officials attributed this to farmers switching over to horticulture crops and converting the area under the food crop for various other activities.

The district had 38,291 hectares under paddy in the 1999 kharif season. It came down to 31,646 hectares, a decrease by 6,645 hectares (17.35 per cent), in 2013 kharif season.

The food crop under rabi season declined from 25,195 hectares in 1999-2000 to 21,201 hectares in 2012-13, a decline of 15.85 per cent.

“Now the challenge is to save the existing area under paddy by increasing productivity and reducing production cost,” said H. Kempe Gowda, Joint Director of Agriculture, Dakshina Kannada.

He said that now the department was recommending seed treatment, soil treatment and mechanised transplanting to increase productivity and reduce production cost.

Mr. Gowda said that rice blast, is the main disease which affected the crop, coming in the way of productivity. Sowing the seeds after mixing it with carbon dizem

powder and spraying it after transplanting helped in controlling the disease for over two months. It could save about half the crop.

He said that heavy rains in Dakshina Kannada resulted in leaching out of nutrients in soil resulting in alkaline condition. Then it would lose the capacity to absorb fertilizers. Hence, to bring soil to neutral condition, the department recommended the application of agriculture lime for every alternate year.

In addition, mechanised transplantation helped in increasing productivity. The department was providing seeds, chemical powder, agriculture lime and transplanting machine at 50 per cent subsidised rate to farmers.

According to Prabhakara Mayya, a progressive farmer at Nada village, near Ujire, paddy saplings should not be planted deep as they did not have mother root. They should be just planted on the surface of the slush field for roots to spread. Under the manual method, workers, planted them at six-inch depth.

When the machine is used, it plants the saplings just on the surface, with ideal spacing for the plants to breathe and spread roots. As a result, the plants grow healthy and yield more.

While the district is struggling to maintain its paddy acreage, the Agriculture Department has set the target of growing paddy in 33,500 hectares, in 2014-15 during the kharif season.

The target was the same for previous year, but paddy was cultivated in 31,646 hectares, in the last kharif (2013-14).

Though the department here, two years ago, recommended the government to go for Kerala model of package, to encourage paddy cultivation, the government has not taken any decision on it. — Special Correspondent

Set up Cauvery Board, farmers urge Modi

Farmers of the Cauvery delta districts of Thanjavur and Tiruvarur have appealed to the new government to be formed at the Centre to form the Cauvery Management

Board and Water Regulation Committees to implement the final award of the Cauvery River Water Disputes Tribunal.

“We hope that the Narendra Modi government will do justice to Tamil Nadu,” said S. Ranganathan, secretary of the Cauvery Delta Farmers Welfare Association.

Cauvery was one of the oldest river water disputes in the country, and the unique feature was that sharing of distress as the Cauvery was a deficit river, Mr. Ranganathan said. “When there is surplus, there is no problem. Problem crops up only when there is a deficit. The Tribunal suggested ways of sharing distress,” he said.

He said formation of the Cauvery Management Board was of utmost importance. It was unfortunate that it had not been formed for the past seven years though the final award was delivered in 2007.

In the final award, the Tribunal said: “A Cauvery Management Board on the lines of the Bakra-Beas Board should be formed. In our opinion, the necessity of setting up a suitable mechanism [a management board] is of utmost importance. Furthermore, such a mechanism should be adequately empowered. This should have powers to implement the Tribunal’s decision. Otherwise, we [the Tribunal] are afraid that our decision would remain on paper.”

“Though the Tribunal has made it clear in its final award, the Board has not yet been formed. Unlike the Congress-led government [UPA-II] which did not take steps to form the Board, we hope the Modi government will address this issue on a priority basis,” Mr. Ranganathan said.

P. Maniarsan, convener of the Cauvery Urimai Meetpu Kuzhu, said the Cauvery Management Board should be formed by the new government before June 7 so that water could be released from the Mettur dam on the traditional date of June 12 for the cultivation of Kuruvai crop. “If the government failed to heed to our appeal, we would launch an agitation,” Mr. Maniarsan said.

Malnad farmers urged to take up sericulture, pisciculture



Chief Executive Officer of Shimoga Zilla Panchayat, Sasikanth Senthil, has underscored the need to promote sericulture and pisciculture in Malnad region under the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

Small and marginal farmers can develop necessary infrastructure required to take up sericulture or pisciculture on their agricultural land with MNREGA funds. It was necessary to create awareness on the issue among rural people, Mr. Senthil said at a meeting convened to review the progress of implementation of Karnataka Development Programmes in the city on Tuesday.

Mr. Senthil directed officials of the sericulture and pisciculture departments to explore the possibilities of converging existing schemes with MNREGA. It is possible to generate income and employment in Malnad region through pisciculture and sericulture, he said.

