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Plan to increase acreage under horticulture

Department to supply tissue culture banana saplings free

Series of training programmes planned

Tirupur: Farmers raising horticulture crops in the district have every reason to cheer as Department of Horticulture has come out with an action plan to increase the overall production by 10 per cent during this financial year at an outlay of Rs.4.18 crore.

Deputy Director of Horticulture Ignatius Roche told The Hindu that region-based differentiated strategies would be adopted to enhance area coverage and thereby augment the earnings of the farmers as well as create employment for more people.

"The project cost will be met from the corpus created by the Union Government under the National Horticulture Mission," he added. According to the blue print prepared, focus would be given to increase the area coverage of tissue culture banana by another 30 hectare, turmeric by 120 ha, and cocoa by another 150 ha.

To achieve the targets, the department would supply tissue culture banana saplings free at the rate of 2,500 per ha and distribute inputs worth Rs. 11,250 to turmeric farmers for every additional hectare raised. In the case of cocoa, arrangements had been made to supply necessary saplings with the help of Cadbury Company through a 'buy back arrangement' basis by which the entire produce would be purchased from the farmers by the company itself at attractive support prices. "The cocoa will be raised as an intercrop to coconut since the cocoa plants need adequate shade for its growth," the deputy director pointed out.

To help farmers improve productivity, a series of training programmes had been planned across the district.Farmers who wished to get assistance under these schemes could contact Mr. Roche (Tel: 98653-38754).

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Demonstration camp on farm machines

ERODE: The Co-operative department will conduct a field demonstration camp at Ganapathipalayam at 11 a.m. on June 10 to demonstrate the operation of machines used to plant seedlings.

The camp is planned as a part of the efforts to promote the use of modern machines and technologies for various cultivation activities among farmers in the district. The use of advanced techniques will reduce the manpower requirement significantly, Joint Registrar of Co-operative societies Siva Muthukumarasamy said in a press release.

The department had asked farmers from various parts of the district to participate in the camp and learn the operation of advanced technologies used in the agriculture sector.

The department operates agriculture service centres in eight places in the district, which offer extension services and enable the farmers to hire modern machineries. The service centres have machineries and farm implements including mini tractors, power sprayers, weed removal equipment and machines for planting seedlings.

Farmers could register with the service centres and hire the equipment at lower rates, the release said.

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Jasmine cultivation picks up in Erode

ERODE: The cultivation of jasmine has picked up in many parts of the district as the rate of return from the crop remains attractive.

Many farmers in Sathyamangalam, Bhavani Sagar, Anthiyur and a few other blocks in the district had taken up the cultivation of jasmine in large tracts of land as the prices remained high during the last year.

“Though it is labour intensive, the crop fetches good income for us,” many farmers here point out. The Sathyamangalam block alone has over 500 hectares.

The crop can be grown on all types of soil and it gives good yield even during the low rainfall conditions. Plenty of sunshine is essential for the growth and flowering, horticulture officials here explain. Farmers, meanwhile, wanted the district administration to come up with a mechanism to protect the jasmine growers from price fluctuations.

Jasmine prices sometimes went as high as Rs. 300 per kg during peak seasons. It also plummeted to levels as low as Rs. 50 a kg when there was a surplus arrival in the market, the farmers pointed out.

Flower growers in the district also appealed to the State government to provide subsidy to install micro irrigation systems including drip and sprinkler for floriculture. “Micro irrigation can help enhance the yield and enable us to get higher returns,” farmers say.

Horticulture officials said that the department was providing 65 percent subsidy for the installation of micro irrigation for all the crops.

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Farmers seek water release

Need matters:(Left) Farmers staging a demonstration in front of Public Works Department demanding release of water for irrigation in Thanjavur on Tuesday; Farmers stage demonstration in Nagapattinam.

THANJAVUR: Members of Tamil Nadu Vivasayigal Sangam affiliated to CPI (M) staged a demonstration before the Superintending Engineer's Office of the Public Works Department (PWD) here on Tuesday urging the Tamil Nadu Government to get the due share of water from Karnataka as per the interim award of the Cauvery River Water Disputes Tribunal and release the water in time for Kuruvai cultivation from Mettur dam.

