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Order on free grain to poor can't be executed: Manmohan Singh

Siddharth Varadarajan

"Supreme Court should not go into realm of policy formulation"

New Delhi: The government will do all it can to provide affordable food to those below the poverty line but cannot implement the Supreme Court's order to give free foodgrains to the poor, Prime Minister Manmohan Singh said on Monday.

In an interaction with a small group of editors at his residence — his first in several years — Dr. Singh handled questions on a wide range of domestic and foreign policy matters with confidence, spontaneity and even a touch of uncharacteristic wit. "Well, I think a pigeon has been set among the cats," he said, when his media adviser, Harish Khare, suggested he meet with journalists more often. Asked for his views on the film, Peepli [Live], which deals with rural indebtedness and displacement, he urged all journalists to see it because "it has a moral lesson both for politicians and for the gentlemen and ladies of the media." Humour aside, the Prime Minister's indirect message to Natha, the film's farmer protagonist who ends up forlorn at an urban construction site, was that there is no such thing as a free lunch. India has no option but to industrialise, he said. "The only way we can raise our heads above poverty is for more people to be taken out of agriculture."

If that prescription sounded politically incorrect, Dr. Singh also took on the Supreme Court for straying into the executive's domain by ordering free food for the poor. "I respectfully submit that the Supreme Court should not go into the realm of policy formulation. I respect the sentiments behind the [court] decision that when foodgrains are rotting and people are suffering from deprivation, then some way should be found to ensure that the food needs of the deprived sections are met. But quite honestly it is not possible in this country to give free food to all the poor people.”

The Prime Minister said figures vary but if one takes the Tendulkar committee's estimates, 37 per cent of the population is below the poverty line. “How are you going to give free food to such a large segment of the population,” he asked. His government was committed to ensuring that food was available to the poor at an affordable price. “But to say that we can give foodgrains free, quite frankly, if we do that on a large scale you would destroy the incentive of our farmers to produce more food and if there is no food available for distribution what will you distribute?”

‘Debate integral to Congress'

Brushing aside media perceptions of a government beset by internal divisions and drift, Dr. Singh said debate was integral to the nature of the Congress as a “mass movement” and that the cabinets of Jawaharlal Nehru and Indira Gandhi at times saw more dissonance than the United Progressive Alliance was accused of experiencing.

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Farmers on exposure trip

ARIYALUR: A total of 100 horticultural farmers of Ariyalur district have been selected for a five-day exposure visit to various farms to understand the success of precision farming technique for recording higher productivity and advanced banana cultivation strategy.

The farmers, who left Ariyalur on Monday, will interact with floriculturists, horticulturists,fruit-tree growers, vegetable cultivators and exotic crops, using precision farming techniques. They would visit the research farms of the TNAU; the Jain precision farm in Udumalpettai besides the National Research Centre for Banana in Tiruchi. T. Abraham, District Collector, flagged off the vehicles by which the farmers were taken for the visit. N. Rajkumar, Assistant Director of Horticulture, accompanied them.

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Sunflower, groundnut cultivation to gain momentum

R. Vimal Kumar

Tirupur: Cultivation of sunflower, groundnut and pulses in the district is set to undergo a transformation for good this fiscal as the Department of Agriculture plans to take up capacity building activities in the said segments at an outlay of Rs.17.55 lakh.

In an attempt to rejuvenate these segments, the Agriculture Department would be promoting IEC (information, education and communication) activities, distribute inputs, and help the farmers improve farm efficiency by giving practical sessions at select farmers' holdings in Udumalpet, Madathukulam, Vellakoil, Mulanur, Perumanallur and Dharapuram areas.It has been planned to distribute seeds, micro nutrients, bio-fertilisers and bio-pesticides.

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Bangalore, September 6, 2010

Breakthrough in mass breeding predator butterfly

The Hindu In a relief for cultivators troubled by mealy bug pests, a city university has done breakthrough research enabling mass breeding of a ‘predator’ butterfly to help destroy the plant sucking bugs that destroy economically important crops.File Photo

In a relief for cultivators troubled by mealy bug pests, a city university has done breakthrough research enabling mass breeding of a ‘predator’ butterfly to help destroy the plant sucking bugs that destroy economically important crops.

“Indian cultivators for years have been battling the threat by six species of mealy bugs, which reproduce rapidly and feed on crops like coffee, cocoa, grapes, fig guava, mango, sugarcane, mulberry, vegetable crops and several ornamental plants, causing huge crop loss,” Dr M.G. Venkatesha, Department of Zoology, Bangalore University, told PTI.

Mealy bugs attack flower and fruits of crops. A single mealy bug lays 500-100 eggs and has a 30 day life cycle. The menace is estimated to cause a loss of $750 million in US and several millions in India, he said.

Pesticides were not effective as their bodies have a kind of wax-coated finish which did not allow it to settle on them. The only method used so far to control mealybugs was deployment of biological control agents like predatory ladybird beetles and wasp parasites,which had to be imported.

However, under a UGC-sponsored research project, a major breakthrough was achieved by successfully breeding a predator butterfly found in India, under laboratory conditions, paving the way for mass breeding and deployment on mealy bug infested fields, he said.

The butterfly, also known as ape fly, as its pupa resembles a monkey’s face, has for years been found in India.

But efforts by many universities and horticultural universities in the last three decades to grow them under laboratory conditions for mass breeding had not yielded results.

“These butterflies do not mate in captivity, raising a huge challenge in terms of mass breeding them for use as biological control agents against mealy bugs”, he said.

However, a research scholar in the department has generated conducive conditions, making it possible to get the predator butterfly mate in captivity, a major breakthrough, he said.

Out of the total butterfly population, 99 per cent of larvae feed on plants and one per cent was carnivorous.

“The apefly or Spaligis epius is one such potential indigenous predator found in India. It measures less than an inch and is brown in colour with a 20 day life cycle. The caterpillar of this butterfly are carnivorous and can feed voraciously on mealy bugs in the field” said Dr Venkatesha.

