THE HINDU

India latches on to G-33 plan to pay farmers inflation-linked price

Full inflation allowance will help food-security conscious government procure grain

The government will place before the Cabinet, as also Parliament, a fresh G-33 proposal which seeks to enable developing economies to meet the challenges of food security for their large populations.

As per the proposal, to be discussed at the December WTO meeting in Bali, developing nations must be allowed to factor in the much higher inflation rate occurring in their economies to justify higher procurement prices offered to farmers.

Currently, the reference price for procurement is linked to what was decided in 1986-88 when the Agreement on Agriculture (AoA) was negotiated under the World Trade Organisation. India, which has had over 500 per cent inflation (compounded) since 1988, made out a case for full inflation allowance which will help the government procure grain from farmers. The proposal of the G-33 countries is in line with India's position but the West will resist this change. Clause 18.4 of the AoA does mention that developing economies shall receive "due allowance for inflation" in determining procurement prices.

The United States and the European Union are arguing that the AoA does not commit full allowance for inflation and have proposed a "peace clause" which offers to defer this matter by three years during which period the developing countries can continue to procure grain as they are doing now even if it is violative of the AoA.

To push for full allowance

India is wary that accepting the peace clause may be tantamount to conceding that the AoA is being violated. It, therefore, wants to stand its ground and push for the G-33 proposal seeking full allowance for excess inflation.

Since this is an election year, the UPA is being careful and will take the matter to the Cabinet as well as Parliament before taking it up at Bali. The food security question is expected to dominate the WTO meeting.

For India, the Bali meeting is critical because its food security law will entail procuring over 60 million tonnes of foodgrains to feed 70 per cent of the population.

India is the largest public procurer of grain and Indonesia is the other developing economy which has a strong food procurement policy.

Incidentally, Pakistan is also on the same page as India but delivers subsidised food through direct cash transfer.

- ***At present, reference price for procurement is linked to what was decided in 1986-88***
- ***Agreement on Agriculture does not commit full allowance for inflation, say U.S. and EU***

‘Purchasing centres to provide farmers MSP’

Minister inaugurates paddy and maize purchasing centre at Karimnagar agricultural market

Quality check:Minister for Civil Supplies D. Sridhar Babu inspecting paddy, in Karimnagar on Monday.- Photo: Thakur Ajaypal Singh

Minister for Civil Supplies D. Sridhar Babu has said that there was an increase of 25 per cent production of paddy produce during this kharif season following the bountiful rainfall in the State.

Speaking after inaugurating the paddy and maize purchasing centre at the Karimnagar agricultural market yard on Monday, the Minister said that the government had opened the purchasing centres to provide the farmers the minimum support price. He said that they had launched the procurement of paddy produce through IKP centres from 2008. Out of 2124 IKP procurement centres in the State, the Karimnagar district was having 600 centres, he said and added that the district IKP centres were expecting procurement of 6 lakh metric tonnes of paddy during this season.

He said that the government had increased the minimum support price for the paddy from Rs.910 per quintal to Rs.1,345 per quintal.

He said that the fine variety of paddy produce was having MSP of Rs.1,500 per quintal to encourage farmers. He said that the cotton MSP was fixed at Rs.4,000 per quintal and maize at Rs.1,310 per quintal.

For better yield, farmers look up to monsoon

Going by the heavy rainfall last week, the North-East monsoon holds promise, farmers in the district said.

According to S. Nallasamy, president of Lower Bhavani Farmers' Association, rainfall was particularly more in Gobichettipalayam and Sathyamangalam areas compared to other parts of the district.
Paddy cultivation is progressing in full swing throughout the district. However, due to the depletion of ground water over the years, the farmers could not raise nurseries in time.
That explains why farmers are still at the stage of sowing in areas irrigated by the Lower Bhavani Canal, he added.

Better cultivation

According to him, the inflow in the catchment areas of the Bhavani Sagar Dam would not be as much in North-East monsoon season compared to South-West Monsoon, as the latter was of a much lengthier duration. Water storage in the Dam was now at about one-third of its capacity of 32.8 tmc, and may not be sufficient.
But, when compared to previous years, the rainfall during the North West monsoon season in the areas under cultivation was much better,.There is hope that the comfortable water position would sustain until the end of the crop season, Mr. Nallasamy said.

Pay compensation, say farmers from Karur

Seeking their share:Farmers from Karur district , who submitted petition to railway officials demanding that compensation be given to them, in Salem on Monday, for the land acquired for Salem - Karur railway project.- PHOTO: P. GOUTHAM.

About 40 farmers, who had given their land for Salem — Karur broad gauge project, submitted their petition to Salem Divisional Railway authorities here on Monday demanding that compensation be given to them as per the court order.
In their petition, farmers said that part of their land was acquired for the project in 1996-1997 for a meagre compensation.

Though they demanded adequate compensation, their requests were turned down and hence farmers filed case in the court in Karur. The judgment was pronounced last year that listed enhanced compensation for each farmer.
Although a total of 256 farmers were paid compensation as per the court order, 66 farmers had not yet received their shares. They also said that they have lost their livelihood because of the project and demanded that enhanced compensation be settled immediately.
They submitted their petition to the senior engineer, who sought one week time to reply.
Farmers said that they had submitted a petition to the Southern Railway General Manager Rakesh Mishra during his recent visit to Karur junction demanding the same.

Farmers disappointed

Farmers across the district have expressed disappointment as the district administration has made it clear that the special grievances meeting for farmers will not be conducted till the Model Code of Conduct (MCC) is in effect – on October 4, ahead of the by poll in Yercaud Assembly Segment. It will be in effect till the result of the by poll is announced.
As part of the MCC, the district administration had issued statements stating that the regular and grievance meetings will not be held until the elections are over. On Monday, officials from the Agriculture Department informed some of the regular participants in the monthly farmers' grievances meetings that the meeting will not be conducted this month.
"The official said that the monthly farmers grievance meeting – that is conducted on the third or fourth Friday – will not be conducted in October and November and that the next meeting will be conducted only in December. This has come as a shock for the farmers community", President of United Farmers Association of Tamil Nadu C. Vaiyapuri said.
He noted that with the arrival of the North East Monsoon agriculture is picking up after a dry season that lasted for about one and a half years.
"Now is the season when agricultural is at the peak of the year. An announcement that farmers from across the district won't have a platform to get our grievances redressed, because of a by poll in an Assembly Segment, is disappointing", he added.
The farmers association President said that they would make a representation to the Returning Officer of the assembly segment, the District Collector (District Electoral Officer) and to the Chief Election Commissioner to consider the plight of farmers of this district and to conduct the monthly grievances meetings for farmers in October and November.

