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‘Kerala agricultural varsity keen to work with TNAU on climate change'

Staff Reporter

Photo: Special Arrangement

An honour:K.R. Viswambharan, Vice-Chancellor of Kerala Agricultural University (second right), giving away an award to a scientist of TNAU, at the MASU Day in Coimbatore. P. Murugesa Boopathi, Vice-Chancellor, TNAU (right), is in the picture. —

COIMBATORE: Kerala Agricultural University (KAU) is keen to work with Tamil Nadu Agricultural University (TNAU) on climate change. It is proposing to enter into memoranda of understanding with it in areas of research, education and technology transfer, K.R. Viswambharan, Vice-Chancellor, KAU, said here recently.

Pioneer

Speaking at the Madras Agricultural Students' Union (MASU) Day at the TNAU, Mr. Viswambharan said the TNAU was a pioneer in biotechnology, micro-irrigation and precision farming.

"KAU has started a new course in climate change for the first time in Asia. The course is being conducted with support from University of Western Australia. The course is relevant for Kerala, as it is affected by climate change and biodiversity-related issues," Mr. Viswambharan said.

The university also had plans to start a course in solid waste management as that was another serious problem in Kerala, he added.

P. Murugesa Boopathi, Vice-Chancellor of TNAU, said that MASU had many distinguished agricultural scientists as its members.

He also commended the Madras Agricultural Journal being published by the MASU.

He said that though many scientists were members of the MASU, involvement of students was not appreciable and needed to be encouraged.

Mr. Viswambharan presented the MASU awards to scientists for their contribution to various areas of agriculture.

P. Subbian, Registrar, and president of MASU, S.D. Sivakumar, professor of Agricultural Economics and Secretary of MASU, were among those who spoke.

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Major farm scheme for Attappady

G. Prabhakaran

3,344 acres of barren land to be converted into farmland in the tribal belt

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Rs.64-crore scheme covers 3 grama panchayats

Traditional farming practices to be revived

ATTAPPADY (PALAKKAD): An agriculture development scheme under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGP) is being launched in 154 of the 187 tribal hamlets in the Attappady Hills in Palakkad. As much as 3,344 acres of barren land will be converted into farmland under 10,405 works with the implementation of the Rs.64-crore scheme, considered a first of its kind. The salient feature of the scheme is that it will revive the traditional farming practices of tribes.

Ever since the close of the 10-year Rs.219-crore tribal and eco development project under the Attappady Hill Area Development Society (AHADS) by the middle of this year, the tribes have been facing acute economic problems. With no work, many tribes are now close to starvation and are fighting a hard battle for survival. And their traditional farming practices are no more in use now.

The new scheme is being implemented with a view to bridging this gap, says P.V. Radhakrishnan, block programme officer, MGNREGS, Attappady.

The scheme, he says, is for the revival of traditional farming practices of tribes such as cultivating pulses for consumption.

The scheme is being implemented at all the three grama panchayats of Agali, Pudur and Sholayur in Attappady. Farming is being taken up in the tribal hamlets of Bodychala, Koodanchala, Nallasingha, and Vadakke Kadanpara at Solayur panchayat; in the hamlets of Naduppathy, Bhoothivazhi, Karuvara Farm, Ozhathiyur, Vadakottathara, Kollakadavu, Thaze Gulikadavu and Mamana at Agali panchayat; and at Nattakal Chundapetty and Palakayur at Pudur panchayat.

The tribal people who work in their fields will be paid daily wages under the MGNREGS. The work will be supervised by Ooru Vikasana Samithies (Hamlet Development Councils). As many as 486 persons have been given training by AHADS.

The technical staff for the project will be chosen from them, he says.

The scheme will be extended to the three tribal agriculture farms at Karuvara, Chindakki and Vattulukky under the Attappady Farming Cooperative Society.

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Pudukottai farmers to receive identity cards

M. Balaganessin

Agriculture department in the process of gathering data

Card contains information such as nature of agricultural land and cropping practices

To help agriculture department to ascertain the quantum of assistance to be given to farmers

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PUDUKOTTAI: The Agriculture Department is working out a strategy to issue identity cards to the farmers in the district, compiling all the details about farmers. The Department is gathering all the data – the extent of area under cultivation; the type of cultivation such as dry land or wet land and the cropping pattern adopted by a farmer with regard to horticultural, agricultural or plantation crop.

“The objective of issuing the card is to provide comprehensive data about every farmer and his land-holdings,” says T.Thangavelu, Joint Director of Agriculture, Pudukottai. The data would be compiled firka-wise and block-wise and every block would be assigned a specific code number. The data would be uploaded in the website.