A single caterpillar can feed on 2500 mealybug eggs and 200 adult mealybugs in its eight day cycle. “It can significantly bring down mealy bug population in a field”, he said.

Using the technique, this butterfly could be bred in a lab.

A pumpkin with mealy bugs could be bred for two to three months in a lab till it is completely covered with it. Following it, larvae of these butterflies could be cultivated on the pumpkin. A single pumpkin could harvest 60 larvae of the predator butterfly.

“The larvae along with mealy bugs can be taken off the pumpkin with a gentle brush onto a container and manually transferred to plants on the field. The larvae can survive with mealy bugs for two to three days during transportation”, he said. Once they are on the plants, they grow rapidly and destroy the mealy bugs.

The breakthrough offers huge hope for cultivators and also holds potential of exporting these larvae to countries facing the mealy bug menace, especially those which have hot and humid weather conditions.The predatory butterfly is also found in Burma, Sri Lanka, Philippines Java, Bangladesh and Thailand. Using the technique developed by Bangalore University, these countries could also benefit from it. The results cannot be patented as it is a biological matter, he said. The technique right now might be suitable to tropical or sub tropical climates.“It took two years to develop this mating and breeding technique and we plan to hold workshops to disseminate this information. Findings of the study have been published in a scientific journal, Springer Verlag”, he said.

hindustantimes

Samar Halarnkar and Bhadra Sinha, Hindustan Times

Email Author

New Delhi, September 07, 2010

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Grain stored by FCI not counted

Admitting that the *HT* figure was correct, the ministry said, "But, we had calculated the figures differently." They did not, however, mention how the numbers were juggled initially.

Pawar and his officials did not explain that the figure of 11,700 tonnes they were quoting only counted the grain rotting in state warehouses. They left out the grain stored by the Food Corporation of India, the nation's main repository of wheat and rice purchased from farmers.

On a day when the Prime Minister said he would prefer the judiciary not get involved in executive decisions, the SC examined the government's affidavit and said it would wait to hear from the petitioner, People's Union for Civil Liberties.

After first saying it was "not possible" to distribute the excess grain, now the government has agreed to allocate an additional quantity of 25 lakh tones of food grain for the next six months.

The government has, however, declined to accept the court's suggestion to limit procurement in view of limited storage space and also to abolish the above poverty line (APL).

Admitting that there is a need to augment the storage capacity, the government said procurement could not stop in the interest of farmers.

According to the affidavit, procurement of food grain has increased sharply in the last three years. In the current year, 53.77 million tonnes of food grain was purchased from farmers..

The government further told SC that its order asking a fresh survey of the BPL families in the country had been conveyed to the Planning Commission. A request to expedite framing of guidelines to conduct the survey too has been dispatched on September 3.

However, it said, families under the *antyodaya anna yojana* scheme have already increased from one crore to 2.50 crore households. Regarding the court's advice on distributing 35 kg of food grain at subsidised rates to 150 poorest districts, the government hasn't taken any decision.

"The government is actively considering enacting a law on food security and national advisory council is already examining the entire issue," the Centre told the Supreme Court.

http://www.hindustantimes.com/StoryPage/Print/597026.aspx

Weather

Chennai - INDIA

Today's Weather

Cloudy

Tuesday, Sep 7

Max	Min
29.6°	23.7°

Rain: 00 mm in 24hrs	Sunrise: 5:57
Humidity: 84%	Sunset: 18:17
Wind: Normal	Barometer: 1005.0

Tomorrow's Forecast

Rainy

Wednesday, Sep 8

Max	Min
33°	26°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Sep 9	**Sep 10**	**Sep 11**	**Sep 12**	**Sep 13**
				

35o | 26o	32o | 27o	33o | 26o	32o | 27o	33o | 27o
Rainy	Rainy	Rainy	Rainy	Cloudy

By IANS

06 Sep 2010 09:27:51 PM IST

Foodgrains: Centre can't follow SC directive

NEW DELHI: The central government on Monday told the Supreme Court that it could not follow its suggestion to procure foodgrains in proportion to storage capacity as it had to cater to the farmers by providing them minimum support price (MSP) for their produce.

The government said that the "procurement policy of the government of India has twin objectives of ensuring minimum support price to the farmers and meeting the requirements of the food grains for the public distribution system (PDS) and other welfare schemes".

The court was told that if procurement agencies of both the central government and state governments were not to lift the farmers' produce then in peak procurement season, they (farmers) would be left at the mercy of traders who may not pay adequate price.

The inadequate returns would be a disincentive for the farmers to sow these crops which in turn would "drastically impact food security of the nation".

The central government told this to an apex court bench of Justice Dalveer Bhandari and Justice Deepak Verma in its comprehensive affidavit filed in pursuance to the court’s directions seeking information on its procurement and storage policy and public distribution system for the below poverty line (BPL), above poverty line (APL) and Antyodaya Anna Yojna (AAY) ration card holders.

The court directions of Aug 31 came during the hearing on a petition filed by the People's Union for Civil Liberties pointing to the wastage of foodgrains because of improper storage, exposure to vagaries of nature and corruption in the functioning of the PDS.

The court has also received a report which has pointed to corruption in the functioning of the PDS.

The government's affidavit did not directly say so but it made it clear that it was not inclined to heed the apex court’s suggestion to supply foodgrains free to the poor.

The government said that under AAY the element of subsidy was 87.05 percent in case of wheat and 85.32 percent in respect of rice.

For the BPL card holders, the subsidy component was 73.12 per cent and 72.35 per cent for wheat and the rice, respectively.

The central government said the abolition of APL category of card holders was not desirable in view of the food security law under consideration of the government.

The court was told that the National Advisory Council was already examining the entire issue of food security and the proposed legislation would be finalised soon.

