

# THE HINDU

## Where paddy requires only drops of water

The field is almost dry but for brief wet patches. Yet, the paddy crop in it is prosperous with grain-rich panicles looking down the earth. The small plot of land located in a nondescript village near Polur thus shines in a State that still debates on whether its farmers can go for Kuruvai crop as there is no promise of water, by saying “You vie for gallons to finish a task that can be done with drops”.

The quarter of an acre in Pallakkollai village turns out to be the pioneering model in Tamil Nadu to raise paddy with drip irrigation. V.Annamalai, who cultivated it, beams with pride. He successfully broke the notion that ‘plenty of water should always clog the paddy field’.

Srinivasan Services Trust (SST), social service arm of TVS group, that is working on development models in the area, came up with the idea and assistance for laying drip irrigation pipes.

Having an innovative streak, Mr. Annamalai, an ex-serviceman, readily accepted. Now the crop is only ten days away from reaping.

Explaining the advantages, Mr.Annamalai told *The Hindu*: “*Before planting paddy in conventional method, we need to do puddling which requires about 50 hours of watering from motorized pump set/ per acre over a period of 20 days.*

*While cultivating with drip irrigation, I never did puddling. I just did dry ploughing, slightly dampened the land and directly sowed the seed instead of transplanting the seedlings. Thus, drip irrigation saved plenty of water and labour even at the preparation level. In the post sowing level too, it requires only one-third of the water needed to irrigate the crop in conventional method”.*

*S.Vaithilingam, district manager of Jain Irrigation Systems that set up drip in this field, said “raising an acre of paddy would require 13 lakh litres of water under conventional method. Under drip, it requires only about 4 lakh litres”.*

### **Seed efficient**

*Apart from water the method is seed efficient too. "It required only 1 kilogram of seeds to sow the entire plot of quarter acre. If it were in conventional transplantation method, it would have required 12 kg of seeds," Mr. Annamalai added. When asked about how he feels about the potential yield, he said, "normally one can reap about 6-7 bags of paddy from quarter acre. This drip-irrigated plot, I hope, would fetch about 10 bags, as the crop grew exceptionally well".*

*K.S.Krishnan, field director of SST, who inspired the farmer into trying the method, told The Hindu: "Since fertilizers are mixed with water and precisely directed at roots each plant has produced about 40-50 tillerings despite adverse climate, as against 15-20 produced in conventional method. This will definitely result in better yield. Other paddy farmers too should adopt the method and save water".*

### **Sowing for kharif completed on 2,131 hectares of land**

### **Target fixed for Chitradurga district is 3,58,500 hectares**



**ACTION:**Preparations for cultivation are in full swing in Chitradurga district following good rainfall in the past week.

R. Krishnamurthy, joint director of the Agriculture Department, has said that sowing for the kharif season has been completed on 2,131 hectares of land till May 20, as against the target of 3,58,500 hectares.

Addressing presspersons here on Thursday, Mr. Krishnamurthy said that so far the district had received 67.7 mm of rainfall against the normal 486 mm. The India Meteorological Department has said that the district is likely to receive good spells of rain in the coming days.

As farmers in all the six taluks of the district have started preparations for sowing, the Agriculture Department has started distributing seeds with a subsidy of 50 per cent through 22 Raitha Samparka Kendras (RSKs) and 10 additional seed distribution centres. As against the requirement of 81,683 quintals of seeds for the kharif season, there is a stock of 18,839 quintals. The State government has been requested to release the remaining quantity of seeds, he said. The total requirement of fertilizers for the kharif season is 52,400 tonnes. Steps have been taken to distribute 52,000 tonnes of fertilizers to farmers in all the six taluks through the RSKs. The district received Rs. 33.85 crore as subsidy input for drought-affected taluks during the last financial year, which will soon be distributed to small farmers through the Revenue Department, he said.

As the district is facing acute shortage of fodder owing to scanty rainfall in the last two years, the Animal Husbandry Department has taken steps to distribute fodder seed kits to farmers in all the taluks, Mr. Krishnamurthy said.

### **Vegetable prices go up**

: Prices of select vegetables in uzhavar sandhais continued to look upward and there seems to be very little chance that the prices may dip in the near future, according to farmers.

With the soaring temperature, they said the prices of vegetables such as tomatoes, small onions, carrot and others have shot up by at least 40 to 50 per cent, compared to previous month.

Agriculture department officials in the uzhavar sandhais attributed the rise to prevailing drought, which had resulted in fall in supply. With marriage season picking up, bulk consumption of vegetables is also seen as a factor in the price rise of vegetables.

The prices of small onions, tomatoes, green chilly, cabbage and carrot have risen steadily in the last 21-30 days. Only exception is ladies finger, which has been hovering around Rs.14 and 16 per kg, while the prices of onions are quoted at Rs. 65 (superior quality) per kg. The carrot prices had shot up to Rs.50 and Rs.60 per kg (first quality). The arrival of fruits at the uzhavar sandhais is also not encouraging, according to Ramu Ammal from Alanganallur. With very little water available, it is becoming tough to do safe harvest. Even if we bring the produce to

markets, people are shocked over the high prices. However, SHG women selling juice are happy as they are registering good sales in the uzhar sandhais.

### **Collector's advice to ryots**

Collector M. Veerabrahmaiah has informed farmers to repay loans in time and avail the government's interest waiver facility. At a meeting with bankers on Thursday, the Collector said that Rs. 898 crore was paid as crop loans last year.

### **Over 2,500 coconut trees wither in Erode**

The severe spell of drought has wiped out more than 2,500 coconut trees, one of the primary sources of income for many farmers, across the district.

Hundreds of coconut trees stand without their crowns and farmers in some areas have begun cutting them for firewood. The trees have withered even in the fertile villages in Kodumudi, Arachalur and Modakurichi blocks of the district following monsoon failure.

The little water released in the Lower Bhavani Project (LBP) canal recently did not prevent the trees from withering.

Even farmers like P. Anguraj, who has well-irrigation facilities, could not save the trees, thanks to the ongoing power crisis and the decreasing ground water level.

"In my grove, all the 30 plus trees stand withered due to acute water shortage. We could not draw enough water from well because of the power crisis. We tried to save the trees by buying water from private suppliers. Since it turned costlier, we had to stop watering the trees," Mr. Anguraj told *The Hindu* .

"We get three-phase power supply for two to three hours a day. So we are forced to leave the coconut trees to wither without water," said M. Dakshinamurthi, a farmer from Maruthurai, a village located on the Erode-Tirupur district border. Erode is one of the largest coconut producing regions in the State with more than 10,000 hectares covered under the crop.

The income from coconut trees forms a significant chunk of the revenue pie of many farmers.

The Bhavani River is the primary source of water for the groves.

Following the poor rainfall, the Public Works Department could not supply water through the LBP canal, which supplies water to more than 2.5 lakh acres in Erode and neighbouring districts.

Meanwhile, a report prepared by the district administration and submitted to the State government states that coconut trees in at least 15 hectares have withered in the drought.

A hectare normally has 170 trees.

“The government has announced a compensation of Rs. 10,000 a hectare,” an official here says.

### **Farmers welcome proposal to free sugarmills from levy obligation**

The sugarcane farmers all over the country have welcomed the proposals to free the sugarmills from the levy sugar obligation and also to dispense with the quantitative restrictions imposed on the latter, according to R.V. Giri, Tamil Nadu State general secretary of the Consortium of Indian Farmers' Associations (CIFA).

Mr. Giri told *The Hindu* that the sugarcane growers from across the country would gather at Bangalore for a three-day conference starting from May 24 to discuss the recommendations of the C. Rangarajan Committee on sugar liberalisation policy.

“The recommendations on sugar levy and quantitative restrictions have been widely welcomed by the sugarcane farmers as well as the sugarmills because they feel that it would ease the liquidity situation which in turn would help in the prompt payment for sugarcane.”