Villagers protest against shrimp farm

Villagers from Kalaignanapuram, Thulukkankulam and Naduvur in Vilathikulam taluk staged a demonstration on the Palayamkottai Road here on Monday, demanding closure of a private shrimp farm situated close to these villages.
Suyambulingam, who led the agitation, said groundwater had turned brackish and the villagers could hardly consume water as waste water was not treated by the shrimp farm. Hence, the authorities should cancel the licence of the firm, he demanded.

Farmers protest plan to acquire lands for SIPCOT estate

Aggrieved lot:A section of farmers from Manapparai who submitted a petition to the Collector against the land acquisition for an industrial estate by SIPCOT, in Tiruchi on Monday.— PHOTO: R.M. RAJARATHINAM.

A group of farmers and agricultural labourers from a cluster of villages near Manapparai has urged the State government to desist from wetland acquisition proceedings for setting up an industrial estate by Small Industries Promotion Corporation of Tamil Nadu (SIPCOT).

In a memorandum to Jayashree Muralidaran, Collector, at the weekly grievances day meeting here on Monday, the farmers referred to the survey being taken up in their villages for acquiring lands for the industrial estate.

The memorandum said different types of lands were available in the villages of Chokkampatti, Seethapatti, and Periyapatti in K. Periyapatti village panchayat near Manapparai.

“Farmers have set up irrigation wells and have been cultivating various crops for the past five decades. The soil and irrigation facility has been suited for cultivating paddy, sugarcane, banana, and tamarind, and we have been raising three crops a year,” said K.Senthilkumar, chairman of Manapparai panchayat union.

P.Viswanathan, State president of Tamizhaga Eri and Atrupasana Vivasayigal Sangam, who led the farmers, said wet, dry, and waste lands were available in the villages.

He suggested that the State government spare the irrigated fields and instead, acquire the dry lands or waste lands.

The acquisition of dry and waste lands would benefit the farmers and promote industrial growth in the area. The farmers wanted adequate compensation and job opportunity for the legal heirs of the land owners.

Rs. 1.10 cr. disbursed among 55 farmers

Rajampet Sub-Collector Preethi Meena disbursed cheques for Rs. 1,10,77,522 to 55 farmers of Puttayapalli, Gudugunur and Rajupalem villages in Badvel mandal in lieu of 61.62 acres of their land taken over under Kamalakur anicut, in a programme in the sub-collector office.

Later, she discussed with tahsildars about revenue sadassus, selection of beneficiaries for the seventh phase of land distribution, disposal of people's grievances and other related issues. Badvel Village Revenue Officer Amarnath Reddy and Food Inspector Chandrasekhar participated.

Gadgil report farmer-friendly: member

There are provisions in the Madhav Gadgil committee report to protect ecologically important grasslands in the Western Ghats, V.S. Vijayan, a member on the panel has said.
He said the region had been categorised into three zones based on topographical features.
Speaking to *The Hindu* on Monday, he said the grasslands in Idukki, especially the Wagamon hills, had been recommended for scientific protection. The Kasturirangan report, he said, categorised the region into two based on vegetation and left behind the grasslands that had a major role in any conservation drive.
"The Kasturirangan report lacks scientific approach," he said adding that factors such as soil condition, whether landslip prone or not, earthquake proximity, and biodiversity spread were evaluated for conservation efforts in the Gadgil report.
The opposition to the report in Idukki district was not based on facts. There was a campaign to emotionally drive farmers against the report, he said. "There is not a single word in the report that harms the farm community," Dr. Vijayan said adding that it was farmer-friendly.
There were many suggestions for improving the quality of life of the farmer and protecting his/ her livelihood, Dr. Vijayan said. The farmer was the main decision-making agent at the grassroots as per a suggestion in the Gadgil report.

The Gadgil report was democratic to the core as it entrusted the grama sabha and the grama panchayat to decide on Ecologically Sensitive Area (ESA) status and the development works to be taken up there, he said.
He said categorisation of the ESA in the Madhav Gadgil report was only tentative and it was up to local bodies to decide on the matter. It was the constitutional right provided to the local bodies to decide at the grassroots and they had been given importance in deciding on matters related to conservation and protection of environment.
Dr. Vijayan suggested that the report should be translated and distributed at the grassroots level to clear apprehension in the farmer community.
The Western Ghats was considered a single entity and the division of taluks based on scientific factors and it was for the local bodies to decide on the activities to be taken up there, he said.
The grasslands and cultivated and populated areas were all given due importance while specifically underlining natural phenomena such as earthquake, cloudburst, and climatic changes for a long-term plan.
For Idukki, where rain shadow areas are increasing along the border, the report has plan for rejuvenation of the green cover based on a scientific conservation approach on the Western Ghats, he said.

Settle farm workers' dues, says KSKTU

Seeks strict implementation of wetland conservation Act

P.K. Gurudasan, MLA, inaugurates a dharna staged by the Kerala State Karshaka Thozhilali Union in front of the Kollam collectorate on Monday.— Photo C. Suresh Kumar

Hundreds of farm workers under the banner of the Kerala State Karshaka Thozhilali Union (KSKTU) took out a march to the collectorate here and staged a dharna there seeking action on the various demands raised by them.
The demonstrators, a good number of them women, blocked all the three gates of the collectorate complex.
The main demands included protection of the agriculture sector, strict enforcement of the Kerala Paddy Field and Wetland Conservation Act, and the allocation of Rs.100 crore to the Kerala Agricultural Workers Welfare Fund Board for the settlement of all welfare fund dues. The workers had been seeking a monthly pension of Rs.1,000 to all farm hands. CPI(M) Central committee member P.K. Gurudasan, MLA, inaugurated the dharna.
KSKTU district secretary D. Rajappan Nair presided over the meeting.

