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# THE HINDU

## States seek Central help on sugar crisis



Echoing the demand of the sugar industry and farmers' organisations, political representatives of the State governments urged the Centre on Thursday to initiate steps to enable the industry to clear the arrears of Rs. 19,377 crore due to sugarcane farmers.

At a consultation meeting convened by Union Food Minister Ram Vilas Paswan, cane-growing States wanted the Union government to reschedule the repayment of interest-free loans by the industry to seven years instead of five and extend financial assistance from the Sugar Development Fund to industry for modernisation and ethanol blending, apart from raising the import duty to 40 per cent.

### **Buffer stock**

The States demanded that 10 per cent of the total sugar production be set aside to create a buffer stock on government account. According to the Indian Sugar Mills Association, sugar production till April 15 was 263.56 lakh tonnes, which is 32.06 lakh tonnes more than the output in the corresponding period in 2013-14.

The State representatives urged the Centre to give financial assistance directly to sugarcane growers. In 2013, the Centre extended a Rs. 6,600-crore package to the industry to clear cane arrears. However, due to low realisation from sugar, mills are unable to recover the cost of production and generate enough cash flows to clear cane arrears.

Speaking to journalists, Mr. Paswan said he got “no satisfactory reply” from any State on how it proposed to help industry clear arrears. Of the total cane arrears, Rs. 9.500 crore is due from millers in Uttar Pradesh alone.

Some of the States, particularly U.P., objected to linking the Fair and Remunerative Price of sugarcane with sugar prices. They argued that while setting the FRP at Rs. 220 per quintal for this year, the Centre had taken the sugar price at Rs. 31 per kg where as it is around Rs. 23.75 only. At that price of the sugar, the FRP should have been around Rs. 195 per quintal. Therefore, they wanted the Centre to pick up the difference of Rs. 25 per quintal.

### **States divided**

To a question, Mr. Paswan agreed that the States wanted to push their responsibility on the Centre.

The States were divided on this issue: some of them wanted financial assistance to be given to mills to enable them to clear arrears, while some others wanted the farmers to be assisted directly by the government.

“We are meeting all stakeholders because we are sensitive to the problem of sugarcane growers and also the industry,” he said.

Among those who attended the meeting were Agriculture Minister Radha Mohan Singh, MoS Sanjeev Baliyan and Women and Child Welfare Minister Menaka Gandhi who is a Lok Sabha member from Uttar Pradesh. Eleven States were represented but no Chief Minister showed up.

### **Ease rules for getting jewel loan for agriculture, say farmers**

Farmers affiliated to the Vivasayeegal Sangam (a non-political organisation of farmers) have urged the Central Government to ease the rules to help farmers avail of jewel loans for agriculture.

In a release, issued after a meeting conducted here recently, the farmers said that following complaints with proof that interest subsidy on loans availed by farmers for agriculture had been diverted to others who had availed of jewel loans, the Central Government had made stringent the rules to avail of jewel loans.

It should ease the rules in such a way that the banks grant loans after ensuring that the applicants were farmers.

The farmers sought the State Government's intervention in the issue of NABARD delaying financing land banks to help farmer-members avail of crop loan, condemned the rules that made it mandatory for farmers to obtain permission for digging bore wells, wells or taking up maintenance of existing wells and asked for insuring animals at their original price and not at Rs. 10,000 an animal.

They also asked for urgent repair work to be taken up at the Mundanthurai check dam and investigation into the overpricing of subsidised power sprayers.

### **'Use of IT brings about enormous changes and challenges'**



Use of technology, especially Information Technology, has been successful in areas such as agriculture and with the e-governance initiative, use of IT has improved in several fields.

The district has 228 kiosks under the e-governance programme and applicants for some of the certificates receive text message alerts on their mobile phones, Coimbatore District Collector Archana Patnaik said here on Thursday.

Speaking at a meeting on “Re-energizing India SMB Growth – Powered by Technology” organised by NASSCOM here on Thursday, she said that use of Information Technology in any organisation brings about enormous changes and challenges.

Skills of the users of the technology, including the end users, need to be upgraded to keep pace with the growth of Information Technology. They should also have the skills to benefit from the technology adopted.