“Based on the identity number, it will be convenient to elicit data about a farmer hailing from the district,” says Mr.Thangavelu.

The identity card, the official said, would benefit both the government and the farmers. The cards, which contain information such as the nature of agricultural land and cropping practices of farmers, would facilitate the Agriculture, Horticulture or Agricultural

Engineering departments to ascertain the quantum of assistance such as fertiliser, tractors and tillers to be distributed to farmers. “We shall be able to arrive at an estimate, both sector specific and scheme-specific,” Mr.Thangavelu said.

The farmers would be able to ascertain their eligibility for the benefits under various schemes being implemented by the Central and State governments. Over one lakh farmers would get the identity cards. The Agriculture Department had set up block level units at its Extension Centres where the data of every farmer is being compiled and recorded. The work on compiling the details was expected to be completed in a couple of months. “We shall cover maximum number of farmers, giving no room for any omission or error,” Mr.Thangavelu said.

The department has also planned to utilise the mass contact day programmes for distribution of agricultural inputs to the farmers. “Seeds, fertilisers, gypsum and zinc sulphate are some of the most-needed inputs. The department will identify a cluster of villages for the distribution of the inputs,” he added.

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Irrigation pump sets scheme fails to take off

T. Ramakrishnan

No firm submitted bid; pump sets will be procured and installed

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Firms feel there is no sufficient baseline data

Bids invited for appointing consultant to prepare a detailed project report

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CHENNAI: The State power managers' plan of installing energy-efficient irrigation pump sets through energy saving companies has fallen flat with no firms submitting bids for the scheme.

In view of poor response for the first tender, power managers have changed their strategy. Pump sets will now be procured and installed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO), one of the successor-entities of the erstwhile Tamil Nadu Electricity Board (TNEB).

Now, bids have been invited for appointing a consultant to prepare a detailed project report. They will be opened later this week, a senior official of the TANGEDCO says, adding that the selection of the consultant will be carried out immediately. The consultant will be given one month to submit the report.

On Independence Day, Chief Minister M. Karunanidhi announced that the existing energy-inefficient pump sets operated by small and marginal farmers would be replaced with energy-efficient pump sets free of cost. For other farmers, 50 per cent subsidy would be given.

The officials explain that though some energy saving companies had taken part in pre-bid consultation, they did not submit bids because of their perception that there was no sufficient baseline data.

As per the revised proposal, the TANGEDCO would like manufacturers of pump sets to take care of maintenance for a period, say five years.

Last week, Chief Secretary S. Malathi reviewed the power situation in the State. During discussion, she urged the authorities that the pump sets scheme execution should be expedited.

Before restructuring, the TNEB took steps for mobilising funds through the issue of bonds on the basis of private placement. The officials say that nearly Rs. 450 crore had been raised. The transfer of the amount is yet to take place as the re-organisation came into effect in the meantime. Once the formalities are gone through, the amount will be transferred. The officials are hopeful of raising Rs. 1,000 crore eventually.

On the impact of power tariff revision effected in August, the officials say that it was in

October that the full impact was felt. The additional revenue earned was Rs. 140 crore last month. The total revenue collection made last month was around Rs. 1,730 crore.

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"Turmeric price to decline"

Staff Reporter

Farmers urged to make their selling/storage decisions based on forecast

Forecast based on monthly price of turmeric in Erode Regulated Market for last 15 years

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COIMBATORE: The Domestic and Export Market Intelligence Cell (DEMIC) of Tamil Nadu Agricultural University says the price of turmeric will see a downward trend from December.

The DEMIC has added that the trend will continue in the months to come. Farmers are urged to make their selling/storage decisions based on this forecast.

The prediction has been made based on the monthly price of turmeric that has prevailed in the Erode Regulated Market for the last 15 years. It has also taken into account a normal monsoon and the absence of loss of crop damage owing to flood or disease.

Turmeric price in Tamil Nadu and other parts of India has recorded a steep increase for the last 18 months. From Rs.5,200 a quintal in April 2009, it touched the Rs.14,000-a-quintal-mark in October 2010. The high price has made farmers take up turmeric cultivation in larger areas. Regular turmeric growers have also increased the area under cultivation. It is expected that the next year's production will be 70 lakh bags as against the usual 50 lakh bags a year.

Since turmeric was sown in January, the stocks are expected to enter the market in the second week of December. Nearly five to 5.5 lakh bags are estimated to be under storage.