State secretary B. Raghavan, CPI(M) district secretary K. Rajagopal spoke, among others, addressed the gathering.

Bankers to reschedule loans to farmers

With the suggestion from the district administration, bankers on Monday agreed to reschedule loans of farmers in Phailin cyclone-affected areas of Srikakuam district. The Collector Saurabh Gaur interacted with the bankers and explained the plight of farmers. The bank officials also said that they also wanted to provide a helping hand to the victims while agreeing to reschedule loans to farmers and fishermen. Joint Director of Agriculture Department has been asked to issue letters explaining the damage to the respective farmers. Andhra Bank DGM A. Ramakrishna Rao, RBI Assistant General Manager Anuradha and Srikakulam DRDA Project Director P. Rajanikantha Rao were present .

State announces special package for farm sector

BHUBANESWAR, October 22, 2013: The State Government on Monday announced a special package for agriculture and other sectors which sustained loss due to severe cyclonic storm and consequent flood.
The government said that agricultural input subsidy at the rate of Rs.4,500 per hectare for rainfed areas, Rs.9,000 per hectare in assured irrigated areas, and Rs.12,000 per hectare for all types of perennial crops restricted to sown areas shall be provided to the affected farmers. Perennial crops will include mango, cashew, coconut, kewra, betel vine, etc.
The minimum assistance to any affected farmer shall not be less than Rs.2,000 by administering both ex gratia assistance and agricultural input subsidy, the government said. The eligible amount will be paid to the actual cultivators who have suffered crop loss to the extent of 50 per cent or more and will be assessed jointly by the agriculture and revenue personnel.
The government also announced several other measures for the affected farmers.

Cotton crop estimated at 381 lakh bales

The Cotton Association of India (CAI), in its third estimate, on Monday, said the cotton crop for the season 2013-14, that began this month, was expected at 381 lakh bales (each bale is 170 kg).
Even as late rains delayed arrivals of seed cotton, the available moisture is likely to help increase yields, and result in a larger than estimated crop, the CAI said in a release.
If the monsoon withdraws during the next few days, a better crop can be expected, it said.
Earlier, the CAI had placed the cotton crop for the season 2012-13 at 356.75 lakh bales.

Feasibility trials on drip fertigated rice

Research trials on drip fertigated rice must be tested in Sivaganga and Ramanathapuram districts. Tamil Nadu Agricultural University (TNAU) will take up such feasibility trials on drip fertigated rice in semi-dry areas with the support of Netafim company, Vice-Chancellor of TNAU K. Ramasamy said here recently.

Speaking at the three-day international conference on 'Drip Fertigation in Rice' organised jointly by the Water Technology Centre of TNAU, which was attended by delegates from the U.S., China, Japan, Israel and Thailand, he suggested that the company could think of paying the anticipated profit to be earned from the crop to farmers well in advance as an insurance.

"The insurance will attract more small farmers. Taking up innovation feasibility studies at the farmers' field will motivate farmers to innovate more. This strategy can bring about a win-win situation between farmers and corporates. Agricultural innovations cannot be replicated elsewhere without suitable reinventions or local modifications to suit Indian farming systems and socio-economic conditions of farming community," the Vice-Chancellor said.

K. Palanisami, Director, International Water Management Institute, Hyderabad, urged the need to assess the suitability of drip fertigation in rice technology before it was recommended to farmers in any particular locale. He called for the need to do a geographical mapping of drip fertigated rice technology.

Soaring vegetable prices fuelling inflation: Rangarajan

Suggests increasing output and improving marketing arrangements

(From left) Triplicane Cultural Academy president G .Narayanaswamy, Prime Minister's Economic Advisory Council Chairman C .Rangarajan and vice president of the Academy V.Murali at the diamond jubilee celebrations of the academy in Chennai on Monday.Photo: .K.V.Srinivasan

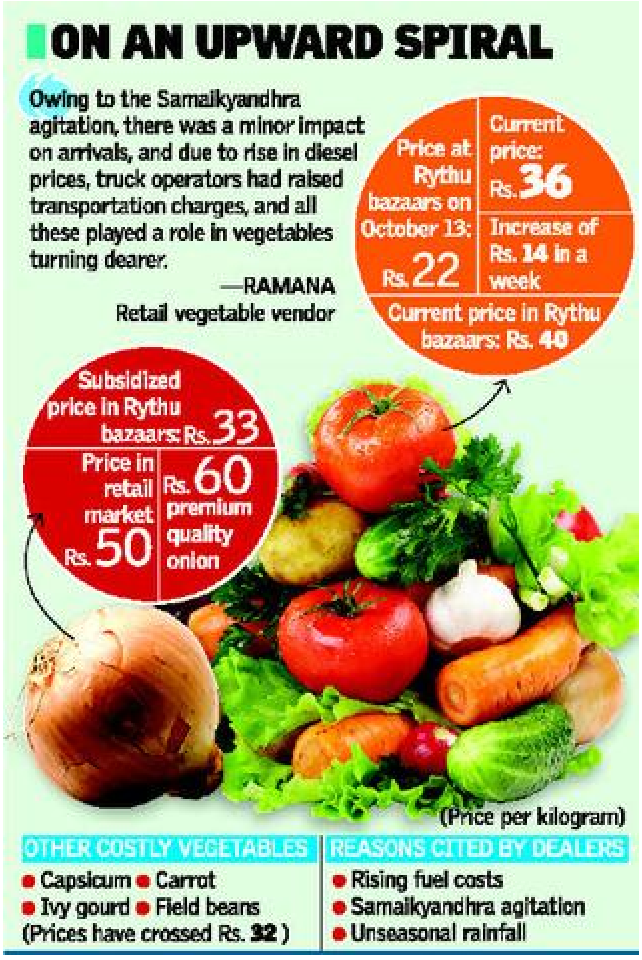
Manufacturing sector growth, which has been disappointing so far this fiscal, is expected improve in the second half due to a host of reasons, including the serious effort being made to remove the bottlenecks in the clearance and implementation of large projects, well-known economist C. Rangarajan said on Monday.