K. Purushothaman, regional director of NASSCOM, said that sectors such as apparel and textiles, jewellery, healthcare and education use Information Technology for designing, administrative activities, content management, etc.

Packaged solutions are available for several activities in these sectors.

D. Nandakumar, president of the Indian Chamber of Commerce and Industry, Coimbatore, said there were 48 million small and medium-scale businesses in the country and most of these were micro-scale. While 55 per cent of the SMBs are in urban areas the rest are in rural areas.

These businesses are growing at an exponential rate and all stakeholders should work together and incentivise use of IT.

### **State to seek release of more grants**

The State government will submit a memorandum to the Union government seeking more grants under the calamity relief fund for providing compensation in the rain-hit areas of the State, according to Krishna Byregowda, Minister of State for Agriculture.

Mr. Byregowda, who visited some of the rain-hit areas in Gangavati taluk of Koppal district to see the extent of damage caused to the standing crop, mostly paddy, on Thursday, informed presspersons that Chief Minister Siddaramaiah would visit Koppal district on Friday to review the situation caused by rain on April 12 and 13 and would discuss the issue in the Cabinet to be held the same evening. A decision to submit the memorandum to the Union government would also be taken by the Cabinet seeking allocation of more funds.

“If there is no response from the Union government, the government would also consider taking a special delegation to New Delhi to explain the situation and seek more allocation,” he said.

Mr. Byregowda informed that he had visited some of the rain-hit areas, including Sanapur, Mallapur, Sangapur, Siddikeri in Gangavati taluk, and had instructed the officials to carry out an accurate survey of the extent of rain damage

According to preliminary estimates, standing crop was damaged in about 37,000 hectares causing a loss of around Rs. 200 crore and farmers have been submitting memorandum seeking more compensation

### **Collectors' conference from today**

Two-day Collectors' conference will be held at the Marriott Hotel on April 17 and 18. The topics to be discussed on the first day, after Chief Minister K. Chandrasekhar Rao's address, include Municipal Administration and Urban Development, Telangana Water Grid, Panchayat Raj and Rural Development, Swacch Bharat and Swacch Telangana, Haritha Haaram, Illicit Distillation, Women's Safety, Crime against Women, Land Management, Agriculture and Horticulture.

On the second day, discussions will be held on Irrigation and Mission Kakatiya, Welfare activities, food and civil supplies, health and medical services, seasonal conditions, Telangana state formation celebrations, and Godavari Pushkarams.

### **Mangoes may be costlier this summer**



Mango lovers may have to shell out a little more this summer to enjoy their favourite fruit, thanks to poorer harvests and the recent rainfall.

Data from the Agricultural Marketing Corporation (AMC), Gaddianaram, shows that mango arrival in April has been less this year in comparison to 2014.

#### **More expensive**

“This year mangoes might be priced a little more [than the last] because the produce itself has been less. Also, this sudden rain is going to affect availability, which will increase the retail price outside,” a commissioning agent at AMC said.

He added that that stock might have suffered a fall of 20 per cent over last year.

Mohd. Jabbar, a trader at AMC, concurred while pointing out that in April every year, around 250-300 trucks bring in mangoes every day.

### **Fewer trucks**

“But this time it is lesser, and due to the rain of the last few days, the number of vehicles has come down to about 150,” he said.

He added, however, that stock could improve once more mangoes came in from Andhra Pradesh.

AMC data between April 1 and 14 showed a total of 35,707 baskets of mangoes having arrived – 3,361 lesser than the 39,068 baskets that came in during the same period last year.

“Though there is not much of a shortage yet, there might be in the coming days. Also, due to State bifurcation, mangoes that used to come from Andhra Pradesh might not reach here, and may get exported to other States,” said M. Sambaiah, general secretary, Grade-2, AMC, Gaddianaram.

“Mangoes sold in retail stores or in *bandi* s are priced at Rs.60 a kilo or above. Depending on the incoming stock, it might go up in the coming days,” said Mr. Jabbar.

### **Farm markets soon**

The government will open farm markets in all constituencies, Agriculture Minister K.P. Mohanan has said. As many as 50 such centres will be opened by June, he said after inaugurating a fruit and vegetable chilling unit and biogas unit at the agricultural wholesale market, Nedumangad, on Thursday.