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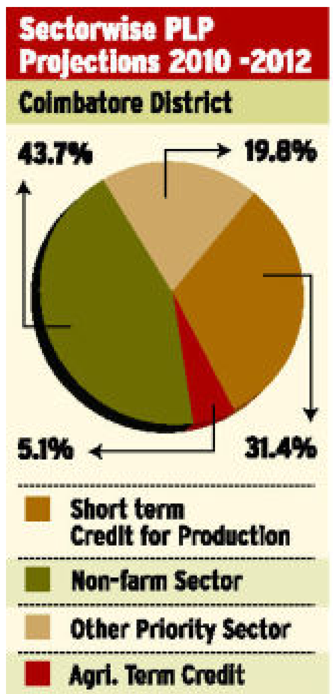
Credit potential high for non-farm sector

Special Correspondent

NABARD launches 'Lead Crop Project'



COIMBATORE: The Potential Linked Credit Plan for Coimbatore District has estimated that the non-farm sector has high credit potential in the district in 2011-2012.

"Due to the presence of high entrepreneurial skill, the non-farm sector constitutes an important sector in the district," according to the plan, which was prepared by the National Bank for Agriculture and Rural Development (NABARD) and released by the District Collector recently.

Assessment

“The plan is a district-wise assessment based on the current trends. The lead bank will prepare the credit plan based on the PLP,” said V. Suresh, Assistant General Manager of NABARD.

The non-farm sector is expected to have 43.7 per cent share in the credit potential projected by the plan for the district for 2011-2012. NABARD suggested that ‘Joint Liability Groups' could be formed for handloom weavers in the district who were not part of the cooperative societies. The banks could finance these groups as they were mostly dependent on the master weavers.

The agricultural sector was projected to have 36.5 per cent share in the total credit potential.

According to the plan, the credit potential for agricultural and allied activities was estimated to be Rs. 1,939 crore, Rs. 2,324 crore for non-farm credit and Rs. 1,050 crore for other priority sectors. NABARD said banks should bring more borrowers under the crop insurance scheme and weather based insurance.

Banks should also encourage farmers' clubs.

NABARD has launched Rs. 53-lakh “Lead Crop Project” in five villages (Annur block). The Tamil Nadu Agricultural University was the coordinating agency.

The university identified five major crops in the villages. NABARD was trying to extend all the government schemes and development programmes to these villages. The objective was to increase productivity and ensure that the benefits reached the farmers.

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Chilli market waiting to be tapped: officials

Praveen Paul Joseph

Say Tuticorin has immense potential for exporting it

— Photo: N. Rajesh

PROMISING:Horticulture officials inspecting a chill farm at Kumarachittanpatti in Pudur block of Tuticorin district.

Tuticorin: Tuticorin district stood second in the State in chilli production with a total output of 10,369 tonnes, next only to 21,870 hectares from Ramanathapuram district, M. Syed Ahamed Miranji, Deputy Director of Horticulture, Tuticorin, said.

Potential for increasing export of chillies, chilli powder and crushed chillies in consumer packs was high if the stringent quality requirements of importing countries were met, he said. Tuticorin was the prime seafood exporting port in the State and if chillies also were exported it would be an added advantage.

For that to happen, utmost care must be taken at all stages of chilli cultivation, harvesting, post-harvest handling, processing, packing, storage and transportation by following good agricultural practices and right methods. It was possible to effectively prevent contamination and arrest deterioration of quality in any farm produce. It would improve farmers' income and the country's economy.

Good colouring agent

“Consumers in importing countries insist on ‘clean spices.' It could be achieved with the collective efforts of farmers, processors and traders. With strong opposition against use of artificial colouring agents in food industries, chillies with high colouring value are a promising product," Mr. Miranji said.

S. Raja Mohamed, Assistant Director of Horticulture, Vilathikulam block, said that "chilli is considered a rich source of vitamin and has medicinal values.

As the demand for natural pigments is growing, the demand for chilli in the world market is bound to increase steadily. Food industries prefer to use highly coloured and less pungent chilli for preparation of oleoresins (oil mixture)," he said.

On post-harvest technologies, he said that the crop should be harvested at the right time. When the pods were well ripened and partially withered at the plant itself, they would have superior pungency and colour retention properties.

Well-drained pods should be packed in clean and dry gunny bags and stored to ensure protection from dampness, he added.

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Law on food security and media support

S. Viswanathan

The Director-General of the U.N. Food and Agriculture Organisation, Dr. Jacques Diouf, announced at the Inter-Governmental Committee on World Food Security (CFS) that the combination of global food crisis and economic recession had taken the number of people affected across the world to over one billion. He described the number as “unacceptably high,” higher than in 1996 when the heads of states and governments committed themselves to reducing hunger by half at the World Food Summit.

