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Non-food credit growth dips to multi-year low

Non-food credit grew at a tepid rate 8.6 per cent in 2014-15 which is a multi-year low, the Reserve Bank of India (RBI) said on Friday.

Total non-food credit outstanding was at Rs.60,43,000 crore as of March 20, the RBI said. During the year, credit to agriculture and allied activities increased by 15 per cent to Rs.7,70,000 crore as of March 20. It stood at 13.5 per cent increase during 2013-14.

Analysts say RBI normally does not include the loan growth number of the last week of the financial year as banks try to inflate the numbers to show a clean balance sheet for the year.

During the reporting period, credit to industry rose a poor 5.6 per cent to Rs.26,65,100 crore. In 2013-14, the growth in credit to industry was of 13.1 per cent.

“Deceleration in credit growth to industry (in FY 2014-15) was observed in all major sub-sectors, barring construction,” said the RBI.

Loans to the services sector grew again at a similar 5.6 per cent to Rs.14,12,000 crore, lower than the increase of 16.1 per cent in the same period in 2013-14. Credit to NBFCs rose by 6.4 per cent to Rs.3,13,600 crore compared to an increase of 13.2 per cent during 2013-14.

However, personal loans increased 15.4 per cent during 2014-15 to Rs.11,95,800 crore compared to a growth of 15.5 per cent during 2013-14, the data showed.

Mushroom cultivation ensures decent income for tribal people



Mushroom cultivation is helping many unemployed youth and tribal farmers to get decent livelihood with less investment in Srikakulam district. Women groups have joined them in learning cultivation techniques thanks to huge demand for mushrooms in Visakhapatnam, Srikakulam and Vizianagaram districts.

National Bank for Agriculture and Rural Development (Nabard) has been conducting a series of training programmes with the support of various non governmental organisations including BREDS and ARTS for the last three months. Training programmes are being conducted in places like Patapatnam, Palakonda, Saravakota and other mandals.

According to BREDS director V. Sambamurthy and BREDS coordinator B. Ananda Rao, the investment was only Rs. 380 for each bed and around 8 kg of mushrooms were likely to come up within 15 days. Each Kg of mushrooms costs around Rs.180 in the market. "Each farmer can set up to four beds in a place to get around 30 kg of mushrooms every fortnight. The profit will be Rs. 3,500 if investment amount is deducted," Mr. Sambamurthy said.

Nabard District Development Manager M.D. Vasudevan told *The Hindu* that many people of other areas too were approaching the office for advanced training in mushroom cultivation. "Many tribal families don't have their own land. So, it is difficult for them to generate income. Mushroom cultivation has become a boon for them. They don't need to worry about marketing as

traders are approaching them to buy fresh stock from beds,” said Mr. Vasudevan.

Nabard has advised NGOs to provide training in growing all varieties of mushrooms such as dyster, enoki, white button, portabella and others. More demand is anticipated for mushrooms as they are rich in carbohydrates and proteins.

Turmeric cultivators seek exclusive board

Farmers in Erode district, which is known as ‘Turmeric City’, desire an exclusive Board for the product on the lines of the ones formed for coconut and rubber, for promoting its export.

Turmeric being one of the dominant crops in Erode district, farmers say an exclusive board would pave way for creation of the ideal ecosystem for cultivators to export the product after processing it thoroughly for better returns. A recent study indicates that turmeric is cultivated in nearly 13,000 hectares in Erode district, accounting for 45 per cent production in Tamil Nadu.

According to Agricultural and Processed Food Products Export Development Authority figures, only six per cent of turmeric cultivated in the country is exported. There must be proper infrastructure for boiling, drying, and grading the product before exporting.

There are numerous uses of turmeric.

Cultivators say significant value addition could be brought about through production of products for cosmetic and medicinal purposes locally.

When an exclusive board is formed, the marketing and trading patterns could be standardised, resulting in improved returns, cultivators explain.

India has monopoly in turmeric trade at world level. But, there can be no room for complacency as Indonesia and China were catching up as competitors.

It was time, India enhanced quality of turmeric produced, and cleanliness of fingers to remain in dominant position. There was huge scope for the

country to promote export of turmeric from Erode to Central and South American countries, according to traders.