The affidavit was filed by Ministry of Consumer Affairs, Food and Public Distribution Joint Secretary C. Vishwanath.

THE ECONOMIC TIMES

Tue, Sep 07, 2010 | Updated 10.27AM IST

6 Sep, 2010, 10.48PM IST,ET Bureau

Centre should double the grain procurement: CFR

NEW DELHI: The Centre should double the current grain procurement, which is only 25% of the total production besides using the 2010 population figures to decide on the number of BPL people in the country, thus automatically expanding the number of recipients for distributing grain, the Right to Food Campaign (CFR) has said.

Compounding the confusion over the PM’s remark today on the need for the Supreme Court's to stay out of the government’s decision on food grain distribution, the CFR said. However, while welcoming the court’s suggestion on distribution fo free grain to the poor instead of letting it rot in godowns, the CFR expressed its apprehensions over the court’s suggesting that the APL category should be done away with. "Limiting the percentage of people covered under the BPL to only 36% has meant that huge numbers of the hungry get left out. The Planning Commission has also shown high targetting errors in the BPL list with more than 50 percent of the actual poor BPL families being left out of these lists. With the present situation of run away prices of food grains, and a nutritional and food emergency situation in the country, abolishing a system of subsidised food grains for those who are outside the BPL list will result in many going hungry," the CFR said in a statement here. It emphasized "It is a proven fact that the adoption of universal coverage in distribution of grain is the only measure that will prevent exclusion of the poor.In the present scenario atleast those poor who have been excluded from the BPL must have the right to avail of the APL grain, which is at less than half the market price of grain."

The CFR has suggested that there is urgent need to put in place the infrastructure for local procurement of grain, thus savign on transport costs for a countrywide grain distribution network. Referring to grain rotting in godowns, the Campaign said "Instead of asking the government to reduce procurement to present storage capacity, we would instead request the court to ask for an expansion in decentralized storage capacity and procurement so that public provisioning of subsidised food grains is expanded and strengthened, the FCI needs to improve its storage systems and local bodies (including Panchayat) managed storage systems ought to be put in place."

The Campaign also expressed concern over the Court’s suggestion to introduce fortified atta instead of wheat. Replacing wheat with atta will lead to more corruption due to central processing of the wheat by private flour mills, it said.

The CFR has suggested that the governemnt release 2.5mt of excess food stocks (the decision was taken by the government on 2nd September, 2010) by expanding the AAY grain entitlement to all rural households for an initial period of two years in all districts that were declared drought affected in 2009 or in 2010.

It has also recommended the extension of Antyodaya cards and entitlements forthwith to all the priority groups without any quota/ limit on the number of households living at the risk of hunger as per the order of the Central government dated 3rd August 2004;, issued on the basis of the SC order of 2nd May 2004 in the PUCL case 196/2001. This stipulates that, amongst others, all landless agriculture labourers, marginal farmers, rural artisans/craftsmen, slum dwellers and daily wage earners in rural or urban areas should be given Antodaya cards.

"We urge the Supreme Court to ensure that all these households receive the full quota of 35 kgs without any restriction on the numbers of such households so long as they meet the criteria set above by the Government of India order," the CFR said in a statement here. Signatories include the steering group of the organisation comprising Prof Jean Dreze, Anjali Bhardwaj, Aruna Roy and Nikhil Dey (National Campaign for People’s Right to Information), Subhash Bhatnagar (National Campaign Committee for Unorganized Sector workers),), Kavita Srivastava (People’s Union for Civil Liberties), Mira Shiva and Vandana Prasad (Jan Swasthya Abhiyan), Paul Diwakar (National Campaign for Dalit Human Rights), Annie Raja (National Federation for Indian Women), Anuradha Talwar (New Trade Union Initiative), Arun Gupta (Breast Feeding Promotion Network of India), Arundhati Dhuru (National People’s Movement of India), Ashok Bharti (National Conference of Dalit Organizations) and others.

6 Sep, 2010, 05.03PM IST,PTI

Sugar prices remain flat in thin trade

NEW DELHI: The wholesale sugar market ended on a flat note today, as prices moved in a narrow range on alternate bouts of trading and settled around previous levels.

Marketmen said adequate stocks against restricted buying activity, which kept the wholesale sugar prices around previous levels.

Following are today's rates in Rs per quintal: Sugar ready M-30 2,750-2,850 and S-30 2,740-2,840. Mill delivery M-30 2,550-2,700 and S-30 2,540-2690.

Sugar mill gate prices (excluding duty): Kinonni 2,690, Asmoli 2,680, Mawana 2,640, Titabi 2,630, Thanabhavan 2,600, Budhana 2,600 and Dorala 2,630.

6 Sep, 2010, 01.45PM IST,REUTERS

Indian curbs on exports may fuel cotton rally

MUMBAI: Global cotton prices are likely to continue their rally as India, the world's second biggest exporter, restricts exports to soften local prices even though the country is expecting a record crop, industry officials said. India will only allow cotton exports of up to 5.5 million bales (1 Indian bale = 170 kg) in 2010/11 starting Oct 1, Trade Secretary Rahul Khullar said on Saturday.

Last month, India said free exports would be allowed from Oct 1. "By putting restrictions on exports we (India is) are helping world prices to climb further," said Paresh Valia, an exporter based in Bhavnagar district in western Gujarat state.

New York cotton futures hit a 2-½ year high last week. Cotton was the best performing commodity in August, rising 9.45 percent in value in its biggest monthly gain since February. "Globally, demand is very strong. We are getting good orders from Pakistan and China. There is demand for 10 million Indian bales," Valia said. Indian exporters have been demanding a free hand for exports as floods ravaged crops in neighbouring Pakistan and also affected crops in China, raising demand for the Indian fibre.

About 60 percent of India's current season cotton shipments have gone to China, the biggest consumer. Trade officials expect Pakistan to import about 3 million bales of cotton this year, against average annual imports of 1.5 million to 2 million bales. Global cotton prices could jump 15 percent in 2010/11 as demand recovers and world stocks remain tight, an international farm group said on Wednesday.