### **Prices of coconut, copra to remain stable**

The Agro Market Intelligence and Business Promotion Centre (AMI&BPC), Tiruchi, has indicated that prices of coconut and copra would remain stable during April -May. In an advisory to farmers, the AMI & BPC said the price of coconut at the farm level is expected to rule around Rs. 31,000 – 31,500 a tonne or Rs.17 – 19 a nut and copra price will remain stable at around Rs. 99 - 100 a kg at Avalpoondurai regulated market in April and May. There would be a chance for fall in price thereafter due to expected arrivals from Kerala and Karnataka during May, the advisory said. The advisory was based an econometric analysis of coconut and copra prices at the Avalpoondurai market carried out by AMI and BPC, the Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University.

At present, the price of coconut was around Rs.30,800 a tonne, approximately Rs.16 to 18 a nut for average size weighing 550 - 600 grams and copra was ruling at Rs. 98 - 99 a kg at the Avalpoondurai regulated market. Coconut is mainly produced in Coimbatore, Tirupur, Thanjavur ,Dindigul , Kanyakumari , Vellore and Theni districts in Tamil Nadu . Coconut and copra arrivals from these districts have started but arrivals from Kerala and Karnataka have not commenced yet. Reduction in coconut production in Andhra Pradesh coupled with increasing demand for coconut in domestic market may increase the price in the coming months, the advisory said.

### **Tobacco growers fear price slump**

Farmers in Prakasam district, who have grown tobacco with great hope, are in an unenviable position in view of dull export and domestic demand scenario. The average price may fall to Rs. 90 per kg this year as against Rs 109.56 per kg last year in view of global oversupply position, higher crop production and lower farm prices across the world, feared the farmers.

An estimated 2,163 m.kg. of leaf tobacco crop was produced globally (excluding China, which produced another 2,350 m.kg.) last year and the projection for 2015 is 2,091 m.kg (excluding China), Indian Tobacco Association sources said. The prices fell by eight per cent in USA, 14 per cent in Brazil and Zimbabwe and 4 per cent in Tanzania, the major producers of the Flue Cured tobacco crop.

“The tobacco auctions in Karnataka, which are about to close now, are not at all encouraging,” Ongole Auction Platform-I Ryots president S. Gurava Reddy said and referred to cumulative average price fall to Rs.111.27 in 2014-15 as against Rs. 129.39 per kg in 2013-14.

“Due to uncertain demand for the crop grown already, we are in a distress situation. While the export market is uncertain, the domestic players are shying away in the wake of adverse taxation policy,” he said.

The Union and State governments which earned a revenue of Rs. 28,000 crore, besides a foreign exchange of Rs. 6,500 crore, had a responsibility to protect the organised tobacco industry, said Ongole Auction Platform-II Ryots president V. Prasad.

Pressing for market intervention by the Centre, he said the government should come down heavily on illegal cigarette trade which accounted for almost 20 per cent of the

total legal market. Andhra being a tobacco growing State, the government should consider bringing down the VAT on cigarettes considerably from the very high 20 per cent as over three million farmers, farm labourers & families were depended upon on this crop for their livelihoods, they said.

### **Healthy drinks to beat the summer heat**

Come summer, and a host of temporary shops come up on the roadsides all over the city offering a variety of drinks.

Ranging from ‘sherbat’ to fruit juices, cool drinks and watermelons, these shops offer a range of drinks. With mercury rising, people buy these drinks and fruits in large quantities, looking for a respite from the searing heat. However, the public must exercise a lot of caution as water-borne diseases spread quickly with unsafe and unhygienic handling, says R. Kathiravan, Designated officer of Tamil Nadu Food Safety and Drug Administration Department (Food Safety wing)

While the Food Safety Wing has enumerated around 850 roadside eateries, who always put up shop in the same areas, these vendors offerings juices come up only in summer and are highly mobile, making it difficult to regulate.

They mostly operate using pushcarts and do not stay in one place for long. While many eateries have obtained licences from the Food Safety Wing, the push-carts never do so. As a result, the quality of their products is difficult to ascertain.

