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17 lakh tonnes of sugar released for December

Special Correspondent

NEW DELHI: The Centre has made available 17.08 lakh tonnes of sugar for December to keep prices under check. This quantity comprises 2.08 lakh tonnes of levy sugar sold through the Public Distribution System and 15 lakh tonnes of free sale quota by mills.

The free-sale quota includes 0.47 lakh tonnes of white/refined sugar processed from raw sugar imported in September-October and 0.40 lakh tonnes of converted stocks of un-lifted levy sugar of the 2007-08 and previous seasons, according to an official statement.

Food Ministry sources said the total quantity made available for next month would be sufficient to meet the domestic demand. However, if prices were to show an “abnormal increase,” the government would not hesitate to offload an additional quota in the market.

Factories are required to sell/deliver and dispatch the entire non-levy quantity, including the sugar processed from imported raw sugar, within the validity period of the release order — from December 1 to 31.

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332 huts damaged in rain; crops inundated

TIRUVARUR: The district experienced intermittent showers on Tuesday. Collector

M.Chandrasekaran said paddy crop in 16,991 hectares, including 10,597 hectares of samba crop and 6,394 hectares of Thaladi crop have been inundated.

A total of 332 huts were damaged and six feeding centres have been set up. One feeding centre is functioning each at Mannargudi and Needamangalam, and two each at Thiruthuraipoondi and Tiruvarur.

Due to breach in Korayar, three villages near Mannargudi were surrounded by water. The Collector along with P.Moorthy, SP, visited these villages on Tuesday . Later, the people were taken to a school at Mannargudi town. The Collector has declared holiday for both schools and colleges on Wednesday . Meanwhile, Thanjavur Collector M.S. Shanmugham has directed closure of schools on Wednesday.

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Yellow spice is red hot now

Staff Reporter

Turmeric quotes Rs. 16,678 a quintal at Erode market

farmers' pick:Turmeric price hit a new high at Erode regulated market on Monday.–

ERODE: Price of turmeric touched an all time high of Rs. 16,678 a quintal in the Erode Regulated Market on Monday, brining cheers to farmers in Erode and neighbouring districts.

The price of the yellow spice was hovering around Rs. 15,000 a quintal during the last few weeks. When the market opened on Monday morning, traders quoted Rs. 16,000 a quintal as the minimum price.

“The price steadily went up to Rs. 16,678 a quintal following good demand in the domestic market. The price crossed Rs. 16,600 for the first time in the history of the Erode regulated market,” officials said. Good export demand and depleting stocks were contributing to prices firming up, merchants added.

Turmeric price started showing an upward trend since November last year and crossed Rs. 15,500 a quintal in May. The prices came down a little before moving up again this month.

“The prices will drop after new crop start arriving in mid-January. March-April witnesses a peak and heavy arrival continues through June,” Erode Turmeric Merchants Association president RKV Ravishankar said.

Traders were expecting a significant increase in turmeric production in 2011, as farmers have doubled the acreage under the crop. In Erode district alone, turmeric is cultivated in over 12,000 hectares.A good number of farmers have switched to the yellow spice from chilli and tapioca.“Some of the sugarcane farmers too have brought a few acres of their land under turmeric crop this year because of the bullish market,” traders say.

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Farmers deplore acute shortage of fertilizers

— Photo: L.Balachandar.

GRIEVANCE:Collector T.N. Hariharan, second from right, addressing a meeting in Ramanathapuram on Tuesday.

RAMANATHAPURAM: Farmers of the district on Tuesday deplored that there was an acute shortage of fertilizers, particularly DAP, for the current paddy crop.

Participating in the farmers' grievance day meeting here, farmers of different regions said this condition was prevailing in all regions of the district. Whenever they approached the agricultural cooperative societies, they were told that there was no stock. Farmers were forced to go to private traders for fertilizers, who invariably sell fertilizers at an exorbitant rate. Some traders also replied that there was no stock in order to create artificial scarcity, the farmers alleged.

They said that sincere attempts must be made to ensure enough fertilizers in all agricultural cooperative societies without any delay. Tough action should be taken against those selling fertilizers above the fixed prizes.

Collector T.N. Hariharan said the Joint Registrar of Cooperatives and the agricultural officials would be asked to verify the complaints. Enough stock of fertilizers was being maintained in the district. Additional stock would be made available during the season. Farmers could lodge specific complaint with the authorities concerned, if they continued to face shortage of fertilizers or overpricing.

Drawing the attention of the district administration, several farmers complained that the ayacutards of Ramanathapruam Big Tank had been enjoying first priority in sharing the Vaigai water. But, a few PWD officials of Sivaganga district had diverted the Vaigai water to their areas about a week ago. It was against the lower riparian rights. Action should be taken against the erring officials, they said.

Crop loan

Mr. Hariharan said it had been decided to extend crop loan to the tune of Rs.40 crore during the current year. A sum of Rs.22 crore had so far been distributed to 10,727 farmers. Priority would be given to those who repaid the loan properly in the previous year. There was no need to pay interest on crop loan, if they repaid the principal amount within the stipulated time. A few farmers also complained that several acres of paddy and chilli crops was submerged in different parts of the district, owing to the recent rain. They sought adequate compensation to the affected farmers.

K. Balasubramaniam, District Revenue Officer, N. Sathiamoorthy, Joint Director of Agriculture, Kalyani, Joint Registrar of Cooperatives, and others took part.

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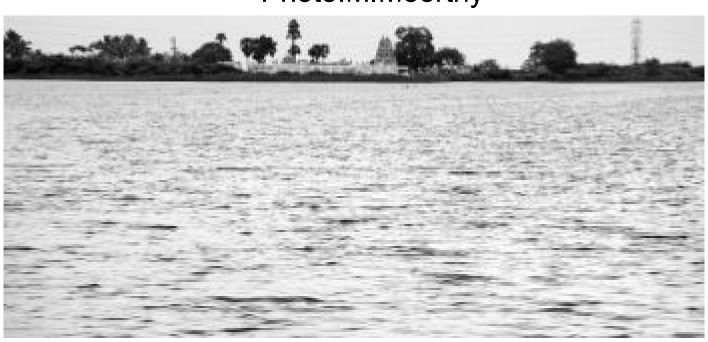
System tanks run in full flow; farmers yet to brim

S.Ganesan

Cotton crop in 6,425 ha and onion in 585 ha suffer damage

— Photo:M.Moorthy



half full or half empty: The water level at the tank in Guntur has shot up following sharp showers in Tiruchi district.

TIRUCHI: All but two of the 76 irrigation tanks in Tiruchi district under the control of the

River Conservation Division of the Public Works Department district have filled up, following the recent spell of rain.

Except the Mullipadi and Mathanam tanks, all the other tanks in the district have filled up, C.Kannappan, Executive Engineer, PWD RC Division, Tiruchi, told The Hindu here on Tuesday. Seventy-four other tanks have filled up in the district.

A majority of the tanks under the RC Division were system tanks. Of the total 187 tanks under the division spread over Tiruchi, Ariyalur, Karur and parts of Thanjavur district, 181 tanks were filled to the brim. However, the four tanks in Karur district had less than 50 per cent storage.

Mr.Kannappan said some of the tanks in the Uyyakondan extension areas in Thanjavur district have filled up after a long time. Though the spell of rain had brought in a steady inflow into most rain-fed tanks in the district, only nine of the 98 tanks under the control of the Ariyar Division have filled up so far.

Cotton crop in about 6,425 hectares and onion in about 585 hectares have suffered damage owing to the recent spell of rain in Tiruchi district, according to preliminary estimates of the Agriculture Department.

The rain left samba paddy crop inundated in about 3,350 hectares (ha), mostly in Lalgudi, Tiruverambur, Pullampadi, Andhanallur and Manikandam blocks in the district. However, officials emphasised that the figures may not be an accurate reflection on the crop damage, especially in paddy, as the rain water was receding from fields in most places as there was a let up in the rain on Monday. A full enumeration was underway currently and the exact extent of damage would be known only in the next few days.

Initial assessments indicate that samba paddy in 1,259 hectares (ha) was inundated in Lalgudi block where the crop had been raised in about 12,000 ha. About 1,439 ha in Tiruverambur (8,318 ha covered area), 300 ha in Pullampadi (4,164 ha), 305 ha in Andhanallur (4,250 ha) and 50 ha in Manikandam (3,220 ha) blocks were submerged.

Though very young crop, which were just five or six days old since transplantation, could suffer damage, crops in tillering stage would withstand the inundation, an Agriculture

Department official said. The department would soon come out with an advice for application of fertilizer including zinc sulphate and urea for the paddy crop in the inundated areas.

Though paddy farmers may hope to salvage their crop, cotton growers seem to be badly hit by the rain. According to preliminary estimates, cotton in about 6,425 ha has been damaged in the district. Of this 3,300 ha were in Pullampadi, 2,880 ha in Manachanallur and 245 ha in Thuraiyur blocks. Cotton has been raised in about 7,582 ha in Pullampadi, 3,450 ha in Manachanallur and 1,200 ha in Thuraiyur.