Dr. Diouf warned that widespread hunger, malnutrition, and poverty and the inability to protect vulnerable people from the effects of shocks pointed to a “structural, more profound” problem of food insecurity that required “urgent, resolute and concerted action.” He pointed out that “the world has to grapple with a declining rate of growth in agricultural productivity, including that of major cereals.”

Meanwhile, the Global Hunger Index 2010 (GHI) has put the number of undernourished people in the world around one billion, with “a striking divide between the haves and the have-nots.” India is placed among countries that face an “alarming” situation. The GHI has identified child under-nutrition as a major contributory factor behind “persistent hunger.”

No comprehensive bill yet

With hundreds of thousands of people pushed into food insecurity, mostly because of the government policy of gradually reducing state support to agriculture, and nearly 18 months after the UPA-2 committed itself to enacting a law to guarantee food security to all, the ruling coalition is yet to come out with a comprehensive bill on the subject. The latest recommendations by the National Advisory Council (NAC), headed by Congress president Sonia Gandhi, have received mixed reactions from the media.

It may be recalled that an earlier version of the draft bill on the subject met with strong criticism from political leaders, experts, and social activists. It was then sent back to the Empowered Group of Ministers where it originated (Online and Off Line, June 7, 2010). The criticisms related to the quantity of subsidised cereals proposed; the uncertainty and confusion over the number of people eligible for relief; the entitlement for highly vulnerable groups such as the homeless; and the issue of food coupons. Another major objection was that the entitlement was limited to food grains. Activists demanded the inclusion of other essential items such as pulses, edible oil, and sugar in the relief package. The strong criticism prompted the ruling coalition to revive the National Advisory Council on June 1 to take a fresh look at the problem and come out with a new draft bill. Many of the critics were included in the NAC.

After six rounds of discussion, the NAC sent its recommendations on the National Food Security Bill to the Working Group, which is expected to prepare a new draft bill.

The first and most significant recommendation seeks to break the reluctance of the central government to extend the benefits of statutory food security above the officially delineated poverty line. The NAC has recommended that legal entitlements to subsidised food grains should be extended to at least 75 per cent of the country's population — 90 per cent in rural areas and 50 per cent in urban areas.

The eligible 75 per cent of the people are to be divided into two groups: priority and general households. The priority households (46 per cent in rural areas and 28 per cent in urban areas) are to have a monthly entitlement of 35 kg at a subsidised price of Re. 1 per kg. for millets, Rs. 2 for wheat, and Rs. 3 for rice. The general households (44 per cent in rural areas and 22 per cent in urban areas) are to be entitled to a monthly quota of 20 kg. at a price not exceeding 50 per cent of the current Minimum Support Price for millets, wheat, and rice.

Where time is of the essence, the proposal to demarcate the population into ‘priority' and ‘ general' households will mean red tape, bureaucratic high-handedness, and delay in implementing a vital scheme. Experience teaches us that in such a system, the weakest and the poorest tend to be left out of the benefits. Phased implementation also weakens the concept of entitlement. Although there are recommendations relating to legal entitlements for child and maternal nutrition, provision for community kitchens, and so on, the enabling programmes are only to be developed “as soon as possible.”

Universal PDS is the obvious answer

The NAC's failure to go for a universal public distribution system, which many experts including Dr. M.S. Swaminathan have been advocating, suggested a loss of political nerve. The sound and progressive course would have been to learn from the successes of Kerala and Tamil Nadu in implementing a universal PDS or something close to it. A universal PDS, which ensures that nobody is excluded but where a process of self-selection will mean the well-off do not draw the benefits in any significant measure, is the obvious answer to the worst forms of mass hunger and chronic food insecurity. Unfortunately, as Jean Dreze, economist and NAC member, pointed out in his statement of dissent, the advisory body "came under a lot of pressure to accommodate constraints imposed by the government" and the final result was "a minimalist proposal that misses many important elements of food security."

Media coverage of the big issues relating to the challenge of mass hunger, especially in the wake of the global crisis, has been, on the whole, sound. The case for early food security legislation was taken to the people. Major newspapers, in both English and Indian languages, have published regular reports and analytical articles on the contentious issues. The Hindu has played a leading role in this, with focussed and in-depth analytical coverage and clear-sighted editorial advocacy of a universal PDS. But there can be no room for complacency in this situation. Food insecurity on this gigantic scale in rising India must be seen in context, in its inter-relationship with other aspects of the political economy, especially the crisis of agriculture and livelihood in the rural economy. Researching these realities and the issues raised by them, and covering them interestingly and accessibly, is a big challenge and opportunity for socially responsible and enterprising journalism.*readerseditor@thehindu.co.in*

Published: November 7, 2010 00:28 IST | Updated: November 7, 2010 16:01 IST NEW DELHI, November 7, 2010

FAO predicts marginal fall in global cereal production

The Hindu Business Line FOOD INFLATION: Though India has witnessed good harvest, the prices of cereals are relatively higher.