President of the Standing Committee on Social Justice B.S. Yallappa asked Fisheries Department officials to avoid delay in releasing the fingerlings to tanks and ponds.

Though the district received incessant rain last year, farmers who had bagged the contract of rearing fish in village tanks did not benefit much owing to the delay in providing fingerlings to them.

The department should commence rearing fish seeds in hatcheries as soon as the monsoon commences to avoid the delay in supply, Mr. Yallappa said.

Pending works

T. Nagaraj, executive engineer of Department of Minor Irrigation, told the meeting that works related to eight lift irrigation projects in the district, for which tenders were awarded in 2008, were not completed owing to the negligence of contractors. Mr. Senthil directed Mr. Nagaraj to complete the pending works in an expedited manner by availing district administration's cooperation to resolve problems related to land acquisition and project cost revision.

Fruit rot disease

Deputy Director of Department of Horticulture, M. Viswanath, informed the meeting that it was possible to minimise loss due to fruit rot disease in arecanut plantation by undertaking spraying of copper sulphate mixture prior to the onset of monsoon. The department was creating awareness among farmers by distributing pamphlets in the villages. He said that the ample stock of copper sulphate was maintained in the district.

District Labour Officer M.P. Vishwanath said that a target to enroll 3.68 families under Rashtriya Swasthya Bima Yojana had been set for the district, and so far, 41 per cent of the target had been achieved.

Zilla panchayat president Geetha Mallikarjun, and President of the Standing Committee on Education and Health Gayathri Shanmukhappa were present.

More than `100 Udupi farmers smitten by the silk bug



Sericulture or silk farming is now catching up in Udupi district with more than 100 farmers cultivating it on 100 acres. The production of bivoltine (two brood in a season) cocoons in the district is 3,000 to 3,500 kg annually. The yield per 100 disease-free layings is 65 to 70 kg per crop.

Many young farmers have taken to silk farming in Karkala, Ajekar, Hebri, Mudrady, Kantawar, Mala, Kodlady, Cherkady, Marady, Ajri and Pethri in the district, according to a press release issued here.

Ganesh Shettigar (29), a farmer in Mudrady village, who has won an award for following integrated agriculture, has been cultivating silk in about two acres of land. He has also been encouraging other farmers to cultivate and has also been working as resource person for the Department of Sericulture to popularise silk farming. "Many farmers come to my farm to study about silk farming," he said.

The Department of Sericulture has been encouraging farmers to take up silk farming. Silk rearing is done on Mulberry leaves. Mulberry is a hardy plant capable of thriving under a variety of agro-climatic conditions. It is also sensitive, responding extremely well to optimum agricultural inputs, but shows practically no growth when plant nutrients and moisture begin to operate as limiting factors. The mulberry plants require proper water facility.

Training

Since silk farming requires good technical and scientific knowledge, interested farmers are given a week's training, at the Rural Development and Self Employment Training (RUDSET) Institute at Heroor village near Brahmavar by the Department. They are also taken on a study tour to the farms of progressive farmers in the district.

"We tell the farmers how silk cultivation can help them. They follow the guidelines given by us on silk farming," said H.S. Kori, Field Officer, from the Department.

Many farmers in the Hebri-Bachchappu belt are now dependent on silk farming alone.

They now produce four to seven crops of silk annually and get quality yield from it. The Department also helps them in marketing their produce.

The farmers send the silk produced on their farms to the markets in Bangalore and Ramanagara for sale.

Subsidy

But the farmers have to be careful about the moisture in the climate while cultivating silk worms. Some poor farmers have also constructed sheds for silk worm rearing from the subsidy provided by the Department.

“For 1,000 square feet of rearing shed, a subsidy of Rs. 75,000, is given by the Sericulture Department. An amount of Rs. 6,750 is given as plantation subsidy for cultivation of mulberry plants per acre.

Equipments including rearing trays, disinfectant sprays get 75 per cent subsidy of total cost not exceeding Rs. 32,500 per acre”, said Upendra Nayak, District Sericulture Officer.

NABARD to promote agriculture through ‘Uzhavar Mandrams’

The National Bank for Agriculture and Rural Development (NABARD) is into the process of promoting agricultural activities in the district through the 350 Farmers’ Clubs (Uzhavar Mandrams) functioning at the level of hamlets.

Orientation

The Farmers’ Clubs are given financial support for conducting programmes focussing on technology-upgrade of farming practices. Experts are invited to provide them orientation on topics such as organic farming, and rearing of milch cows and goats.

Members of these clubs had, in the past, gone on exposure visits to Theni to learn about tissue culture of banana, to Maharashtra to gather ideas on pomegranate cultivation, and to Udumalpet to know about the methodology of ultra high-density





mango crop cultivation, G. Santhanam, Assistant General Manager of NABARD, said.