They also demanded uninterrupted power supply for agriculture pumpsets in rural areas. Other demands include construction of concrete houses under Kalaignar's concrete housing scheme on 350 sq. ft. instead of 250 sq.ft.

Nagapattinam

Communist Party of India cadres courted massive arrests here at six places for their twin demands of release of water from Mettur dam and normalisation of power supply. Over 627 cadres of CPI were arrested today at Nagapattinam, Keezhayur, Mayiladuthurai, Semmanarkoil, Porayar and Thalainayar.

Business Standard

Wednesday, Jun 09, 2010

Production surge to keep sugar bitter

Jitendra Kumar Gupta / Mumbai June 9, 2010, 0:53 IST

With production surging, fortunes of the sugar industry have changed dramatically. Sugar companies, which were expected to make bumper profits because of soaring sugar prices — Rs 41.15 per kg in January 2010 — are in news for different reasons. Ever since scaling a peak in January, prices have corrected by almost 33.5 per cent to Rs 28 per kg. This is also one of the reasons why most sugar companies have seen a sharp decline in their share prices.

Downturn in sugar cycle

Sugar prices have corrected globally and in the domestic market. This is consequent to expectations of the global sugar industry moving from a deficit to a surplus situation. According to the International Sugar Organisation (ISO), the world sugar market, which was estimated to see a deficit of about 8.51 million tonnes for sugar season (October to September) 2009-10, could see surplus stocks of 2.5 million tonnes in the forthcoming season in 2010-11.

"There are indications that in 2010-11, the deficit phase is coming to an end. In some key producing countries, sugar output is likely to expand. The first obvious candidate is India. The notorious production cycle has entered the upswing phase, and next season's output is likely to grow further. The government expects next season's output to improve massively to 22-23 million tonnes white sugar, as against 18.5-19.0 million tonnes in 2009-10," says Sergey Gudoshnikov, senior economist at ISO.

KEEPING A WATCH

	P/BV(x)		FY11E PE (x)
	5-yr band	Current	
Renuka Sugar	1-4	1.50	11.90
Bajaj Hind	0.5 - 5.8	0.90	15.70
Balram Chini	0.5 - 7.5	1.50	15.40
Dhampur Sug	NA	0.60	3.70
Triveni Engg	NA	1.80	11.40

Source: Analysts estimates

SUPPLIES TO RISE

(million tonnes)	SS08	SS09	SS10E	SS11E
Production	26.30	14.70	18.70	24.70
Opening stock	9.20	8.10	3.30	4.60
Imports	NA	2.50	5.00	2.00
Total supply	35.50	25.30	26.90	31.30
Domestic consumption	22.50	22.00	22.30	23.20

Stock-to-use ratio %	36.00	15.00	21.00	35.00
Mumbai S 30-Rs@KG	15.20	22.80	31.50	24.00
E: Estimates (by ENAM)				

In fact, as against the government's projections, many industry analysts estimate that white sugar production will be as high as 26 million tonnes. Sergey says, "If production gains allow India to harvest a crop approximately corresponding to the mid-level of the suggested range, that is, to about 24 million tonnes (white sugar), it will bring roughly an additional six million tonnes, raw value, to global supply." Apart from India, surplus production is also expected in other key producing nations like Brazil, China and Mexico.

Impact

In the current season, due to less availability of cane, sugar producers paid farmers about Rs 250 per quintal — higher than the fair and remunerative price (FRP) of Rs 129.8 per quintal and the state-administered price (SAP) of Rs 165 per quintal. Despite this, profits were way above the normal, as net realisations were as high as Rs 8-12 per kg. Now, profits will take a hit due to lower prices and impact of high-cost inventories. According to analysts, companies are holding inventories at about Rs 25-27 per kg. Hence, stabilisation of sugar prices at current levels is crucial. Otherwise, the companies will suffer losses, which will lead to higher arrears, impacting the farmers.

The road ahead

This is also one of the reasons that sugar companies are asking the government to levy duty on cheap imported sugar. For instance, even a 20 per cent import duty on sugar will give a landed cost of approximately Rs 29 per kg, which is close to the domestic price and will therefore help stabilise it.