"The quantity should have been much higher, but we are happy that they are going to review it shortly," said Dhiren N. Sheth, president of Cotton Association of India, the country's biggest trade body of cotton traders and exporters.

India will review the country's exportable surplus in a meeting scheduled on Nov. 15. "The crop prospects are very good. The surplus (for exports) is 7.5 million bales and more," Sheth said. Cotton output in India is seen at a record 32.5 million bales in 2010/11, compared with 29.5 million bales a year ago as higher prices prompted farmers to cultivate the fibre crop on a record area, Textile Commissioner A B Joshi said last month.

"Domestic prices have risen too quickly. Exports restrictions were required to cool prices. I think (local) prices will soften in coming months," Mohit Gupta, director at Gujarat Ambuja Exports Ltd, told Reuters. In India, the most common Shankar-6 variety was quoted at a record 34,800 rupees per candy (of 356 kg each) on Saturday, up 52 percent compared to 22,900 rupees a year ago, data with Cotton Association of India showed. But, many exporters including Valia, believe domestic cotton price will stay firm until early November, when supply will improve with new crop arrivals.

Business Standard

Tuesday, Sep 07, 2010

Tobacco farmers face losses, rejections at auction centres

D Gopi / Guntur September 7, 2010, 0:32 IST

Excess production, poor quality crop and adverse weather have caused heavy losses to tobacco farmers in Guntur this season. The unsold stocks of tobacco are piling up due to the high rate of rejection the crop is facing at auction centres in the state.

Though auctions started on March 10, not much has been bought by traders so far. As of August 31, 34.47 per cent of the produce faced rejection by traders at 20 auction centres.

The auction at two centres – Thorredu in West Godavari and Keesara in Krishna district – was closed on August 30, while it continues at the remaining 18 centres. However, at every centre, the percentage of rejection by the traders is on the higher side.

A total of 1.47 million bales (186.76 million kg) were sold by August-end this year at an average price of Rs 84.66 a kg. As against this, 1.63 million bales or 203.94 million kg of tobacco were sold during the same period in 2009, at an average price of Rs 103.39 a kg.

The highest price paid to the farmers was Rs 113.97 a kg in 2009, while the lowest was Rs 99.45. However, this year, the highest price being offered to the farmer is Rs 70.74 a kg while the lowest is Rs 54.77 a kg.

The difference is due to the poor quality of the tobacco leaves this year, which is a result of excessive moisture, immature cutting and improper curing. “In their rush to get better prices, farmers are not following the best farming methods and the leaf is full of moisture, which leads to low prices in the market,” a senior official of the Tobacco Board said. Tobacco is one crop, which is damaged by moisture – both in the air and the soil. The farmer has to keep the soil dry through inter-cultivation, which helps keep the leaf moisture-free. Such an activity is not being carried out by the farmers, which is damaging the crop.

“If the moisture is not dried out, the leaf gets affected and turns yellow at an early age. Once the leaf turns yellow, the farmers harvest it and keep it for curing. The immature leaf loses its quality in the curing process and the price falls at the auction centre,” said the official.

Whether cultivated in the southern black soils, southern light soils or even the northern light soils, the crop is of poor quality. In addition, excess cultivation and supply are giving an edge to the trader to bargain. The Tobacco Board has permitted just 170 million kg of tobacco for this season, while the actual produce is a little over 230 million kg.

“Our own assessment pegs the production at 215 million kg and that keeps the traders in the safe zone, while the farmer is at the traders’ mercy. Unfortunately, our farmers follow the trend. If one crop gets a good price this season, all the farmers will shift to it in the next season. With everyone producing the same crop, the price will come down,” the official said.

Meanwhile, honorary president of the Virginia Growers Association, Yalamanchili Sivaji, expressed concern over the high rejections at auction centres. He wants the state and central governments to procure the rejected tobacco to help farmers overcome the losses.

Sept sugar quota deadline not to be extended

Anindita Dey & Dilip Kumar Jha / Mumbai September 7, 2010, 0:29 IST

The ministry of consumer affairs, food and public distribution has decided not to extend the deadline for sale of non-levy sugar quota for September. Officials said letters have been sent to the national federation of sugar and the Indian Sugar Manufacturer Association (Isma).

The ministry, on August 31, announced release of 1.9 million tonnes (228,000 tonnes of levy and 1.672 million tonnes of non-levy for September). Industry sources believe they will be able to sell the entire allotted quantity within the stipulated time due to rising festival demand.

“This means the non-levy quota (free sale) of sugar of September 2010 has to be completed before the end of the month. Even if there are representations to extend the deadline, it is not desirable following the expected increase in demand in the festive season,” explained the official.

The ministry had extended the deadline for sale of non-levy quota of sugar for August till September as lower price of the sweetener restrained mills from releasing the allotted quota before the deadline of August 31. The government had allotted 1.92 million tonnes sugar for August.

According to the current norm, non-levy quota, if not released within the deadline becomes levy sugar which mills are bound to sell at Rs 13.50 a kg resulting into huge losses for the companies.

The government has been following a policy of partial control and dual pricing for sugar under which a certain percentage of sugar produced by factories is to be sold at a price fixed by the government in every sugar season for distribution under the Public Distribution System (PDS).

The non-levy (free sale) sugar is allowed to be sold according to the quantity set by the government under the free sale sugar release mechanism.

The government has also taken steps for decontrol of the sugar industry.

Accordingly, the compulsory levy obligation of sugar factories has been gradually reduced from 40 per cent to 30 per cent from January 1, 2000. With effect from February 1, 2001, the compulsory levy obligation has been further reduced to 15 per cent. The levy obligation has been 10 per cent of the production since March 1, 2002.

India's sugar output is estimated to touch 19.5 million tonnes in the 2009-10 marketing year ending September as against 14.7 million tonnes in the previous year.