Federations were being formed out of the Farmers' Clubs that play a catalyst role in repayment of agricultural loans. Federations were provided with bank loans at low interest rates for making investments on purchase of agricultural equipment for selling them.

More clubs

Four federations already existed and three more would be formed this year. The NABARD was also looking forward to starting 40 more Farmers' Club during 2014-15, Mr. Santhanam said.

'Agri-based industries need of the hour'

POPULAR VIEWS AND DEMANDS		
Making good use of ports is crucial for the development of the new State	There should be one port each in all coastal districts, and they should be interlinked	Agriculture-based industries need support from the farm sector 
The National Fisheries Development Board office should be shifted to a coastal district 	A single-window facility to grant permission for various projects is a necessity	
 Non-availability of labour and rise in labour costs are the two major challenges facing the peasantry. Farm mechanisation is the only solution KOVVURI TRINADHA REDDY Farmer	 The new government must focus on protecting the interests of employees from the Andhra region and currently working in Telangana. VADREYU VEERALAKSHMI DEVI, Writer	

With a new government having been voted to power, a cross-section of society expects much from it. In fact, the new dispensation has before it the arduous mission of developing the region into a State. East Godavari district, considered to be the rice bowl of the State, is rich in aquaculture and is the right place for setting up agri-based industries.

“Making good use of the port is the need of the hour. There should be one port each in all coastal districts, and all these ports should be interlinked,” says Dantu Surya Rao, chairman of Cocanada Chamber of Commerce. “The government must take the initiative to set up a maritime board here, so that the ports will become self-sufficient,” he points out.

Agri-based industries need support from the farm sector, and the peasantry in the region is in neck-deep trouble. “Non-availability of labour and rise in labour costs are the two major challenges facing the peasantry here. Farm mechanisation is the only solution to these problems, and it is possible only if the government grants huge subsidies on farm implants,” says Kovvuri Trinadha Reddy, a progressive farmer from Ramachandrapuram.

“The office of the National Fisheries Development Board has to be shifted to one of the coastal districts from Hyderabad. This is the place where marine activity is taking place, and the offices concerned should be located here,” says L. Satyanarayana, president of All-India Shrimp Hatcheries Association. Holding that it will be a tedious task for aqua farmers and traders to obtain permission from various departments for their ventures, he called for a single window facility to grant permission for projects. “After all, aquaculture is a major industry along the coast,” he says.

“The new government must focus on protecting the interests of employees from the Andhra region and currently working in Telangana. Protecting their interests is the need of the hour, and the initiative must be taken by the State government here,” says retired lecturer and writer Vadrevu Veeralakshmi Devi. “There is a sense of uncertainty among employees here, and this is the time to comfort them,” she adds.

Collector raids mango godowns



Over three tonnes of mangoes, which were being ripened using calcium carbide stones in at least five godowns at Mambazhasalai in the city, were seized and destroyed under the orders of the District Collector Jayashree Muralidharan here on Tuesday.

The Collector, who was on an inspection to the Cauvery River on Tuesday evening, made a surprise inspection at the mango godowns at Mambazhasalai.

Much to her shock, calcium carbide stones were found under huge quantities of mangoes that were found at the godowns. She ordered the officials to break open the locks of one of the godowns which was found locked at the time of inspection.

Ms.Muralidharan directed Corporation Commissioner V.P.Thandapani, who was accompanying her, to seize the mangoes. Corporation lorries were brought in to transport the mangoes to the Corporation garbage dump to be for being destroyed. The Collector also directed the officers to book cases against the owners of the godowns.

Sale of mangoes fetches Rs.13 lakh for FRS



Mangoes, the fruit of summer, has fetched Rs. 13 lakh for the Fruit Research Station (FRS), located at the district headquarter. This is one of the oldest research stations in the State, more focused on the activity related to fruits like mangoes, guava and clustered apple.

The FRS spread in about 120 acres, hosts about 470 varieties of mangoes and the commercial varieties include Banginapally (Benishan), Dasheri (North Indian famous fruit), Himayat, Amrapali, Royal special (off season variety), Kesar and

Mahmooda Vikarabad. The last one is a dwarf variety that can be grown alongside compound walls of the houses as its growth will not be a problem for structures. The Daseri fruit attracts buyers not only locally but also from city and surrounding areas as it is one of the sweetest fruits. One can get about six to eight fruits per kilogram as the size of fruit will be small. On the other hand, just two fruits weigh one kg. in case of Himayat. Mangoes are usually being grown in three blocks. But this was reduced to two blocks as one block was diverted for another research purpose – rejuvenation of mango trees in large scale. This was taken up to give new lease of life for age old trees.

Though mangoes are fetching more than Rs 20 lakh revenue every year for the FRS, this year the revenue was reduced due to various reasons, including allocation of one block for research purpose and rains that hit the place for long time during last year.