Swedish major Ikea to promote bamboo farming

MP Kesineni Srinivas on Friday announced that the Centre for Indian Bamboo Resource Technology (CIBART), Agricultural Technology Management Agency (ATMA) and TATA Trusts had evinced interest in promoting large-scale bamboo cultivation in his constituency and that he would try to rope in Swedish multinational company Ikea to lend its expertise in implementing a few pilot projects along with CIBART and ATMA.

At a media meet here on Friday, Mr. Srinivas said that the production of bamboo was huge in forests spread around Nandigama, Tiruvur and Mylavaram and by making optimum use of it farmers could earn good incomes.

Its ability to withstand drought was its biggest advantage and in addition to being raw material mostly for paper mills, it has multiple uses. This was where the help of CIBART and TATA Trusts, which were promoting scientific cultivation of bamboo, was sought for making the maximum use of it in the interest of farmers. The bamboo project would be an integral part of the process of micro-planning being done by TATA Trusts for all-round development of 264 villages in four Assembly segments in Vijayawada Parliamentary constituency.

A team of officials, farmers and volunteers would be sent to Gujarat, Maharashtra and Karnataka for studying the best practices of bamboo cultivation there, Mr. Srinivas added.

Sanjeev Karpe, member of Board of Directors of CIBART, said there were 136 species of bamboo in the country.

Ragi production rises by 10-fold

Ragi, the staple diet of old Mysore region, appears to have benefitted by the decision to include it in the Anna Bhagya scheme. According to Minister of State for Food and Civil Supplies Dinesh Gundu Rao, the production of ragi in the State has increased by 10-fold from 1.40 lakh quintals in 2014 to 14,40,000 quintals after the government announced the minimum support price for ragi at the time of sowing itself, to instil confidence among farmers

to try the crop. While the market price for ragi is ruling around Rs. 1,400 a quintal, the government has announced an MSP of Rs. 2,000, the Minister said. However, the production of jowar is yet to improve to the expected level, he said. The government has decided to include both minor millets in the public distribution system to take care of nutritional security.

It is the season of mangoes, jackfruit



What is summer without luscious fruits – mangoes and jackfruits. In the last few weeks, vendors have started to dot the roadsides and markets of Vellore with their mobile carts of jackfruit and varieties of mangoes.

T.P. Mani, secretary of Mango Market said the district receives most of its supply of fruits from Andhra Pradesh — Aragonda, Rayachoti and also from Kamavanpettai in Vellore district.

As of now, varieties such as Senthura, Banganapalli, Imam pasand, Malgova or Mulgoa, Alphonso and Bangalora have hit the markets. A kilo of Senthura costs Rs. 10 to Rs. 25, while Banganapalli is priced from Rs. 30 to 40 a kilo and Imam pasand costs Rs. 60 to 80. Malgova or Mulgoa is priced at Rs. 50 to 60, while Alphonso costs Rs. 30 to 40, Bangalora costs Rs. 10 to 12 a kilo.

However, traders are unhappy this year due to poor yield of mangoes.

“There has been crop failure in southern States such as Andhra Pradesh and Tamil Nadu. The yield accounts only for 25 per cent. First, the crop in its

flowering stage was damaged in untimely rain. There were no rains in March and the young fruits were damaged in the sun,” he said.

He said the arrivals will pick up after May 1. “The inflow will be less than last year and the rates could also go up. However, the season seems to be good for jackfruit sellers. A fruit dealer said the yield has been good, particularly after the Thane cyclone that hit some parts of the State and Puducherry a few years ago.

“We get most of the jackfruit supply from Pattukottai, Panruti, Pudukottai and parts of Kerala. The season has just began and a fruit sells anywhere from Rs. 50 to Rs. 500,” a seller said.

Doctors encourage eating of seasonal fruits, such as mangoes and jackfruit. “It will also add variety to your diet,” said N.V. Mahendri, chief dietician, head, Department of Dietetics, Christian Medical College.

Both mango and jackfruit offer plenty of goodness, including anti-oxidant properties. “One can get adequate calories in a single fruit of mango. It is an energy-rich fruit. To get the full benefit of any fruit, eat it as a fruit, than a juice,” Go. Bharani, physician and diabetologist said.