This apart, onion in about 500 ha in Thuraiyur, 50 ha in Uppilliyapuram and 35ha in Pullampadi blocks suffered extensive damages owing to the rain. The crop in these areas was feared to have rotted fully.

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Rain spins trouble for cotton crop

M. Balaganessin and Syed Muthahar Saqaf

Over 50 per cent of total cultivated area affected; farmers seek compensation

Photo:M.Moorthy

A cotton grower showing the damaged bolls at Peruvalappur village near Lalgudi in Tiruchi district on Tuesday.

TIRUCHI: Cotton crop raised in Pullambadi block and its surrounding areas has suffered damage due the incessant rainfall received in the last week.

The rainfall has hit the crop raised in over 50 per cent of the total area of 7,542 hectares in the block.

While the agriculture department officials have started the assessment of the crop damage, the farmers have urged the government to sanction adequate compensation for the crop loss.

The cotton crop raised in Peruvalappur, Mangudi, Kanakkiniyanallur, Siruvayalur, Vandalai, Koodalur, Varakuppai and Peria Kurukkai Agaram was the worst-hit. Even after a letup in the past two days, many fields remain damp, raising concern for the cultivators.

The crop raised using RCH BG2 technology in the month of Aadi has a duration of 165 days. Continuous showers had increased the boll size of the crop, making it unsuitable for harvest.

The farmers had raised Rasi 2, Rasi 20 and Malligai variety.

A cross-section of the farmers of Peruvalappur village say the humidity and dampness would trigger the fall of the square (sappai). The only solace for them is that the chances of re-emergence of the square are bright in case of high breed variety. The strength and the weight of cotton would be far less, against an estimated 12 tonnes, only four to five tonnes could be harvested an acre.

According to an estimate, about 1,000 small and marginal farmers had raised cotton crop in Pullambadi region.

Of this, over 50 per cent of the crop had borne the brunt of the rain havoc.

According to S. Mohan of Peruvalapur, cotton crop was the last asylum for the farmers of this village.

Till recent years, they were conventional maize cultivators or groundnut growers. But in the wake of the monkey menace, they shifted to this cash crop.

Unexpected rainfall had caused extensive damage. The irony is that the rain had played spoilsport just a fortnight before the commencement of harvest, Mr. Mohan says.

V. Nithyanandam, president of Iyarkai Velan Uzhavar Mandram, a farmers' club, says that the crop was raised during the Aadi pattam, an ideal season for cotton. A majority of the farmers of the above villages with little extent of land holdings have been badly hit and the state government should expeditiously sanction adequate relief to bring solace to the affected farmers, he said.

The withering away of the bolls would result in the incidence of pest attack and agriculture officials have been advising the farmers to take up remedial measures with immediate effect.

Collector, Mahesan Kasirajan accompanied by J. Sekar, joint director of agriculture, R. Chandrasekaran and S. Saba Natesan, both deputy directors of agriculture, visited various villages in the block on Tuesday to asses the crop damage.

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CPI demands Rs.15,000 per acre for loss of paddy crops

Special Correspondent

TIRUCHI: The Tamil Nadu State Committee of the Communist Party of India (CPI) has urged the State government to give a compensation of Rs.15,000 per acre for the loss of paddy crops in the recent rains and demanded suitable compensation for sugarcane and banana .

The State executive committee, which met here on Monday under the chairmanship of D.Pandian, State secretary of the party, passed a resolution which said that the farmers had incurred a loss of nearly Rs.1,000 crore in the recent heavy rains.

The resolution pointed out that paddy crops at many places had submerged mainly due to the lack of desilting of rivers, channels and tanks.

It also urged the government to provide adequate compensation to people whose houses were damaged in the rains and to the people affected by the rains.

The party has also demanded compensation of Rs.5 lakh for those killed in the rains and said that the compensation of Rs.2 lakh announced by the Chief Minister was inadequate.

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Farmers get bio-fertilizers

Staff Reporter

— Photo: N. Rajesh

Need-based:Collector C.N.Maheswaran handing over welfare assistance to a woman at Cholapuram on Tuesday.

Tuticorin: Ten farmers were provided tarpaulins and bio-fertilizers through the Department of Agriculture during the mass contact programme held at Cholapuram of Kayathar Panchayat Union in Ettayapuram Block on Tuesday.

Collector C.N. Maheswaran presided over the programme.

Under the social security scheme, natural death assistance of Rs. 12, 500 was extended to a family member of a farmer who was a member of the farmers' welfare board. Besides, marriage assistance of Rs. 5, 000 was given to a beneficiary.

An old age pension of Rs. 400 each was extended to ten beneficiaries. Through the Revenue Department, patta transfer orders were given to eight beneficiaries.

While 38 petitions out of 131 petitions were considered valid, the rest were invalid. Officials from various departments and local body representatives of the panchayat union were present.

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Farmers, activists block NH 63

Staff Correspondent

Demand increase in compensation for agricultural land acquired by the KIADB

Dissent:Farmers staging a protest on NH 63 in Bellary on Tuesday.

BELLARY: Traffic on the Ankola-Gutti road (NH 63) was disrupted when farmers from Kuditini and surrounding villages blocked the road demanding an increase in the compensation for their agricultural land acquired by the Karnataka Industrial Areas Development Board (KIADB). The farmers, who had gathered in large numbers, blocked the road from 7 a.m., demanding Rs. 77 lakh and acre, which according to them was a fair price going by the latest Central guidelines after the amendment of the Land Acquisition Act. Janata Dal (S) activists, led by Mundargi Nagaraj, district general secretary, also participated in the agitation.

The district-level price-fixation committee, headed by the Deputy Commissioner, had fixed the price per acre in the range of Rs. Lakh 5 to 12 lakh, depending on the location. Efforts made by the Bellary tahsildar to persuade the agitators to withdraw the agitation did not yield results.

Around 3 p.m., the farmers withdrew the agitation after Assistant Commissioner Venkatesh assured them that he discuss the issue with the Chief Secretary.

Meanwhile, the police, as a precautionary measure, diverted long-distance buses.

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‘Water allocation may be reduced for agriculture'

Staff Reporter

Expert stresses better management practices

Advanced training on ‘Multiple Uses of Canal Water'

Need to know water requirements for different sectors stressed

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GUNTUR: There is a probability of allocation of water for irrigation being reduced form the present 82% to 70% and hence there is urgency to improve water use efficiency in irrigation and improve productivity, according to T.V Satyanarayana, Dean, Faculty of Agricultural Engineering and Technology, ANGRAU.

Speaking at the advanced training on ``Multiple Uses of Canal Water,'' held at Andhra Pradesh Water Management Project at Bapatla, Dr. Satyanarayana said that water usage would be reduced by 25 per cent as the water allocation could dwindle in the coming years.

More than 15 engineers of Irrigation & Command Area Development Dept and four Scientists from Agricultural Engineering Faculty of ANGRAU were participating in the 10-day t raining programme. Among those engineers who have been sharing their experiences world wide were Daniel Renault from Food and Agricultural Organization, Rome, Stefan Smith from International Resource Centre, Neitherlands and P S Rao, Global Water Expert, who are also key resource persons for the training program. K. Yella Reddy, Principal Scientist and Project Manager who presided over the function, explained that APWAM Project had been recognised internationally and for this reason, this project had been chosen, to organise this training programme by Food and Agricultural Organization fro the first time.

Dr Reddy also pointed out that due to ever-increasing demand for water from all sectors, it was important to know water requirement for different purposes, how much was presently used and how much could be saved by practising better management practices.

V.Sankara Rao, Associate Dean, Agricultural College, Bapatla, P.R.K Prasad, professor & Head, Department of Soil Science and Agricultural Chemistry, Agricultural College, Bapatla were also present.

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Complete loan disbursement targets for tenant farmers by December 20, says Guntur district Collector

Staff Reporter

GUNTUR: District Collector B. Ramanjaneyulu on Wednesday sought the cooperation of bankers in meeting the loan disbursement targets for tenant farmers grouped under Joint

Liability Groups (JLG) in the district.

The Collector expressed displeasure over the inability of bankers in meeting the targets. The banks has only disbursed financial assistance of Rs.10.78 crore to 1,634 JLGs, while the district administration has sought bank linkage for 10,500 JLGs. Mr. Ramanjaneyulu asked the banks to complete the bank linkage process to the remaining JLGs by December 20.

Addressing the District level Consultative Committee meeting held at DRC Hall here, the Collector said that out of one lakh tenant farmers who have applied for loan, the banks have provided loan to 69,000 farmers.

He also warned that banks which have not adhered to guidelines imposed to give loans to JLGs would be dealt sternly and a report would be sent to the State Level Bankers Committee.

He said that tenant farmers have every right to claim loans under the guidelines issued by the Government for form into JLGs.

Speaking on the rescheduling of loans, the Collector said that 55 mandals out of 57 mandals in the district have been declared as drought-hit and the district administration has identified 137 villages in 20 mandals as affected by the floods.

The Collector later unveiled potential link credit plan 2011-2012.