“The rejuvenated mango trees start yields after two years as the experiment is successful,” Agriculture Officer S Venkatesh told *The Hindu* .

Local holiday for Flower Show

The Nilgiris Collector P.Sankar has in a press note issued here said that in view of the Flower Show, May 23 will be a local holiday in the district. All the State Government offices and educational institutions will remain closed. The district treasury, sub treasuries and offices connected with government security will function with skeleton staff. In lieu of this, June 21 will be a working day.

Notice issued to NSL sugar mill

Mandya Deputy Commissioner M.N. Ajay Nagabhushan has issued a notice to the NSL (SCM) Sugars in Maddur taluk in the district as the company has not cleared dues amounting to Rs. 47.99 crore to sugarcane farmers for the last crushing season.

The DC has instructed the mill to clear the dues to sugarcane growers in the next seven days, the Information Department said.

According to Section 9 of the Karnataka Sugarcane (Regulation of Purchase and Supply) Act 2013, sugar mills should clear the dues within 14 days of the procurement of produce, the DC stated in the notice. The defaulting mills are liable to pay dues at 15 per cent interest rate, or face punishment

The mill had crushed (till April 30) 7,36,423 tonnes of cane last season, and produced 69,922 tonnes of sugar.

Protest

Meanwhile, Karnataka Rajya Raitha Sangha members staged a protest outside the DC's office against the non-payment of the stipulated price of Rs. 2,500 a tonne to sugarcane growers. Several mills in the district had failed to clear dues of around Rs. 100 crore, KRRS leader K.S. Nanjunde Gowda told presspersons.

Water level

Mettur

The water level in the Mettur dam stood at 35.28 feet on Tuesday against its full level of 120 feet. The inflow was 507 cusecs and the discharge, 500 cusecs.

TIRUNELVELI

The water level stood at 51.15 feet (maximum level is 143 feet) in the Papanasam dam on Tuesday. The dam had an inflow of 28.13 cusecs and 204.75 cusecs of water is discharged from the dam.

The level in the Manimuthar dam stood at 67.81 feet (118 feet). The dam had an inflow of 17 cusecs and no water is discharged.

Kanyakumari

The water level stood at 20.11 feet in Pechipparai dam, 45.40 feet in Perunchani, 7.93 feet in Chittar 1, 8.03 feet in Chittar 11, 6 feet in Poigai and 54.12 feet in Mamabazathuraiyaru dam.

Chennai

Chennai - INDIA

Today's Weather



Sunny

Wednesday, May 21

Max Min

30° | 20°

Rain: 0

Sunrise: 05:42

Humidity: 52

Sunset: 06:27

Wind: normal

Barometer: 1006

Tomorrow's Forecast



Partly Cloudy

Thursday, May 22

Max Min

37° | 28°

Extended Forecast for a week

**Friday
May 23**



38° | 28°

Partly
Cloudy

**Saturday
May 24**



37° | 29°

Partly
Cloudy

**Sunday
May 25**



36° | 29°

Partly
Cloudy

**Monday
May 26**



35° | 28°

Partly
Cloudy

**Tuesday
May 27**



35° | 28°

Partly
Cloudy

Airport Weather

Chennai

Chennai

Rain: 0

Sunrise: 05:42

Humidity: 52

Sunset: 06:27

Wind: normal

Barometer: 1006



Tobacco exports top record Rs. 6,000-crore mark

Flue Cured Virginia shipments surge to record 1.80 lakh tonnes



Hyderabad, May 20:

The Indian tobacco sector has achieved yet another milestone surpassing last year's record in terms of both quantity and value. In the financial year 2013-14, 2.64 lakh tonnes of tobacco and tobacco products worth Rs. 6,059 crore were exported. Of this, the contribution of un-manufactured tobacco to volumes was 2.34 lakh tonnes at Rs. 4,842 crore. The country exported 29,534 tonnes of tobacco products valued at Rs. 1,217 crore.

Exports to Western Europe dominated with 34 per cent, followed by Eastern Europe (14%), the Gulf (11%), South and South East Asia (20%), Africa (13%), and North and South Americas (8%).

FCV shipments

Similarly, the Flue Cured Virginia (FCV) tobacco exports have also surpassed the previous record of 1.74 lakh tonnes (clocked during 2009-10) to reach 1.80 lakh tonnes.

FCV tobacco exports earned Rs. 4,086 crore. In dollar terms, this is valued at \$ 675 million, the Tobacco Board said here in a statement on Tuesday. Exports of FCV tobacco during 2013-14 have increased by 2 per cent, 28 per cent and 15 per cent

in quantity, rupee and dollar terms respectively compared with the exports made during the last year.