Mr. Giri said that the levy obligation of setting aside 10 per cent of sugar production for the Public Distribution System had financially inconvenienced the sugarmills. For instance, they had to make available sugar at the price of Rs. 13.50 a kg to the PDS against the production cost of Rs. 19.20 per kg.

The total financial outgo on this score alone would be in the region of Rs. 3,000 crore a year. Besides this, the sugarmills were also hamstrung over the existing system of regulating the sale of sugar in the open market.

Once these stumbling blocks were out of the way, the sugarmills would have substantial money at their disposal which they could utilise for the development of their mills and also for disbursement of the cane payment.

In appreciation of these two suggestions, Mr. Rangarajan, former Governor of Reserve Bank of India and currently Chairman, Economic Advisory Committee to the Prime Minister, would be honoured on the occasion, Mr. Giri said. The national event would also discuss other issues relating to sharing of the proceeds obtained from sale of sugar and by-products such as molasses and bagasse between the sugarmills and the cane growers.

Mr. Giri further said that the conference would also focus on how to capture the competitive international sugar markets, besides adequately meeting the domestic requirements.

In this aspect, the conference would lay stress on the importance of convergence of activities of the sugarcane farmers, the cooperative sugar mills and the Indian Sugarmill Owners Association, Mr. Giri added.

### **Farmers urged to adopt drip irrigation**

The state government has proposed to implement hundred per cent subsidy to the small and medium farmers of the district for setting up drip irrigation units for the maximum area of five acres, said Darez Ahamed, District Collector.

For the other farmers, the subsidy will be 75 per cent for the drip irrigation units, the Collector said while addressing the monthly farmers grievances day meeting here on Thursday.

### **Scheme**

He urged the farmers to take advantage of this scheme for improving their economic condition.

This year, adequate stock of fertilizer has been kept in all the primary agricultural cooperative societies in the district, he said.

The farmers should take steps for procuring the fertiliser well in advance.

The government is providing subsidy for setting up demonstration plots for the paddy, corn, pulses, oil seeds, cotton, and sugarcane and also for getting inputs and transplantation.

The government also provided seed subsidy too, Dr. Ahamed added.

P. Sankaralingam, Joint Director of Agriculture, explained the various schemes being implemented by the agriculture department in the district.

Representatives of various farmers associations participated in the meeting.

### **ID cards issued**

Meanwhile, in a press release the Collector said that the government has sanctioned Rs. 50.66 crore to compensate around 1.20 lakh farmers who suffered crop loss due to severe drought conditions prevailing in the district. The work of disbursing the compensation through the 52 primary agricultural cooperative societies is in progress since May 2. Identity cards have already been issued to all the affected farmers through the VAOs.

So far, Rs. 42.15 crore has been disbursed to 94,252 farmers.

The distribution work will be completed soon, he added.

### **Illegal sand extraction must stop, say farmers**

### **Police, Revenue officials accused of turning a blind eye to it**



Demand: Farmers from Ganjigere and other villages in K.R. Pet taluk presenting a memorandum to Deputy Commissioner B.N. Krishnaiah in Mandya on Thursday.

A group of farmers from Ganjigere and other villages in K.R. Pet taluk have urged Deputy Commissioner B.N. Krishnaiah to take immediate steps to curb illegal sand extraction from the Hemavati river-bed.

On Thursday, they submitted a memorandum to Mr. Krishnaiah.

A large number of people have been extracting sand from the river-bed since several months.

However, neither the police nor the Revenue officials in the taluk had taken any steps to curb this, the farmers told presspersons.

“We met Mr. Krishnaiah as the authorities in K.R. Pet taluk have failed to prevent sand extraction. The sand extractors are transporting sand in hundreds of lorries every day. The government is losing revenue,” they said.

Mr. Krishnaiah assured the farmers that he would look into the matter and take action.

### **Godavari delta farmers prove their mettle again**

#### **Efficient water management helps them register a record yield**



- Paddy farmers from the delta have registered 40 bags of yield per acre
- The farmers have earned a sum of Rs. 787.5 crore
- In East Godavari, paddy cultivated in about four lakh acres during Rabi
- Irrigation officials have helped us to achieve the feat, say farmers

Farmers from the Godavari delta have proved their mettle again by registering a record yield by using a very less quantum of water during the recent Rabi season. On an average, the paddy



farmers from the delta have registered 40 bags of yield per acre, even as there was a shortfall of water by 25 per cent due to drop in water levels in the Godavari.

In terms of finances, the farmers earned a sum of Rs.787.5 crore by transplanting the entire anicut and adopting efficient water management methods.

Though the officials have initiated the idea of providing irrigation to only 75 per cent of the command area keeping in view the water levels in the Godavari, the delta farmers from the East and West Godavari districts have transplanted paddy in the entire 8.4 lakh acres and protected it from withering by adopting efficient water management system.

In the normal days, the farmers from the Godavari delta use one thousand million cubic feet (MCFT) of water to cultivate paddy in 6-7 acres. But, during the recent Rabi season, paddy has been cultivated in 12.87 acres with one MCFT of water. When it comes to the statistics, the delta farmers used 65.13 TMC of water to cultivate paddy in 10.13 lakh acres.

“We are happy with the output. In some areas, the farmers registered even 45 bags of paddy per acre. On an average, it is 40 bags per acre in East Godavri district,” says D. Prameela, Joint Director of Agriculture.

In East Godvari, paddy was cultivated in about four lakh acres during the Rabi. Formation of cross bunds across the drains and lifting of water from the drains to their fields by using oil engines was the policy followed by the farmers.

“The irrigation officials too helped us by way of chalking out plans for water release, stopping water supply to the fish tanks during the transplantation period and coordinating the farmers for a better output,” says Kovvuri Trinadha Reddy, former general secretary of the A.P. State Farmers’ Water Management Committees Association. “The average production per acre is three tons and the minimum support price per ton is Rs. 12,500. Of the total 8.4 lakh acres, the total income is around Rs.3,150 crore in which 25 per cent is nothing but the result of proper water management,” he explains.

## Coconut farmers a worried lot

### Black-headed caterpillar disease affects the trees



HUGE LOSS:Coconut trees which are affected by the disease of black-headed caterpillar in the district.

The black-headed caterpillar disease has affected two-thirds of the 7,500 hectares of coconut area in the district and the farmers have initiated control measures. Most of the affected area is in Anakapalle, Mungapaka and S. Rayavaram mandals.

The crown of coconut tree would turn black and all its green leaves would be licked away by the black-headed caterpillar. The nuts would die young causing a huge loss to the coconut farmer.

Campaign is being conducted and demonstrations organised to explain to the farmers the ways to control the disease since all farmers in an area have to take the measures simultaneously as individual efforts would not be of any use since the black-headed caterpillar would spread from one tree to another and one area to another.

Horticultural officers were visiting every village to explain the control measures and two more campaigns would be conducted in the affected mandals on next Monday and Tuesday, Assistant Director of Horticulture G. Prabhakara Rao said on Thursday.

A pamphlet was also being brought out on control measures. The farmers were being told to take up root-feeding method, spraying or introduce bio-agents onto the affected trees which eat away the black-headed caterpillar.

Spraying of pesticide was not possible in case of long trees and root-feeding method (mixing a pesticide with water and tying the bagful of mixture to a root) could be adopted in such cases, he said. Rain would bring down the problem but right now hot summer heat was being experienced, he added.

The farmers were already on the job and the effect of the measures could be seen only when fresh leaves start sprouting after the caterpillar was killed, Mr. Prabhakara Rao said.

Campaign through television and oral publicity was first done by a scientist of District Agriculture Advisory Committee C.V. Rama Rao after he noticed the problem in the coconut groves in January. The District Collector is likely to participate in the programme to be held next week.

### **Repay loans in time, farmers told**

Collector M. Veerabrahmaiah has informed farmers to repay loans in time and avail the government's interest waiver facility.