The global cereal production for 2010-11 is expected to be 2,239 million tonnes compared to 2, 261 million tonnes recorded in 2009-10, about 1 per cent lower than last year. Reduced output of wheat in the CIS (Commonwealth of Independent States) countries due to drought, as well as smaller crops in the European Union and North Africa, account for the decline.

Even so, at the current level, the 2010 cereal production, coupled with large carryover stocks, “should be adequate to cover the projected world cereal utilisation in 2010-11,” says the Food and Agriculture Organisation (FAO) in its latest projections based on crop estimates towards the end of September. The projected global cereal utilisation for 2010-11 is 2 248 million tonnes.

While global wheat and coarse grain production is expected to be lower than in 2009, rice output is likely to be higher by 3 per cent, which is said to be a record.

In Asia, record cereal crops are anticipated in China and India, the FAO says. However, devastating floods damaged rice crops in Pakistan, while dry weather is adversely affecting prospects in Cambodia, and Lao People's Democratic Republic. In Latin America and the Caribbean, a recovery in production from last year's reduced level is anticipated.

The U.N. agency indicated that international prices of grain surged since the beginning of Julyin response to drought-reduced crops in the CIS exporting countries and a subsequent decision by the Russian Federation to ban exports. In September, wheat prices were 60 to 80 per cent higher than at the beginning of the season in July. However, prices are still one-third below their peaks in 2008. In the same period, the price of maize increased by about 40 per cent, while that of rice by only 7 per cent.

“In India prices of wheat and rice that had been increasing since mid-2009 strengthened in September in several markets, and in all locations are at high levels. Despite large stocks of wheat following two consecutive bumper harvests in 2009 and 2010, the prices of wheat remain high reflecting general inflation and high procurement prices. Prices of rice have also increased in recent months and are at the highest levels in most markets, particularly in Chennai. The government is releasing significant amounts of grain reserves in an attempt to stabilise prices," it said.

Published: November 7, 2010 16:00 IST | Updated: November 7, 2010 16:02 IST Mumbai, November 7, 2010

U.S. to advance cooperation with India in agriculture

PTI U.S. President Barack Obama visits an agriculture expo at St.Xavier's College in Mumbai on Sunday.

U.S. President Barack Obama on Sunday expressed interest in furthering cooperation with India in the field of agriculture, saying the country can be a model for the world that strives for food security.

The collaboration between the two countries also contributed to India's first green revolution in the 60s, he said, adding: "I will be discussing with Prime Minister (Manmohan) Singh, how we can advance the cooperation in the 21st century, not only to benefit India, but to benefit the U.S. and the world."

He shared his experiences about Indian agriculture with students at the St.Xavier's College here, after visiting two expos and interacting with villagers.

"I was with two expos that underscore the partnership we can make together. The first is focused on agriculture and food security, that they will see innovation in technology and research that has transformed the Indian farming," he said.

Mr. Obama narrated how a farmer told him about receiving crop information on cellphone, while another showed him tools of appropriate size and weight helping women to improve productivity and said many of these innovations were a result of public and private collaboration between the U.S. and India. In March 2010, India and the U.S. had signed an MoU to cooperate in agriculture and food security.

THE ECONOMIC TIMES

7 Nov, 2010, 03.37PM IST,PTI

Turmeric prices to decline from December

COIMBATORE: Following a sharp and steady escalation over the last 18 months, turmeric prices are likely to decline from next month onwards, an analysis by Tamil Nadu Agricultural University (TNAU) said.

Turmeric prices shot up from Rs 5,200 per quintal in April, 2009, to Rs 12,500 in April, 2010, and then further to Rs 14,000 in October, the Domestic and Export Market Intelligence Cell (DEMIC) of TNAU, said.

Taking into account existing stocks, local demand and anticipated fresh arrivals, the TNAU analysis projected a fall in prices.

Higher prices in the last 18 months have encouraged farmers, including new entrants, to go in for turmeric cultivation in larger areas, which has given rise to hopes of turmeric production being augmented from 45-50 lakh bags weighing 70-kg each in the previous season to 70 lakh bags this year.