Export markets

Major destinations for Indian un-manufactured tobacco during the period are Belgium, Egypt, Russia, Korea, the Philippines, the US, the UAE, Netherlands, Germany, Yemen, Nepal and Poland.

Jasmine prices plunge to record low

Jasmine, which finds its way to the Gulf market from Bangalore, is now turning a problem from growers as its price has dived to a record low of Rs. 60 a kg.

Jasmine is cultivated on over 25,000 acres of land in Sathyamangalam, Rajan Nagar, Kothamangalam, Pudupeerkadavu, Chikkarasampalayam and twenty other hamlets in Tamil Nadu's Erode district.

On an average, 15 tonnes of jasmine arrive at the Sathyamangalam private market run by the Sathyamangalam Flower Merchants Association.

Muthuswamy, President of the Association, told *Business Line* that on Monday, 10 tonnes of jasmine arrived for sale and fetched Rs. 100 a kg.

However, on Tuesday 12-13 tonnes of jasmine arrived and they were sold at Rs. 60 a kg. All the 12 tonnes were sold.

Farmers are unhappy over the low price and say that they have to pay more for engaging skilled labourers. Jasmine was sold at Rs. 60 a kg in Anthiyur as well.

Mullai, another fragrance flower of the Jasmine family, is also selling at a low Rs. 22 a kg against Rs. 100 a few days ago.

Farmers said some growers may sell their produce to a perfume factory near Mettupalayam, but the factory is not buying *mullai*.

Both the *m ullai* and jasmine growers said the Tamil Nadu Government should arrange to produce flowers during the lean seasons or start a perfume factory at Sathyamangalam.

Sugar turns sour on limited demand

ugar prices on the Vashi wholesale market dropped by Rs. 4-10 a quintal for S-grade and increased by Rs. 5-20 for M-grade, resulting in a mixed trend . *Naka* and mill tender rates were almost steady .

A Vashi-based wholesaler said that retail demand was low, arresting buying by wholesale merchants at mill level as ample stocks are available in Vashi market. The volume at upper-mill level was routine and prices were under pressure as producers are continuously selling the commodity in local markets in the absence of upcountry or export demand.

Arrivals at Vashi were around 57-58 truckloads (each 100 bags) and local dispatches were 52-53 loads. Bombay Sugar Merchants Association's spot rates: S-grade Rs. 3,112-3,251 (Rs. 3,122-3,255) and M-grade was Rs. 3,242-3,416 (Rs. 3,242-3,392). *Naka* delivery rates: S-grade Rs. 3,060-3,130 (Rs. 3,060-3,130) and M-grade Rs. 3,170-3,270 (Rs. 3,160-3,300).

Steaming basmati exports treble millers' profits

Surging Profits		(in Rs crore)		
		2013-14	2012-13	2011-12
KRBL Ltd	Revenues	2853.21	2110.06	1636.99
	Profits	265.31	150.45	71.15
LT Foods Ltd	Revenues	1810.85	1667.48	998.86
	Profits	38.48	33.83	4.44
Chamanlal Setia Exports Ltd	Revenues	416.28	272.51	211.17
	Profits	18.22	11.97	7.4



Thanks to robust demand from Iran and West Asia, Indian basmati rice processing and marketing companies such as KRBL Ltd and LT Foods Ltd have seen their profits surge more than three times over the past three years.

During the same period, most of these companies have more than doubled their revenues on rise in basmati prices.

Strong demand

Anil Mittal, Chairman and Managing Director of KRBL Ltd, which sells basmati under the India Gate brand, attributed the growth to robust demand for the company's brands in both overseas and domestic markets.

“Our growth has nothing to do with Iran as it accounts for a mere 2-3 per cent of our total turnover,” Mittal said, while pointing to the fact that KRBL's domestic business had tripled in the past three years.

KRBL expects to sustain the growth momentum on the rising demand from overseas and domestic markets. “In the current financial year, we expect growth to be a minimum of 20 per cent,” Mittal said.

Basmati exports have doubled in volume in the last four years to a new high of 4.02 million tonnes. In value terms, exports exceeded Rs. 28,189 crore, a growth of 48 per cent over last year.

Prices of basmati have almost tripled over the past five years, benefiting growers, rice millers and the trade. Parboiled basmati rice is currently traded at around Rs. 85 a kg in the wholesale market, while raw rice is hovering around Rs. 95/kg.

Faster growth overseas

Vijay Setia, Director, Chamanlal Setia Exports Ltd, expects overseas shipments of the aromatic rice to grow at a faster pace this year as Indian exporters have turned aggressive reaching out to newer markets in Asia, Africa and Europe.

Basmati exports to countries such as South Africa, Egypt, Azerbaijan, Tanzania, Poland and Ukraine, among others have, more than tripled in the past three years.