Other factors that will spur growth, besides the full impact of the growth-friendly measures in the last six months such as liberalising of FDI norms, include the emphasis laid on achieving production and capacity creation targets in key infrastructure sectors and a strong pick up in exports in recent months, he said.
Dr. Rangarajan, who is the Prime Minister's Economic Advisory Council Chairman, said the current fiscal might be better compared to the previous two fiscals, and the growth rate could be between 5 and 5.5 per cent. "The Council had projected 5.3 per cent [growth] and that will hold," he said, delivering a special lecture on 'Indian Economy – Challenges Ahead' here. The lecture was organised by The Triplicane Cultural Academy, which is celebrating its diamond jubilee, and The Kasturi Srinivasan Library.
The major macro-economic concerns were inflation, current account deficit (CAD) and fiscal deficit. Food inflation, he said, was the main factor for pushing overall inflation and that it was not rise in prices of grains, as in 2009-10, but soaring vegetable prices that were fuelling inflation. The answer lies in increasing output and improving the marketing arrangements – archaic in the case of vegetables.
Noting that high growth does not warrant a high level of inflation, Dr.Rangarajan said price stability is a pre-condition for sustained high growth. On CAD, he said the Indian rupee is well corrected for inflation and if the present trend in exports and imports continued, it may be even below the estimated $ 70 billion. "Capital flows will not only be adequate to cover the deficit but may even add to reserves, he added. With regard to fiscal deficit, the former Reserve Bank of India Governor said there is a need to raise the revenue-GDP ratio and contain expenditure, more particularly subsidies which need to be pruned, well-focussed and prioritised.
"Government has to decide which subsidies must take preference over others. What is needed is to have a fix on the quantum of subsidies to be provided as a proportion of GDP or of government revenue," he said, adding several policy actions that may be not popular were needed.
In terms of sectoral constraints, Dr.Rangarajan underscored the need for improving agricultural production and address the issue of electricity. He also stressed the importance of good governance, which essentially would be efficient delivery of services and ideas with actionable projects, and inclusive growth.
Noting that growth by itself is not everything unless it happens to be inclusive, he said achieving inclusive growth is a mark of economic statesmanship.
The Academy president G.Narayanaswamy and former bureaucrat B.S.Raghavan spoke.

Vegetable prices bite, buyer frets

With Deepavali fast approaching, rising vegetable and onion prices continue to hassle consumers in the capital. It has been over a month, and the subsidized price tag of onions in Rythu bazaars still reads Rs. 33 per kg, while the price in the retail market continues to be around Rs. 50 per kg. Mind you, the price of premium quality onion still sails over Rs. 60 per kg.
Catching up fast, the prices of vegetables, especially tomato, are making consumers feel the pinch as their monthly budget has been hit. Tomato that was offered at Rs. 22 per kg in Rythu bazaars on October 13 is now sold at Rs. 36 per kg, an increase of Rs. 14 per kg in over a week. The same tomato is offered at Rs. 40 per kg in mobile Rythu bazaars in various localities.

It is not just tomato, the prices of capsicum, carrot, ivy gourd and field beans have crossed Rs. 32 per kg. Right from rising fuel costs, Samaikyandhra agitation to unseasonal rainfall, Rythu bazaar officers and retail market dealers have listed out the reasons behind the escalating prices of vegetables.



Everyday, nearly 100 quintals of tomato arrive at each Rythu bazaar in the capital, but in the last few days, the arrivals have come down to 80 quintals. Apart from low supply, unseasonal rains that lashed the State have damaged tomato crops to a large extent, explains a Rythu bazaar estate officer.

“Last week, the authorities had said that onion prices would come down in a few days. They also said that the arrivals would improve, aiding in bringing down the prices, but, unfortunately, the supplies did not improve, and prices continue to be high,” he adds.

Also, low arrival of vegetables in the wholesale market at Bowenpally has impacted prices. Owing to the Samaikyandhra agitation, there was a minor impact on arrivals, and following the rise in diesel prices, truck operators had raised transportation charges, and all these have played a role in vegetables turning dearer, explains Ramana, a retail vegetable vendor at Domalguda.

Vegetable prices hit the roof in Chittoor

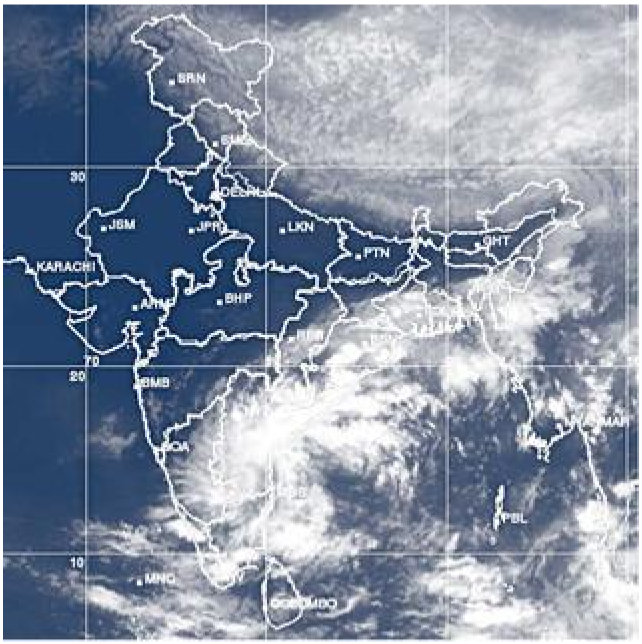
Traders attribute the price rise to the Phailin devastation in Odisha and North Andhra.– File Photo

After a brief lull, the prices of vegetables have once again soared high, causing concern among people in Chittoor district. With the festival of Deepavali just a few days away from now, the high prices of vegetable is set to add to the woes of the consumers.
On Monday, the onion price stood at Rs 70 per kg, even the rotting variety was sold at Rs 50 per kg at the vegetable market here. Five days ago, the price was below Rs. 50 for moderate varieties. Similarly, the tomatoes per kg is priced at Rs 60 per kg while it was Rs. 14 last week. The garlic price too doubled from what it was last week. Prices of other vegetables too remained slightly high.
The traders attributed the reason for the price increase to the Phailin devastation in Odisha and North Andhra, and drastic fall in the supply of onion stocks from Maharashtra and Karnataka. Limited stocks in the markets at Chittoor, Madanapalle, Punganur, Palamaner and Kuppam led to a suspicion among public that the onions were subjected to hoarding in view of the ensuing Deepawali season. It is observed that the price of onion might shoot up to Rs. 100 for the festive season.
The financial stringency among the public in the aftermath of the Samaikhyandra bandh has a direct impact on the business, with few takers for the onions. This phenomenon with onions and tomatoes indirectly affected the meat sales in the rural side, with people adjusting to the prevailing onion crisis.