Turmeric consignments are expected to start arriving in markets from the second fortnight of next month, as farmers had sown turmeric in January-February this year due to water availability and in anticipation of better prices, DEMIC said.

Around 5 to 5.5 lakh bags are already under storage, as per trade sources. Regulated markets and cooperative marketing societies have stocks of about one lakh bags, while farmers in Tamil Nadu alone had about 3.5 lakh to four lakh bags and Sangli and other markets together held around 75,000 bags, they said.

In tandem with the declining trend from December, turmeric futures are also likely to fall, DEMIC said, advising farmers to make selling or storage decisions accordingly.

The forecast was done taking into account a normal monsoon, without any crop damage due to flood or disease, DEMIC said, adding that price behaviour would be different in such circumstances.

hindustantimes

November 08, 2010

Weather

Chennai - INDIA

Today's Weather

Cloudy

Monday, Nov 8

Max Min

25.1° | 20.8°

Rain: 36 mm in 24hrs

Humidity: 94%

Wind: Normal

Sunrise: 6:04

Sunset: 17:41

Barometer: 0999.0

Tomorrow's Forecast

Rainy

Tuesday, Nov 9

Max Min

25° | 22°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Nov 10	Nov 11	Nov 12	Nov 13	Nov 14
29° | 25°	29° | 25°	29° | 26°	28° | 25°	28° | 25°
Rainy	Rainy	Rainy	Cloudy	Cloudy

Business Standard

Monday, Nov 08, 2010

Pulses imports to fall on more output, less consumption

Dilip Kumar Jha / Mumbai November 07, 2010, 0:17 IST

The import of pulses, the cheapest and most accessible source of nutrition in daily food, is likely to decline at least 40 per cent this year, due to record domestic output estimate and a fall in the per capita consumption.

India imports nearly three million tonnes (mt) pulses every year from various countries — include Myanmar, Canada, Australia, France and South Africa. Sources in the sector say this will decline to less than two mt this year. India's consumption is estimated at 20 mt and the crop size at 18-19 mt.

Until last year, the demand was burgeoning due to rise in population, plus the growing numbers of middle class families and rising incomes. However, a price spurt to all-time highs last year opened room for a substitute. As a consequence, yellow matar (peas), not frequently consumed until last year, came in demand. Since the commodity is abundantly available through imports at affordable prices, consumers shifted from tur, chana and urad to yellow peas.

Yellow peas are currently sold in a wide number of retail chains at Rs25 per kg, as against the price of Rs75-80 per kg for tur, Rs60-70 per kg for urad and Rs45-50 per kg for moong. Being equally nutritious, consumers were attracted, said K C Bharatiya, president of the Pulses Importers' Association.

Meanwhile, the two stakeholders of imports, the public sector undertakings and private importers, have decided to wait until a clear picture on production emerges for kharif and rabi seasons before floating fresh orders. The rabi output is expected to be higher due to a 20 per cent increase in support prices.

According to Bharatiya, the government has estimated a 25 per cent decline in per capita consumption from 60g to 45g in the past one year. Last year, India's consumption was 19.5 mt, as against the production of 14.57 mt. This big deficit resulted in spiralling prices. Tur went up Rs90 per kg, while urad surged to Rs75-80 per kg (it has since eased to Rs55-60 per kg and 45-50 per kg in the wholesale Vashi mandi.

This year, however, the output is likely to rise 25-30 per cent during 2010-11 to 18-19 mt. Still, the country will remain in deficit by 1-2 mt to meet the consumption of 20 mt. We require at least a million tonnes buffer, says Bharatiya.

The government has raised the minimum support price of the main rabi pulses crop, chana, by Rs340 to Rs2,100 per quintal, while that of masur has been revised upwards by Rs380 to Rs2,250 per quintal.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

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Back **Slow crushing in Maharashtra raises concerns over sugar output**

Intermittent rains, pricing issues play spoilsport.

Harish Damodaran

New Delhi, Nov 7

Mills in Maharashtra – the country's No. 1 sugar producer – have managed to crush just 12 lakh tonnes (lt) of cane during October, against the targeted 50 lt for the month.

“We are expected to crush a record 825 lt during the 2010-11 season (October-September), which, at 11.5 per cent average recovery, would yield 95 lt of sugar. Out of this, we have done only 13 lt so far, including 12 lt in October. Recovery, too, is lower at nine per cent”, a miller told Business Line.

According to him, achieving 825 lt would be a herculean task, more so when “we will have to complete it before the monsoon's arrival in mid-June”. Mills would, therefore, have to now really make up for lost time, so that “we don't end up having uncrushed cane lying in the fields, which is not good either for farmers or for overall sugar production”.