“While domestic demand is growing at 10-15 per cent, exports are poised to grow by 20-25 per cent to touch the 5-million-tonne mark in the current fiscal,” Setia said. Reuters reports from Singapore: Thailand is offering 5 per cent broken variety at \$360-\$380 a tonne, free on board, compared with similar varieties of rice being offered at \$395 a tonne in Vietnam, \$420 a tonne in India and \$430 a tonne in Pakistan.

This is well below prices above \$600 a tonne in late 2011 and highs near \$1,000 a tonne in 2008.

Sheet rubber gains

Spot rubber prices ruled firm on Tuesday. Most counters finished higher extending Monday's gains as sentiments remained positive, while RSS 4 was flat lacking follow-up buying at higher levels.

Sheet rubber closed steady at Rs. 145 a kg, according to traders. The grade improved to Rs. 145 (Rs. 144) and Rs. 142 (Rs. 141) respectively, as quoted by the Rubber Board and dealers. June futures inched up to Rs. 148.85 (Rs. 148.64),

July to Rs. 150.25 (Rs. 149.84), while the rubber mini June futures weakened to Rs. 148.01 (Rs. 148.64) on the National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs. 122.53 (Rs. 122.93) at Bangkok.

May futures closed at ¥193.8 (Rs. 112.42) on the Tokyo Commodity Exchange.

Spot rubber rates (Rs. /kg) were: RSS-4: 145 (145); RSS-5: 142 (141); Ungraded: 138 (137); ISNR 20: 137 (136) and Latex 60%: 116 (115).

Business Standard

Global sugar output stares at deficit on poor Brazil crop



Brazilian cane grower [Jose Rodolfo Penatti](#) can see evidence from his house window that the world is heading for its first [sugar](#) production deficit in four years.

On the 150 acres his family has farmed in Sao Paulo state since the 1950s, stalks are half the normal height of more than three meters (9.8 feet) and brown rather than green, after a drought from January through March parched the Centre South region. “It’s the worst scenario I’ve ever seen,” said Penatti, 54, who estimates he’ll lose 20 per cent of his harvest.

The smaller crop in [Brazil](#), the world’s largest grower and exporter, will leave global sugar output 900,000 tonnes below demand in the 12 months ending September 30, and the shortfall could be bigger next year, said [Bruno Lima](#), a senior risk-management consultant at FCStone do Brasil. Copersucar SA, a trader, predicts raw sugar futures will jump 13 per cent by year-end to 20 cents a pound.

An extended rally might boost costs for buyers including Nestle SA, while reviving profit for refiners after four years of surpluses forced dozens to close.

“The deficit has taken the market by surprise,” [Peter Sorrentino](#), who helps manage about \$3.8 billion at Huntington Asset Advisors in Cincinnati, said on Sunday. “It doesn't take much variation on weather to have significant changes in harvest projections. The market has been down for so long, investors and the industry are also reacting to potential loss in capacity.”

Raw sugar has advanced 14 per cent since the end of January to 17.77 cents yesterday on ICE Futures US in New York, outpacing the 5.1 per cent gain in the Standard & Poor's GSCI Spot Index of 24 commodities. The MSCI All-Country World index of equities rose six per cent over the same period, while the Bloomberg Treasury Bond Index increased 1.4 per cent.

Brazil, which accounted for 28 percent of global output last year and 57 percent of exports, had its driest summer in at least seven decades in the Center South region, damaging tropical crops including sugar cane, coffee and oranges. Arabica-coffee futures surged 66 percent this year, touching a 26-month high in April, and orange-juice futures rose 12 percent.

From December through February, rainfall in Sao Paulo was as little as 25 percent of normal, limiting plant growth and eroding yields, said Drew Lerner, the president of the Overland Park, Kansas-based forecaster World Weather Inc.

Cane output in the Center South, which accounts for about 90 percent of Brazil's total, may drop as much as 5.2 percent to 565 million tons, according to Julio Maria Borges, head of Sao Paulo-based consultant JOB Economia & Planejamento.

Extending Deficit

Global demand will reach a record 167.6 million tons in the year ending Sept. 30, extending two decades of increases that saw consumption surge 48 percent, U.S. Department of Agriculture data show. In the 2014-2015 season that starts Oct. 1,

demand may outstrip harvests by as much as 3 million tons, according to Sao Paulo-based Copersucar.

Producers in Brazil, Mexico and China have seen reduced incentives to boost output after prices tumbled as much as 59 percent from a 30-year high in February 2011 to this year's low in January, and as refining costs increased, according to Jonathan Kingsman, founder of Kingsman SA, a unit of McGraw Hill Financial Inc.'s Platts. Since 2010, at least 44 Brazilian mills closed, said Norberto Zaiet, a vice president at Sao Paulo-based Banco Pine.