Those having registered are subject to frequent checks.

The best way to ensure safety, Dr. Kathiravan says, is to ask the fruit vendors to cut the fruits in their presence and avoiding flavoured drinks that appear to have excess colour.

Further, he says, consumers must also, to the extent possible, drink fruits in disposable cups.

Many of these shops were located beneath trees with no water source nearby. Hence, it was highly suspect if they washed properly the utensils and cups in which the food and drinks were served.



“It is also ideal if people went for things like coconut where it is almost impossible to adulterate or tamper.”

He says the food safety wing is gearing up to conduct inspections in fruit juice outlets to crack down on unhygienic handling of fruits.

### **Water supply schemes reviewed**



Local body officials should ensure proper maintenance of overhead tanks, hand pumps and other infrastructure to avoid drinking water crisis during summer, said K.A.Jayapal, Minister for Fisheries.

Addressing the officials of the Tamil Nadu Water Supply and Drainage Board, panchayat union, town panchayat and municipalities at a meeting to review water supply schemes here on Thursday, Mr.Jayapal said the entire district had been divided into zones for monitoring the water supply works.

All the departments, including the Tamil Nadu Generation and Distribution Corporation, have been advised to extend their cooperation to ensure proper water supply.

He advised the officials to identify snags in hand pumps and power pumps to ensure their proper functioning.

### **Focus on maintenance**

“Periodical maintenance of such facilities would help eliminate supply-related problem to a great extent,” he said.

S.Palanisamy, District Collector, A.K.Chandrasekaran, district panchayat president, and Manjula Chandramohan, municipal chairperson, were present.

### **New interest subvention scheme for farmers on anvil: RBI**



A week after the Prime Minister announced higher compensation for damaged crops, the Reserve Bank of India (RBI) on Thursday said a new scheme for interest subvention for farmers was being worked out though it might take ‘some time’.

In the meanwhile, the earlier interest subvention scheme would continue till June 30, the RBI) said.

“As regards the scheme for the year 2015-16, the Government of India has advised that presently various alternative approaches for improving the efficacy of the scheme are being examined, the finalisation of which may take some time,” it said through a notification.

RBI further said it has been decided by the government, ‘as an interim measure’, to implement the interest subvention scheme for 2015-16, till June 30, on the terms and conditions approved for the scheme for 2014-15.

“All banks are, therefore, advised to take note and implement the interest subvention scheme for 2015-16 accordingly,” it said.

In 2014-15, interest subvention of two per cent was made available to banks on funds used for short-term crop loans up to Rs.3 lakh per farmer provided they make available short term credit at the ground level at 7 per cent.

Also, additional interest subvention at the rate three per cent was made available to farmers repaying loans promptly.

On April 8, Prime Minister Narendra Modi had announced the government's decision to raise by 50 per cent the quantum of compensation to farmers affected by crop losses due to recent unseasonal rains. Besides, the criterion of 50 per cent crop damage for providing compensation to farmers has been reduced to 33 per cent, which will help more people get better compensation for the crop loss. He also said insurance companies have been instructed to expeditiously settle the claims of the distressed farmers.



## THE TIMES OF INDIA

### [Only 12% utilisation of nearly 70,000 small irrigation projects](#)

They are cynically called build-and-forget projects. At a time when the state faces a fierce drought, the irony is that Maharashtra has nearly 70,000 small irrigation projects worth over 4,500 crores — but they are barely used.

Only 12% of the irrigation potential they have generated so far is actually utilised, according to Maharashtra's Economic Survey for 2014-15.

Scattered across the state, these tiny bunds, percolation tanks and canals could have made a critical difference to water-starved villages. But with hardly anyone to look after them, the bulk of these schemes have fallen into disrepair experts say.

Some are choked with silt, others broken or even vandalised.

The state has 69,781 minor irrigation projects in the local sector, with each project having the potential to irrigate an expanse of up to 250 hectares, an area equivalent to 80% the size of BKC. The irrigation potential generated by such projects by 2013 was 16.25 lakh hectares. Yet of this, merely 2 lakh hectares was utilised, the recently released Economic Survey reveals.