Deputy General Manager, Andhra Bank, P. Subba Rao, AGM, RBI, Mahadeva Swami, Nabard AGM, Nageswara Rao, Lead Bank Manager, L. Rami Reddy, Project Director, DRDA, G. Gangadhar Goud were present.

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Efforts on to restore 22 lift irrigation schemes

Staff Reporter

KHAMMAM: The State government has initiated efforts to restore as many as 22 lift irrigation schemes that were badly damaged by the floods and heavy rains in 10 mandals under Bhadrachalam and Palvancha divisions during August this year.

The move is likely to revive water supply to a total of 2,893 acres of 1,455 tribal farmers in the 10 flood-affected mandals.

In the wake of consistent pleas made by the flood-ravaged farmers and the public representatives concerned for restoration of the lift irrigation schemes, the government has released Rs.72.24 lakhs from the State plan funds allocated to AP State Irrigation Development Corporation (APSIDC) for this purpose, sources said.

The severely damaged lift irrigation scheme at Repallewada in Palvancha mandal has been given the highest allocation of Rs. 5.77 lakh.

Sources said that the restoration works of all the 22 schemes are likely to commence in December last week and the works are expected to be completed by March next year.

THE ECONOMIC TIMES
Wed, Dec 01, 2010 | Updated 10.58AM IST
1 Dec, 2010, 12.54AM IST,ET Bureau

Turmeric prices to stay high till January

COIMBATORE: Turmeric prices have once again kicked off an upward journey much to the cheer of farmers who are still holding on to their stocks.

Nearly 3 lakh bags (each 75 kg) is said to be with farmers in Erode, whereas farmers in other key turmeric markets like Nizamabad, Sangli and Warangal have almost exhausted their stocks.

While prices of the commodity, a vital masala in every household, are expected to touch Rs 18,000 per quintal in the coming weeks as new arrivals can be delayed due to rain, market sources feel. The rise in prices will only be short-lived as the farmers will start harvesting by second week of December due to high prices. The harvesting normally begins from January.

Turmeric cultivation starts in the last week of May and continues till August. Andhra Pradesh, Karnataka and Tamil Nadu in the south and Maharashtra in the west are the major producing states in India. Increased arrivals and good carryover stock may dampen the market sentiments in the coming season but the unseasonal rains especially in the key growing regions are likely to bring down production by 20% and also postpone arrivals by 25 days.

VK Rajamanickam, a turmeric trader in Erode, said the farmers should have begun harvesting the No: 8 quality turmeric by now.

1 Dec, 2010, 12.53AM IST,ET Bureau

Darjeeling oranges may compensate for poor yield

CHANDIGARH/PUNE/KOLKATA: A Fall in production of oranges across major belts of Punjab, Maharashtra and Rajasthan has led to prices rising between 40% and 45% and touching Rs 290-350 for a carton of 10 kg.

The one bright spot, literally, is that growers in the Darjeeling hills are expecting a good crop due to adequate rainfall and bright sunny days that are keeping pests away. However, the fall in production is not likely to impact the orange juice and orange drinks manufacturing industry in the country that are virtually relying on concentrates from Brazil and Cyprus.

“We have lost 90% of the crop of the Ambia season (End October till December). The crop in the Mrig season (February till April), which will come to the market from February onwards, is at the moment in a flowering and fruiting stage. This too has been damaged as the small fruits have fallen off with the rainfall," said Shreedhar Thakre, president, Mahaorange, the association of orange growers of Maharashtra. Major belts of the state that accounts for 50% of the orange production of the country are Amaravati, Wardha and Nagpur.

In Punjab, Haryana and certain parts of Rajasthan, an increase in temperature has led to more incidences of fruit droppings. In Punjab, over 50,000-hectare land is under orange plantation. However, these losses could be minimised with good production expected in Darjeeling hills, said Madan Limbu, an orange grower from Bunkulung in Mirik block, 55 km from Siliguri.

Traders at the Siliguri regulated market, from where the fruit is supplied to the state and also to neighbouring countries such as Bangladesh and Nepal, hope to get better crop and price this year. Siliguri Regulated Market Fruits and Vegetables Commission Agents Association president Tapan Saha said, "The oranges have started arriving in the market a fortnight earlier and we are hopeful of a good season."

With supply getting squeezed, prices have gone up. "Farmers are getting Rs 2,000 per 1000 oranges, which is twice last year's price," said Mr Thakre. In Punjab, at farm gate, traders were paying farmers Rs 13-14 a kg compared with Rs 7-8 a kg in the previous year, said Surinder Ahuja from Fazilka town in Ferozepur district of Punjab.

Abohar-based trader Krishan of Sai Kripa waxing plant said that daily 70 trucks of 10 tonne each were being dispatched to New Delhi, Bangalore, Coimbatore, Chennai, Kolkata and Ahmedabad markets. Similarly in the North East, farmers were getting Rs 50,000 for an orchard of 1-1.5 acre with 120 plants, compared with Rs 10,000 in the previous year.

As said earlier, orange juice manufacturers are unlikely to be impacted by the fall in production as most of them have shifted to importing concentrates. Dynamix Dairies, which contract manufactures for Tropicana, imports concentrates from countries like Brazil and Cyprus. Similarly, companies like PepsiCo and Jain Irrigation Systems have moved out of processing of oranges (kinnows) and tomatoes in Punjab and supply imported concentrate to Hindustan Coca Cola Company.

“Indian market has to be made more competitive where productivity of the crop has to be enhanced,” said Pepsico executive director, agriculture and corporate affairs, Vivek Bharti, while adding that the country in the long run had the potential.

30 Nov, 2010, 08.20PM IST,PTI

India's oilseeds production dips to 249 lakh tonnes in 2009-10

NEW DELHI: India's oilseeds production dipped to 249.3 lakh tonnes in the crop year 2009-10, compared to 277.2 lakh tonnes in the previous year, Parliament was informed today.

The country had produced 297.6 lakh tonnes of oilseeds in 2007-8, Minister of State for Agriculture K V Thomas said in a written reply in Lok Sabha.

As a result of the fall in oilseeds production, the minister said, India has been facing shortage of edible oils since 2007-8, forcing the country to go in for imports.

The oil year runs from November to October. Thomas said that while availability of edible oils from domestic sources was 79.3 lakh tonnes, it was 84.6 lakh tonnes in 2008-9 and 86.5 lakh tonnes in 2007-8.

Total estimated demand for edible oils in the country was 167.5 lakh tonnes in 2009-10, as against 166.4 lakh tonnes in 2008-9 and 142.6 lakh tonnes in 2007-8.

Meanwhile, oilseeds production during Kharif 2010 is estimated to be higher than the previous year, Thomas said, adding that the acreage under sunflower has declined by 31.50 per cent in 2009-10 compared to 2006-7.

Consequently, there has been a drop in the availability of edible oils from domestic sources, and the gap between domestic demand and supply of edible oils is met through imports.

Thomas attributed lower production of oilseeds to their cultivation in un-irrigated areas; lack of varietal replacement through development of hybrids in crops like groundnut, sesame, soyabean and niger; vagaries of nature and production losses due to pests and diseases.

The minister said the government has been running Integrated Scheme of Oilseeds, Oil Palm and Maize (ISOPOM) in 14 major oilseeds and 9 oil palm growing states to increase production and productivity of these crops.

30 Nov, 2010, 08.01PM IST,PTI

India's sugar production expected to be 25-25.5 MT: DSCL

NEW DELHI: DCM Shriram Consolidated (DSCL), a leading sugar manufacturer, today said that production of the sweetener in the country is likely to be around 25-25.5 million tonnes in the current season starting last October.

"My view is that sugar production this year should not be less than 25 million tonnes. It will be 25-25.5 million tonnes," DSCL Chairman and Sr Managing Director Ajay Shriram told reporters on the sidelines of a conference here.

India, the world's second largest sugar producer, had produced 19 million tonnes in the 2009-10 season.

Backed by a good monsoon and increased acreage, the country's sugar production was pegged initially at 25-26 million tonnes, but delayed beginning of cane crushing in key producing states has cast a spell over the projection. Industry watchers have now started believing that the output won't be more than 23 million tonnes.

Of the total 600-odd sugar mills in the country, only 199 mills have started crushing operations in Maharashtra, Uttar Pradesh and Karnataka till November 15 of the current sugar season, which runs from October to September, according to official data.

Shriram's confidence, however, stemmed from the fact that the mills in Uttar Pradesh, the nation's second highest cane- growing state, will crush canes till the end of March because of the delayed start of the season.

On sugar exports, Shriram said that the government should allow it for the betterment of both the industry as well as the country.

"It is good for the industry and the country to allow exports of sugar. The earlier it is done the better," he said.

Meanwhile, Shriram said three of the four mills owned by his company in Uttar Pradesh have started cane crushing and the fourth one also would start in a few days from now.

DSCL has 33,000 tonnes per day cane crushing capacity. He gave a negative reply when asked whether the company would like to increase the capacity.