Cultivate a habit in children to consume fruits available in a particular season, she said, adding diabetics should be cautious as mangoes and jackfruit could lead to increase in sugar levels.

What happens at the Salty Potato Farm?



A small field on an island off the Netherlands' northern coast promises one answer to the problem of how to feed the world's ever-growing population — potatoes and other crops that grow in saltwater.

Every day, swathes of farmland somewhere in the world become unusable because of salty soil, but farmers here on windswept Texel are finding solutions using traditional methods.

The team headed by farmer Mark van Rijsselberghe has planted around 30 types of potato and their approach is simple — anything that dies in the saline environment is abandoned, and anything that lives “we try to follow up on,” said Van Rijsselberghe. “It's faster.”

Carrots and strawberries too

The experiments do not just target potatoes, but also look at how other crops grow in saltwater, including carrots, strawberries, onions and lettuce.

The plants are irrigated using pumps that manage water down to the drop, so the plant and soil salinity can be accurately measured and the effect of “sweet” rain water taken into account.

Van Rijsselberghe, 60, started the “Salty Potato Farm” around 10 years ago in the hope of helping the world's malnourished. The team, supported by Amsterdam University, uses neither genetically modified organisms nor laboratories in their quest for food that grows in salty environments. Plants whose ancestors grew near or on the sea, but have moved inland with human populations, are likely still to have the necessary genes.

“It could be a hundred, it could be a thousand years ago, they still are capable of coping with saline surroundings,” said Van Rijsselberghe.

To Pakistan

The Team on Texel has already sent thousands of its potatoes to Pakistan where they were “successful”, said Van Rijsselberghe.

These “salt” potatoes could transform the lives of thousands of farmers in affected regions and, in the long term, those of around 250 million people who live on salt-afflicted soil.

The potatoes grown here taste sweeter than those grown on normal land, because the plant produces more sugars to compensate for the salty environment.

The salt absorbed by the plant stays in the leaves, not in the flesh.

But the price of the potatoes is for now prohibitive, with one kilo selling for five euros, compared to less than a euro for the same amount of “normal” potatoes.

Countries ranging from Egypt to Bangladesh and India have already asked for advice on planting their own salt-proof crops.

Society decision to reduce milk procurement irks farmers

The farmers attached to the Milk Producers Cooperative Society at Malliakkarai near Attur poured milk on road to protest against the society’s decision to reduce the milk procurement from the farmers on Thursday.

The society, which accounted for 145 members, procured about 2,500 litres of milk per day from farmers and sent the same to the milk chilling plant at Ammampalayam, near Attur.

Of late, there has been increased supply of milk to the society from the farmers.

The farmer members alleged that the society for the past few days has reduced the procurement of milk. The society refused to take the milk brought by the farmers alleging poor quality. Due to the defiant attitude of the society, they could not market the milk in the open market too, they alleged.

The society employees were said to have refused to take the additional milk brought by the farmers on Thursday morning. Enraged by this, a group of farmers poured the milk they brought to the society on the road. They also staged agitation in front of the lorry that brought milk to the society.

On receiving information, Kadiresan, Deputy Manager, Aavin, and police rushed to the spot and pacified the farmers explaining the difficulty they faced in procuring additional milk. Following this, the farmers relented and dispersed peacefully.

The society sources said that the farmers on many occasions bring the milk very late, due to which it becomes difficult in despatching it to the chilling plant. Moreover, the quality of milk was not up to the mark for the past four months, they added.

‘Quantum of import duty increase to address sugar industry crisis inadequate’

Sugarcane cultivators in the region want dynamic fixation of import duty on sugar to prevent stagnation of sugar stocks in the national kitty caused by international depression in sugar prices. Import duty must be calibrated to suit domestic production and procurement, as and when need arises.

The Central government’s recent decision to increase import duty from 25 per cent to 40 per cent under Open General Licence (OGL) is not going to free farmers from sufferings caused by failure of mills to pay them their dues, the farmers say.

However, they are relieved over the Centre removing excise duty on ethanol supplied for blending, and passing on the price benefit of 12.36 per cent central excise duty to sugar mills to improve their liquidity and clear arrears of cane dues to farmers.