HR&CE Dept. issues guidelines for upkeep of cow sheds

Taking a serious view of reports of lack of care of cows kept at the Tiruvannamalai Arunachaleswarar temple, the Hindu Religious and Charitable Endowments (HR&CE) Department has come out with a detailed set of guidelines for proper maintenance of cow sheds (‘goshalas’).
The guidelines, among others, emphasise on providing adequate fodder and ventilation, obtaining advice of veterinarians for providing the right quantity of fodder to the cows and making arrangements for grazing fields. Special attention should be given to pregnant cows. The field officials should carry out periodical inspection of cow sheds once in 15 days.
The guidelines follow an order issued by the State government, framing another set of guidelines on the disposal of old cows, bulls, bullocks and calves donated to temples.
To ensure that the cattle are not sent for slaughter, executive officers of the temples concerned have to carry out inspection of cow sheds, which may be maintained by some Hindu Mutts, Jain organisations, non-government organisations.
The cattle may be given free of cost to priests of those temples under the control of HR&CE department so that they could use the milk for the temples.

Weather



INSAT PICTURE AT 14.00 hrs. Observations recorded at 8.30 a.m. on October 21st.

	Max	Min	R	TR
New Delhi (Plm)	33	19	0	52
New Delhi (Sfd)	33	17	0	73
Chandigarh	32	17	0	29
Hissar	34	14	0	4
Bhuntar	28	9	0	5
Shimla	20	9	0	66
Jammu	30	17	0	122
Srinagar	25	6	0	15
Amritsar	32	17	0	77
Patiala	33	17	0	9
Jaipur	34	19	0	2
Udaipur	34	16	0	55
Allahabad	31	21	0	300
Lucknow	32	17	0	42
Varanasi	30	21	1	141
Dehradun	29	15	2	34
Agartala	34	23	0	167
Ahmedabad	36	21	0	63
Bangalore	27	19	1	36
Bhubaneshwar	33	25	20	334
Bhopal	32	17	0	26
Chennai	30	23	71	119
Guwahati	32	22	3	213
Hyderabad	31	23	0	124
Kolkata	33	23	15	332
Mumbai	35	25	0	66
Nagpur	33	19	0	167

Patna	31	22	3	194
Pune	33	19	0	22
Thiruvananthapuram	30	23	5	194
Imphal	31	19	0	48
Shillong	23	15	0	63

The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (tr-trace) and total rainfall in mm since 1st October.

MAINLY DRY WEATHER

Rainfall: Rain/thundershowers have occurred at isolated places over Uttarakhand. Weather was dry over rest of the region.

MAXIMUM TEMPERTURE: The maximum temperature changed little over the region. They were above normal in Jammu and Kashmir and west Rajasthan and normal in rest of the region. The highest maximum temperature in the region was 38.3ºC recorded at Jaisalmer (Rajasthan).

MINIMUM TEMPERTURE: The minimum temperature fell in Uttarakhand and changed little over the region. They were normal over the region. The lowest minimum temperature in the plains was 13.5ºC recorded at Nazibabad (Uttar Pradesh).

FORECAST FOR REGION VALID UNTIL THE MORNING OF 23rd OCTOBER 2013: Weather would be mainly dry over Jammu and Kashmir, Uttarakhand and east Uttar Pradesh. Weather would be dry over rest of the region.

Shallow fog may occur at isolated pockets of Uttar Pradesh during early morning.

FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 23rd OCTOBER 2013: Mainly Clear sky.

hindustantimes

Weather

Chennai - INDIA

Today's Weather

Tuesday, Oct 22

Rainy

Max	Min
28°	23°

Rain: 23
Humidity: 89
Wind: normal

Sunrise: 06:00
Sunset: 05:46
Barometer: 1005

Tomorrow's Forecast

Wednesday, Oct 23

Cloudy

Max	Min
32°	25°

Extended Forecast for a week

Thursday **Oct 24**	Friday **Oct 25**	Saturday **Oct 26**	Sunday **Oct 27**	Monday **Oct 28**
30° | 24°	29° | 26°	28° | 26°	29° | 26°	29° | 26°
Cloudy	Overcast	Overcast	Overcast	Overcast

THE NEW INDIAN EXPRESS

Cyclone effect: betel farming on way out

Destruction of the betel vines during land acquisition by Posco and then due to the cyclonic storm Phailin has forced the betel growers to think twice about continuing the cultivation. Sources said nearly 3,000 betel vines were destroyed at the proposed Posco site in Gobindpur, Nuagaon, Gadakujang, Noliashai, Polang, Bhuiyanpal and other areas during the acquisition of 2,700 acres of land. Thousands of vines in Dhinkia and panchayats of Kujang, Ersama, Balikuda and other areas of Jagatsinghpur district were damaged in the cyclone Phailin.

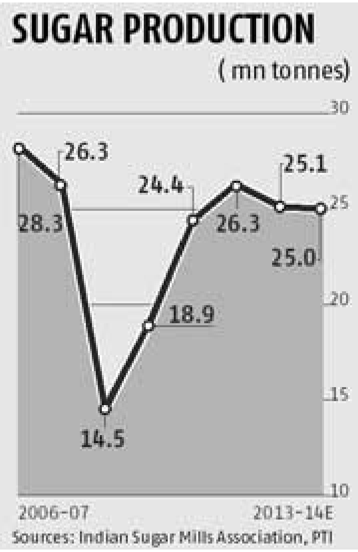
Following the destruction of the crop, the betel farmers are in distress. There have been frequent damages due to various factors including natural disaster, Posco acquisition and non-availability of the raw materials.