Business Standard

Wednesday, Dec 01, 2010

Duty on edible oils likely to rise next season

Anindita Dey / Mumbai December 1, 2010, 3:50 IST

The Union ministry of agriculture may raise the import duties on both crude and refined edible oil in the coming rabi season.

Official sources said a high-powered committee in the ministry reviewed the tariff structure last week, in the wake of the increasing import of edible oil to support growing domestic demand. “Even after the strategy to increase oilseed production in the country, the production has been stagnant for the last three to four years. Import is the only way out to meet the growing demand. Therefore, for this season, it is decided to retain the existing duty structure,” official sources said.

However, in the medium term, to increase domestic production of oilseeds and discourage imports, revising the import duties is the only option. “Only when imports become costlier will refiners focus on domestic oilseed producers. Thus a review is expected in the rabi season,” said sources.

Currently, crude edible oil is imported at zero import duty, while refined oil import attracts 7.5 per cent custom duty. Under the proposed review, the import duty on crude edible oil may be raised from zero at present, followed by an automatic increase in import duty on refined oil.

The Commission for Agricultural Costs and Prices has already recommended a rise in the duty on import of raw edible oil. It has been sent by the ministry of agriculture to the ministry of commerce.

“Global edible oil prices are on a rise and a further hike in import duty at this point of time will hurt consumers, since oil refiners pass on the price hike. It will be detrimental to consumer interest, as edible oil prices are already high. Therefore, imports in this season will be spared from any duty hike,” sources said. The other factor policy makers will have in mind is the cost of edible oil under the Public Distribution Scheme (PDS) to below-poverty-line (BPL) families. Procurement for this is done through imports. Currently, the procurement price through imports is Rs 45-50 per litre; the Centre gives a subsidy of Rs 15 a litre. States have their own subsidies, usually less than this.

Coffee exporters fail to crack North American markets

Debasis Mohapatra / Bangalore December 1, 2010, 3:44 IST

Indian coffee exporters are steadily losing ground in the US and other North American countries. This is despite export subsidies by the Coffee Board of India.

India, which had a significant market share in the US two decades ago, has now a marginal presence there, owing to higher freight costs.

“During the 1980’s, the US was a significant market for Indian coffee. However, with the advent of free market policies, exporters are finding it difficult to supply to the US due to high freight costs,” said Ramesh Rajah, president, Coffee Exporters Association of India.

While exports to the European countries – one of the biggest markets for Indian coffee now – cost $1,600-$1,800 per container, shipments to the US cost $2,800-$3,200 per container, he added.

The US is the world’s largest consumer of coffee with an estimated consumption of 12 million tonnes per annum. At present, it and other North American countries depend on Mexico, Costa Rica and Brazil due to lower freight costs because of the proximity of these countries.

India exported around 4,304 tonnes coffee to US in 2007-08 — 1.97 per cent of total exports. The figure dropped to 1,948 tonnes in 2008-09 — 0.99 per cent of India’s total.

“As the US is the largest market for speciality coffee, the country should aggressively look at it to gain market share,” he said. He said the incentives given by the Coffee Board were not enough to offset the freight costs.

At present, the board gives Re one subsidy to exporters for one kilogram green coffee and Rs 2.50 for instant coffee.

Referring to this matter, a top Coffee Board official said, “The Coffee Board is actively encouraging exporters to increase market share in the US through incentives and subsidies.” He said coffee exports to the US had witnessed a two per cent rise in the current crop year.

The demand for speciality or high-value coffee has been rising in the US and Canada in recent times. However, India has not been able to cash in on these opportunities due to logistical issues and higher costs. “The country should diversify its export basket, rather than relying heavily on the European market,” said a planter in Karnataka.

According to statistics with the Coffee Board, some European nations like Italy, Germany, Belgium and Spain account for around 50 per cent of India’s total coffee exports.

Cotton prices cast shadow on polyester

Dilip Kumar Jha & Komal Amit Gera / Mumbai December 1, 2010, 3:37 IST

Skewed demand for synthetic yarn by textile producers, following a dramatic escalation in cotton prices, has opened opportunities for man-made fibre producers. India’s largest corporate Reliance Industries Ltd (RIL) will benefit most from the trend.

Faced with enormous demand from both domestic and overseas markets, RIL, which currently monopolises the fibre market, has raised prices by over Rs 3 per kg across all products effective Tuesday.

With the revision, the benchmark 115/34 semidull variety of partially oriented yarn (poy), used to produce polyester yarn, shot up to Rs 96.49 per kg from Rs 93.11 per kg a week ago. The prices of polyester staple fibre has been revised upwards by Rs 6 per kg to Rs 93 per kg.

The biggest problem for domestic synthetic yarn manufacturers is that RIL, according to market sources, do not entertain them as it prefers the more remunerative export market. According to industry sources, RIL has signed huge supply orders with buyers in China and Pakistan — the two countries that remained short supplied of cotton and, most importantly, compete with India in the global markets.

“Many south-based synthetic yarn manufacturers met RIL officials late last week, seeking supply of poy from the company but, their requests were turned down,” said a senior industry executive who was involved in the discussion.

Prices of man-made fibre which ideally should be linked with the movement of crude oil prices, have abnormally gone up in tandem with cotton yarn prices in the last one year.

While cotton prices have been revised from Rs 2,700 to Rs 4,400 per mound this year (now Rs 4,200 per mound), polyester prices have risen sharply — from Rs 63 per kilogram in September to Rs 110 per kilogram in November.

However, cotton prices are softening due to higher availability with ginners. Owing to unseasonal rainfalls last week, many ginners could not process and transport cotton. This lead to a huge stock, which will start rolling out in the market by January. By January-end, the industry will see a price decline of nearly 20 per cent, said Sunil Khandelwal, chief financial officer, Alok Industries Ltd.

“Due to pressure on margins, quite a few players have partially diversified their capacities for polyester cotton blended yarns. Spinners have been replacing cotton with polyester and viscose for manufacturing cotton-blended yarn. The manmade fibre was cheaper than cotton. But the consistent increase in demand for the manmade fibre across the world pushed up the cumulative demand and drove up the prices,” said Sanjay Nayyar CEO of Confederation of Indian Textiles Industry.

The sudden jump in the demand for man made fibre is not supported by the increase in production of raw materials for the man-made fibre and resulted in a disequilibrium in demand and supply.

V K Ladhiya, the chairman of Indian Spinners Association, told Business Standard that the availability of PTA and MEG (raw material for polyester) is limited. The global capacities are limited but the demand has gone up.

He also said that manufacturers lost money in investments for producing the raw material for the man-made fibre in the past. As a consequence, they recalled some of the investments. Now that consumption has increased, the prices have gone through the roof. The price of inputs for polyester have been revised by 20 per cent to 30 per cent.

The total annual consumption of fibre in India is about seven million tonnes. The largest chunk of this consumption is of cotton (about 3.2 million tonnes) followed by polyester (2.5 million tonnes), 0.5 million tonnes of rayon and about 80,000 tonnes of acrylic.

The man-made fibre could have provided some cushion to the spinners while the cotton prices were high. But the incredible increase in price of polyester fibre has put the textile industry in a tizzy.

Resentment grows among cane growers in Uttarakhand

Shishir Prashant / New Delhi/ Dehra Dun December 1, 2010, 2:57 IST

Resentment among sugarcane growers in Uttarakhand is on the rise following a long delay in the start of the crushing season as well as the state advised price (SAP).

Protests are rising in certain pockets of Haridwar district and other areas where farmers have asked the government to declare the SAP immediately in order to start the crushing season. The big worry for the farmers is any big delay in the crushing season can jeopardize the wheat sowing in their fields where the cane crop is ready since the last month.

Barring one or two sugar mills in the private sector, most of the mills have yet to start the crushing.

“Any big delay can certainly hamper our efforts to increase the production of wheat crop in the coming season,” said Madan Lal, director, state agriculture department. However, he said the crushing season should have begun in the first week of November itself.

While Uttar Pradesh had already announced the SAP at Rs205-210 for sugarcane, Uttarakhand has not taken any decision yet.

When contacted, top officials told Business Standard that the decision regarding SAP would be taken shortly and the crushing season would start in the first week of December. “The files related to the SAP are lying in the office of the Chief Minister,” they said.

Traditionally, Uttarakhand waits for Uttar Pradesh’s announcement on the SAP in order to give better prices to its own farmers. Last year also, the SAP in the state was Rs192-197 which was much higher than that of the neigbouring state at Rs165.

The government is expecting an increase of 17,000 hectares of sugarcane acreage for the 2010-2011 period which is 18 per cent compared to the previous year, largely owing to steep hike in sugarcane prices last season.

The sugarcane department said the total sugarcane acreage in the state in 2009-2010 was 0.93 lakh hectares which is now expected to reach 1.10 lakh hectares in 2010-11.

The cash crop is being cultivated in four districts of the hill state – Udhamsingh Nagar, Nainital, Haridwar and Dehra Dun which are having 14 sugarcane cooperative societies. A total of 1.81 lakh farmers are members of these societies.

Tobacco Board chief warns against illegal farming

D Gopi / Guntur December 1, 2010, 2:39 IST

The Tobacco Board chairman has warned farmers against planting unauthorised crop. He said the farmers would not be allowed to bring unauthorised produce to auction centres.