At a meeting with bankers on Thursday, the Collector said that Rs. 898 crore was paid as crop loans last year. However, reports of forcible collection of interest from them were pouring in. He advised bankers to adhere to government's guidelines. He asked managers of APGVB, SBI, DCCB, and Andhra Bank to release a circular to this effect. District Lead Bank Manager Ravindranath Reddy, NABARD AGM Srinivas and others were present.

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“The government has announced a compensation of Rs. 10,000 a hectare,” an official here says.

## Training in horticulture

The government's horticulture training centre at 'Naguvana' near Krishnaraja Sagar (KRS) in the district will conduct 10-month training in cultivating horticultural crops.

The training will be from June 1, 2013.

Application forms can be obtained from the office of the senior assistant director, Department of Horticulture (State Zone), at KRS.

The last date for filing application is May 25.

For details, call 08236-257247.

## Weather



| ANDHRA PRADESH |    |    |   |     |
|----------------|----|----|---|-----|
| Anantapur      | 41 | 27 | 0 | 25  |
| Arogyavaram    | 39 | 23 | 0 | 46  |
| Bapatla        | 39 | 30 | 0 | 28  |
| Calingapatnam  | 35 | 29 | 0 | 47  |
| Gannavaram     | 44 | 29 | 0 | 113 |
| Hanamkonda     | 45 | 29 | 0 | 22  |
| Hyderabad AP   | 44 | 30 | 0 | 77  |
| Kakinada       | 41 | 30 | 0 | 44  |
| Kavali         | 45 | 32 | 0 | tr  |
| Kurnool        | 43 | 29 | 0 | 37  |
| Mahabubnagar   | 44 | 29 | 0 | 20  |

|                  |    |    |    |     |
|------------------|----|----|----|-----|
| Machilipatnam    | 39 | 29 | 0  | 48  |
| Nandyal          | 43 | 30 | 0  | 25  |
| Narasapur        | 37 | 30 | 0  | 11  |
| Nellore          | 44 | 32 | 0  | 7   |
| Nizamabad        | 45 | 31 | 0  | 26  |
| Ongole           | 45 | 31 | 0  | 61  |
| Ramagundam       | 46 | 26 | 0  | 50  |
| Tirupathi AP     | 43 | 30 | 0  | 147 |
| Tuni             | 42 | 29 | 0  | 56  |
| Vizag AP         | 39 | 30 | 0  | 19  |
| Vizag            | 37 | 28 | 0  | 41  |
| <b>KARNATAKA</b> |    |    |    |     |
| Agumbe           | 31 | 20 | 0  | 123 |
| Bangalore AP     | 34 | 19 | 40 | 165 |
| Bangalore        | 34 | 19 | 36 | 144 |
| Belgaum AP       | 33 | 22 | 0  | 111 |
| Bellary          | 39 | 26 | 0  | 64  |
| Bijapur          | 41 | 25 | 0  | 62  |
| Chitradurga      | 32 | 23 | 0  | 294 |
| Chickmagalur     | 31 | 19 | 0  | 161 |
| Chintamani       | 36 | 22 | 0  | 116 |
| Gadag            | 35 | 20 | 0  | 146 |
| Gulbarga         | 44 | 28 | 0  | 74  |
| Hassan           | 36 | 21 | 0  | 168 |
| Honavar          | 34 | 26 | 0  | 3   |
| Karwar           | 35 | 27 | 0  | 28  |
| Madikeri         | 27 | 18 | 0  | 161 |

|                   |    |    |    |     |
|-------------------|----|----|----|-----|
| Mangalore AP      | 37 | 25 | tr | 22  |
| Mysore            | 35 | 18 | tr | 114 |
| Mandya            | 35 | 19 | 12 | 135 |
| Panambur          | 35 | 26 | 0  | 83  |
| Raichur           | 42 | 27 | 0  | 33  |
| Shirali           | 35 | 27 | 0  | 6   |
| <b>KERALA</b>     |    |    |    |     |
| Alappuzha         | 34 | 26 | 5  | 191 |
| Kannur            | 33 | 27 | 0  | 119 |
| Kochi AP          | 34 | 26 | 4  | 121 |
| Kottayam          | 34 | 26 | 0  | 245 |
| Kozhikode         | 35 | 28 | 1  | 60  |
| Punalur           | 36 | 26 | 5  | 421 |
| Thiruvanantha     |    |    |    |     |
| -puram AP         | 33 | 26 | 8  | 153 |
| Thiruvanantha     |    |    |    |     |
| -puram City       | 33 | 25 | 17 | 200 |
| Vellanikkara      | 35 | 26 | 0  | 24  |
| <b>TAMIL NADU</b> |    |    |    |     |
| Adiramapattinam   | 34 | 29 | 0  | 151 |
| Coimbatore AP     | 35 | 23 | 0  | 80  |
| Coonoor           | 25 | 15 | 1  | 339 |
| Cuddalore         | 42 | 28 | 0  | 74  |
| Chennai AP        | 41 | 28 | 0  | 83  |
| Chennai           | 40 | 29 | 0  | 19  |
| Dharmapuri        | 39 | 21 | 8  | 54  |
| Kanyakumari       | 32 | 25 | 0  | 127 |

|                       |    |    |    |     |
|-----------------------|----|----|----|-----|
| Karaikal              | 38 | 28 | 0  | 10  |
| Kodaikanal            | 23 | 13 | 0  | 180 |
| Madurai AP            | 40 | —  | 0  | 39  |
| Nagapattinam          | 37 | 29 | 0  | 29  |
| Palayamkottai         | 41 | 28 | 0  | 206 |
| Pamban                | 33 | 29 | 0  | 114 |
| Parangipettai         | 40 | 29 | 0  | 45  |
| Puducherry            | 41 | 28 | 0  | 10  |
| Salem                 | 40 | 24 | 0  | 17  |
| Thanjavur             | 39 | 30 | 0  | 33  |
| Tiruchi AP            | 42 | 29 | 0  | 21  |
| Tirupattur            | 39 | 24 | 2  | 75  |
| Tiruttani             | 42 | 27 | 0  | —   |
| Tondi                 | 33 | 28 | 0  | 95  |
| Tuticorin             | 33 | 28 | 0  | 43  |
| Ooty                  | 24 | 13 | 3  | 127 |
| Valparai              | 28 | 18 | 0  | 282 |
| Vellore               | 43 | 25 | 12 | 80  |
| <b>LAKSHADWEEP</b>    |    |    |    |     |
| Amini Divi            | 35 | 29 | 0  | 1   |
| Minicoy               | 33 | 25 | 2  | 86  |
| Kavarathi             | 36 | 28 | 0  | —   |
| <b>OTHER STATIONS</b> |    |    |    |     |
| Kolkata (Alipore)     | 36 | 29 | 0  | 115 |
| Mumbai                | 35 | 28 | 0  | 0   |
| New Delhi             | 45 | 31 | 0  | 22  |



The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (trace) and total rainfall in mm since March 01, 2013.

### **Heat wave conditions in parts of A.P.**

**CHENNAI:** Isolated rainfall occurred over Tamil Nadu, Kerala, Rayalaseema and south interior Karnataka. Mainly dry weather prevailed over coastal Karnataka and Lakshadweep and dry weather prevailed over coastal Andhra Pradesh, Telangana and north interior Karnataka.

On Wednesday, the maximum temperature rose markedly at one or two places over south coastal Tamil Nadu, appreciably rose at one or two places over Telangana, most places over north interior Karnataka, Kerala, rest Tamil Nadu and fell at one or two places over south coastal Andhra Pradesh and changed little elsewhere over the region.

**Forecast (valid till Saturday morning):** Rain will occur at a few places over Kerala. Isolated rain may occur over T.N., Puducherry, interior Karnataka, Rayalaseema and Lakshadweep. Mainly dry weather will prevail over Telangana, coastal A.P. and coastal Karnataka.