As a result, the rate has gone up from around Rs 30 to Rs 50 for 50 leaves. “Earlier we were taking 50 paisa for each tobacco laced betel but now the customers have to pay Rs 2 for the same,” said a betel shop owner in Paradip town. Advent of gutkha and zarda in the market

has also taken its toll on betel business. “Most of the customers are buying gutkha and zarda instead of paan,” he said.
Dhinkia, Nuagaon, Gadkujang and other areas of Kujang and Ersama blocks are famous for cultivation of betel leaf and supply to some parts of the country including Varanasi, Delhi and Mumbai.
Now the betel leaf farmers are no more interested to continue the cultivation because of destruction for industrial purposes and natural calamities. Though the betel leaf cultivation was completely destroyed in the 1999 Super Cyclone, farmers had developed their vines after spending huge amount of money and availing loans as no assistance was provided from the Government at that time.
Niranajan Swain, a betel vine farmer of Ersama said farmers, who lost their vines were getting compensation during land acquisition for Posco project, but they have been deprived of any assistance for loss due to the cyclone. “There is no Government provision for financial assistance due to damage of betel vine in recent cyclonic storm. So, we are no more interested in continuing the cultivation,” he added.
After depletion of bamboo bushes, betel farmers have no money to purchase the bamboo to erect their vines at higher rate. The rate of bamboo, which was between Rs 50 and Rs 100 per piece after Super Cyclone, has gone up to Rs 150 to Rs 200. The daily wage of labourers which was Rs 50 during 1999, is Rs 250 now. Harried, the local farmers have decided to switch over to other profession for livelihood.
Horticulturist of Ersama Dhananjay Mohanty admitted that betel vine cultivators are yet to get any assistance due to damage caused by the Super Cyclone. Nearly 25,000 hectares of betel vines which sustained loss of 50 per cent in Phailin has been included in the survey to assess the damage. However, no decision has been taken regarding the assistance to the affected farmers, he added.

Business Standard

Sugar output down 4.5%, says Isma



India produced 25.1 million tonnes (mt) of sugar in the crop season ended September 30, about 4.5 per cent lower than in the previous crop year, owing to low rainfall in Maharashtra, Karnataka and Tamil Nadu in 2012, the Indian Sugar Mills Association (Isma) said on Monday.

It added 2.5 per cent less sugarcane was crushed in the 2012-13 crop season, while the all-India average recovery rate stood at 10.03 per cent, compared with 10.25 per cent in the previous year. Most analysts and officials feel in the 2013-14 season, sugar production would exceed 25 mt, owing to good rains in the key producing states of Maharashtra, Uttar Pradesh and Karnataka.

According to the first official estimates for the 2013-14 crop season, sugarcane production is expected to stand at 341.7 mt, just 0.82 per

cent more than last year.
Isma said compared to 2011-12, Maharashtra's production in 2012-13 was 11 per cent lower, while Uttar Pradesh produced 7.3 per cent more. Together, Maharashtra and Uttar Pradesh account for about 80 per cent of the country's sugar production..

Mills, farmers differ over fixing cane prices in Karnataka

Sugarcane farmers and sugar mills in Karnataka are at loggerheads over fixation of the cane price for the year 2013-14. The first meeting of the newly-constituted Sugarcane Control Board, which was held here last month, failed to arrive at a consensus on the price as both sides stuck to their stand.

Farmers demand Rs 3,000 a tonne for 2013-14, a rise of 25 per cent over the last year's price of Rs 2,400 a tonne. The state government has announced the first instalment of Rs 2,400 a tonne for the year. However, mill owners have not agreed to this price, saying it does not cover their cost of production.

Kurubur Shanthkumar, president of Karnataka Sugarcane Growers' Association, said the farmers won't accept anything below Rs 3,000 a tonne and would launch an agitation if the government fails to meet their demands. "The mills are making huge profits. They not only sell sugar in the open market, they are also earning from by-products like ethanol, molasses and power. We are asking them to share a fair amount of profits with the farmers," he said.

He pointed out that the mills have announced Rs 2,900 a tonne in Uttar Pradesh and Rs 3,450 a tonne (ex-field) in Gujarat. "Even in north Karnataka, mills paid Rs 2,650 a tonne last year. So, we are asking only Rs 3,000 a tonne this year, which is a rise of 13 per cent over last year and on par with other states," Shanthkumar added. The Centre has announced a fair and remunerative price of Rs 2,100 a tonne on the basis of 9.5 per cent recovery for the year 2013-14.

Farmers in Karnataka are demanding a uniform price of Rs 3,000 a tonne ex-field for a recovery of 9.5 per cent as first instalment and that 75 per cent of the profits earned be shared at the end of the year.

Shanthakumar said the farmers had struggled for more than five years to get the Board constituted, consequent to the enactment of the Karnataka Sugarcane (Purchase and Supply Control) Act 2013. However, there has not been a proper representation to the farmers on the Board, which is not acting in line with the interests of the farmers, he alleged.

"The cost of conversion of sugar for every tonne of cane works out to Rs 500-600 per tonne and the selling price of sugar is Rs 2,600 per quintal currently. This means, after paying Rs 3,000 per tonne of cane to farmers, the sugar mills would end up with a loss of Rs 600-800 per tonne," said a spokesperson for South Indian Sugar Mills Association.

Sugar and Muzrai Minister Prakash B Hukkeri recently said that the Rs 2,400 a tonne purchase price fixed by the government was not the final price and this would be an initial payment to be made by the factories.

The 15-member high-level committee consisting of government officials, representatives of farmers and mills would meet shortly to fix the final price for the cane this year, he had said.

Karnataka is the third largest producer of sugar in the country with 58 mills crushing 33 million tonnes of sugarcane and produce 3.43 million tonnes of sugar annually. The average recovery in Karnataka is 10.39 per cent. Half a dozen mills in South Karnataka have started operations for the current crushing season.

Sugar industry for direct manufacture of ethanol

Sugar mills have urged the government to allow direct manufacturing of ethanol from cane. A practice prevalent globally, to reduce fuel needs, it is currently banned in India due to the fear of massive cane diversion to it, resulting in lower sugar output.Brazil, for example, meets 37 per cent of its annual fuel requirement through ethanol.

The US has moved towards 20 per cent blending of the green fuel with petrol. Currently, ethanol is produced in India as a byproduct of sugar manufacturing. Direct manufacturing of ethanol from cane does not yield any sugar output. As of now, India has surplus sugar of 8.8 million tonnes, set to rise to 10.3 mt by the end of the 2013-14 season.