Coconut oil prices rise 3.4% on low supplies

George Joseph / Kochi September 07, 2010, 0:25 IST

Short supply and a sharp rise in demand have led to a moderate increase in prices of coconut oil in south India, especially Tamil Nadu.

The Kangayam market in Tamil Nadu quoted Rs 6,100 a quintal for the best quality oil, while the medium quality oil was at Rs 5,900. The Kerala market quoted Rs 6,000 a quintal. The price was Rs 5,800 a quintal couple of weeks back.

An year ago, the price in Kochi was Rs 4,700, said a retail trader. According to market sources, prices of oil and copra will rise further as demand for raw coconut, copra and coconut oil is swelling. But supply is weak due to poor production and it being offseason.

Thalath Mohamed, former president of the Coconut Oil Merchants Association (COMA), said supply from Tamil Nadu, the largest supplier in the country, had fallen 15 per cent since the last few weeks.

There is heavy demand for oils in the north due to the coming festival season. So, major coconut oil brands are stocking oil and copra. The supply would in no way match the rise in demand, said a market player. Due to it being offseason, production of both coconut and copra is low in Kerala. The heavy monsoon has also delayed drying of copra, whose next production season will start only in January.

It is also a lean season for coconut production and the next harvesting season begins in November. So, according to traders, the market would be tight for the next 8-10 weeks. They said it was likely that the market would cross the Rs 7,200-mark, the best price ever.

The prices of palm oil and other edible oils are also rising. Palm oil rose to Rs 5,200-5,300 a quintal, sunflower oil was at Rs 8,000-9,000 and gingelly oil was selling around Rs 12,000 a quintal.

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Back Concor arm to buy 9,000 tonnes apples this year

Also looking to procure grapes, kinnows and oranges.

Mamuni Das

New Delhi, Sept 6

Fresh and Health Enterprise (FHEL), a wholly owned subsidiary of Container Corporation of India, plans to procure about 9,000 tonnes of apples in the current fiscal.

In 2009-10, FHEL had scaled down its apple procurement by 66 per cent from the targeted 8,500 tonnes because of a bad crop year.

The company has a 12,000–tonne controlled atmosphere storage facility at Rai near Delhi, and it supplies apples to organised retailers in Delhi, Mumbai, Chennai, Hyderabad and Bangalore.

PROCUREMENT STATUS

FHEL has already started procuring apples in the current fiscal and has procured 1,000-odd tonnes till date.

“Last year, the domestic apple prices were fairly high and it did not make financial sense for us to procure at such price levels to sell in the market in the off-season while facing competition from imported apples. We get an idea about the price of apples in the market during ensuing off season based on the apple prices prevailing in international market,” Mr N.K. Jawa, Chief Executive Officer, FHEL, told Business Line.

DIVERSIFICATION

“FHEL is apple-centric. Last year, the situation was such that after procurement of 2,855 tonne of apples, we stopped. There was a bad crop and the rates were so high that if we were to factor in the transport and storage cost, the final rates would be difficult…In the hindsight, it was a correct thing to do,” Mr Anil Kumar Gupta, Managing Director, Concor, said.

The company is also looking at diversifying to procurement of other fruits such as grapes, kinnows and oranges.

“It would be difficult for us to share the quantity of procurement now, as we are doing these fruits on a pilot basis," Mr Jawa said.

"We expect a turnaround this year because we have been encouraged by the trends in operating income," Mr Gupta said.FHEL registered Rs 9 crore loss last year, out of which depreciation was about Rs 3.6 crore and interest cost was Rs 3.8 crore.mamuni@thehindu.co.in

Date:07/09/2010 URL: http://www.thehindubusinessline.com/2010/09/07/stories/2010090752441700.htm

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Back **Millers', export demand boost rice prices**

Karnal, Sept. 6

Rice millers' demand of fresh paddy lifted the prices of early varieties by Rs 80 a quintal.

With constant export demand and lukewarm demand in the local market, rice markets of basmati and non-basmati varieties witnessed a steady trend.

On Monday, Pusa-1121 (steam) ruled at Rs 5,500-5,600 a quintal, Pusa-1121 (sela) at Rs 4,400-4,500, Pusa-1121 (raw) at Rs 5,500-5,600. Pusa (sela) quoted at Rs 3,500 a quintal and Pusa (raw) at Rs 4,200-4,300.

Basmati sela ruled at Rs 6,400-6,500 a quintal, while basmati raw was quoted at Rs 7,300-7,550.

The Sugandha-999 sela was quoted at Rs 2,800, PR14 was at Rs 2,250, PR (new) was quoted at Rs 1,950-2,000 while the PR (old) ruled around Rs 2,100 a quintal.

Sharbati sela variety ruled at Rs 2,900 a quintal; Sharbati steam around Rs 3,000; Permal variety's prices was unchanged. PR sela quoted at Rs 2,250, PR (raw) at Rs 2,300-2,350 and PR (steam) at Rs 2,400 a quintal.

Brokens such as Tibar ruled around Rs 3,650 a quintal, Dubar at around Rs 2,900 and Mongra at Rs 2,200.

Mr Sewa Ram, a rice trader, said the new season of rice is yet to begin. "Almost all rice mills are starting work and procuring fresh arrivals. Because of this, prices of early variety rose."

Around 8,000 bags of early variety paddy on Monday arrived at several mandis of Karnal district from Uttar Pradesh. Around 3,200 bags arrived at the Karnal mandi.

About 2,500 bags of Govinda arrived in the market and the early variety was quoted at Rs 1,025-1,030 against the Rs 875-950 a quintal last weekend.

Sugandha 999 maintained its upper level of Rs 1,370, the level touched last weekend. Around 500 bags arrived and they ruled between Rs 1,350 and Rs 1,370 a quintal.