Speaking to Business Standard, G Kamalavardhana Rao said the board had allowed planting of 175 million kg tobacco for the next season. Though the board permitted over 170 million kg for the just-concluded season, the farmers planted over 230 million kg. This practice is more prevalent in Karnataka.

Officially, over 207.58 million kg tobacco was sold this year at Rs 80.06 a kg. In the previous season, the sale was 203.94 million kg. The product received the highest price of Rs 113.97 a kg at the Koyyalagudem auction platform in West Godavari district, while the lowest was Rs 56.40 at the Vellampally platform in Prakasam district in the just-concluded season. In the previous year, the highest price was Rs 131.64 at Gopalapuram in West Godavari district, while the lowest was Rs 93.55 at the Thorredu auction platform in East Godavari.

“There are farmers who are not authorised but still raise the crop. This is causing problems for the board,” he said.

To keep a check, the board has formed special committees of ‘Field Friends’ with representatives of the Central Tobacco Research Institute, the Tobacco Board and a person representing the farmers. The members have been posted at all the auction centres and will interact with farmers on use of fertilisers and healthy processing and harvesting practices. They would also keep an eye on farmers increasing the crop area without permission, the chairman said.

Stating that the board would not allow unauthorised product in any auction centre, he said, “If a farmer grows more than what he is authorised to do, his product will be banned from the auction centre. Similarly, if any farmer grows tobacco without authorisation, the product will not be allowed into the auction centre,” he said. Field Friends would make this point clear to the farmers in the next couple of weeks and ensure that no unauthorised tobacco was grown anywhere, he added.

The decline in the price this year was due to subdued international market, he said, adding negotiations with exporters were on to help the farmers. “We are in talks with some big exporters and expect some positive response in the next couple of weeks. This will help the tobacco growers of Karnataka as the auction there is still in progress,” Rao said.

Exports, he said, stood at 104,248 million tonnes, valued at Rs 1,587.49 crore, from April to September, as against 11,4256 million tonnes, valued at Rs 18,28.47 crore, in 2009. Besides, the country exported 18,107 million tonnes tobacco products and 76,134 million tonnes flue-cured Virginia (FCV) in the just-concluded season.

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Back **Farm sector powers 8.9% GDP growth in Q2**

Quarterly GDP growth rates

(per cent)

	2009-10		2010-11	
	Q1	Q2	Q1	Q2
1. AGRICULTURE*	1.86	0.87	2.55	4.39
2. INDUSTRY	4.59	8.48	11.73	8.96
(a) Mining & quarrying	8.16	10.07	8.43	7.97
(b) Manufacturing	3.83	8.36	12.96	9.81
(c) Electricity, gas, water supply	6.40	7.70	6.25	3.39
3. SERVICES	7.97	10.25	9.45	9.65
(a) Construction	8.40	8.32	10.31	8.83
(b) Trade, hotels, transport**	5.58	8.24	10.95	12.11
(c) Finance, insurance@	11.73	11.31	7.90	8.27
(d) Community services@@	7.62	13.97	7.93	7.27
GDP AT FACTOR COST	6.33	8.68	8.88	8.89

* Includes forestry & fishing; ** Includes communication;
@ Includes real estate & business services;
@@ Includes social & personal services.

Our Bureau

New Delhi, Nov. 30

The Indian economy has registered an annual growth of 8.9 per cent for the quarter ended September 30.

The 8.9 per cent year-on-year increase in the country's real gross domestic product (GDP) during July-September comes on top of a corresponding 8.7 per cent figure for the same quarter of the previous year, lending credibility to the latest growth number.

Moreover, all the three sectors – agriculture, industry and services – have shown robust growth during the quarter.

While industry and services have grown by 9 per cent and 9.6 per cent, respectively, (and within them, manufacturing by 9.8 per cent and trade, hotels, transport and communications by 12.1 per cent), agriculture production has recorded a 4.4 per cent year-on-year rise on the back of a reasonably good, monsoon-aided kharif harvest.

The picture is equally encouraging on the ‘demand' side of the GDP equation, with private final consumption expenditure during July-September being 9.3 per cent higher than the same quarter of 2009-10 and gross fixed capital formation also growing by 11.1 per cent. Government consumption expenditure, too, rose 9.2 per cent in real terms.

First-half growth

For the first half of this fiscal, the overall GDP growth worked out to 8.9 per cent, which was better than the 7.5 per cent for April-September 2009-10.

Amidst all the depressing news, this is one good news, said the Finance Minister, Mr Pranab Mukherjee, reacting to the estimates put out by the Central Statistics Office here on Tuesday.

While Mr Mukherjee expressed confidence that the GDP growth for the entire fiscal could touch 8.75 per cent “and maybe more”, his Chief Economic Advisor, Prof Kaushik Basu, declared that even 9 per cent may not be impossible.

Inflation impact

The other notable feature of the latest GDP data is the impact of inflation. This is reflected in the GDP growth expressed in current prices, which, at 19.8 per cent during April-September, has far outpaced the 9.4 per cent figure for the first half of 2009-10.

Agricultural output, in particular, has seen a 26.1 per cent year-on-year increase in the current value during the first half of this fiscal.

Thus, while farm production per se may have risen by 4.4 per cent, farm incomes have, however, risen by over a quarter.

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Back **Unseasonal rain likely to affect cloves output**

May result in higher price, imports.

G.K. Nair

Kochi, Nov. 30

Cloves production in the country this season will be lower on unexpected and untimely rain in the growing areas pushing its prices up apart from raising the imports further of this aromatic spices in 2011.

“This year we had a good crop of over 2,000 tonnes but it is going to be much less next year, estimated to be somewhere between 1,000 tonnes and 1,500 tonnes, because of the untimely and erratic rains,” Mr Subramani of Sri Alagappa Estates in Tamil Nadu's Nagercoil district told Business Line.

He said the crop used to be good every alternate season and since they had good crop last season, this time it had to be less, but the unfavourable weather was going to pull it down further. “Now it is the budding time and the unexpected rains these days would result in fungal infection, affecting the yield," he said. Harvesting is done from mid-January every year, he said.

The price, at present, for the best quality cloves is Rs 350 a kg while that of medium fetches Rs 320-330 a kg, he said. Some selected growers/dealers are holding back their produce anticipating further rise in the prices, Mr Subramani said.

Stagnant output

Because of the unremunerative prices, farmers had given up its cultivation long back and it is confined to some areas in Kerala's Kollam and Thiruvananthapuram districts and Tamil Nadu's Kanyakumari district. As a result, the cloves output has remained stagnant between 1,500 and 2,000 tonnes, growers said.

Lack of government support for the crop is a major dissuading factor, they said. Its use in cosmetics and pharmaceuticals, toothpastes and traditional and modern medicines, of late, has raised its demand in India and abroad. The high prices prevailing in various origins clearly indicates that the demand world over outweighs the supply, official sources said.

International markets

Indian has an estimated demand of over 15,000 tonnes of cloves and much of it is met by imports, trade sources in Kochi and Bangalore said. According to them, cloves prices in the international markets are "on fire and it has jumped to crazy levels". Harvesting of new crops in several producing countries has already commenced but the output is estimated to be "very small", they claimed. Offers from Madagascar were at $6,000 and Zanzibar $6,500 a tonne. Indonesian crop is said to be over as cigar companies have bought all the cargo and hence prices are likely to go very high, they said.

In the domestic market, they said, prices for Colombo cloves were Rs 310 a kg while for Zanzibar produce it was at Rs 375–390 a kg.

Traders claimed that the prices might zoom to touch Rs 500 a kg this year due to acute shortage of the material. "Next crop at all origins will be lower. There is believed to be cycle of five years in cloves crop i.e., for five years the crop would be good and then for another five years it would be poor." But in India it is good normally in every alternate year, they said.

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Back **Working capital issues brewing for coffee growers**

Confusion prevails over implementation of debt relief package.

Anjana Chandramouly

A Srinivas

Bangalore, Nov. 30

Coffee growers are likely to face working capital issues with the onset of the harvest season, on account of confusion and delays over the implementation of the Coffee Debt Relief Package (CDRP) announced on April 29.

Banks with exposures to coffee are working out the modalities of extending working capital and term loans to the coffee sector, in the wake of the CDRP.

Under the CDRP, the Centre would bear the burden of waiving 50 per cent of the farmers' total liability in the case of loans taken before 2002, subject to a maximum of Rs 5 lakh, while banks would waive an additional 25 per cent.

In the case of loans taken after 2002, the Centre would bear the cost of waiving 10 per cent of the total liability subject to a maximum of Rs 1 lakh a farmer, while loans of large and medium farmers would be eligible for restructuring.

According to sources in the banking sector, a leading bank in Karnataka had drawn up a set of guidelines on how it would proceed with loan restructuring, but withdrew its plan following a lack of consensus with other banks on the matter.

Most of these banks await further instructions from the Reserve Bank of India, on how to implement loan restructuring, particularly in respect of post-2002 loans taken by large and medium farmers.