This will be the second highest sugar inventory India ever had, the largest being 11 mt in 2007-08.

“Hence, we urge the government to allow direct manufacturing of ethanol from cane,” said Abinash Verma, director-general of Indian Sugar Mills Association (Isma).

With the record high carryover stocks, the government introduced several rescue measures for protecting sugar industry in 2007-08. In addition to introducing a five mt mandatory buffer stock, it allowed export incentives on six mt and also an interest subvention on a working capital loan of Rs 3,500 crore for four years. Sugar prices declined by Rs 4-5 a kg to Rs 12-13 a kg in that year. The industry also saw the highest cane payment arrears, at Rs 16,000 crore.

The industry anticipates a similar situation this year. With mounting cane arrears of Rs 127,00 crore this March and sugar prices falling by Rs 5-7 a kg this sugar year (October 2012–September 2013), the government might be asked to again rescue the industry, with similar measures.

With an estimated 1.5 mt of surplus sugar output in the ensuing crushing season, India will have the highest ever carryover stock, of 10.3 mt in 2013-14. Isma has forecast the sugar output at 25 mt in crushing season 2013-14. India’s annual sugar consumption is estimated at

23.5 mt.

At an average of Rs 29.5-31 a kg, the sugar industry estimated yield losses of Rs 3-4 a kg in this season. the price has since fallen further.

There is an urgent need to bring the inventory level to four mt, for which the government should procure two to three mt for a strategic reserve for supply through the Public Distribution System, said an industry official. The government should also raise import duty on white sugar to 40 per cent from the existing 15 per cent to restrict the sweetener's supply into India from Pakistan, he added.

Spice exports see 9% drop

India suffered a setback in the export of spices, especially chilli - the single-largest exported spice - ginger, turmeric and garlic. Overall, shipment during the April-June 2013 period dropped nine per cent at 177,625 tonnes against 195,248 tonnes in the corresponding period of the last financial year. This is mainly because of the economic slowdown persisting in major markets such as Europe and the US, affecting the shipments.

Leading exporters told Business Standard that the off-take by Europe has fallen drastically and this will continue in the remaining months of the current financial year, causing a drop in the overall export. High prices of Indian spices, especially pepper and chilli, also keep importers from the Indian market. Rise in local demand keeps the prices high in India, whereas other major producing countries offer lower tags than India.

However, on value terms, India recorded a 13 per cent growth. This is because of the rise in the prices of major spices such as black pepper, coriander and value-added products. Total export kitty increased to Rs 2,711.48 crore during April-June this year from Rs 2,398.52 crore in the year-ago period. In dollar terms, the growth was nine per cent at $484.11 million.

According to the Spices Board's latest exports data, it is chilli which suffered the most as the cumulative volume dropped 19 per cent. Chilli exports were 65,500 tonnes during the period against 80,676 tonnes in the year-ago period. On value terms, the drop was 12 per cent at Rs 558 crore during the first quarter of FY14, against Rs 635.18 crore in the year-ago period. This is mainly due to the drop in demand across the globe, especially in Europe and in the Gulf region, exporters said.

They pointed out that most of the spices are facing serious problem on the export front as European and US buyers are showing less interest in importing spices from India. In the case of ginger, the drop was 53 per cent, while 30 per cent decrease was reported in turmeric. Ginger export was just 3,700 tonnes in the first quarter of FY14, against 7,870 tonnes in the year-ago period. In the case of turmeric, the figures were 17,500 tonnes and 24,982 tonnes, respectively. Garlic dropped 56 per cent at 3,750 tonnes valued at Rs 16 crore in the first quarter of FY14, against 8,599 tonnes valued at Rs 20.65 crore reported in the year-ago period.

Notably, outstanding growth was recorded in the case of nutmeg and mace and cardamom (small) during the period. As much as 1,200 tonnes of nutmeg and mace were shipped during the period, against 407 tonnes in the year-ago period. On the other hand, 505 tonnes of cardamom were shipped in the first quarter against 198 tonnes during the Q1 of FY13.

In the case of spice oils and oleoresins, 2,815 tonnes valued at Rs 373 crore were exported against 1,851 tonnes valued at Rs 283 crore, recording an increase of 52 per cent and 32 per cent, respectively. As much as 4,400 tonnes of pepper valued at Rs 175 crore were exported, showing an increase of 12 per cent in volume and 10 per cent in value.

A sharp rise in the prices of coriander lifted the value of exports by 65 per cent, although volume of exports increased just three per cent. Ten thousand tonnes of coriander valued at Rs 80.78 crore were exported against 9,735 tonnes valued at Rs 48.88 crore. Export of celery recorded an 87 per cent increase, while that of cumin increased 25 per cent, according to the Spices Board data. About 4,550 tonnes of curry powder/paste were also exported, earning Rs 72 crore in the first quarter of FY14.

Soybean down 0.5% on global cue

Soybean prices fell by Rs 20 to Rs 3,512 per quintal in futures trade today on increase selling by traders, in tandem with weak global cues.

Marketmen said a falling trend in international markets mainly put pressure here in futures trade of soyabean.

At the National Commodity and Derivatives Exchange, soybean for November month fell by Rs 20, or 0.57%, to Rs 3,512 per quintal, with an open interest of 1,15,600 lots.

Near December contract fell by Rs 15.50, or 0.44%, to Rs 3,543 per quintal, having an open interest of 82,510 lots.

Turmeric up 1.2% on upsurge in spot demand

Turmeric prices rose 1.22% to Rs 4,830 per quintal in futures market today after speculators enlarged positions, triggered by an upsurge in spot demand.

At the National Commodity and Derivatives Exchange, turmeric for delivery in November month contracts gained Rs 58, or 1.22% to Rs 4,830 per quintal with an open interest of 15,605 lots.

Similarly, the spice for delivery in December edged up by Rs 44, or 0.90% to Rs 4,926 per quintal in 7,480 lots.

Market analysts said speculative positions created by participants driven by rising spot demand, led to the rise in turmeric prices at futures trade.