Surplus Sugar

Ample inventories may keep prices in check. Even with record demand, global stockpiles at the end of September will reach 43.38 million tons, the most ever, according to the USDA. Buyers with enough sugar to meet their needs may curb purchases.

Supplies are rising outside of Brazil. Thailand, the second-largest exporter, saw output jump 13 percent in the season that began Nov. 25, the Office of Cane and Sugar Board said May 7.

"We still have ample inventories," Ivan Melo Filho, commercial director at Raizen, said in an interview in New York May 13. That could limit the upside.

Money managers are getting more bullish, with a net-long position on May 13 of 135,016 futures and options contracts, the most since Nov. 19, Commodity Futures Trading Commission data show. As recently as Feb. 18, hedge funds and other large speculators were bearish, with a net-short position of 26,489 contracts.

"With rising expectations for an El Niño weather pattern developing, the risks to our medium-term forecasts are skewed to the upside," analysts at Goldman Sachs Group Inc., led by Jeffrey Currie, said in a report dated May 13.

Cane Ethanol

Supplies may tighten further as more cane is used to make fuel, which offers better returns as domestic demand and prices increase. As much as 58 percent of Brazil's crop will be converted to ethanol, according to Raizen, a joint venture of Royal Dutch Shell Plc and Cosan SA. That would be the highest rate in five years, according to Unica, an industry group.

On the farm in Piracicaba, about 160 kilometers (100 miles) northwest of Sao Paulo, Penatti said he'll be lucky to collect 10,000 tons of cane from the harvest that started this month, compared with 12,500 tons last year.

"The losses will be severe," he said.

Chana extends losses on increased supply



[Chana](#) prices fell further by 1.85 per cent to Rs 2,923 per quintal in futures trade today as speculators offloaded positions, triggered by increased supplies from producing regions.

At the National Commodity and Derivative Exchange, chana for delivery in June shed Rs 55, or 1.85 per cent to Rs 2,923 per quintal with an open interest of 1,56,330 lots.

The May contract lost Rs 49, or 1.68 per cent to Rs 2,875 per quintal in 1,130 lots.

Analysts said the fall in chana prices at futures trade was due to offloading of

positions by speculators amid increased supplies from producing regions against weak demand in the spot market.

Sugar gain 0.6% on summer season demand



[Sugar](#) prices rose 0.60 per cent to Rs 3,038 per quintal in futures trade today as speculators created fresh positions, tracking a firm trend at spot market on summer season demand amid fall in production.

At the National Commodity and Derivatives Exchange, sugar for delivery in July rose by Rs 18, or 0.60 per cent, to Rs 3,038 per quintal with an open interest of 23,250 lots.

The June contract added Rs 11, or 0.36 per cent, to Rs 3,036 per quintal in 51,990 lots.

Analysts said fresh positions built up by speculators on the back of rising demand from bulk consumers in the spot markets and fall in output influenced the sweetner prices at futures trade.

Cardamom remains weak on sluggish demand



[Cardamom](#) remained weak for the second day and prices declined further by 0.29 per cent to Rs 969 per kg in futures market today owing to slackened demand in the spot market against adequate stocks positions.

At the Multi Commodity Exchange, cardamom for delivery in July moved down by Rs 1.80, or 0.29 per cent to Rs 969 per kg in business turnover of 16 lots.

The June contract shed 90 paise, or 0.09 per cent to Rs 987 per kg in 190 lots.

Marketmen said besides sluggish demand in the spot market, adequate stocks in the physical market, mainly kept pressure on cardamom prices at futures trade.

DECCAN Chronicle

Tamil Nadu starts increasing height of Mullaiperiyar dam



Theni (TN): The Tamil Nadu government on Tuesday began work on increasing the Mullaiperiyar dam level to 142 feet as per the orders of the Supreme Court, with a 12-member team taking up shutter renovation work.

In the first step, efforts would be taken to operate the shutters manually as well as power motors. The work would take one week for completion official sources said, adding, already work was on to mark the maximum dam level of 142 feet.

The Supreme Court had on May 7 struck down a law promulgated by Kerala Government declaring Mullaperiyar dam as endangered and restrained it from obstructing Tamil Nadu government to raise the water level.

THE ECONOMIC TIMES

Cardamom futures extend weakness on sluggish demand



NEW DELHI: Cardamom remained weak for the second day and prices declined further by 0.29 per cent to Rs 969 per kg in futures market today owing to slackened demand in the spot market against adequate stocks positions.

At the Multi Commodity Exchange, cardamom for delivery in July moved down by Rs 1.80, or 0.29 per cent to Rs 969 per kg in business turnover of 16 lots.

Likewise, the spice for delivery in June contract shed 90 paise, or 0.09 per cent to Rs 987 per kg in 190 lots.