The RBI has recently said that the guidelines spelt out in the August 27, 2008 circular on loan restructuring would apply to coffee growers as well. Under this, non-performing assets (NPA) accounts are eligible for fresh loans. However, bankers feel that the issue of treatment of NPAs in their books remains to be sorted out.

“Coffee loans have been restructured several times, but going by those guidelines we have to necessarily treat those accounts as NPAs,” said Mr Dilip Mavinkurve, Managing Director, State Bank of Mysore, which has exposure related to the coffee package of about Rs 150 crore, adding that banks would want some relaxation on the rigid rule of repeated restructuring of these loans.

For bigger banks such as Canara Bank, the exposure to coffee growers is about Rs 400 crore.

Of this, “small and medium growers constitute the lion's share,” explained Mr H.S. Upendra Kamath, Executive Director, Canara Bank.

Total liability

This is typical to other banks too, as the total liability of the coffee sector under loans taken before 2002 and crop loans stands at about Rs 1,350 crore, of which the small growers' liability is Rs 830 crore. “On account of repeated re-phasing of coffee sector loans, a clear picture of post-2002 loan outstandings is yet to emerge,” bankers said.

Other banks such as Vijaya Bank and Corporation Bank too have exposures of Rs 78 crore and about Rs 150 crore to this sector respectively. According to a top official with another public sector bank, the RBI has permitted banks to restructure advances and issue fresh loans wherever possible.

Though the Coffee Board is in repeated consultations with Karnataka-based banks on expediting the rescheduling of loans, Mr Anil Bhandari, Member, Coffee Board, found it “strange that banks have not been able to work out a modus operandi on rescheduling the loans six months after the announcement of the package."

Grey areas, bankers pointed out, could apply in the case of a standard account that is overdue and has to be re-phased.

There are norms for proceeding in such cases with respect to an individual account holder, but the issue is whether these norms can be extended to a sector as a whole. Further clarification from RBI is awaited on this aspect. "Therefore, we will proceed on rescheduling on a case-by-case basis," they said.

Meanwhile, the plan proposed by a leading bank, which could come up for discussion between the other major banks, proposes that all coffee loans would be entitled to be re-phased.

Repayment holiday

It proposes one-year repayment holiday, including interest, with effect from June 30, in the case of crop loans.

The balance would be repaid within three years, with the due dates falling on June 30 each year.

In the case of Special Coffee Term Loans, where the repayment extends beyond June 2013, the first year with effect from June 30, would be a repayment holiday for interest and principal, while the balance would be payable in annual instalments.

The plan proposes a two-year repayment holiday, principal and interest, for term loans, with the balance payable over the next seven years in annual instalments.

"We have requested the banks to be liberal in the interpretation of RBI guidelines," said Mr Sahadev Balakrishna, Chairman, Karnataka Planters' Association.

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Back Farmers on the warpath, again

SHARAD JOSHI

As in 1980, Maharashtra's sugarcane and onion farmers are preparing to agitate over prices and a policy regime stacked against them.

Will their voices be heard by the powers that be?

Thirty years back, in November 1980, farmers in Maharashtra made history by resorting to rail-roko that brought Indian Railways to a grinding halt. The agitation was to demand a price of Rs 300 a tonne for sugarcane and for onion Rs 100 a quintal.

Coincidentally, both these commodities happen to be in the news once again.

The sugar mills in Maharashtra are now offering not less than Rs 2,100 a tonne and the retail prices of onion have skyrocketed to Rs 5,000 a quintal.

It might appear that the farmers have come a long way in securing remunerative prices for their produce. The facts are quite contrary.

RISING COSTS AND DEBT

The current prices for sugarcane and onion signify cost inflation rather than better remuneration to producers. In fact, the Government has taken certain steps to increase the Statutory Minimum Price (now, Fair and Remunerative Price) for sugarcane as also the market intervention price for onion. It has further alleviated, to some extent, the burden of debt on a specific category of farmers whose contribution to India's food miracle is miniscule. Not surprisingly, the veterans of farm agitation are once again on the warpath.

Renewed agitations

As in the 1980s, this could kick-start a second wave of farm agitations all over the country. The new agitation, in fact, may surpass, in ferocity and effect, the demonstration of strength in the 1980s.

While there has been some relief on debt burden , the issue of payment of electricity dues remains unsettled.

Since 1984, farmers have been resisting the recovery of dues. Supported by their womenfolk, they have been blocking the entry of the staff of Maharashtra State Electricity Board into their villages.

The linesmen who climbed the electricity poles to cut off the connections often faced the predicament of women lighting bonfires at the foot of the poles. Since not all farmers are defaulters, the MSEB is required under court orders, not to cut off power supply to non-defaulters. Understandably, the line staff of the electricity board is unwilling to venture into the villages.

Yet, the Minister for Energy has started cutting off power for defaulters as also non-defaulters, not from the village but from far-off transformers located in talukas and mandis.

The villages facing power supply disruption, cannot easily revert to diesel pumps as prices of fuels have skyrocketed beyond their reach.

It is not possible for them to use manpower to replace electricity and diesel as wage rates have risen far higher than the prices of agricultural produce.

The MGNEREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme), and other ‘free lunches' of the UPA government have promoted a culture of indolence and laziness, to the extent that the labour willing to come to the fields do not work for more than three hours a day.

AGGRIEVED FARMERS

To make matters worse, the news has reached farmers that the government intends to complete the agenda of land reforms left incomplete for the last 50 years.

Leaders of the UPA Government at the Centre and the State as also its spokesmen who do not tire of repeating the slogans of ‘food security for the poor' appear oblivious to the fact that the plethora of anti-farmer policies will make food security impossible to achieve. The Government has failed miserably in ensuring supply of fertilisers, pesticides and seeds.

At various places in Maharashtra the police had to open lathi charge and fire to quell the anger of peasant mobs. For decades, farmers have sent to the market quality produce while their families survived on spoilt and inferior grains and vegetables.

Now they have decided to make an about-turn and produce the best quality, healthy, organic food for their families alone.

Farmers with a capacity to produce more foodgrains will do so for bio-fuel, and not for the non-agrarian community.

The programme by itself conforms to the Gandhian tenets of civil disobedience. Farmers, with their bitter experience of anti-farmer marketing policies of the Government, will stay off the markets for purchases of their inputs and for sale of their produce.

Farmers are bracing themselves for all possible reactions from the Government.

(The author is Founder, Shetkari Sanghatana, and a Rajya Sabha MP.)

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Back Coconut oil peaks to Rs 81/kg

C.J. Punnathara

Kochi, Nov.30

Coconut oil prices closed at an all-time high of Rs 81 a kg in Kerala markets on Monday. But going by the early trends and greater arrivals in Tamil Nadu markets, sources in the trade expect the price to ease in the coming days.

Coconut oil prices have reacted to the advent of clear weather over the coconut growing regions of Tamil Nadu and prices have fallen to Rs 77.60 a kg in markets such as Kangeyam.

The advent of fair weather has also resulted in greater arrivals of coconut oil and greater conversion of coconuts into copra.

Already the price differential between the Tamil Nadu and Kerala markets is inducing greater flow of coconut oil in to Kerala. And if the fair weather persists, the flow of coconut is likely to increase in the coming days.

Clear weather has begun to set in in Kerala from the Northern districts and this is expected to augment greater conversion to copra and coconut oil in the State, Mr Prakash B. Rao, Director of the Cochin Oil Merchants Association, said. Under the present circumstances, coconut oil prices are expected to ease in the coming days.

Copra prices

There was no marked disparity between copra prices quoted in Tamil Nadu and Kerala. Copra prices in both the States were quoted at Rs 56 a kg. Increased arrivals are also likely to result in copra prices falling in the coming days.

Looking ahead, the absence of industrial buying could also exert pressure on coconut oil prices. Makers of coconut oil-based shampoos and hair oils have been keeping away from the market as prices have climbed.

Winter is the lean season for these companies as coconut oil-based cosmetic products are likely to condense during the cold season in Northern India and demand weakens.

The industrial demand is likely to resurface only in January-February and the companies have sufficient inventories to tide over the coming twomonths, sources in the trade said.

Meanwhile, palm oil prices have eased a bit and are at present quoting at Rs 54 a kg while palm kernel oil prices are ruling at Rs 77 a kg.

Immediate slippages in coconut oil prices are likely to be contained at Rs 77 a kg, the level at which palm kernel oil prices are currently ruling, trade sources said.

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Back **Higher free-sale quota pounds sugar**

Our Correspondent

Mumbai, Nov. 30

Sugar prices declined by Rs 25-30 in naka and tender rates at Vashi market on higher free-sale quota for December declared by the Government and month-end poor retail demand at the local level.

On the spot, prices came down marginally by Rs 10-15 a quintal. Volume was poor as more than expected sugar quota weighed the sentiment.

Resale selling pressure at lower prices also squashed the firmness at mill level.

Market sources said that sugar prices came down an increase of more than Rs 100 in the past four working days. Transport charges increased by Rs 15-20 a bag on expectation of transporters' nationwide strikes at producing centres somehow arrested the decline in sugar.