India's estimated sugar output of 245 lt this season is based largely on Maharashtra's 95 lt and 64 lt from Uttar Pradesh (UP).

As of now, only 37 out of Maharashtra's 165 mills (supposed to take season this time) have begun crushing. Another 53 have fired their boilers, which is a precursor to start operations.

Among the factors to have held up crushing are intermittent rains (which have made the fields too wet for harvesting) and a shortage of manual cane cutters (forcing mills to grant a 23 per cent wage rate hike).

Pricing issue

But the biggest impediment has been growers' unrest over cane prices for both the current as well as the previous season.

For 2009-10, the State's mills paid an average ex-field rate of Rs 2,150 a tonne, which excludes roughly Rs 350 towards harvesting and transport charges.

Farmers' organisations, on their part, have demanded a final cane price of Rs 2,600 a tonne (ex-field) for the season that ended.

“Only three cooperative sugar factories – all in Pune – have managed to pay around these levels: Shri Chhatrapati Bhawaninagar (Rs 2,601/tonne), Nira Bhima (Rs 2,515/tonne) and Indapur (Rs 2,615/tonne). Others simply don't have the financial capacity to declare a Rs 2,600/tonne price”, the miller pointed out.

For the new season, the farmers' organisations – mainly the Shetkari Sangathana factions of Mr Raju Shetty and Mr Raghunath Patil – have sought a first instalment payment of Rs 2,200 a tonne, ex-field.

Mills, on the other hand, are agreeable to pay only the Centre's fair and remunerative price, which would average Rs 1,700 a tonne or Rs 1,350 ex-field.

The resulting standoff has delayed crushing across the State, though in Sangli and Kolhapur, Mr Shetty has got some mills to announce a first instalment price of Rs 2,000 a tonne.

“Four factories – Vasantdada, Sonhira and Hutatma Kisan Ahir at Sangli and Gadhinglas in Kolhapur – have agreed to pay Rs 1,900 immediately and Rs 100 after one month. We expect others in this belt to also follow soon, which will enable them to start crushing”, Mr Shetty said.

Meanwhile, the UP Sugar Mills Association is scheduled to meet here today to decide on a response to the State Government's announcement of a Rs 400/tonne increase in cane prices.

Mills in the State have been “advised” to pay farmers Rs 2,050/tonne for common cane, while being Rs 2,100 and Rs 2,000 for early-maturing and unapproved varieties, respectively.

This is against their corresponding 2009-10 season levels of Rs 1,650, Rs 1,700 and Rs

1,625. These are prices payable at the factory gate.

“The meeting will examine various options, including going to the Court or just wait and watch. Either way, crushing is unlikely to begin before third week of November”, an industry source said.

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Back **Supply squeeze to push up pepper**

G K Nair

Kochi, Nov 7

Pepper market appears to be hotting up on tight supply situation amid strong demand for the winter, Christmas and the New Year in the major consuming countries.

It may be an undeniable fact that the world pepper output does not correspond to the growth in demand. The monthly average global demand is somewhere between 25,000 and 30,000 tonnes with an estimated annual growth of 3-5 per cent. The major producer country of this commodity is Vietnam while the output in other majors such as India, Indonesia and Brazil is almost stagnant . In India, the production has been on the decline for some years because of the non-remunerative prices following steep rise in cost of production in Kerala, the traditional pepper growing State.

The tight scenario in the market has pushed up the market in recent days. The futures market was often seen falling even when the fundamentals were strong. The market fell at a time when there was strong buying support and in the absence of any selling pressure.

International companies having multi-origin operations were buying pepper from the terminal market at Rs 205-208 and even at higher rates to meet their export commitments. Had the material been available at lower rates elsewhere they would not have bought at higher prices from there, market sources told Business Line. It showed the tight supply scenario in other origins where the prices were firm, they said.

All the contracts last week moved up. November, December and January were up by Rs 278, Rs 393 and Rs 485 respectively to close at Rs 21,396, Rs 21,741 and Rs 21,936 a quintal.

Total turn over dropped by 5,666 tonnes during the week to close at 89,181 tonnes at the weekend. Total open interest increased 1,047 tonnes showing good additional purchases to close at 14,497 tonnes.

Spot prices on strong buying support moved up by Rs 300 during the week and closed Saturday at Rs 21,000 (MG 1) and Rs 20,700 (un-garbled) a quintal.

“Very tight stocks”, the International Pepper Community (IPC) said, “continued to push black pepper prices higher.”