Dues to farmers

Over the last four years, surplus sugar production and lesser import duty has spelt doom on the sector, causing difficulties for the mills to clear cane dues to farmers.

The government has been assisting the mills to overcome liquidity constraints by providing interest-free working capital loans and incentives for raw sugar exports. Yet, the cane dues arrears have escalated due to the adverse price sentiments.

The Central government is to blame for the situation since it has allowed the price of sugar to fall below Rs. 3,200 per quintal despite fixing Fair and Remunerative Price at 2,200, the farmers say, rueing that the situation in Tamil Nadu is worse still.

VAT

Even after passage of two crushing seasons, the State government has not only failed to prevail upon mills to abide by the State Advisory Price, but has also imposed 5 per cent Value Added Tax on sugar due to which mills in Karnataka enjoying price advantage dump the product in Tamil Nadu, says K.V. Ponnaiyan, president of Tamil Nadu Swadeshi Farmers' Association.

The mills in Tamil Nadu are at a disadvantage also because payments for power procured at Rs. 3.50 per unit from the co-generation plants are delayed.

Also, ethanol stock has stagnated in the mills because the tax has been fixed at 14.5 per cent in Tamil Nadu compared to just 2 per cent in Andhra Pradesh and Karnataka.

Tamil Nadu must not only set right the anomalies, but also take the cue from Karnataka and Uttar Pradesh governments that are paying SAP to cultivators directly.

Loan assistance

On its part, the Centre must step in decisively at this juncture to settle all outstanding dues to farmers by offering soft loan assistance to mills from the Sugar Development Fund, says Mr. Ponnaiyan.

Stage set for Vegetable Show in Kotagiri

Arrangements are in full swing for the conduct of the two-day Vegetable Show at Nehru Park in Kotagiri on May 2 and 3.

According to Horticulture Department sources, the show is being conducted since 2008 in the lines of the flower show, rose show and fruit show.

The objective of the show is to popularise Kotagiri and also to encourage and motivate the horticulture farmers. The highlight of this year's show will be a welcome arch made of vegetables besides the 450-kg replica of a helicopter made using capsicum.

The Nilgiris Horticulture Department is setting up stalls to exhibit hill area vegetables.

The department is also bringing farmers from 10 other districts to display their vegetable carvings.

To encourage farmers, a separate auditorium is in place for holdings contests.

Prizes

At 3 p.m. on May 3, trophies and prizes will be given to farmers who contested successfully in various events besides prizes to the best stalls.

Sharp reduction in production of mahua flower, seed



The unfavourable climate since monsoon last year has had a tremendous impact on the flowering of mahua or 'ippa' trees (*Madhuca indica* and *M. longifolia*) in Adilabad district.

The production of mahua flowers, and consequently of its seed, has reduced by an estimated 50 per cent. This sharp reduction has deprived poor Adivasi people of additional income as well as a variety of food.

Each tree sheds about 2 quintals of flowers during a period of 15 to 20 days and there are at least 50 trees in the vicinity of any given tribal village. Adivasi persons earn about Rs. 500 per tree through the sale of a portion of the collected flowers to the Girijan Cooperative Corporation (GCC) or in the open market.

The deficit monsoon showed its effect only in the month of March when the mahua trees (there are an estimated 5 lakh trees in the forests and plains of this district) shed leaves for flowers to sprout. It is in late March and April that the 'ippa' flower collection takes place.

This year, however, there being hardly any flush on the trees, mahua flower collection season stayed a non-starter. "Our cattle fed on whatever flowering took place," revealed Kumra Sone Rao of Chinna Dhoba village in Sirpur (U) mandal. The actual percentage of failure will only become evident when the GCC starts purchasing the dried up flowers during weekly shandies in about a month.

The Adivasi people who managed to collect some quantity of the flower are in the process of drying it up now. They sell only a portion of this non-timber forest produce as a major part becomes supplemental food for them. Small tasty rotis or pancakes are made using the dried up flowers.

The Adivasi Gond and Kolam communities also extract edible oil from 'ippa' seeds, which is mainly used in religious activities. Until a few years back, the oil was used to cook food.

THE HINDU BusinessLine

Sugar output rises to 273.7 It



Sugar output in India, the world's second largest producer, has touched 273.74 lakh tonnes (lt) as of April 30, around 14.3 per cent higher than at the same time last season (October-September) when mills had produced 239.43 lt.