El Nino may not be saviour for depressed rubber market: Industry sources



SINGAPORE: El Nino could potentially affect global rubber output this year but the weather anomaly may not rescue prices from near multi-year lows as worries about China's economy and ample supply weigh on the market, industry sources said on Tuesday.

Benchmark Tokyo rubber futures have sunk to their weakest in more than four years on concerns over demand in main consumer China, even as output drops in Southeast Asia during the dry wintering season, which will end this month.

Global weather forecasters say the likelihood of an El Nino event is increasing, which could be a blessing for rubber prices if the weather phenomenon strikes when the second round of wintering starts, in July through September, and severely cuts supply.

But some rubber analysts at an industry summit in Singapore warned against pinning too much hope on El Nino, a warming of the surface of the tropical Pacific Ocean that can trigger heavy rains or droughts around the globe.

"If there was a fantastic drought in Thailand or Indonesia for the whole season and nobody tapped the trees or some of the trees died, then clearly that would have a pretty negative message," said Stephen Evans, secretary-general of the International Rubber Study Group

"That would make the market react. I could see why people hope, but I personally, don't think that it is relevant."

But low rubber prices in Thailand, Indonesia and Malaysia, which contribute about 70 percent of global output, have prompted tappers to either stop tapping or looking for other jobs.

Despite a recent rebound, the TSR20 contract on Singapore's SICOM exchange, which covers Thai, Indonesian and Malaysian grades, is still not far from its weakest in nearly five years.

The IRSG, which forecasts supply and demand, expects supply to outstrip demand by 241,000 tonnes in 2014, putting pressure on prices.

"The price of rubber is already too low," said Asril Sutan Amir, adviser to the Indonesian Rubber Association (GAPKINDO).

"Can you imagine that 1 kilo of rubber now only equals half a kilo of rice? You should be able to get 3 kilos of rice by selling 1 kilo of rubber."

GAPKINDO expected rubber output in second-largest producer Indonesia to fall around 3 percent to 3 million tonnes this year because of the prospect of El Nino.

Production in top producer Thailand may rise as much as 5 percent in 2014, less than the usual rate of 10 percent, but industry officials stopped short of linking it to the possible impact of El Nino.

Industry sources said the rubber market was still at the mercy of the state of the global economy and poor demand outlook.

"We are in a period of, I would say, instability in the industry. I think it will probably last for another year or two until we see a shift change in the macroeconomic performance of the global economy" said Evans from IRSG.

Tamil Nadu starts work on increasing Mullaperiyar dam level



Tamil Nadu government on Tuesday began work on increasing the Mullaiperiyar dam level to 142 feet as per the orders of the Supreme Court, with a 12-member team taking up shutter renovation work.

In the first step, efforts would be taken to operate the shutters manually as well as power motors. The work would take one week for completion official sources said, adding, already work was on to mark the maximum dam level of 142 feet.

The Supreme Court had on May 7 struck down a law promulgated by Kerala Government declaring Mullaperiyar dam as endangered and restrained it from obstructing Tamil Nadu government to raise the water level.

The apex court had held that the dam was safe and allowed the Tamil Nadu Government to raise the water-level to 142 feet and ultimately to 152 feet after completion of strengthening measures on the dam.

Tamil Nadu and Kerala have for long been at loggerheads over the dam safety issue. While Tamil Nadu contended that the dam was safe and its water-level had

to be raised, Kerala had maintained that the structure was weak and needed to be replaced.

The dam is situated in Thekkady District in Kerala and is owned and operated by the Tamil Nadu.



Mango Mania From Tomorrow

KOCHI: Mango lovers in the city can now savour their favourite fruit with the 11-day Mango fest set to start at Marine Drive Helipad Ground this Thursday. The fest that will display 50 different varieties of mangoes from all over the country. Excise Minister K Babu will inaugurate the event.

Star Entertainment, organisers of the event, said they will display only the naturally-ripened mangoes and the fruits will be checked by food inspectors before putting it on sale.

Entrance fees will be `30 for seniors and `20 for kids. The main attraction of the fest is an exclusive food court that will serve 'mango dishes' such as mambhazha payasam and mampazha baji. Besides, mango dishes that are not very common among Malayalis will be displayed.

Malgueva, Thottapuri, Banganappalli, Neelam, Alphonso, Kallukkatti, Caser, Rumani, Bombay green, Himasagar, Rajapuri, Badami, Himayudheen, Olor, Safida, Raspunia, Mallika, Himayath, Amarapali, Chakkarakutti, Puri, Sindhoori, Nourose, Suvaranarekha are the different varieties of mango that will be displayed.

The highlight of the fest is that there will hardly be any stalls and the mangoes will be sold at an open area. Cultural programmes will be also conducted every evening.

The fest will be opened to the public from 2 pm to 9 pm on Monday to Friday and 11 am to 9 pm on Saturdays and Sundays. The fest will conclude on June 1