Following industry expectations that the government may impose import duty on sugar, share prices of sugar companies have recovered some lost ground over the last fortnight.

Meanwhile, analysts believe that after the significant correction seen recently, sugar prices should stabilise at current levels. Nevertheless, for the second half of 2009-10, most sugar companies will report lower profits or even losses. The profitability of the companies is expected to improve only in the second half of 2010-11, when prices are expected to be stable and cane prices low. Among stocks that analysts prefer are Shree Renuka Sugars (due to better profitability, diversified business and pending re-negotiation of its Brazilian acquisition) and Balrampur Chini Mills (due to relatively lower debt and increasing revenue contribution from power and ethanol).

Soymeal exports slump 32% in May: Sopa

Press Trust Of India / New Delhi June 09, 2010, 0:58 IST

Soymeal exports fell to 60,228 tonnes in May—a decline of 32 per cent over the same period last year—due to poor availability and high cost of soybean in the domestic market. The country had exported 89,156 tonnes of soymeal in May 2009.

“Soymeal export has been on a downtrend because processing of soybean is becoming uneconomical,” Soybean Processors Association of India (Sopa) Spokesperson and Coordinator Rajesh Agarwal said.

The arrivals were low and the international prices of the bean were very competitive, he said, adding that the country’s oilseed was expensive and unable to match those rates.

According to Sopa data, export to the biggest soymeal importer Japan had slumped by 43 per cent to 12,262 tonnes in May compared to April. For the first seven months of the 2009-10 oil year (October–September) too soymeal exports declined by 41 per cent to 160,000 tonnes as against 270,000 tonnes in the same period previous year.

Basmati rice exports face slowdown

Ajay Modi / New Delhi June 09, 2010, 0:56 IST

A 20% decline in 2 months is a cause of worry for exporters.

The country’s basmati rice exporters are witnessing a slowdown in export demand and realisation due to lower demand from Iran and the European crisis.

“The export market has slowed down and there is a fall of over 20 per cent in the first two months of the current financial year. Slowdown was seen in exports to the Europe, the US and the Middle east. Even realisation is down by over 10 per cent compared to last year. This is just the beginning and we expect the situation to improve,” said Gurnam Arora, joint managing director, Kohinoor Foods, which sells rice under the ‘Kohinoor’ brand.

Europe and Iran are major buyers of Indian basmati rice. According to the Agricultural and Processed Food Products Export Development Authority, the country’s basmati rice export stood at 1.55 million tonnes in 2008-09, valued at Rs 9,477 crore. In 2009-10 (till December 2009), it was around 1.46 million tonnes, valued at Rs 8,146 crore.

Exports for the full year are expected to be well over 2.5 million tonnes, which would be a record. This jump is primarily due to inclusion of 1121 variety in the basmati category. The inclusion of 1121 variety of rice in basmati was done on October 2008.

“Export prices are down and this is reflected in paddy prices. Prices have been on a decline for last 3 months. Millers bought 1121 variety of paddy at Rs 2,300-2,400 a quintal last year and current price is not even Rs 1,900. Some paddy from previous year’s crop is still arriving in the market,” said RS Seshadri, director, Tilda Riceland.

Export to Iran, a major market for 1121 rice has slowed down due to significant export from Pakistan. Pakistan is learnt to have recently supplied 200,000 tonnes of 1121 rice to Iran.

“Iran had a crop which is estimated to be higher by 25 per cent compared to last year. On Tuesday, buyers in Iran are not even ready to give an advance for supplies as they were doing last year. Moreover, the price on which the Indian exporters are billing the rice is not binding on Iranian buyers. It is just a suggestion and exporters are taking a cut in the final payment,” Seshadri said.

Most basmati millers in India had bought paddy paying high prices to farmers last year in anticipation of a buoyant 1121 rice demand from Iran. However, against a price of $1,060 a tonne in last quarter, exporters are now getting $900 a tonne. Iran accounts for almost half of 1121 export, estimated at 1.3-1.4 million tonnes.