Bizarrely, the usage is even lower than the previous year when there were 3,000 fewer projects. The irrigation potential utilised in 2012 -13 was, in fact, marginally higher at 2.15 lakh hectares, according to last year's Economic Survey.

The problem is these small, local projects are not maintained, experts say. "These are wasted assets. We call them build-and-forget projects. There is no budget or manpower dedicated to manage them," says Pradeep Purandare, expert member of the Marathwada Statutory Development Board.

Once constructed, the projects which can irrigate upto 100 hectares are handed over to the zilla parishad. Those which can irrigate between 100 and 250 hectares have to be managed by the state's water conservation department.

The funds poured into constructing the schemes added up to a steep Rs 4,587 crores, according to economist Vijay Kelkar's 2013 report on balanced regional development in the state. Ongoing and future projects were estimated to cost another Rs 4,500 crores, the report said.

Officials admit the projects suffer from the lack of a staff with the expertise to monitor them.

The neglect has resulted in projects choked with silt or canals with broken gates. "In some cases, the gates to a canal are broken or the slope leading from a canal to a field has become flat so the water does not reach the field. Or the intake point in a lift irrigation scheme could be blocked by silt or branches," says former union water resources secretary Madhav Chitale, who recently probed the irrigation scam.

In the single district of Osmanabad, hundreds of KT weirs were constructed to block river water, but few of these are working says Mr Purandare. "Nearly 1000 KT weirs were built. But in most cases the plates inserted to block the water have broken or tampered with. So they are of no use," says Mr Purandare.

The state government says such lags will be addressed by its Jalyukta Shivar Yojana aimed at drought-prone villages. "Till now we focused on building irrigation projects but our priority under the scheme will be water conservation," says State Water Conservation Minister Pankaja Munde.

If these local sector irrigation projects are optimised, Chitale says they could help stem drought-driven migration. "They could be the backbone of rural stability. While they will not generate enough water for cash crops, they can help irrigate seasonal crops and even provide drinking water," he says.

## THE HINDU BusinessLine

### Centre to States: Facilitate early payment of cane arrears

Import duty on sugar may be hiked to 40% from present 25% to encourage exports



Ram Vilas Paswan, Minister of Consumer Affairs, Food and Public Distribution; Maneka Gandhi, Women and Child Development Minister; and Radha Mohan Singh, Minister for Agriculture, at a meeting to discuss cane arrears in New Delhi on Thursday Shanker Chakravarty

#### **New Delhi, April 16:**

Concerned over pending sugarcane arrears worth Rs. 19,300 crore, the Centre has asked the 13 sugar-growing States to make all possible efforts to facilitate early payment to farmers.

“The Centre is conscious of the financial problems of the sugar industry, hence it has already taken a number of initiatives to help the industry to facilitate payment of arrears,” said Food Minister Ram Vilas Paswan, after a meeting of with the State Chief Ministers here on Thursday.

### **‘Hike import duty’**

Agriculture Minister Radha Mohan Singh, who was also in the meeting, said assistance given to sugar mills should be provided directly to farmers.

He also called for encouraging sugar exports and hiking import duty by 40 per cent to “stop the imports”.

Paswan assured the States that he would take up their suggestions with the Ministries concerned and take a final view in the interests of both farmers and industry.

### **Key suggestions**

The key suggestions made by the States include creation of a buffer stock of sugar, for loans to be made available from the Sugar Development Fund for ethanol production, modernisation of mills and co-generation and exemption for producing ethanol directly from molasses.

States also sought import of sugar to be banned and duty hiked to 40 per cent “immediately”, as also incentives for export of white sugar. On Wednesday, Paswan had met 24 farmer organisations from cane-growing States and had assured them that his Ministry would push for import duty hike from 25 per cent to 40 per cent.

### [Now, precious mangoes get security cover](#)

Besides dangling hafoos, it is hard to miss the sight of eight stern-looking men on horses going around this 300 bigha mango orchards spread across five villages in Valsad district.

These stick-wielding men ensure that mangoes are not stolen by thieves and mischievous elements. There are nearly 45 such men, traditionally known as 'Pathans', who are guarding large number of orchards in nearly 25 villages of this Valsadi hafoos hub.