**Heat wave warning:** Heat wave conditions will prevail over most parts of Telangana and some parts of coastal A.P. and north T.N. in next two days.

# THE HINDU Business Line

## Turmeric sale at record low as traders stay off



Turmeric sale record a low 1,098 bags in Erode on Thursday as exporters and traders kept away.

“For want of demand, no exporter and trader purchased. Because of this only 1,098 bags were sold against the arrival of 2,496 bags in the four markets. Due to severe summer and failure of rainfall in the North also, no fresh upcountry order was received by them,” said R.K.V.

Ravishankar, President, Erode Turmeric Merchants Association.

The price in Nizamabad and Sangli markets also decreased. Turmeric futures were also down to Rs 6,000-6,150. So, some stockists quoted lower price and purchased it.

The price of the hybrid variety fell by Rs 150 a quintal, while the finger variety gained Rs 90 at the Regulated Market Committee and the Erode Cooperative Society. But at the Gobichettipayam Cooperative Marketing Society, the price decreased by Rs 150 a quintal.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 4,234-7,037 and the root variety at Rs 4,196-6,451 a quintal.

**Salem Hybrid Crop:** The finger variety was sold at Rs 5,669-7,749; the root variety Rs 5,396-6,671. Of the 516 bags that arrived, only 25 per cent was sold.

At the Regulated Market Committee, the finger variety fetched Rs

6,389-7,395; the root variety Rs 5,309-6,439. Of the 348 bags on offer, 344 found takers.

At the Erode Cooperative Marketing Society, the finger variety quoted Rs 5,881-7,360; the root variety Rs 5,841-6,419. Of the 281 bags put up for sale, 274 were traded.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 6,199-7,280 and the root variety Rs 5,309-6,267. Of the 120 bags up for sale, 110 were sold.

### Limited supply, demand boost pepper



Pepper prices continued to move up on Thursday on buying support in the Indian Pepper and Spices Trading Association (IPSTA) trading.

Availability was said to be tight as the arrivals turned out to be thin. Karnataka pepper was offered by sellers at Rs 333 a kg, while buyers were willing to pay Rs 330.

High range pepper of Kerala was traded between Rs 343 and Rs 347, while sellers of Pulpally (Wayanad) pepper were quoting Rs 337-338.

Domestic demand appears to be picking up while some overseas business is expected as the Indian parity is slowly becoming competitive with other origins following weakening of the rupee against the dollar, market sources told *Business Line*.

June contract on the IPSTA moved up by Rs 36 to Rs 35,034 a quintal. July contracts showed a marginal decline of Rs 6 to Rs 35,198. August contracts increased by Rs 285 to Rs 35,376.

Total turnover dropped by 23 tonnes to 72 tonnes. Total open interest moved up by three tonnes to 24 tonnes.

Spot prices remained unchanged at Rs 33,500 (ungarbled) and Rs 35,000 (MG 1) a quintal.

Indian parity in the international market was at \$6,500 a tonne (c&f) for both May prompt and June shipments.

### **Jeera may gain on export orders, lower arrivals**



Jeera prices are likely to move up in the coming days on hopes of overseas demand and lower arrivals, according to traders.

Jeera futures improved on Thursday as demand from exporters and stockists was strong. However, spot jeera ruled flat.

On the NCDEX, jeera June contract gained by Rs 112.50 at Rs 13,315 a quintal, with an open interest of 11,499 lots. NCDEX July contract increased by Rs 97.50 to Rs 13,500, with an open interest of 6,828 lots.

According to market analysts, jeera futures rose as speculators enlarged their positions, supported by export demand in the spot market. Moreover, arrivals are likely to come down in the coming days. Sources are expecting improvement in exports orders due to supply disruption in Syria.

Arrivals stood at 12,000-13,000 bags, while trade reported of 14,000-15,000 bags (of 55 kg each) in Unjha mandi of Gujarat. Spot jeera best quality was traded at Rs 2,325-2,425 for 20 kg. Jeera rough was Rs 2,100-2,200.

Indian jeera one per cent was offered at \$2,425-2,450 a tonne (f.o.b) Mumbai for Singapore.

Traders are expecting the production this year to be around 34 -35 lakh bags, up 1 lakh bags from last year.

### **Panic sale in Saurashtra crushes groundnut oil**



Groundnut oil prices have plunged by Rs 11 a kg in a week following heavy selling in the Saurashtra region due to lack of export orders for groundnut.

On Thursday, the oils prices dropped by Rs 35 for 10 kg in Mumbai as the panic sales continued.

Edible oils, on the other hand, were mixed on Thursday despite a firm undertone due to a weak Indian currency.

Imported palmolein and soyabean refined oil rose by Rs 3 and Re 1 for 10 kg each, while cotton refined oil declined by Re 1 each on weak reports from producing centres. Rapeseed-mustard oil and sunflower oil ruled unchanged.

Cotton oil has also been affected due to selling pressure. In Rajkot, groundnut oil dropped further by Rs 10 for 10 kg.

Sources said that weak rupee against the dollar continued to lift the overall sentiment. Further extended gain in Malaysian palm oil futures supported the moral. Stockists were optimistic about the higher demand in coming months.

In Mumbai, Ruchi sold some quantity of sunflower oil at Rs 761. In palmolein about 150-200 tonnes were offloaded by resellers at Rs 506-507 ex-JNPT. Soyabean arrivals in Madhya Pradesh were 35,000 bags and prices were Rs 3,950-60 ex-mandi and Rs 4,050-60 plant

delivery. Mustard seed arrivals were 2.65 lakh bags and prices were Rs 3,075-3,610 on the spot.

Towards the day's close, Liberty was quoting palmolein at Rs 515-518, super palmolein Rs 550 and sunflower refined oil Rs 780. Ruchi was quoting palmolein at Rs 520 for ex-Patalganga and Rs 510 ex-JNPT. Soyabean refined oil was Rs 667 and sunflower refined oil Rs 761. In Saurashtra – Rajkot, groundnut oil was Rs 1,620 (Rs 1,640) for *telia* tin and Rs 1,050 (Rs 1,060) for loose (10 kg).

**Malaysian BMD crude palm oil's** June contracts settled higher at MYR 2,340 (MYR 2,328), July at MYR 2,378 (MYR 2,362) and August at MYR 2,371 (MYR 2,359) a tonne.

**The Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 1,075 (1,110), soya refined oil 665 (664), sunflower exp. ref. 675 (675), sunflower ref. 765 (760), rapeseed ref. oil 700 (700), rapeseed expeller ref. 670 (670) cottonseed ref. oil 641 (642) and palmolein 508 (505).

**Vikram Global Commodities, Chennai** quoted Malaysian super palmolein at Rs 555 ex-Chennai.

### Range-bound trading seen in rice



Rice market may rule range-bound in the coming days as bulk buyers are keeping out of the market, said trade experts.

Rice prices remained flat amid tepid selling on Thursday.

Due to lack of trading at all levels, prices of almost all rice varieties remained unchanged, said Amit Kumar, proprietor of Ginny Rice. There is no bulk buying in the market at present as traders have adopted a wait-and-watch policy following too much volatility in the market in the recent past, he added.

Amit Kumar said that the traders don't want to take fresh positions at current levels as aromatic varieties are ruling at their highest levels of the season and they are looking for some downward correction in the upcoming days. Only need-based buying is taking place in the market and it may continue to rule around current levels for the next few days, he said.

In the physical market, Pusa-1121 (steam) sold at Rs 8,250 while Pusa-1121 (sela) quoted at Rs 7,600-7,700 a quintal. Pure basmati (raw) quoted at Rs 9,000 . Duplicate basmati (steam) traded at Rs 7,100-7,300 .

For the brokens of Pusa-1121, Dubar quoted at Rs 4,000, Tibar sold at Rs 4,500 while Mongra was at Rs 3,000 .