About 200 bags of Sharbati arrived and ruled around Rs 1,160 a quintal. Around 200 bags of old Pussa-1121 variety was offloaded by the local traders and the stock was lifted at levels of Rs 2,250 a quintal.

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Back **Pepper futures on upward run**

Turnover declined by 119 tonnes to 22,428 tonnes. Open interest increased by 958 tonnes to 17,615 tonnes.

G.K. Nair

Kochi, Sept 6

Pepper futures witnessed its usual high volatility Monday and went up on overseas bullish reports which activated the speculators, market sources said.

There was switching over and additional purchases. There was neither any buying nor selling on the spot.

However, the spot prices moved up notionally in tandem with the rising futures market trend, they told Business Line.

The bear operators were moving against the market fundamentals and now it appears to have boomeranged with double force, they alleged. Availability of physical pepper is tight and the scenario is expected to persist.

Indian pepper production this year is likely to be lower because of deficient monsoon rains in Wayanad and diseases such as “yellowing of the leaf and quick-wilt”, a farmer told Business Line.

According to him there would be a decline of 30 to 40 per cent. Wayanad produces around 10,000 tonnes of pepper, he said.

There was no trading on the spot as the buyers were on a wait and match mode.

September contract on NCDEX increased by Rs 327 to close at Rs 20,770 a quintal. October and November contracts went up by Rs 278 and Rs 270 respectively to close at Rs 20,920 and Rs 21,003 a quintal.

Market figures

Turnover declined by 119 tonnes to 22,428 tonnes. Open interest increased by 958 tonnes to 17,615 tonnes.

September open interest increased by 425 while October and November went up by 499 tonnes and 39 tonnes respectively.

Spot prices went up by Rs 200 to close at Rs 19,900 (ungarbled) and Rs 20,400 (MG1) a quintal. Some north Indian stockists who had bought pepper at lower rates were said to be showing interest to sell.

Indian parity in the international market was at $4,675 - $4,700 a tonnes (c&f) and remained out-priced.

Meanwhile, an overseas report from Vietnam has quoted FAQ 500 GL at $4,050 a tonne (fob) and FAQ 550 GL at $4,290 a tonne.

White pepper double washed was offered at $6,090 a tonne. Other market trends would be known by tomorrow.

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Back **Fresh retail buying sweetens sugar**

Our Correspondent

Mumbai, Sept. 6

Spot sugar prices on the Vashi wholesale market gained sharply by Rs 10-15 and naka and mill tender rate rose Rs 25-30 a quintal on Monday, following fresh retail demand and higher quotes at mill level.

Maharashtra's important festival Ganeshotsav starting at the end of the week and Ramzan on Friday have led to sharp increase in demand for sugar at the retail level. On the other side, mills are not keen to sell at current level, expecting higher prices.

Reports of disturbance at mills also fuelled the sentiment.

On Monday, local demand was higher than arrivals. Market sources who did not wish to be named said that since Saturday evening farmers have been agitating in Pune and Baramati, demanding higher price of Rs 2,200 a tonne for sugarcane.

In term of sugar, it comes to nearly Rs 3,000 a quintal at mill level.

In the current season (2009-10) farmers have received good price for that, but they fear that hopes of higher cane production in the new season starting October could result in lower price for them.

The agitation may spread to other areas such as Ahmednagar, Sangli, Satara within a day or two and could severely disturb supply to markets such as Mumbai and Delhi, sources said.

A wholesaler at Vashi market said that on Monday total arrival in the Vashi markets was at 35-40 truckloads (10 tonnes each) and demand was 55-60 truckloads due to aggressive buying by retailers. On Monday, few mills came forward with tenders. The tender rates were S-grade Rs 2,535-2,560 and M–grade Rs 2,590-2,620.

According to the Bombay Sugar Merchants Association, spot markets rates were: S–grade Rs 2,610-2,685 (Rs 2,595-2,675), M–grade Rs 2,670-2,770 (Rs 2,630-2,760) a quintal. Naka delivery rates: S–grade Rs 2,590-2,630 (Rs 2,570-2,600) and M–grade was Rs 2,640-2,660 (Rs 2,600-2,660) a quintal.

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Back **Spices exporters want support scheme restored**

Our Bureau

Kochi, Sept 6

The All-India Spices Exporters Forum has sought immediate reinstatement of the Vishesh

Krishi Grama Udyog Yogana (VKGUY) scheme for spices exports, saying that the scheme's sudden withdrawal will lead exporters to lose competitive edge in exports and incur direct losses.

Addressing a press conference here on Friday, the Forum Chairman, Mr Philip Kuruvilla, said that the DGFT had removed spices and its value-added products from the scheme from August 23 even though the scheme was applicable until March 31 next. With the sudden change in the policy, he said exporters who are availing of these benefits would be badly affected over the future commitments they had made.

Loss due to shifting

With the shifting of spices from the VKGUY scheme to focus products, the net loss of the exporter is three per cent of the f.o.b value amounting to approximately Rs 110 crore so far. The loss will mount to Rs 200 crore by March 31, he added.

The objective of the scheme, he said, is to promote export of agriculture products and its value-added products. This entitled farmers an extra five per cent benefit when selling to trade. The spice processing industry can afford to discount it in the final selling price to remain competitive and to sustain India's market leadership.

The spice industry operates on the seasonality of all agri commodities. Most exporters enter into annual forward contracts for the year during the crop season. As such, due to global competition, exporters have always discounted the five per cent available against VKGUY scheme to sustain market position. The Forum recommended for the continuation of spices under VKGUY scheme for the financial year ending March 2011 because of the forward contracts taken by the spice exporters. This will avoid huge financial loss to spice exporters to the tune of Rs 100 crore, he said.

It also suggested that any future amendments in Handbook of Procedure may be made effective only on a prospective basis giving sufficient time to change the terms of business contracts, which can only protect the interests of Indian exporters. The recent price increase in spices will not sustain for long. Better monsoon for the current season and the present higher unit price may influence the farmers to extend the cultivation of spices to additional areas, which may result in higher production and resultant decline in prices.