The Government has declared a total 17.08 lt sugar quota (including 15 lt free sale and 2.08 lt as levy) for December against the total of 16.15 lt for the previous month November.

Last year for December 2009, total quotas was 16.92 lt.

As most of the mills have sold out November's free sale quota there was no pressure for sale.

Only resellers had to offload in the market as they have to lift sugar before the month-end. Very few resellers offloaded the sugar in resale trade in the range of Rs 2,830-2,850 for S–grade and Rs 2,890-2,930 for M–grade, including excise duty.

Arrivals and lifting in the market was at the nominal level due to the month end.

On Tuesday, total arrivals in Vashi markets was at 48-50 truckloads (10 tonnes each) and lifting was about 45-47 truckloads.

According to the Bombay Sugar Merchants' Association, spot sugar rates were: S-grade– Rs 2,961-3.011 (Rs 2,971-3,011) and M–grade – Rs 3,001-3,071 (Rs 3,011-3,081).

Naka delivery rates were – S-grade: Rs 2,930-2,950 (Rs 2,950-2,990) and M-grade: Rs 2,990-3,030 (Rs 3,000-3,070).

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Back **Wheat slips on thin trading**

Our Correspondent

Karnal, Nov. 30

With trading being low, dara and desi wheat varieties witnessed a downtrend. Prices of desi wheat dropped by Rs 10-60 a quintal, while prices of Tohfa variety witnessed a major fall.

The dara variety, despite steady demand and arrivals, witnessed a downtrend. Prices of dara wheat dropped marginally by Rs 5 a quintal and ruled at Rs 1,230-1,235 a quintal. While the prices at the retail outlets ruled around 1,250 a quintal, the fine quality was quoted at Rs 1,250-1,255 a quintal.

Mr Subhash Chander, a wheat trader, told Business Line that due to thin trading, the market witnessed a downtrend. The demand for desi wheat varieties is not much at present, he added. Prices at the Delhi market ruled around Rs 1,290-1,300 a quintal. Low arrivals, due to a ban on overloading, are the prime reason behind the high levels at Delhi, he said. About 200 quintals of dara variety were offloaded at flour mills in Karnal on Tuesday.

Prices of Tohfa variety ruled at Rs 2,400-2,430 a quintal, Lok-1 at Rs 1,950, Aaj tak Rs 2,350 and Nokia Rs 2,400. Because of downtrend in wheat prices, flour prices too dropped by Rs 20 (90 kg bag)and ruled at Rs 1,230.

Availability of fresh green fodder pulled the chokar prices down by Rs 50 (49 kg bag). Chokar prices were quoted at Rs 565 for a 49-kg bag.

Paddy Trading

Around 4,000 bags of PR-13 arrived, and ruled between Rs 920 and Rs 950. Grade-A variety arrived in 35,000 bags and ruled between Rs 1,030 and Rs 1,060.

About 5,000 bags of Sharbati also arrived and ruled between Rs 1,400 and Rs 1,550. Sugandha-999 arrived in about 3,000 bags and was quoted at Rs 1,600-1,700.

Date:01/12/2010 URL: http://www.thehindubusinessline.com/2010/12/01/stories/2010120150881700.htm

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Back **Fresh arrivals dampen tur**

Our Correspondent

Indore, Nov. 30

In the absence of demand, prices of majority of pulses and pulse seeds ruled flat, barring tur, which saw a decline of Rs 100 with the arrival of new crops in the market. Among the pulses, chana dal ruled firm on demand from retaliers and millers.

On the spot, chana dal (bold) quoted at Rs 3,125-3,150 a quintal, while chana dal (medium) quoted at Rs 3,025-3,050 and chana dal (average) quoted at Rs 2,900-2,950 a quintal.

Chana also ruled steady at Rs 2,400-2,410 a quintal. With depleting stock, prices of chana and other pulse seeds have gone up in the past few days. According to a trader, demand has grown sluggish as prices have gone higher than anticipated.

Among other pulses, urad dal, tur dal and moong dal quoted Rs 50 down in the mandis with decline in demand. On the spot, tur dal (full) quoted at Rs 5,700, tur dal (sawa no) quoted at Rs 5,000, while tur dal (markewali) quoted at Rs 6,250 a quintal. Similarly, urad dal and moong dal also traded Rs 50 lower. Moong dal (chilkewali) quoted Rs 4,300-4,400, moong dal (medium) quoted Rs 5,900-6,000, while moong mongar quoted at Rs 5,700 a quintal. Urad dal (chilkewali) quoted at Rs 4,500-4,700, urad dal (medium) quoted at Rs 5,900-6,000, while urad mongar quoted at Rs 6,800-7,200 a quintal, respectively.

Masoor dal, with sluggish demand, was steady at Rs 3,650-3,700 (medium quality), while masoor dal (bold) quoted at Rs 3,875-3,900 a quintal. Tur in the spot quoted Rs 100 down at Rs 3,300 a quintal, chana ruled at Rs 2,400, masoor quoted at Rs 3,100, urad quoted at Rs 3,800-Rs 3,900, while moong quoted at Rs 4,000 a quintal, respectively.

Date:01/12/2010 URL: http://www.thehindubusinessline.com/2010/12/01/stories/2010120150921700.htm

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Back **Global cues heat up edible oils**

Our Correspondent

Mumbai, Nov. 30

Taking cues from a firm world market, especially the Malaysian market, spot prices of imported oil such as soya and palmolein along with the other indigenous oils increased by Rs 3-5 for 10 kg on the Mumbai market.

In Saurashtra, groundnut oil prices gained sharply by Rs 15 to Rs 1,155 a tin and Rs 5 to Rs 750 a 10-kg. Malaysia crude palm oil (CPO) futures advanced for the second day. CPO futures initially swung into the negative territory on profit-taking, weak soya oil but closed higher. In the near future, higher palm oil exports and higher e-CBOT soya oil amid concerns about dry weather in Argentina, third-largest soyabean producer after the US, Brazil, may support rally in CPO futures, said an analyst. In line with Malaysian markets, Indore NBOT soya oil January futures also gain by Rs 4.

In the local market, total volume was about 550-600 tones in resale and direct sale. In groundnut oil, brand markers were active buyers for good quality. Malaysia's CPO futures closed at MYR 3,506 (3,437) for December contracts and at 3,438 (3,411) MYR for January contracts. Indore NBOT soya oil December futures ended at Rs 568.10 (Rs 567.30) and January at Rs 584 (Rs 580).

Mumbai commodity exchange spot rate (Rs/10 kg):

Groundnut oil 765 (760); Soya refined oil 557 (555); Sunflower exp. ref. 675 (670); Sunflower ref. 720 (715); Rapeseed ref. oil 605 (607); Rapeseed expeller ref. 575 (577); Cotton ref. oil 548 (545) and palmolein 530 (526).

Date:01/12/2010 URL: http://www.thehindubusinessline.com/2010/12/01/stories/2010120150891700.htm

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Back **Turmeric turns weak on higher inflows**

Our Correspondent

Erode, Nov. 30

Spot prices of turmeric, after scaling to Rs 16,000-odd levels on Monday, weakened on Tuesday by Rs 200 a quintal even as arrivals and sales remained high, said Mr R.V.

Ravishankar, President, Erode Turmeric Merchants Association.

He said farmers brought their stock in large numbers on Tuesday following the high prices of Monday. More than 10,000 bags arrived, of which 75 per cent were sold to bulk buyers.

Futures contracts, he said, quoted at Rs 15,900 in the morning, based on which spot prices hovered at Rs 16,200-16,400 a quintal.

These prices will prevail till December 10, as new futures contract starts only from December 21.

On Tuesday, in the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 10,100-16,519 a quintal, the root variety Rs 10,096-16,419. . At Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 14,506-16,116 a quintal and the root variety Rs 15,555-16,000 a quintal.

At Erode Cooperative Marketing Society, the finger variety fetched Rs 15,717-16,227 a quintal and the root variety Rs 15,889-16,439 a quintal.

At the Regulated Marketing Committee, the finger variety was sold at Rs 15,939-16,315 a quintal and the root variety Rs 16,029-16,410 a quintal.

Out of the 1,808 bags ready for sale, 1,420 were sold. Prices fell by around Rs 300 a quintal.

Date:01/12/2010 URL: http://www.thehindubusinessline.com/2010/12/01/stories/2010120151111800.htm

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Back **Insecticides India's J&K, Gujarat plants to start humming soon**

Mr Rajesh Aggarwal, Managing Director, Insecticides (India)Ltd —

Our Bureau

Hyderabad, Nov. 30

Insecticides (India) Ltd (IIL) will commence production in two new plants in Jammu and Kashmir and Gujarat in the next two months.

“We have invested Rs 55 crore on setting up plants at Udhampur and Dahej. When they start production, our production capacity of technical grade pesticides would go up by six times to 12,000 tonnes per annum (tpa) from 2,000 tpa,” Mr Rajesh Aggarwal, Managing Director and Chief Executive Officer of IIL, said.