In the non-basmati section, after witnessing a fall earlier this week, non basmati varieties managed to maintain their previous levels.

Sharbati (steam) quoted at Rs 5,100-5,150, while Sharbati (sela) was at Rs 4,750 .

Permal (raw) sold at Rs 2,500 a quintal while Permal (sela) went for Rs 2,400-2,500 . PR-11 (sela) sold at Rs 3,200-3,300 while PR-11 (Raw) quoted at Rs 3,000. PR14 (steam) sold at Rs 3,400-3,550 a quintal.

### **Mustard gains on lower inflow**



Decline in arrivals soyabean and mustard seeds besides rise in buying support due to the ongoing marriage season, continued to push up mustard prices in *mandis* across Madhya Pradesh, Rajasthan and Gujarat for the second consecutive week.

Mustard oil in Indore mandis ruled at Rs 650 for 10 kg (up Rs 9 from last week) on Thursday.

In Rajasthan also, mustard oil witnessed an uptrend on decline in arrival and rise in buying support. It ruled at Rs 645 each in Ganga Nagar and Kota, while it was Rs 660 for 10 kg in Jaipur.

Mustard seeds, on the other hand, ruled firm at Rs 4,200-4,300 a quintal, while raida ruled at Rs 3,200 amid decline in arrivals.

Weak arrival of soyabean and mustard seeds lifted price of mustard in Indore mandis to Rs 4,300-50 (Rs 4,150-4,200). Similarly, raida rose to Rs 3,200-50 (Rs 3,100-50).

On the NCDEX, mustard seeds traded lower with June and July contracts closing at Rs 3,509 a quintal (down Rs 4) and Rs 3,556 (down Rs 3).

Plant deliveries of mustard seeds for Jaipur line were quoted at Rs 3,530-35 (up Rs 10 from last week) on slack buying support from the crushers.

Arrival of mustard seeds across the country was recorded at 2.65 lakh bags on Thursday.

### **Subdued offtake keeps sugar flat**



Sugar prices were unchanged on Thursday due to routine lower demand month-end.



Prices in futures market continued to be bearish, tracking slack physical demand and weak foreign markets.

Vashi sugar market reopened after three week's continuous close but local demand and dispatches remain subdued.

Morale was slightly weak, said traders.

Harakhchand Vora, Vice-President of Bombay Sugar Merchants Association, told *Business Line*: "Trading in Vashi market has become normal – as usual with arrivals of new stocks from the mills. About 65-70 truckloads (each of 100 bags) arrived on Thursday but due to slack month-end demand local dispatches were lower made room for building up inventory in the market."

Sources said that stockists have booked new purchases on Tuesday – Wednesday and deliveries are expected in a day or two.

Prices in physical market were steady, while in the futures market it lost Rs 20.

On Wednesday evening, about 10-12 mills offered tenders and sold 40,000-45,000 bags to local traders at steady price range of Rs 2,960-3,020 for S-grade and Rs 3,070-3,120 for M-grade.

Freight rates eased by Rs 15-20 to Rs 85-90 a bag on availability of trucks in producing centres.

On the NCDEX, sugar June contracts dropped by Rs 23 to Rs 3,054 , July by Rs 19 to Rs 3,105 and August by Rs 20 to Rs 3,163.

**Bombay Sugar Merchants Association's spot rates were (Rs/quintal):** S-grade Rs 3,127-3,232 (Rs 3,130-3,240) and M-grade Rs 3,232-3,421 (Rs 3,250-3,410).

**Naka delivery rates:** S-grade Rs 3,050-3,100 (Rs 3,060-3,090) and M-grade Rs 3,150-3,220 (Rs 3,160-3,230).

**Strong monsoon phase seen into first week of June**

All available indications point to a strong phase of South-West monsoon in the first week of June, after seasonal rains break over Kerala coast. This would be underwritten by a wet phase of Madden-Julian Oscillation (MJO) wave that passes above the Indian Ocean during this period.

## **MJO INFLUENCE**

Though travelling high up, the wave is able to influence ground weather by facilitating formation of clouds, precipitating rains, even triggering storms and monsoon onset. The Climate Prediction Centre of the US National Weather Services has said that the Indian Ocean, South India and Sri Lanka are expected to get impacted.

## **AUTO-PILOT MODE**

The strong phase would kick off from May 28 and last for 11 days until June 7. Gusty winds might bear down over Kerala and Konkan-Mumbai coasts and trigger copious rain. Rains may relent later, depending on how monsoon dynamics become established by that time.

Normally, a strong phase helps monsoon shift to auto-pilot, which means that the strength of the flows would be enough to carry it along with or without an MJO wave.

Available indications suggest that this could indeed be the situation, and the monsoon is shown as running up whole peninsula and East India thanks to concurrent activity in the Bay of Bengal. US forecast models have also indicated that June could likely witness normal to above normal rainfall.

Meanwhile, India Met Department said on Thursday that rainfall could scale up along the West Coast and Lakshadweep from Sunday.

This would set the stage for copybook-style conditions culminating likely in onset of the monsoon early next week, according to international weather models

## **THUNDERSHOWERS**

A prominent pre-monsoon atmospheric formation is already setting up a chain of thunderstorms over peninsular and South India.

The weather-setting trough of lower pressure runs from South Jharkhand to South Tamil Nadu across South Chhattisgarh and interior Andhra Pradesh.

The trough receives moisture from the seas on either side, which combines with the hot air to set up clouds and thundershowers along the line. Thundershowers are forecast to break out over Kerala, Karnataka, Lakshadweep, South Konkan, Goa, South Madhya Maharashtra, Andhra Pradesh and Tamil Nadu until Sunday.

### **Indo-Australia pact to train farm workers**

India and Australia have signed a memorandum of understanding (MoU) to strengthen cooperation in training farm workers that could grow to 12-15 million in the coming decades. The training will be an industry-oriented one. The MoU was signed between the Agriculture Skills Council of India and AgriFood Skills, Australia. It also aims to set benchmarks for certification and information.

A brainchild of the Prime Ministers of both the countries, the MoU is part of a larger collaboration in other fields such as telecommunication, retail, mining, media and entertainment. Satender Arya, CEO, Agriculture Skill Council of India, and Arthur Belwitt, CEO, Agrifood Skills Australia, signed the partnership pact in the presence of Patrick Suckling and Dilip Chenoy, CEO of the National Skills Development.

### **Changing food habits hold hope for poultry sector**

Buoyed by changing socio-economic conditions such as rising purchasing power and changing food habits, the country's poultry sector is likely to continue its growth in the long term, rating agency ICRA has said.

The Rs 47,000-crore industry has been growing at 8-10 per cent annually and although the sector has a negligible presence on the exports front, it is betting big on the growing domestic market.

ICRA expects domestic broiler meat demand to grow at 8-10 per cent and table egg demand to grow at 4-5 per cent in the long term on back of increasing urbanisation and rapid growth of quick service restaurants.

## Challenges

According to the rating agency, key challenges faced by the industry include high feed costs, inadequate cold chain and transportation infrastructure, high vulnerability to disease outbreaks and highly volatile realisations affecting cash flows.

Higher feed costs tend to squeeze the profitability margins of poultry farmers and companies alike, said P. Selvaraj, Chairman of National Egg Coordination Committee (NECC), Namakkal zone.

Feed costs account for one-third of the total cost of production.

“The second half of the calendar year 2012 was tough for the industry due to soaring input costs with key feed ingredients such as maize and soyameal touching record levels.

Poultry sector consumes 52 per cent of the country’s maize production and any vagary in the monsoon tends to hit the profitability of poultry sector, especially broiler farms, which are sensitive to feed price fluctuations,” the report pointed out.

According to data available with NECC, prices of layer feed increased to Rs 1,539 for a 75-kg bag in April against Rs 1,344.33 in the same period last year. Broiler feed prices too rose to Rs 2,094.50 (2,023.33).