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Jitendra Kumar Gupta / Mumbai June 9, 2010, 0:53 IST

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Back **Lower arrivals drive up wheat prices**

Mills face supply shortage, seek open market sale scheme.

Flour (atta) and maida prices have increased. Flour is quoted at Rs 12.50 a kg against Rs 11.50 in April and maida at Rs 15,50 a kg (Rs 13.50 in April).

M.R. Subramani

Chennai, June 8

Wheat prices have gained 13 per cent in the last two months, while rising 12 per cent in the futures market.

Prices for the dara variety, that is used by the flour mills, were quoted at Rs 1,095 a quintal on April 7. On Tuesday, they were quoted at Rs 1,245 in the benchmark Lawrence Road market in New Delhi. During the same time last year, the prices were Rs 1,054 a quintal.

FUTURES UP

On the National Commodities and Derivatives Exchange, wheat for delivery this month was quoted at Rs 1,269.20 a quintal on Tuesday against Rs 1,123.60 on April 1. The prices have increased to Rs 1,296 (Rs 1152.80) for August delivery and to Rs 1,313.60 (Rs 1,170.60) for September delivery.

“There are practically no arrivals in the New Delhi market,” said Mr Raj Narayan Gupta, a miller in Uttar Pradesh. “For mill delivery in Uttar Pradesh, wheat is quoted at Rs 1,325 a quintal,” he said.

According to a miller in the South, wheat delivered at the Railway goods shed has increased to Rs 1,475 a quintal against Rs 1,250 in April.

Consequent to the rise in wheat prices, flour (atta) and maida prices have increased. Flour is quoted at Rs 12.50 a kg against Rs 11.50 in April and maida at Rs 15,50 a kg (Rs 13.50 in April).

MORE RISE

“Maida prices will go up further as wheat costs have gone up,” Mr Gupta said.

“Arrivals in Punjab's Khanna market is down to 500 quintals. It was 10 times more during the same time last year,” said Mr Raj Sud, a trader. “The Government is holding the entire wheat stocks,” he said.

“The mills are facing supply shortage. We have asked the Centre to sell wheat through the open market sale scheme,” Mr Gupta said. “But the officials have said they will decide on the open sale only after procurement gets over,” he said.

Procurement of wheat that began on April 1 will officially end on June 30. Till now, the Centre has procured 22.5 million tonnes against 25.5 million tonnes during the same period a year ago. Wheat stocks with the Government on June 1 were 35.2 million tonnes against the norm of four million tonnes.

“Some traders and multi-nationals do hold adequate stocks,” said a trading source.

The rise in prices and shortage in availability come at a time when the Centre has estimated wheat production at a record 80.68 million tonnes. On Monday, the Directorate of Wheat Research said production could be 81 million tonnes against 80.28 million tonnes last year.

However, farmers in Punjab, Haryana and Uttar Pradesh have reported a drop in yield.

Among the wheat growing States, only Madhya Pradesh has reported a rise in production.

According to Mr Ajitesh Mullick, agri-research head of Religare, wheat prices in the futures market are likely to be range-bound in the next 2-3 months since the Government would tend to keep them on leash to protect consumers.

He also saw resistance for wheat July contracts at Rs 1,302 a quintal. If this is surpassed, further resistance is seen at Rs 1,345. On the other hand, good support is seen at Rs 1,255. The July contract ended at Rs 1,282 on Tuesday.

“Our fear is that the Centre may quote a higher price for open sale as and when it is done,” said a South-based miller.

“It will be better if the Centre does not opt for the tender system and just resorts to sale,” said Mr Gupta.

RUNNING INTO HURDLES

Last year, the open sale scheme ran into problems after the Centre quoted a price higher than that prevailing in the market. It lead to rise in the prices and subsequently, the Government cut the price by Rs 200 a quintal.

The sale price of the Government takes into account the amount it spends on procuring, storage and interest on the money the Food Corporation of India borrows from banks for its operations.

Meanwhile, imports are taking place albeit in a small way. "The fear of the Centre imposing Customs duty lurks," said a trading source.