The Forum also requested to include pepper and chillies, the breadwinners of spice business, under the VKGUY scheme as it is facing challenges from other aggressive producers such as Vietnam and China.

According to the Forum, the spice industry has the vision to reach its turnover by $10 billion by 2020 with globally preferred source for food-safe, processed and packed spices and culinary herbs. This can be achieved only through constant support from its stakeholders.

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Back **Unit value of coffee exports down 6.38% to Rs 1.02 lakh/tonne**

Anil Urs

Hubli, Sept 6

The unit value export realisation of coffee is down 6.38 per cent to Rs 1,02,350 a tonne in the 11 months of the current coffee year of 2009-10, (October to September), as against Rs 1,09,335 a tonne fetched during the same period last year.

REASONS

Attributing key reasons for low unit value realisation, M P Devaiah, General Manager, Allanasons Limited, said: “Low price realisation of robusta parchment and evaporation of premiums for arabica varieties is the reason for this. In the previous year (2008-09) poor availability of arabica varieties led to premiums shooting up to 130 to 140 cents/pound. But now it has stabilised at around 100 cents/pound”.

According to Indian Coffee Board statistics, the value of exports in dollars terms is up 40.36 per cent at $531.98 million in the 11 months of the current coffee year against $379.01 million recorded in the same period last year. Exports in rupee terms is up 40.14 per cent at Rs

2,541.41 crore. Quantity of total coffee exported in the 11 months of the current coffee year is up 49.71 at 2,48,305 tonnes as against 1,65,856 tonnes exported in the same period last year.

Among the buyers of Indian coffee, Italy tops the list at 56,911.6 tonnes (Arabica 8,192.3 tonnes and robusta 48,719.3 tonnes) and is followed by Russian Federation at 22,241.4 tonnes (875.8 and 21,365.6), Germany 19,469.5 tonnes (8,016.8 and 11,452.7), Belgium 9,648.3 tonnes (3,327.9 and 6,320.4), Jordan 6,577.0 (3,410.3 and 3,166.7).

NKG Jayanti Coffee leads amongst the exporters at 27,385.1 tonnes (arabica 8,436.9 and robusta 18,948.2) and is followed by Amalgamated Bean Coffee (ABCL) at 18,564.2 tonnes (5,282.1 and 13,282.1), CCL Products-India (arabica nil and robusta 17,152.9), Allanasons 17,041.8 tonnes (6,980.3 and 10,061.5), Nestle India (arabica nil, robusta 15,643.7).

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Back **Rain plays spoilsport in chana market**

Our Correspondent

Indore, Sept. 6

Due to inclement weather and rain in various parts of the Indore region, chana witnessed sluggishness with decline in demand at mill level.

Chana (kanta) in the spot market was quoted Rs 20 lower at Rs 2,170-2,180 a quintal. Besides lower demand at mill level, the demand in the local mandis was also comparatively less due to the weather.

In the futures market too, chana edged lower. Chana September futures on the National Commodities and Derivatives Exchange closed 0.54 per cent down at Rs 2,202. Similarly, chana October and November futures closed at Rs 2,252 and Rs 2,285 a quintal, respectively

Describing the decline in chana as a temporary phenomena, traders here say that chana prices will shoot up in the near future because of increased demand at mill level and its depleting stocks.

Around 65-70 per cent stocks of chana in Madhya Pradesh have already been exhausted and the same is the case in Rajasthan , a trader told Business Line. However, supply is expected to increase due to import from Australia.

On the other hand, Dollar (kabuli) chana or chickpea ruled higher in the spot market at Rs 4,600-4,900 a quintal, up Rs 200 with increased demand in the domestic market. About 2,000 bags of Dollar chana arrived in Indore mandi on Monday against 1,500 bags on Saturday.

Local mandi on Monday also witnessed an arrival of four bags of new ‘chawli' from Pandhana region of Madhya Pradesh and it was purchased by Narendra Kumar Traders at Rs 3,350 a quintal.

Moong quoted Rs 50 up at Rs 3,500-3,800 a quintal on the back of low arrival. About 1,200 bags of new moong arrived in Indore mandi on Monday.

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Back **Mixed trend in edible oils**

Our Correspondent

Mumbai, Sept 6

Edible oil markets witnessed a mixed trend on Monday, despite higher closing at Malaysia.

Indigenous edible oils such as groundnut, cotton and rapeseed increased by Rs 2-5 for 10 kg on firm upcountry spot markets reports and steady soya futures on NBOT.

Imported oils such as soyabean refined and Palmolein declined by Re 1 on easing supplies and selling pressure from refineries.

Groundnut oil rose on the back of firm trend in Saurashtra markets.

On Malaysian's BMD, crude palm oil futures jumped the most in more than three weeks amid speculation that supplies of US soyabeans, which can be crushed to make substitute oil, may be lower than expected.

October futures rose by 46 Malaysian ringgit (MYR), November futures by 50 MYR a tonne.

The volume of trade was low. Most of the players are now waiting for new season's arrivals.

On Malaysia's BMD CPO futures October closed at 2670 MYR, November at 2620 MYR and December at 2612 (2564) MYR a tonne. Indore NBOT soya oil futures showed a mixed trend.

Futures opened higher, then dropped on profit booking by the bulls. Soya oil September futures was at Rs 485 (Rs 487.50) and October was at Rs 490 (Rs 492.20).

Mumbai commodity exchange spot rates were: groundnut oil Rs 865 (Rs 860), soya refined oil Rs 474 (Rs 475), sunflower expeller refined Rs 510 (Rs 510), sunflower refined Rs 560 (Rs 565), rapeseed refined oil Rs 572 (Rs 570), rapeseed expeller refined Rs 542 (Rs 540), cotton refined Rs 495 (Rs 492) and palmolein Rs 462 (Rs 463) for 10 kg.