## Supply glut

To make things worse, the industry was faced with an oversupply and sporadic instances of ‘bird flu’ in certain States.

Strong investments made in 2010 and 2011 had resulted in capacity expansion in broiler segment and led to a glut. This significantly affected profitability of poultry farms.

NECC data pointed out that the egg production stood at 3.54 crore in April this year against 3.19 crore during the same period last year.

South India (led by Andhra Pradesh) produces more than 45 per cent of total poultry output while another 20 per cent comes from the western region (led by Maharashtra).

Tamil Nadu leads in poultry consumption in the country, thanks to inclusion of eggs in various mid-day meal programmes.

India ranks fourth globally in broiler meat production and the US Department of Agriculture has projected broiler meat output of the country at 3.42 million tonnes (3.1 million tonnes) for April.

On the domestic consumption front, the country ranks sixth with consumption at 3.41 million tonnes (3.15 million tonnes).

### Shipments

On the export front, the country has taken a hit since 2006 due to continual outbreak of bird flu in some pockets of the country.

Egg exports, which peaked at 1,019.03 lakh in 2007-08, have plummeted to 383.37 lakh in 2012-13. Exports for this fiscal till April stand at 179.48 lakh eggs.

Table eggs are already out of Gulf menu and the trade is also facing cheaper competition from Brazil, Morocco and Algeria.

But industry sources say, with higher domestic consumption matching supply, players are keen on catering to the home turf and shifting their focus from wet to frozen market – i.e., from live birds to processed/dressed chicken – consumption of which is growing at a slow but steady pace.

### Key drivers

Farmers in the country have moved from rearing country birds in the past to rearing hybrids which ensure faster growth of chicks, higher eggs/bird and consequently sustainable profits to the poultry farmers.

Transition from a predominantly live bird/wet market to a chilled/frozen market is crucial for the future expansion of domestic poultry industry.

Developing efficient distribution system with large investments required in cold chain infrastructure and increasing market acceptability of frozen chicken are going to be the key industry drivers in long term, said the ICRA report.

### **Dubai firm bids highest for PEC wheat at \$305.10/tonne**



State trading firm PEC Ltd has received the highest bid of \$305.10 a tonne from the Dubai-based Al Ghurair for export of 40,000 tonnes wheat from Government stocks through the Kandla Port.

For PEC's other two tenders for shipments from Gangavaram and Krishnapattanam, it has received offer from Singapore-based Concordia at \$303.10 and \$301 for 30,000 tonnes and 40,000 tonnes, respectively.

Among the bids opened by the three State trading entities – MMTC, STC and PEC — in the past three days, PEC got a better response compared with the other two.

On Wednesday, STC received the highest bid of \$304.5 from Sudan's Promising International Trading Co, while on Tuesday MMTC was forced to cancel its tender for one lakh tonnes as the offer price it received from Gencore was much lesser than the floor price of \$300 fixed by the Government.

Interestingly, Glencore quoted a higher price of \$303.37 for PEC's Kandla tender on Thursday, while for STC's tender on Wednesday, the Anglo-Swiss firm was the second highest bidder at \$301.87 for 50,000 tonnes. Other bidders for PEC's Kandla contract include Emmsons International at \$303.89 and Condordia at \$294.25.

The State trading entities have been floating export tenders to ship out wheat from Government stocks since July 2012.

In the last financial year, these entities were expected to have shipped out around three million tonnes from Government stocks, while the shipments by private traders stood around 2.6 mt for the period.

In the current financial year starting April 1, exports from Government stocks stood at around five lakh tonnes, while shipments by private traders are estimated at 3-4 lakh tonnes, sources said.

### **Global body to promote rice bran oil**

Rice bran oil producers have decided to form an international organisation to create an awareness among consumers about the health advantages of using the oil.

This decision was taken at the first Thailand conference on “Fats and oils: Roles of rice bran oil and its products in changing Asia” on May 16-17.

According to the National Institute of Nutrition Hyderabad, the rice bran oil has its anti-oxidant properties that help to lower cholesterol and the risk of intestinal cancer.

Efforts have to be taken to promote its sales through small retail chains and also educate consumers about the advantages of the oil, a statement from the Solvent Extractors Association said.

### **Spot rubber improves**

Physical rubber prices finished almost steady on Thursday. The market opened better but shed initial gains during late trading hours following sharp declines in the domestic and international futures. The trend was partially mixed.

According to traders, sheet rubber finished unchanged at Rs 171.50 a kg after hitting an intraday high of Rs 172 on early trades.

The grade closed flat at Rs 171 both at Kottayam and Kochi according to the Rubber Board.

The June futures declined to Rs 169.00 (Rs 172.28), July to Rs 168.19 (Rs 171.40), August to Rs 165.85 (Rs 169.27) and September to Rs 163.21 (Rs 165.99) while the October futures

increased marginally to Rs 163.97 (Rs 163.52) on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) improved to Rs 170.37 (Rs 169.10) at Bangkok. May futures ended at ₹260.5 (Rs 143) on the Tokyo Commodity Exchange

**Spot rubber rates Rs/kg were:** RSS-4: 171.50 (171.50); RSS-5: 168 (168); Ungraded: 161 (161); ISNR 20: 162 (163); and Latex 60%: 110 (110).

### **Edible oil prices to remain subdued on ample global supply**

Edible oil prices are likely to remain subdued on lower domestic demand and comfortable global supply.

Since April, prices of major edible oils have been declining due to rising rabi crop arrivals and abundant supply of palm oil from Malaysia and Indonesia.

Apart from palm oil, India is importing soya oil from South America, which is also pressurising prices to a certain extent.

“Prices may recover marginally but there will not be any surge as there is abundant supply from worldwide origins. India’s import of edible oils is rising as supply from other major countries is rising, given the higher acreage and production. A comfortable international supply position coupled with a depressed demand due to seasonal factors is likely to suppress prices,” said Raju Choksi, Vice-President, agro-commodities, Anil Nutrients. The company is a subsidiary of the Rs 650-crore agro and food processing major Anil Ltd.

Choksi added that domestic supply would also improve as hoarded seeds with farmers and stockists would start getting liquidated once the monsoon sets in. “Palm oil stocks will start building up in Indonesia and Malaysia from July to August onwards,” he said.

The Central Organisation for Oil Industry and Trade estimated the total vegetable oil availability from the kharif and rabi oilseeds crops for the year 2012-13 (November-October) upward at 81.97 lakh tonnes compared to 81.52 lakh tonnes last year.

Imports during 2012-13 is estimated to increase by 5-7 lakh tonnes compared to last year.



Edible oil imports during November 2012-April 2013 rose by 11.6 per cent to 51.38 lakh tonnes against 46.03 lakh tonnes in the corresponding period last year, data from Solvent Extractors Association showed.

Palm oil imports surged 34.5 per cent to 33.54 lakh tonnes during the same period.

### **Sugar output may fall 6-8% this year: ICRA**



Domestic sugar production in the current sugar year (October-September) will decline by 6-8 per cent to 24-24.5 million tonnes from 26 mt in 2011-12, mainly due to weak and delayed monsoon in key growing regions, according to rating agency ICRA.

Maharashtra has witnessed the largest decline followed by northern Karnataka. But Uttar Pradesh is likely to see higher production because of more sowing in the previous seasons and better weather conditions, it said.

ICRA estimates domestic consumption at around 23-23.5 mt. Thus, sugar stocks will remain stable at around 5.5-6.0 mt, enough to meet three months' domestic consumption, it said.

### **India, US & Australia join hands to develop climate-resilient crops**



India, the United States and Australia have joined hands to develop new climate-resilient varieties of rice and wheat, two of the “big three” primary crops required to feed the world.