Import duty on wheat was made zero during 2006-07 when there was wheat supply shortage. With a very high inventory and projections of a record crop, the Centre is mulling to re-impose the duty.

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Back **Potato may drop further after Sept**

58 lakh tonnes stacked in cold storages in West Bengal.

Sushil Kumar Verma

Glut scenario: A wholesale potato trader strikes a deal at the Azadpur mandi in New Delhi. Potatoes from Uttar Pradesh and Punjab are flooding the wholesale vegetable market. –

Shobha Roy

Kolkata, June 8

Potato prices are likely to dip further post September once a major quantity of the tuber currently kept in cold storages across West Bengal are released into the market, according to industry experts.

Close to 58 lakh tonnes of potatoes have been stored in the 403-odd cold storages across the

State.

“On an average basis, almost 12-13 per cent of the total quantity of potatoes kept in cold storages have been already been released. If the release of the tuber continues to happen at this pace then there is a likelihood of prices falling even further,” said Mr Patit Paban De, Member, West Bengal Cold Storage Association.

Production cost

The wholesale price of the tuber (Jyoti variety) is currently hovering around Rs 360-400 a quintal.

Farmers and potato traders have, therefore, been trying to sell off as much as possible as there is an anticipation that the prices would fall further, he said.

“The cost of production of potato is about Rs 300 a quintal and the cost of storing in cold storage, is about Rs 160-180 a quintal. It is lower than the wholesale price the commodity is fetching. Farmers and traders are, therefore, trying to curtail their losses as much as possible,” said a potato trader.

Exports of potatoes from the State to countries such as Malaysia, Singapore, Sri Lanka and Nepal have been very negligible, he said.

“Only about two-to-three containers of potatoes have been exported so far which is very minimum and will hardly have any impact on prices,” he observed.

The mounting losses borne by the farmers this year might lead to lower cultivation of the commodity next year, he added.

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Back **Wet weather hits Canadian pulses sowing**

G. Chandrashekhar

Mumbai, June 8

The world pulses availability could tighten further in 2010-11 if latest reports from Canada's Saskatchewan province, one of world's largest producing and exporting regions, are any indication.

While the US and Australia, two other producers-exporters of pulses enjoy crop-friendly weather, Saskatchewan has not been so lucky until now. The Canadian province has been experiencing unusually wet weather for last several weeks.

More recently, excess rains are causing flooding and consequent delays in seeding. Even assuming that weather turns benign soon, delay in harvest, and more importantly, yield losses cannot be ruled out. As of June 1, farmers usually complete planting as any delay beyond the date often results in lower yields on account of unfriendly weather conditions at the wrong time of the crop growth cycle.

Weather woes

At the field level, farmers have been concerned about wet conditions for quite sometime now. Even during the world pulses convention (CICILS/IPTIC) in Brisbane early last month, Canadian representatives talked about wet weather and expressed apprehension over possible delays in seeding.

According to Mr Maurice Berry, a large pulse grower at Carievale in Saskatchewan and immediate past president of Saskatchewan Pulse Growers (SPG) association, the grain trade has not yet factored in the prospect of a considerable loss of production.

“Attention seems to remain on the excellent crop conditions (especially corn and soyabean) in the US Midwest,” he wrote to Business Line, suggesting that yield losses in his province would have adverse impact on global market prices in the second half of the year.

Traditionally, by June 1 anything between 80 per cent and 95 per cent of the planting gets completed in the province.

However, this year, less than 60 per cent of the area has been seeded as of May 31, according to Saskatchewan agricultural seeding progress report. The 10-year average is 86.5 per cent.

Speaking to this correspondent earlier during the CICILS convention and more recently last week in India, Mr Murray Purcell, a pulses growers and current SPG President, expressed apprehension about wet weather conditions and the likely impact on pulses output in Saskatchewan province.

Mr Purcell was in India as part of a provincial ministerial delegation to explore trade and investment opportunities in a range of sectors.

It is of course known that a very significant portion of Canada's pulses production takes place in the Saskatchewan province which is endowed with large tracts of land, water and sunshine. However, this season, growers are all praying for the rains to stop so that they can get on with planting.