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Back **Higher offtake perks up turmeric**

Our Correspondent

Erode, Sept 6

Turmeric prices rose by Rs 200 a quintal in Erode on high demand.

In the Erode Turmeric Merchants Association Sales Centre, the finger variety was sold at Rs 8,546-13,309 a quintal – Rs 208 higher than last weekend's price. The root variety was sold at Rs 8,306-Rs 12,694 a quintal. In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 11,527-13,369 a quintal and root variety at Rs 10,215-13,000 a quintal.

In the Regulated Marketing committee, the finger variety was sold at Rs 12,868-13,416 a quintal. This is Rs 490 a quintal more than last weekend's price. The root variety was sold at Rs

12,699-12,989 a quintal. Out of 965 bags that arrived, 915 were sold.

Mr R. K. Viswanathan, a senior trader at Erode said: “The demand for the commodity has revived, but till Thursday, the price will remain at this level. Everyone is expecting that from next week, the prices will increase by Rs 300-500 a quintal and will remain so for some more days.”

He said the farmers have decided to sell their produce before the middle of October.

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Back **Higher arrivals drag cardamom prices**

G.K. Nair

Kochi, Sept 6

Rise in arrivals outweighed demand to pull down cardamom prices at auctions. The second round of harvesting is in full swing and this, coupled with favourable weather conditions, has resulted in an upsurge in arrivals, Mr P.C. Punnoose, General Manager, CPMC, told Business Line.

According to him, arrivals at Sunday's KCPMC auction stood at 61 tonnes and the entire quantity was sold out. The maximum price fetched was Rs 1,550 a kg, the minimum Rs 1,100 and the average was at Rs 1,239.11, he said.

North Indian dealers were actively covering for the festival season. Exporters also bought an estimated 15 tonnes of cardamom last week, market sources said.

Stabilising level

Given the rise in supply and an almost matching demand scenario, the prices may stabilise somewhere between Rs 1,100 and Rs 1,200 a kg, Mr Punnoose said.

Meanwhile, official sources said any price above Rs 1,000 a kg is good and remunerative price. If the prices remain at moderate levels exporters would buy more, they claimed. If the current trend in harvesting is any indication the arrivals may soar in the coming weeks, they said.

Individual auction average last week vacillated between Rs 1,265 and Rs 1,390 a kg. Total arrivals during the week stood at 245 tonnes.

Total arrivals at the Cardamom Planters Association (CPA), Bodinayakannur, stood at 18 tonnes. The maximum price stood at Rs 1,335 and the minimum Rs 1,124 a kg. Auction average was at Rs 1,221.71 a kg.

Total arrivals during the current season from Aug. 1 to Sept. 6, 2010 stood at 872 tonnes. Of this, 868 tonnes of cardamom were sold.

Arrivals and sales in the same period of the previous season were 774 tonnes and 760 tonnes respectively.

Weighted average price as on Sept. 6, 2010 was Rs 1,343.40 a kg, up from Rs 724.69 a kg same day last year.

Prices for graded varieties in rupees a kg on Monday were: AGEB Rs 1,510-1,520; AGB Rs 1,370–1,380; AGS Rs 1,350-1,360 ; AGS1 Rs 1,310-1,320. Prices quoted in the open market at Bodinayakannur were AGEB — Rs 1,495–1,505; AGB — Rs 1,350-1,360; AGS —

Rs 1,335-1,345; and AGS1 — Rs 1,295-1,305 a kg. Bulk was being sold at Rs 1,000-1,250 a kg.

The weather conditions in the cardamom growing areas have been good and if it prevailed that would facilitate harvesting apart from improving the late crop, growers in Idukki said.

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Back **Aug tea output down sharply in N. India**

Our Bureau

Kolkata, Sept 6

August, the critical month for North Indian crop, proved to be yet another bad month for tea growers in North India, particularly those in Assam, according to Indian Tea Association (ITA).

A quick estimate of the August production figures covering more than two-thirds of the ITA's member-gardens in North India suggests a drop in production anything between three to four million kg during the month. “This could translate into a drop of about seven million kg for the entire North India, i.e also covering non-ITA gardens”, said Mr Monojit Dasgupta, Secretary General of ITA.

Quoting Tea Board figures, Mr Dasgupta pointed out that the North Indian crop till July (i..e between January and July) was down 13.7 million kg, which as the crop current estimates suggested, might rise to 20 million kg by the end of August. “In other words, there is no way we can hope to touch even the last year's production figure,” observed Mr Dasgupta, adding, “the die has been cast.” The slide in North Indian crop, he said, should be attributed to Assam gardens. According to Tea Board figures, the till July, the shortfall in Assam's production (including Cachar) was around 16.6 million kg. However, the Dooars production was up by 3.2 million kg. Together with the shortfall in production of about 0.3 million kg in smaller pockets, the total shortfall in North Indian crop till July was 13.7 million kg.

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Back **Rain, demand push up coconut prices**

Our Correspondent

Erode, Sept 6

Copra prices have increased in the last 15 days in Tamil Nadu in view of rain and encouraging demand.

At the Avalpoondurai Regulated Market on Monday, 696 farmers brought copra for sale. Totally 3,600 bags, roughly about 1.25 lakh kg of copra, were offered on tender. Bulk buyers offered Rs 38.25-40.55 a kg, Rs 2 higher than last week's price. The second variety was sold at Rs 33-38 a kg. Totally, copra worth Rs 72 lakh were sold.

Similarly, at the Perundurai Regulated market, 73,000 kg of copra were offered on sale. The fine variety fetched Rs 39.45-41.35 a kg, the second variety at Rs 30.30-38.15 a kg. The whole consignment kept for sale was procured by bulk buyers from various places in Tamil Nadu.

Mr Ramasamy, a copra farmer, said the rate for copra has been increasing in the last 15 days and it is expected to go up further next week.