As part of this endeavour, the United States Agency for International Development (USAID) is supporting a new public-private research partnership between the Australian Centre for Plant Functional Genomics (ACPFG) and India’s Vibha Agrotech.

This new collaboration will leverage ACPFG’s unique gene technologies and considerable expertise in cereal stress tolerance and Vibha’s field evaluation and rice transformation capabilities to develop new rice and wheat varieties with enhanced tolerance to drought and salinity, allowing farmers more stable production in the face of sudden drought and evolving salt water intrusion, an official release said.

The new lines will be evaluated under representative field conditions and the most successful will be transferred into the varieties that farmers grow, USAID said.

Work will initially take place in Australia and India, but the technologies will be made available to developing countries in South Asia and globally where climate stresses impact cereal yields, so that farmers can be more confident that they will have a good harvest, even as climate change creates more unpredictable growing environments, USAID said.

“We have to increase global food production by 60 per cent by 2050, even as climate change is already affecting crop yields,” said Dr Julie Howard, USAID’s Chief Scientist in the Bureau for Food Security and Senior Advisor to the Administrator on Agricultural Research, Extension and Education.

“That means we must use all the tools available to us to grow more food on less land and with less water. USAID is excited to launch this partnership and to leverage new expertise, resources and technologies to help make important cereal crops and, ultimately, the smallholders who grow them – more resilient to climate change,” she said.

The ambitious program is part of Feed the Future, the US Government’s global hunger and food security initiative.

## Coffee output might hit decadal



Coffee output in India, the world's sixth largest producer, is likely to see a sharp decline for the first time in nine years. Prolonged drought and uneven showers have affected the flowering and cherry formation in both Arabica and Robusta varieties.

The harvest of coffee for the coming crop year, beginning October 2013, may drop below the 300,000-tonne mark. Though the Coffee Board of India is yet to release official numbers for the new crop, private growers have pegged it at 265,000 tonnes at the lower end and 275,000 tonnes at the upper end, a decline of five to nine per cent.

In 2007-08, India harvested 262,000 tonnes, the lowest in the last decade. During the 2012-13 crop year, bean picking is estimated at 290,000 tonnes by the growers' body, Karnataka Planters' Association (KPA). The Coffee Board had estimated it at 314,000 tonnes. It is, however, yet to announce the final harvested numbers.

For the past three years, coffee production is hovering around 300,000 tonnes annually and for the first time since 2007-08, production is set to decline sharply.

"The drought has played havoc this year. The blossom showers were uneven in most of the growing regions in Chikmagalur, Kodagu and Hassan districts," said Nishant R Gurjer, chairman of KPA. "In addition, Chikmagalur witnessed temperatures of 38-40 degree Celsius, unusual for March and April and, seen for the first time in 20 years."

KPA estimates Arabica production to be 75,000 tonnes and Robusta at 190,000 tonnes to 200,000 tonnes for 2013-14. In 2012-13, planters had harvested 80,000 tonnes of Arabica and 215,000 tonnes of Robusta.

Chikmagalur contributes 35 per cent of the Arabica output and 25-30 per cent of Robusta.

Gurjer said the pattern of blossom showers was uniform in all the growing regions. Revathi rains (popularly known by the name of rain in Karnataka) in the month of April did not occur, leading to delayed flowering and cherry formation. "Normally, between March 15 and end of April, the growing regions in the state get 8-10 inches of rain. However, this year, it was almost nil. This

kind of scenario was last seen in 1983," Gurjer said.

| COFFEE PRODUCTION |          |          |          | (In tonnes) |
|-------------------|----------|----------|----------|-------------|
| Year              | Arabica  | Robusta  | Total    |             |
| 2007-08           | 92,500   | 1,69,500 | 2,62,000 |             |
| 2008-09           | 79,500   | 1,82,800 | 2,62,300 |             |
| 2009-10           | 94,600   | 1,95,000 | 2,89,600 |             |
| 2010-11           | 94,140   | 2,07,860 | 3,02,000 |             |
| 2011-12           | 1,01,500 | 2,12,500 | 3,14,000 |             |
| 2012-13*          | 1,00,225 | 2,15,275 | 3,15,500 |             |
| 2013-14#          | 75,000   | 2,00,000 | 2,75,000 |             |

\* Post-monsoon estimates by Coffee Board of India  
 # Blossom estimates by Karnataka Planters Association (KPA) Source: Coffee Board of India and KPA

However, exporters feel it is too early to make any firm predictions on the exact crop size for the year. The accurate picture will only emerge when the post-monsoon predictions are made, said Ramesh Rajah, president of

the Coffee Exporters Association of India.

"This year, the Robusta production could be lower compared to last year and the Arabica output will be same as last year at about 85,000 tonnes. We expect total production to be lower by 10 per cent and total output could decline below the 300,000-tonne mark after three years," he said.

Gurjer added yields could be lower this year due to white stem borer attacks on plants following a spell of dry weather after blossoming last year. The Robusta variety is more sensitive to droughts and dry spells, which lead to white stem borer attack on plants.

## Sugar mills eye forward contracts with bulk buyers



Sugar companies are looking forward to the added flexibility from the partial decontrol announced recently by the central government to enter into forward contracts with bulk buyers.

Sanjay Tapriya, director, finance, at Simbhaoli [Sugar Mills](#), said, "With the levy arrangement and [quota system](#) being discontinued, it will be easier for mills to enter into forward contracts with buyers like ice-cream and beverage companies. Generally, these start buying when winter begins, for their products in the summer."

Such an arrangement would give mills more stability, avoiding open market volatility.

Asitava Sen, head of food and agri business research at Rabo Bank, said, "Institutional food and beverage demand for sugar accounts for 30 per cent of the sugar available in India and is rapidly growing."

Until now, bulk buyers were restrained from entering into forward contracts as the sale release mechanism was complex, where even mills were unsure on how much sugar would be available for the open market. Since this has gone, forward contracts will now be possible.

Meanwhile, the price of sugar in the open market after decontrol has come down because exports have been halted due to unviable prices. State governments were asked to procure their requirement for the Public Distribution System from the open market after decontrol. As a result, prices in many regions have fallen below the cost of production. In Uttar Pradesh, the

second largest producer, prices are Rs 3 a kg lower than the cost of production, said a senior official of a UP mill.

Mills are now relying more on byproducts. Last month, tenders were floated for supplying ethanol for mixing with petrol. A price of Rs 35 a litre has been fixed, 30 per cent higher than earlier. Rating agency Icra has said, "Prices of byproducts such as bagasse and molasses continue to remain remunerative, driven by healthy demand from consuming sectors such as power, paper and alcohol. Higher realisations for fuel ethanol in the current financial year will further result in improved returns from byproducts."

Further, forward integration into distilleries and power generation continue to yield healthy returns, driven mainly by a supportive regulatory framework and healthy offtake, and pricing for alcohol and power, said Icra.

### Sugar imports could jump



[Sugar imports](#) by India, the world's biggest consumer, are set to surge as a slump in global prices to the lowest level in almost three years spurs purchases by refiners, according to a millers' group.

Processors have imported 1.1 million tonnes of raw sugar since October 1, including as much as 468,000 tonnes for sale in the local market, Vinay Kumar, managing director of the National Federation of Cooperative Sugar Factories, said in an interview. An additional 416,000 tonnes has been contracted for delivery in the coming months, he said.

Sugar tumbled to the lowest in 34 months in New York yesterday on signs the harvest is accelerating in Brazil, the world's largest grower. Production globally will be 10 million tonnes more than consumption in 2012-2013, boosting a glut for a second season, the London-based [International Sugar Organization](#) said yesterday.

"Imports will increase which will further damp domestic [sugar prices](#)," Kumar said by phone. "We don't need sugar imports as there is a surplus locally."

Inventories might jump 45 per cent to 9.7 million tonnes on October 1 from 6.7 million tonnes a year earlier as output exceeds consumption for a third year, Kumar said. That will leave an exportable surplus of 3.87 million tonnes even after keeping about 5.8 million tonnes to meet demand for three months, he said. Futures are heading for a third year of declines, the longest slump since 1992.