Mangoes have become a precious commodity that needs to be well-guarded after nearly 70 per cent of the crop was wiped away due to five wet spells since February. These Pathans are specially called from Barmer in Rajasthan along with their horses.

"When mango production falls, chances of theft are very high as the fruit would fetch higher prices in market. We are left with no option but to deploy security to protect whatever is left on the trees," said Rasesh Desai, whose family owns 12,000 mango

trees including 5,000 Valsadi hafoos trees. The orchards are spread across five villages of Lilapore, Kundi, Dhamdachi, Thakkarwada and Rabda near Valsad. Desai has been paying each guard Rs 8,000-Rs 10,000 per person a month.

Musa Khan Pathan, who supplies these security men, said, "The practice of hiring Pathans from Barmer started 20 years ago. Initially, people in Valsad called us to protect their villages from thieves. But our role has been limited to mango orchards now."

"Our presence is enough for miscreants to stay away from entering the orchards," he said.

"When Pathans patrol the orchards on horse back, people think twice before any misadventure," said Desai.

In some cases the entire village hires services of these Pathans to protect their mango orchards. Village like Thigra, Solvada and Khajori in Valsad have small orchards so they have collectively hired services of Pathans and the cost will be evenly distributed among farmers.

### **Pearl spot fish harvest at a record high in Kerala**

*Vishu* this year was a memorable one for Vincy Reju and her team members of the Mary Matha Self Help Group at nearby Puthenvelikkara panchayat, when they harvested a bumper catch of pearl spot through fish farming.

The harvest was a record catch of 250 kg of pearl spot ( *karimeen* ) through cage farming within six-and-half months, fetching revenue of Rs. 1.25 lakh.

Pearl spot fish-based dishes are an added attraction for tourists visiting Kerala which is low on fat, rich in Omega 3 fatty acids and riboflavin.

Fish farming undertaken by the group is part of the women empowerment programme initiated by Kerala University of Fisheries and Ocean Studies (KUFOS) under the ongoing integrated fish village project called Samagra Matsyagramam at Thiruthur in the panchayat. KUFOS, as part of the programme, formed a self-help group of women in the area by providing them with cages, fish lingers, feeds and training to carry out cage culture of pearl spot.

The University also provided them awareness on trade and product branding to help the group earn more and direct reach to consumers avoiding intermediaries. “All the members in the group are excited with the catch in the harvest. The result of the farming gives us the confidence to go ahead with such fishing practices”, said Vincy Reju, Secretary of Mary Matha Self Help group.

Inaugurating the harvest festival, B Madhusoodana Kurup, Vice-Chancellor, KUFOS, said that steps would be taken to coordinate the fish trade and build a brand from the fish being harvested from cage culture.

“The objective of the programme is to empower women by providing them job opportunities through fish farming,” he said, adding that the project was also helpful to enrich the indigenous fish stocks that are facing the threat of extinction.

KUFOS has taken up the project with the financial support of Rashtriya Krishi Vikas Yojana.

The Fisheries Department and the Puthenvelikkara Panchayat have extended the support for the project, said Daisy C Kappen, Principal Investigator.

Pearl spot culture is fast emerging as a profitable enterprise among farmers as the demand in the domestic market is set to rise to 10,000 tonnes. Currently the annual production is at 2,000 tonnes, which is insufficient to meet the demand.

### **ISMA estimates sugar output at 270 lakh tonnes**

The 13.9% rise is due to higher crushing in Uttar Pradesh, Maharashtra and Karnataka



Sour prospects Higher output has resulted in the fall of ex-factory prices to seven-year low and a surge in cane arrears to nearly ₹20,000 crore



Sugar mills across the country produced 263.56 lakh tonnes (lt) till April 15 in the 2013-14 season ending September – 32.06 lt higher than last year's 231.50 lt – according to the Indian Sugar Mills Association (ISMA).

### **Saddled with surplus**

According to ISMA, with around 290 sugar mills still continuing cane crushing operations, it seems the country will produce over 270 lt of sugar in the current season, indicating a surplus of over 22 lt over the projected domestic consumption of 248 lt.