Turnover target

Addressing a press conference here on Tuesday, he said the company expected a turnover of Rs 550 crore in 2010-11 and Rs 750 crore in the following year when the benefits of expansion could be seen in full. In 2009-10, it registered a turnover of Rs 400 crore.

Stating that chemical pesticide market is expected to grow to Rs 10,000 crore in 2015 from the present Rs 6,500 crore, he said exports will go up to Rs 7,000 crore from Rs 3,500 crore during the period.

Southern focus

The company would focus on the Rs 2,000-crore Southern market this financial year. “We expect the South to contribute Rs 135 crore this financial year, growing at 35 per cent over the last year's figure. We will have a market share of 6.8 per cent in the region. Last year, out share in the region was 6 per cent," he said.

Andhra Pradesh, which dominated the market with Rs 1,300 crore, would chip in Rs 87 crore as against Rs 65 crore last year.

On concerns on usage of chemical fertilisers, he said there were tracts where one could grow organised crops and there were others where it was not feasible to grow them.

"We have tied up with a multi-national company to market a fungicide product for the Indian market. We will announce the specifics of the arrangement shortly," he said.

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Back **Cashew rules firm despite subdued trade**

G.K. Nair

Kochi, Nov 30Cashew kernel prices continued to rule firm during last week despite limited activity possibly due to squeeze in supply. The prices moved up few cents on some grades. The price range was $4.05 to $4.15 for W240, $3.70 to $3.75 for W320, at around $3.60 for W450 & SW320, around $3.45 for SW360, trade sources in Mumbai said.

Most of the business in the past few weeks has been for shipments up to March/April and some business has been done for the 2nd quarter as well, at the same prices. "There is reasonable buying interest for 2nd and 3 {+r} {+d} quarter few cents below the 1st quarter prices but processors are not willing to discount because there is uncertainty about the 2011 crops and raw cashewnut prices", Mr Pankaj N. Sampat, a Mumbai-based dealer told Business Line.

"Overall, USA and Europe contracting for next year shipments from origin (and delivery to retailers) has been much lower than normal. If the demand decline is not as big as feared, buyers will need to buy early in the year for 2nd quarter requirements and this will keep the prices in the current range", he said. If the importers and retailers are able to manage with current cover for few weeks longer, the reduced buying in first quarter will result in a softer market which will have an impact on RCN prices too, he said.

Raw cashew nut market

Raw Cashew Nut (RCN) market also continued to be firm. Quantity auctioned in Tanzania this week was lower and price was 2-3 per cent higher.

It is still not clear when exports from Mozambique will start. There is no improvement in situation in Brazil – arrivals are slow and price is high. Total crop figure will not be clear till February/March – current estimates range from 1.5 to 2 lakh tonnes, he said. There is no change in the fundamental factors, he said. Supply will be tight until the Northern crops start in March/April. Even if the crops are normal (or good), opening prices are likely to be high due to an empty pipeline – RCN and kernels, he said. In the meantime, "if kernel prices come down from the current levels due to less buying activity in the first quarter processors (and RCN traders) might delay their buying and wait for prices to ease when arrivals pick up. But if the crop prospects are not good, they may have to review strategy even if kernel activity in the first quarter is slow", he said.

"To sum up, we can expect a firm market for next few weeks. Softening may happen in Feb but the decline will be small unless there is a big drop in kernel activity. A big drop in prices is possible only if all the 2011 crops are good – shortage in 2011 on top of a short 2010 will mean a very firm market all through 2011", trade sources said. As there are too many uncertainties on both sides, all stakeholders will have to navigate carefully till Mar/Apr - "by that time, demand trends will be clearer and we will have fair idea of 2011 crop prospects", they added.

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Back **Pepper futures head south**

G.K. Nair

Kochi, Nov 30

Pepper futures fell on Tuesday on selling pressure and bearish activities after heavy fluctuations during the day, market sources said.

“There was a calculated move to pull the market down by new generation analysts through upcoming brokers' “, trade sources alleged. They were trying to drive away buyers from the market so as to bring the prices down, they told Business Line.

Some small quantities were traded here and there on the spot. As the futures market was drifting, buyers moved away and resorted to a wait and watch attitude.

Orders likely

Decline in the futures coupled with a weaker rupee against the dollar made the Indian parity very much in line with other origins, especially Indonesia, at $4,950 - $4,975 a tonne (c&f). Since the US market has re-opened after the “Thanksgiving” holidays, some orders are expected to come, they said.

No trading worth mentioning took place on the spot today, they said. The market opened on a firm note and moved up to fall in the afternoon after witnessing high volatility and then ended below the previous closing.

Turnover on the rise

December contract was down by Rs 236 to close at Rs 21,828 (LTP Rs 21880) a quintal. January and February dropped by Rs 216 and Rs 153 respectively to close at Rs 22,058 and Rs 22,263 a quintal.

Total turnover moved up by 1,470 tonnes to 10.894 tonnes. Total open interest went up by 204 tonnes to 14,291 tonnes.

December open interest dropped by 150 tonnes to 10.676 tonnes, January went up by

364 tonnes to 3,535 tonnes and February declined by 5 tonnes to 296 tonnes.

Spot prices in tandem with the futures market fell by Rs 200 to close at Rs 20,700 (un-garbled) and Rs 21,200 (MG 1) a quintal.

According to an overseas report, Vietnam black pepper FAQ min 500 G/L was quoted at $4,720 a tonne (f.o.b.) and FAQ min 550 G/L at $5,020 a tonne (f.o.b.). Vietnam white pepper doubled washed was quoted at $7,100 a tonne while Muntok white (FAQ spiral clean) was quoted at $7,500 a tonne (c&f).

Date:01/12/2010 URL: http://www.thehindubusinessline.com/2010/12/01/stories/2010120151041800.htm

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Back **Spot rubber slips on lack of demand**

Our Correspondent

Kottayam, Nov. 30

Spot rubber prices declined further on Tuesday. The market shed gains due to continuous weakness in domestic futures and the favourable change for production in weather conditions. Prices slipped mainly on selling from dealers while there was no fresh demand from the tyre sector, an observer said. The trend was mixed as ISNR–20 finished flat amidst scattered transactions.Sheet rubber declined Rs 195.50 (Rs 198) a kg, according to dealers. The grade surrendered to Rs 196 (198.50) on the Board's Web site.

RSS 4 weakened with the December series slipping to Rs 193.74 (Rs 195.96), January to Rs 196.80 (Rs 199.02), February to Rs. 199.98 (Rs 202.03) and March to Rs 202.50 (Rs 204.98) a kg on the National Multi Commodity Exchange.December futures improved to ¥

359.1 (Rs.196.78) from ¥ 356.5 during the day session but then slipped to ¥ 357.5 (Rs. 195.92) a kg for RSS 3 in the night session on the Tokyo Commodity Exchange. RSS 3 (spot) moved down to Rs. 199.44 (200.02) a kg at Bangkok.Spot rubber rates (Rs a kg) were: RSS-4 –195.50 (198.00); RSS-5 –184.50 (186.50); ungraded –179.50 (181); ISNR 20 –191 (191); and latex 60% 128 (129).

Date:01/12/2010 URL: http://www.thehindubusinessline.com/2010/12/01/stories/2010120151011800.htm

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Back **Oil technologists' meet to discuss food security**

Mumbai, Nov 30

An international seminar and exposition on oils, fats and oleochemicals has been organised by Oil Technologists Association of India (OTAI) in New Delhi during December 3-5. The theme of this year's seminar – Food Security, Green Energy and Environment – is more relevant to the country than ever before, organisers said.

Traditionally, as food, lipids provide nutrition and calories to humans. But they are now increasingly diverted for production of bio-fuel (biodiesel) with supportive government policies. This provides a boost to oilseeds and vegetable oil production on the one hand and impacts market prices on the other.

For increasing production and productivity of oilseeds, nanoscience and Nano biotechnology are likely to play a crucial role. Growing concern about the environment and need for supporting green energy initiatives has also turned the focus on the oilseeds sector.

According to OTAI President Dr. R. P. Singh, there is a paradigm shift in the oleochemicals and surfactant industries with respect to quality. The participants would discuss latest trends in the industry, simultaneously with conservation of energy and water. Cost saving and processing without compromising on the quality of finished products would also be discussed by experts in the field, he added.

Policymakers, industry houses, government organisations, scientists and industry executives from different parts of the world, in addition to representatives of the domestic oils & fats and related industries (soaps, detergents, oleochemicals) will participate.

hindustantimes
Wed,01 Dec 2010

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
Cloudy	Wednesday, Dec 1 Max Min 31º | 23.7º	Rainy	Thursday, Dec 2 Max Min 31º | 24º
Rain: 00 mm in 24hrs	Sunrise: 6:14		
Humidity: 66%	Sunset: 17:40		
Wind: Normal	Barometer: 1008.0		

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Dec 3	Dec 4	Dec 5	Dec 6	Dec 7
27º | 25º	27º | 25º	27º | 25º	26º | 25º	27º | 25º
Rainy	Rainy	Rainy	Rainy	Rainy