## Farmers' stir may shift Barmer refinery site

JAIPUR: The Barmer refinery-cum-petrochemical complex is likely to be relocated to Pachparda tehsil following protest by farmers at Leelala over compensation.

In the task force's meeting on Monday, it was decided to look for another location and expedite the construction work. A team of Hindustan Petroleum Corporation Limited (HPCL) officials will visit the new site soon. If [HPCL](#) officials are satisfied with it, the government may soon begin the acquisition process.

"HPCL officials will now visit Pachparda to inspect the proposed land. Government has nearly 11,000 bighas there and the refinery needs 9,500 bighas. The proposed land is in a single patch and suitable for the project," said Sudhansh Pant, secretary, mines and petroleum. Sources said the agitating farmers were demanding 100% of the existing DLC rates. "The demands are not feasible and unreasonable. No party has ever asked for such a huge package," said a government official.

If the refinery comes up at new place, the HPCL will have to lay 30 kilometres extra pipeline to connect Mangla terminal with the actual site of exploration.

## Farmers' count increases in Madurai

MADURAI: In what may come as a surprise package to the farming community, the number of farmers in Madurai district has increased marginally, even as there is a decline at [the national](#) level. In 2001, there were 3.1 lakh land holdings or farmers for a population of 25.78 lakh in the district. But now, the number has gone up to 3.28 lakh against a population of 30.41 lakh in 2011. However, officials say that the numbers might not necessarily mean that more people have taken up farming. "The rise in the number of farmers against the total population may be due to the division of lands between siblings," officials said.



Out of total area of 3.74 lakh hectares in the district, the figure of cultivated land is on the steady decline, though not alarming and there is a marginal increase in the number of farmers when compared to previous census. "Though the figure on cultivable land remains more or less static, most of the agricultural lands are being converted into housing plots. Interestingly, these housing plots will remain as agriculture lands till the buildings are constructed. If the true assessment is undertaken, the loss of agricultural land will be alarming," the survey official who did not want to be quoted, said.

The accounts of farmers will be more depressing even from the pioneering farmers in the district. Among the tens of farmers who attend the monthly grievance redressal meeting, R Arulprakasam, 41, from Thuyaneri and A N M Thiruppathi, 40, from Kulamangalam villages appear to be the younger lot. Though these two farmers are graduates from a reputed institution in Madurai, they willingly opted for agriculture and are known as pioneering farmers.

"There could be some more youngsters in agriculture but they don't seem to be forthcoming and attending the meetings," says Arulprakasam.

After completing his masters in English from the American College, he was working as translator for foreign universities and earning a handsome amount. "I quit it because I liked agriculture, but after a decade I really regret doing so," Arulpragasam says.

"With my educational background, I look out for all the new technologies in agriculture and adopt them, yet it does not work. Agriculture is no more profitable," he rues.

"Everyone depending on agriculture and supplying inputs make big money including the workers because they have alternate work, but not the farmers who toil hard for nothing. We don't get returns because we are not entitled to fix the prices of our produces but somebody else," Thiruppathi says. "To cultivate 20 acres a season, I had to either sell one acre of my land or pledge it. Every agriculture input prices have soared high but not the prices of our produces," he points out.

"We don't need any subsidies or aids from the government, not even the free electricity. We need just one thing - the right to fix the price for our produces," says Thiruppathi.

"As days go on, I am getting frustrated with cultivating all the land I have. Nobody is ready to take note of our plight - neither the government nor the people for whom we cultivate. The indifference meted out to us depressing and I am deeply contemplating to cultivate what I need for my family and leave the rest of my lands barren. Why should I feed the people to whom I don't matter anymore?" asks Arulprakasam.

### **Rising mercury hits cotton crop in Punjab, Haryana**

Chandigarh: Extreme hot weather is affecting cotton crop, especially late-sown in both Punjab and Haryana, say farmers and experts. There are reports of burning of crop leaves in many parts of the major cotton growing districts in the two states where it is a major kharif crop after paddy and basmati and account for nearly 12-13% of India's total output of the fibre crop.

Farmers are reporting burning of cotton leaves due to higher temperatures, which are hovering around 45 degrees celsius in the region, from Abohar, Muktsar, Bathinda and Mansa districts of Punjab. In Haryana, farmers from Sirsa, Hisar and Bhiwani have cited the same problem especially for cotton which was sown in the past 7-10 days.

"Now when the temperature has crossed 46 degrees celsius, cotton crop has been hit hard as the leaves are burning. We fear that the leaves may start getting curled, which affects the ripening and germination process," said Buta Singh Burjgill, chief of farmers' group Bhartiya Kisan Union (Dakonda).

Farmers are worried rising temperatures along with lesser availability of canal water may have an adverse impact on the growth of crop, which is at leafing stage now. "We need to irrigate the fields regularly in order to save our crop from burning. If such weather conditions persist a little longer, it may affect the growth and productivity of cotton. Extremely hot weather at the flowering stage may even lead to wilting," said Ajay Singh Godara, a farmer from Hisar district in Haryana.

"The scorched and withered cotton leaves are making farmers pray for weather to tame its fury," said an aggrieved Karnail Singh, a farmer from Muktsar. He said farmers have to spend a lot on buying cotton seeds particularly the genetically modified BT Cotton, which is growing in over 90% area in both Punjab and Haryana.

"I am worried that we may have to sow the crop again, if weather continues to be scorching. This will raise the production cost and seeds may not be available easily now," said [Baljinder Singh](#) Kotbhara from Talwandi Sabo area of Bathinda.

Another farmer from Bathinda, Mohinder Singh, said cotton fields with burned leaves and parched surface can be seen all over the cotton belt of Punjab.

Noted farm economist and marketing consultant, Punjab State Farmers Commission, P S Rangri admitted that weather conditions are not suitable for the growth of cotton in the major crop-growing districts. "There are reports of burning of cotton leaves in the areas where the crop has been sown late. But it is too early to say if it will lead to crop failure," he said.

While the farmers are worried about the impact of rising temperature on the crop, officials and traders say the impact on cotton due to adverse weather conditions may be minimal. Rakesh Rathi, president, North India Cotton Association, said burning of cotton leaves during summers is a common problem. "Though the temperatures are extreme this time, it may not cause much damage to the cotton crop. There are reports of burning of cotton leaves, but the situation is not alarming," said Rathi while allaying fears of farmers that the crop may be hit by scorching sun.

Meanwhile, the officials from the Punjab [agriculture department](#) said cotton has been sown in over 4.8 lakh hectares in the state till Thursday, which was 4 lakh hectares on the corresponding day in 2012. Area under cotton crop for the 2013-14 marketing season is estimated to be around 5.8 lakh hectares in Punjab.

Chennai

Chennai - INDIA

### Today's Weather



Partly Cloudy

### Friday, May 24

Max Min

38° | 29°

Rain: 0

Humidity: 47

Wind: normal

Sunrise: 05:41

Sunset: 06:29

Barometer: 1004

### Tomorrow's Forecast



Partly Cloudy

### Saturday, May 25

Max Min

39° | 29°

### Extended Forecast for a week

| Sunday<br>May 26 | Monday<br>May 27 | Tuesday<br>May 28 | Wednesday<br>May 29 | Thursday<br>May 30 |
|------------------|------------------|-------------------|---------------------|--------------------|
|                  |                  |                   |                     |                    |
| 39°   29°        | 40°   29°        | 41°   29°         | 41°   29°           | 40°   29°          |
| Partly Cloudy    | Overcast         | Overcast          | Overcast            | Overcast           |

### Airport Weather

Delhi

Rain: 0    Sunrise: 05:26  
Humidity: 24    Sunset: 07:09  
Wind: normal    Barometer: 1002