In Brazil, India, Indonesia and Vietnam, local prices increased by around 5-9 per cent. In Sarawak local price increase marginally by 1per cent, while in Sri Lanka, the price remained unchanged.

In India, it said, local trading at the Commodity Exchange was active during the week, while at other origins the activity was very limited. The price increase recently was mainly triggered by some requests for immediate commitments.

High returns from rubber, cocoa have made cultivation of these crops highly lucrative and that phenomenon has motivated several growers of pepper to shift from it and that in turn has shrunk the area under pepper. Low productivity and diseases such as quick-wilt and yellowing of leaf that are rampant in major growing areas such as Wayanad, Idukki, Kollam, Kannur and Pathanamthitta, and exorbitantly high wages have made pepper cultivation economically unviable, growers claimed.

Meanwhile, pepper estates in the high ranges, which are considered highly potential areas, of late, for tourism and commercial projects, are now neglected ones waiting for their conversion. This trend has not only zoomed the land price but also reduced pepper output in Kerala.

However, in Karnataka, the output has not dropped significantly as it is grown as an intercrop mainly with coffee, official sources said.

Indian demand is also on the rise following improvement in the economy and the consequent rise in the standard of living and changed food habits. The internal market absorbs somewhere between 3,500 tonnes and 4,000 tonnes of pepper a month. As a result, the exportable surplus often drops to around 10,000 tonnes a year.

This phenomenon has, by and large, confined the Indian exports mainly to value-added products made out of imported pepper. In fact, only small quantities of Malabar pepper are shipped out to selected buyers in selected pockets of overseas markets. This scenario appears to have compelled some of the major exporters to reportedly admit that they have been exporting imported pepper mixed with Malabar, trade sources alleged.

In Bangka, white pepper prices increased by 6-7 per cent. In Vietnam, local price was stable, while for fob increased by 5 per cent. Marginal increase also took place locally in Sarawak.

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Back **Holiday mood dampens Coonoor tea auction**

P. S. Sundar

Coonoor, Nov. 7

The falling trend witnessed in the auctions of Coonoor Tea Trade Association in the last three weeks continued at pre-Diwali Sale No: 44 when teas worth Rs 2.46 crore remained unsold, with as much as 29.5 per cent of the 7-week high offer of 12.79 lakh kg withdrawn for want of buyers despite shedding Rs 3 a kg.

With Diwali mood catching up, buyers were less active. Many exporters remained silent contending that they could not test samples owing to insufficient time after the previous auction because of Diwali holidays.

Leaf and dust

In the dust market, Homedale Estate teas, auctioned by Global Tea Brokers, topped at Rs 125 a kg. In the leaf market, Darmona Estate topped at Rs 122. “In all, our three grades got Rs 112 and more,” Darmona Managing Partner Mr Dinesh Raju said.

Among orthodox teas from corporate sector, Chamraj got Rs 200, Curzon Rs 185, Kairbetta Rs 157, Glendale Rs 152, Prammas, Havukal, and Quinshola clonal Rs 150 each. In all, 36 marks got Rs 100 and more.

“Orthodox leaf lost Rs 2-3 a kg. Most brokens and fannings suffered withdrawal. CTC leaf lost Rs 2-5 with medium and plainers remaining unsold. Primary orthodox dust managed to gain Rs 5-10. High priced CTC dusts eased Rs 1-3, better mediums Rs 2-4, and plainers up to Rs 3,” an auctioneer said.

Quotations held by brokers indicated bids ranging Rs 40-46 a kg for plain leaf grades and Rs 80-115 for brighter liquoring sorts. They ranged Rs 46-52 for plain dusts and Rs 90-122 for brighter liquoring dusts.

On the export front, Pakistan bought selectively for Rs 45-52 a kg and the CIS, in a wide range of Rs 41-67.

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Back **Spot rubber flares up to Rs 204/kg**

Aravindan

Kottayam, Nov. 6

Physical rubber prices flared up sharply on Saturday. The weekend session was extremely bullish following the gains in futures while widespread rains and short supplies continued to haunt the market mood. A firm closing in the international markets on Friday instilled hopes for an even higher opening on Monday.

Sheet rubber increased to Rs 204 (200) a kg after hitting an intraday high of Rs 205 a kg during closing hours.

Futures improve

In futures, the November series improved to Rs 207.74 (204.41), December to Rs 209.96 (206.89), January to Rs 211.42 (209.06) and February to Rs 213.28 (211.27) a kg for RSS 4 on the National Multi Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 204 (200); RSS-5: 196 (191.50); ungraded: 192 (188.50); ISNR 20: 198 (196) and latex 60 per cent: 130 (130).