According to the latest estimates provided by the Indian Sugar Mills Association (ISMA) on Friday, the industry appears to be on course to touch 280 lt, a near-decadal high since 283.6 lt was recorded in the 2006-07 season.

Among the reasons cited for higher output is the rise in yield per hectare in Maharashtra and Uttar Pradesh, the two biggest sugar producing States. "In Uttar Pradesh, average recovery has increased from 9.29 per cent in 2013-14 to 9.54 per cent," said an ISMA release.

Closing stock

Closing stock at the season's end is expected to be 95 lt which is 35 lt more than the requirement for domestic consumption and is likely to worsen the supply glut and keep prices depressed, the association stated.

A Vellayan, President, ISMA, commended the decisions taken by the Centre to help the cash-strapped industry such as increasing the import duty to 40 per cent and removal of excise duty on ethanol.

He added that the Government should purchase at least 30 lt which "will give instant funds of about Rs.8,000 crore to the industry" in order to help clear arrears of Rs. 21,000 crore owed to sugarcane farmers.

Record in Maharashtra

Maharashtra's mills have produced 103.5 lt so far, as against 77.14 lt at the same time last season, with 40 mills still crushing cane as against 14 in 2013-14.

Around 18 mills are still operating in UP where 70.15 lt has been produced till April 30, it was 65.08 lt at the same time last year. Karnataka, the third-largest sugar producing State, produced 47 lt as against 41.19 lt at the corresponding time last season.

Tamil Nadu, another major producer, recorded 9 lt which is 2.02 lt less as compared to last year but have 30 mills operating currently as against 22 last season.

“Tamil Nadu and Karnataka will crush sugarcane in the latter part of the season i.e. between July and September and they will produce approximately 3-3.5 lt. Therefore, sugar production in the current sugar season may be around 278-280 lt,” the ISMA statement said.

Pears from across the globe flooding Indian markets



China, USA and South Africa appear to be in a race to get their pears accepted by Indian consumers. Volumes have jumped up exponentially from 2007 to 2013, and so have valuations.

Pears from Belgium too appear to have made their mark in India. Kris Wouters, owner of Belgium based Fruithandel Wouters, a family business that has been operating in the fruit sector for over four generations, is excited about the huge potential that exists in the Indian market.

“Though Russia was our main market for pears, in future, I think it will be India. There is a very big potential for our pears (in India). First of all for Conference (pear variety), and in the future also for our QTee variety,” Wouters told Business Line.

Qtee is a pear that has a red blushed appearance. It was introduced in the Belgian market two years ago, though the first serious orchards planted last year are set to bear fruit that could make their way to India next year.

The main pear variety in Belgium is Conference. As Wouters said, it is also the most popular variety in Europe and in Russia.

"Qtee is a new variety and (so) not much is available. We hope to send the first trial pallets (of Qtee) to India in the next season, together with some other pears. Over the last two winters, several trees have been planted, and production is set to increase," Wouters pointed out.

Belgium's Fruithandel Wouters is looking at several promotional activities in the Indian market, to initially position its Conference pears, and to educate Indian consumers about the pears "excellent taste".

High exports

Though China exported 381,281 tonnes of pears in 2013, down 6.9 per cent, exports to India have jumped. The Asian neighbour has also managed to surpass pear exports from the United States of America.

According to trade data from the website of the Directorate General of Commercial Intelligence and Statistics (DGCIS), imports of pears and quinces (the golden yellow fruit looks like a pear) from China in 2007-08 were 5,107.41 kgs, valued at \$2.50 million. By 2012-13, imports had jumped to 12,802.49 kgs, valued at \$7.23 million.

USA was edged to the second place in the comparative period. According to DGCIS data, imports from USA in 2007-08 were 1,794.95 kg valued at \$1.97 million. This shot up to 2,756.09 kgs in 2012-13, valued at \$4.10 million.

Similarly, pear imports from South Africa were marginally lower than the US, and accounted for the third highest share during the same period. In 2007-08, South Africa imported 1,169.45 kgs of pears valued at \$1.13 million. By 2012-13, this has jumped to 3,737.74 kg valued at \$3.77 million.