“Therefore, the closing balance of September 30, with the sugar industry will be over 90 lt. This is after considering a few lakh tonnes of exports,” the sugar industry body said.

### **Mills and crushing**

Out of the 530 sugar mills that started cane crushing this year, 240 have already closed down and 290 mills are still continuing crushing operations.

Of these, 100 mills are in Maharashtra, 50 in Uttar Pradesh, 44 in Karnataka and 36 in Tamil Nadu.

Mills in Maharashtra produced 99.61 lt for the period under review against 74.43 lt during the same period a year ago. In UP, mills produced 67.85 lt till April 15, which is 5.30 lt higher than last season's production.

“One of the main reasons for increase in production is increase in recovery percentage of sugar,” ISMA said, adding, “during the current year, till April 15, sugar recovery has been around 9.53 per cent against last season's cumulative average of 9.29 per cent. There are 50 sugar mills working as on April 15, against 42 last year.”

Sugar output in Karnataka stood at 45 lt against 41.18 lt last season with 44 mills still working.

Last year, as on April 15, only 18 mills were in operation.

### **State-wise break-up**

In Tamil Nadu, mills produced 8.25 lt of the sweetener. Of the 44 mills that operated during 2014-15 sugar season, eight have already shut operations and 36 are working. In 2013-14, production in the State was 10.12 lt with 26 mills in operation.

Mills in Gujarat produced 11 lt of sugar and 14 mills are still working. During the same period last year, 11.53 lt was produced and six mills were working.

“Crushing operations in Andhra Pradesh and Telangana have almost come to an end, as only four mills are working as of now,” said ISMA. Till April 15, mills in these States produced 8.75 lt, against 9.77 lt last year.

Sugar mills of Punjab and Haryana produced 5.25 lt and 5.20 lt, respectively. Last year, on April 15, mills in these States produced 4.69 lt and 5 lt, respectively. During the current season, nine mills in Punjab and 10 in Haryana are still working.

### **Prices dip**

ISMA said domestic ex-mill prices had fallen by Rs. 8-9/kg in the last six months. Sugar prices are at the lowest in the last seven years, it said, adding that these prices are below the cost of production by Rs.7,000-9,000/tonne.

### **Mounting arrears**

Incidentally, cane price arrears payable to the farmers stood at Rs. 19,300 crore, ISMA said, adding that the situation “is alarming.”

It called for steps to improve ex-mill sugar prices without further delay and ensure mills get adequate cash flows.

“The surplus sugar inventory of 30-35 lt over and above the normative carry forward of 60 lt as on October 1, should be disposed of,” said ISMA

On the government announcing higher import duty from 25 per cent to 40 per cent, ISMA said it will be helpful, but only in the longer run. “The immediate problem of cash flows and the surplus sugar inventory needs to be addressed first,” it added.

### **Coonoor tea auction volume rises to year’s second highest**

The rising trend witnessed in the offer for Coonoor Tea Trade Association auctions continues this week with the volume of 14.05 lakh kg for Sale No: 16 on Thursday and Friday to be the highest so far this calendar barring Sale No: 2 when the volume was 16.91 lakh kg.

This week’s offer is as much as 1.68 lakh kg more than last week’s offer.

Of this, 9.33 lakh kg belongs to leaf grades and 4.72 lakh kg to the dust grade. As much as 12.98 lakh kg belongs to the CTC variety and only 1.07 lakh kg is of orthodox variety. The proportion of orthodox teas continues to be low in both leaf and dust grades. In the leaf counter, only 53,000 kg belongs to orthodox while 8.80 lakh kg to the CTC. Among the dusts, orthodox comprises 54,000 kg while CTC constitutes about 4.18 lakh kg.

In the Leaf market last week, among corporate buyers, Hindustan Unilever Ltd and Tata Global Beverages Ltd operated on good medium varieties.

In the Dust market, HUL was selective on good medium smaller grades. Godfrey Philips was selective on medium varieties. Indcoserve was fairly active on medium smaller grades.

There was fair enquiry from exporters for medium and plainer teas. Internal buyers were less active. There was fair demand for brighter liquoring teas from upcountry buyers.