Indian worries

Weather related developments in Saskatchewan are sure to be a matter of serious concern not only for growers in the province but also for consumers in India. Canada supplies almost half of India's annual pulses import requirement and as much as 80 percent of it comes from Canada's Saskatchewan province.

As the world's largest importer, it is in our country's interest to track developments in other parts of the world.

However, one is not sure if the Government of India has the capability to access global market information and adequate interest to use the information for advance planning.

Meanwhile, southwest monsoon has broken out; but there is no announcement of minimum support price for the ensuing kharif crops.

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Back **Pepper futures decline on bull liquidation**

G.K. Nair

Kochi, June 8

Pepper futures, after witnessing high volatility on Tuesday, ended below the previous close on bearish sentiments and liquidation.

“Bull liquidation with slow domestic demand because of heat wave conditions in north India and undercutting by major stockists created a bearish sentiment in the market,” a market source told Business Line. As the June delivery was available below spot in the futures market, exporters turned towards it. But uncertainty about the availability in the exchange was pointed out as a major cause for concern. Add to this, the highly volatile exchange rates and the cost involved in re-processing of exchange delivered pepper are also viewed as problems by the trade.

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Back **Spot rubber rules steady**

Our Correspondent

Kottayam, June 8

Spot rubber continued to rule almost steady on Tuesday. According to observers, the market activities were in an extremely low key as the domestic rubber futures turned weak on NMCE.

Sheet rubber finished flat at Rs 168.00 a kg amidst scattered transactions. The trend was partially mixed as ISNR 20 weakened on low demand.

Futures weaken

RSS 4 weakened with the June futures rising to Rs 167.60 (168.47), July to Rs164.10 (164.69), August to Rs 158.40 (158.79) and September to Rs 154.40 (154.99) a kg on the National Multi Commodity Exchange. The June futures for RSS 3 improved to ¥351.0 / Rs180.12 (¥345.0), July to ¥343.6 (¥340.7), August to ¥316.8 (¥312.0), September to ¥289.0 (¥284.0), October to ¥267.1 (¥262.4) and November to ¥262.1 (¥257.3) a kg during the day session on Tokyo Commodity Exchange.

RSS 3 (spot) firmed up to Rs 169.14 (168.05) a kg at Bangkok.

Spot rubber rates (Rs/kg) were: RSS-4:168 (168); RSS-5:165 (165); ungraded:163 (163); ISNR 20: 150 (151.50) and latex 60%: 110.50 (110.50).

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Back **Campco gets ISO certification for food safety**

Our Bureau

Mangalore, June 8

The chocolate factory of the Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd at Puttur in Dakshina Kannada district has been awarded the ISO 22000 certification for food safety and food quality.

Addressing presspersons here on Monday evening, Mr K. Padmanabha, President of Campco, said that ISO 22000 is given for activities of preparation, storage and dispatch of cocoa-based products, chocolates, hard boiled sugar confectionery products, instant drinking chocolates and instant milk flavourings.

The certification has been awarded by the certification authority SGS of Switzerland.

Mr Padmanabha said that Campco produced 11,000 tonnes of finished and semi-finished cocoa products during 2009-10.

Earlier, Mr Sanjay Ghosal, Manager of SGS India Pvt Ltd, handed over the ISO 22000 certificate to Mr Padmanabha at a function.

May perk up biz

Speaking on the occasion, Mr Satish Marathe, President of Sahakara Bharathi, said that Campco is the only cooperative in the country to get ISO 22000 certification for chocolate manufacturing facility. The certification will help Campco to face competition from multinational companies. With this certification, Campco will be able to attract more business, he said.

Mr Ghosal said that SGS India has awarded ISO 22000 certificates to 53 companies in the country, including the chocolate factory of Campco at Puttur.

Mr Padmanabha said that Campco is in the process of applying for ISO 14000 pertaining to environmental management systems, and OHSAS 18000 pertaining to health and safety of the system.

Mr A.S. Bhat, Managing Director of Campco, and Mr Suresh Bhandary, Deputy General Manager, Campco Chocolate Factory, were present on the occasion.