Production declines

The Agricultural Statistics Board of the United States Department of Agriculture (USDA) has noted in a release dated April 9, that pear production across domestic units in the US was 808.2 tonnes in 2013-2014.

From pear imports worth \$5.77 million in 2013-14, imports from China during April 2014 to January 2015 were at 8,188.30 kgs valued at \$5.86 million. However, imports from USA were down.

During April 2014 to January 2015, pear imports from USA were at 1,878.41 kgs (from 2,518.76 kgs during 2013-14) valued at \$2.8 million (\$3.8 million). Pear imports from South Africa were higher during the same period.

From 2,799.56 kgs (\$3.39 million) in 2013-14, pear imports from SA to India clocked 3,324.75 kgs (\$3.94 million) during April 2014 to January 2015. SA also managed to unseat USA to the third slot during the same period.

China is the world's dominant producer of pears, comprising 75 per cent of total output. According to data from the USDA, pear production is forecast to reach 18.5 MMT between July 2014 to June 2015, up 7 per cent from the previous year, due to favorable growing conditions across major producing areas.

The increases are also attributed to a rebound in production following a spring freeze during 2013/14 in the northern producing provinces. Pear acreage is expected to remain stable at slightly over 1.1 million hectares in 2014/15, the USDA has noted in a release.

However, pear prices began to pick up mid 2013-14, and recovering pear prices, especially for new varieties, have triggered farmers in the northern provinces of China to replace existing varieties with new varieties like Huangguan. The early mature variety Huangguan pears were sold at RMB 5.44 per kilo at farms in early August, up 20 per cent from the previous year.

The USDA has noted that during 2013-14, China's pear exports dropped by 27 per cent because of abnormally cold spring weather in the northern

producing provinces that reduced exportable supplies. Indonesia, Vietnam, and Hong Kong were the top destinations for Chinese pear.

However, with market access granted early 2013, the United States became the largest supplier of pears to China. China's pear imports are forecast to increase by 20 per cent to 6,000 MT between July 2014 and June 2015, on strong demand for US pears, the USDA has reported. During 2013-14, the United States held approximately 80 per cent of the import market share.

US pears called Red Anjou, Green Anjou, Bartlett, Starkrimson and Bosc are the major varieties available in the market. Among these, Red Anjou and Green Anjou are the top sellers in China. Despite being a new market entrant, US pears have captured 60 per cent of the import market, notes the USDA.

Differences over report on deep sea fishing

The Meenakumari committee recommendations on deep sea fishing has put traditional fishermen and mechanised fishing boat owners on the war path. The fisheries sector, of late, is seeing a series of protests against the move to implement the report, which they feel will affect their livelihood.

Among other things, the committee had recommended creation of offshore buffer zones up to 200 metres, allowing foreign trawlers to fish beyond 12 nautical miles, legislation to regularise Indian fishing fleets, etc.

The Central Marine Fisheries Research Institute also said some of the findings of the committee are objectionable, including the creation of buffer zones.

Report questioned

Endorsing the stand of the protesting group, fisheries experts questioned the propriety of the Meenakumari committee report when several other expert reports on fisheries submitted earlier were kept in cold storage for more than a decade.

A Ramachandran, Professor, School of Industrial Fisheries, Cochin University of Science and Technology, told BusinessLine that the Murari Committee in 1996 had recommended sustaining the marine resources along

with protecting the interests of fishermen and utilisation of deep sea resources in the exclusive economic zone.

The Government later appointed the Gopakumar committee to draft a Comprehensive Marine Fisheries Policy (CMFP) in 2004 which proposed sustainable harvest of marine fishery resources. Its recommendations were also kept in abeyance for 10 years before the latest committee headed by Meenakumari for Comprehensive Review of Deep Sea Fishing Policy and Guidelines 2014.

According to him, the proposals to keep 200-500 metres in the ocean as buffer zone and to lift the existing fishing ban during monsoon season for deep sea fishing vessels is without any scientific basis.

Likewise, the proposal to pay \$25,000 per annum to foreign crew will keep the Indian crews away from getting sufficient training on board. India, unlike most other countries, has never signed a fisheries access agreement with a Distant Water Fishing Nation (DWFN) and has persisted for decades in its attempts to develop its own offshore industrial fisheries to protect the national interest. The result: the country could not utilise the marine resources available in the Indian EEZ beyond 200 metres depth, Ramachandran said.

Relief measures for sugar industry is a mockery: OP Dhanuka

OP Dhanuka, CMD – Riga Sugar Company and past President of Indian Sugar Mills Association and Bihar Sugar Mills Association, has criticised the recent relief package announced by the Centre for the sugar industry.

According to him, the so called “big relief” announced is a mockery and not in line with the industry’s expectations. Cane growers, he said, are suffering for last three years and mill payment arrears are now Rs. 21,000 crore.

Farmers and factories, Dhanuka said, were hoping for relief such as creation of buffer stocks, fixation of cane price linked with sugar price realization for the next season 2015-16 and abolition of state discretionary power of fixing cane prices; purchasing sugar from factory gate at cost prices and exporting the same through government agencies; and, re-structuring of Rs. 36,000 crore of debts of the sugar industry.

These measures can lead to ex-factory sugar prices – currently prevailing between Rs. 22 and Rs. 25 a kg – to move upto Rs. 32-35 a kg.

According to Dhanuka, the decision on removal of excise duty on ethanol supplied for blending will help only ethanol producing sugar factories that too from next year and this help will be marginal.

“The relief (announced) are just eye-wash. None of the announcements can solve the present problems of sugar industry and cane growers,” he said, as per a release.

Masur prices may have peaked; other pulses gain

Notwithstanding slack demand, the uptrend continued in pulse seeds and pulses in Indore mandis on weak arrivals. With a majority of mandis in the State remaining closed on Friday on account of ‘May Day’, masur (bold) rose to ₹6,450-6,500 a quintal, while masur (Madhya Pradesh) ruled at ₹6,100-6,200. Compared with last week, masur is ruling ₹500-550 higher.

According to Prakash Vora, a local trader, the uptrend in masur has peaked and any major rise in prices from current levels is unlikely in the coming days. Further rise and fall in masur will primarily depend on its import as lower domestic crop output has increased dependency on imports. Rise in masur also lifted its dal with masur dal (medium) being quoted at ₹7,300-7,400, while masur dal (bold) ruled at ₹7,500-7,600.

The uptrend also continued in urad with demand outstripping arrivals. On Friday, urad (bold) rose to ₹8,100-8,300 (up ₹700 from last week), while urad (medium) perked up to ₹7,700-7,800. In the past two weeks, masur prices have almost gone up by ₹1,200. Bullish trend also continued in urad dal with rise in spot urad. On Friday, urad dal (medium) in Indore mandis was quoted at ₹9,300-9,400 (₹8,700-8,800 last week), urad dal (bold) ruled at ₹9,500-9,600 (₹9,000-9,100 last week), while urad mongar rose to ₹10,700-12,000 (up ₹700 from last week).

Similarly, moong also gained with demand outstripping arrivals Moong (bold) was quoted at ₹8,000-8,200 a quintal (up ₹800 from last week), while moong (medium) rose to ₹7,400-7,800 (₹7,000 last week). Moong dal prices, however, remained unchanged with moong dal (medium) being quoted at

₹9,100-9,300, moong dal (bold) at ₹9,400-9,500, while moong mongar ruled at ₹9,700-10,000 respectively.

Jasmine plummets on poor offtake



Due to heavy arrival and lacklustre demand, jasmine prices have dropped drastically. Demand for the flower peaks between November and February and during Deepavali, Onam and Pongal/Sankranti festivals, and prices usually hover around ₹700 to ₹1,200 a kg. More than 15 tonnes of jasmine, five tonnes of *Mullai* and 5 tonnes of other flowers arrived for sale.

Regular vendors from Erode, Salem, Coimbatore, Mysore and Kollegal procured Jasmine at a lower price. President of Sathyamangalam Floriculture farmers Association, Muthuswamy said: “The present price is not feasible for farmers as they have to pay ₹50-75 a kg as plucking charges. Transportation and others expenses are also high.

They end up spending nearly ₹400 a kg”. He said that prices will be low for another one month and by June-July they will increase.

Demand drives up copra



Copra prices increased but coconut oil rates remain unchanged this week. “Many farmers have bought huge quantities of coconut from various places such as Pollachi, Kerala and Karnataka at ₹34,000 a tonne.

On Friday, it was sold at ₹9,100-9,350 a quintal, which is ₹150 more than last week. A few oil firms bought copra at ₹10,150. The edible copra is available at ₹10,200 a kilogram,” said RM Palanisamy, a trader.

He said coconut oil is selling at ₹1,850-1,950 for a 15-kg loose pack. Some crushers have received limited orders from other States, but prices are unchanged. Some crushers said they having limited demand on hands and are waiting for it to pick up.

Meanwhile, demand for palm kernel has increased and is selling at ₹9,300 a quintal. Many biscuit manufacturers are buying it for coconut oil.

Business Standard

India's sugar output hits second highest record this year

Production surpasses 27.37 million tonne mark, 25% mills continue operations, cane arrears hit all-time high of Rs 21,000 cr



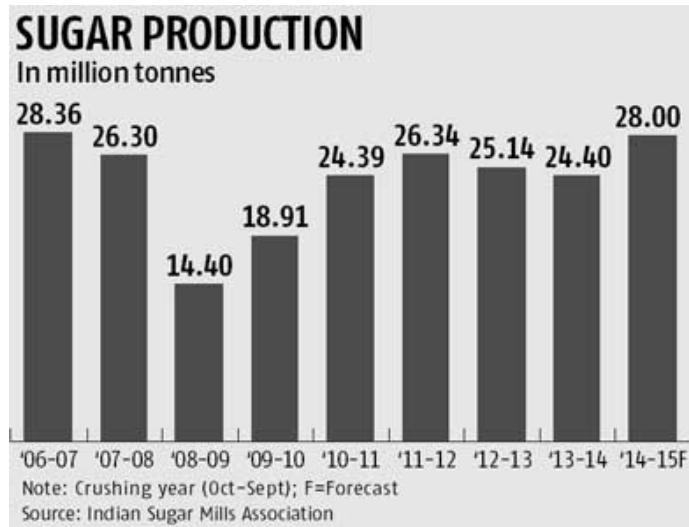
At 28 million tonnes (mt), India's sugar production this year is estimated to exceed estimates, owing to a bumper cane output and an extended crushing season. The output is expected to be the second-highest ever, after 2006-07, when it was 28.36 mt.

“Considering 130 sugar mills are currently operational and pre-season crushing normally begins in Tamil Nadu, total production might hit the second-highest figure of 28 mt this year. It is, however, unlikely to surpass the record set in 2006-07,” said Abinash Verma, director general, Indian Sugar Mills Association.

At the end of April, production was estimated at 27.37 mt. Of the 532 operational mills, 130 continued to operate due to excess cane in their respective regions. Other mills have already declared closure for this season.

Cane arrears have already mounted to an alarming level of Rs 21,000 crore. With additional production, these could swell further. Mills are worried

about the rising arrears, as dues to farmers have to be paid before the commencement of the next season. The government has taken some initiatives on this front, raising import duty on raw sugar from 25 per cent to 40 per cent and announcing a 12.36 per cent waiver in excise duty on ethanol. The excise duty waiver will help mills get an additional Rs 5 a litre on sale to oil marketing companies.



The food ministry has clarified importers of raw sugar will have to re-export processed white sugar within six months; they cannot import any raw sugar for their export commitment.

“The government’s measures would help the sector industry in the long run. We need immediate measures.

There is a much bigger crisis at hand right now. The government should have focused on resolving this immediately. There is a huge backlog of cane arrears this season, which needs to be cleared,” said Satnam Singh Behru, president of the Consortium of Indian Farmers’ Associations.

By April 30, production in Maharashtra stood at 10.35 mt, an all-time high. For the year-ago period, it was 7.71 mt. Mills in Uttar Pradesh reported overall sugar production of 7.02 mt by April 30, against 6.51 mt a year earlier.

“The government needs to build a buffer stock of at least five mt, which will enhance industry cash flow and help clear dues to farmers. Otherwise, sugar mills will be in dire straits and crushing will be difficult next season,” said a senior official at one of the country’s largest sugar mills.