India's rice exports may fall to 9.3 mn tons in 2013-14: USDA

Rice exports from India, the world's largest producer and exporter, are estimated to fall marginally to 9.3 million tonnes in 2013-14 marketing year that started this month, a latest report said.

India re-entered the rice exports market in September 2011 after a four-year ban on exports of non-basmati rice. It had emerged as the world's largest rice exporter in 2012 ahead of its Asian counterpart Thailand.

According to the US Department of Agriculture (USDA), rice exports are pegged at 9.3 million tonnes for the 2013-14 marketing year (October-September), slightly lower than 10 million tonnes in the same period last year.

The report did not give reasons for projecting a likely drop in rice shipments for this year.

However, the USDA noted that the Indian government is unlikely to impose any export restrictions in the near future with the forecast of near-record production and "more-than-sufficient" government-held rice stocks this year.

Stating that strong exports may affect domestic price movement, the report said the government has enough rice stocks to control any significant flare up in domestic prices due to the upcoming general elections in 2014.

Assuming normal weather conditions during the harvesting period, the USDA said that the country's total rice production is projected to remain near-record 105 million tonnes, as against 104.4 million tonnes last year. A record rice output of 105.3 million tonnes was achieved in 2011-12.

Earlier, the USDA had forecast rice output of a record 108 million tonnes this year. It has now lowered the rice output projections considering lower planting due to deficient rains in eastern states, the major rice growing region where most of the rice is not irrigated, the report said.

Continued dryness in October in eastern India and the 'normal' cyclones in October-November period across coastal India could damage the standing crop and further temper the prospects of summer-sown rice production, it added.

USDA has pegged overall India's consumption to rise marginally to 96.70 million tonnes during 2013-14, while estimating the total grain availability at 130.5 million tonnes for the same period.

Potato up 1.5% on strong demand

Amid strong demand in the spot market and tight supplies from producing regions, potato prices surged by 1.54% to Rs 898 per quintal in futures trading today.

At the Multi Commodity Exchange, potato for delivery in March month surged by Rs 13.60, or 1.54%, to Rs 898 per quintal in business turnover of 92 lots.

The potato for delivery in April also shot up by Rs 11.90, or 1.40%, to Rs 861.90 per quintal in 3 lots.

Analysts said besides strong demand in the spot market due to festive season, tight supplies following restricted arrivals from producing regions mainly pushed up potato prices at futures trade.

Chilli up 1.9% on spot demand

Chilli prices moved up 1.96% to Rs 6,230 per quintal in futures trade today as speculators built up fresh positions on expectations of a rise in demand in the spot market.

At the National Commodity and Derivatives Exchange, chilli for delivery in November month rose by Rs 120, or 1.96% to Rs 6,230 per quintal with an open interest of 3,150 lots.

Similarly, the spice for delivery in December moved up by Rs 108, or 1.73% to Rs 6,340 per quintal in 1,900 lots.

Market analysts said fresh positions created by speculators amid hopes of a rise in demand in the spot market mainly led to rise in chilli prices at futures trade.

Coriander down 1.6% on low demand

Coriander prices moved down by 1.61% to Rs 6,651 per quintal in futures trading today as speculators reduced their holdings on sluggish demand in the spot market against adequate supplies from producing belt.

At the National Commodity and Derivative Exchange, coriander for delivery in November month moved down by Rs 109, or 1.61%, to Rs 6,651 per quintal with an open interest of 20,630 lots.

Similarly, the spice for delivery in December traded lower by Rs 100, or 1.44%, to Rs 6,830 per quintal in 6,550 lots.

Market analysts said off-loading of positions by speculators due to sluggish demand in the spot market against adequate supplies from producing regions, mainly weighed on coriander prices at futures trade.

THE HINDU Business Line

Kochi tea prices continue to fall

Kochi, Oct. 21:
Kochi tea auctions continue to witness a declining trend with prices of several varieties quoting lower. In sale no: 42, the quantity on offer in CTC dust category was 13,40,500 kg. The demand was fair and the market opened at Rs 5-15 lower. As the sale progressed, the drop in price was more and witnessed 25 per cent withdrawals. The decline in prices was less for the teas which came under the selection of AVT and Tata Global.

There has been a subdued demand from exporters and upcountry buyers. Kerala Loose Tea Traders and regional blenders lent fair support.

Of the quantity of 12,000 kg on offer in orthodox grades, the market was lower by Rs 5 and witnessed heavy withdrawals. Exporters absorbed the small quantity of orthodox dust sold.

In the best CTC dusts, PD varieties quoted Rs 100/115, RD grades fetched Rs 110/140, SRD ruled at Rs 120/145 and SFD stood at Rs 120/152.

There was only a fair demand in the leaf and the quantity on offer in orthodox grades was 163,500 kg. The market for select best Nilgiri brokens and whole leaf was steady to firm. The quantity on offer in the CTC leaf grades was 87,500 kg. The market was lower with heavy withdrawals. In the dust category, Manjolai SFD quoted the best prices of Rs 158 . In the leaf grades, Pascoes Woodlands Hyson Green Tea fetched the best prices of Rs 276.

Spot pepper continues to rally on supply crunch

Kochi, Oct. 21:
Spot pepper continued its upswing and touched the historic high of Rs 433 for the ungarbled and Rs 453 for the garbled varieties on Monday. The futures market also surged on the national exchange on limited activities amid tight availability. There was strong demand from the upcountry markets, market sources said.

On the spot, 25 tonnes of pepper arrived and the offtake was at 27 tonnes.

On the NMCE, Nov and Dec contracts increased by Rs 524 and Rs 1,144 a quintal respectively to Rs 44,560 and Rs 46,000 . On the IPSTA, Nov and Dec contracts remained unchanged at Rs 44,700 and Rs 44,500.

Spot prices rose further by Rs 400 on strong demand at Rs 43,300 (ungarbled) and Rs 45,300 (garbled).

Indian parity in the international market was at around $7,800 (c&f) Europe and $8,100 a tonne (c&f) for the US.

Spot rubber declines further

Kottayam, Oct.21:
Spot rubber declined further on Monday.
The commodity would be under pressure in November and December, due to a possible increase in production, analysts said.
Sheet rubber weakened to Rs 160 (Rs 161) a kg, according to traders. The grade dropped to Rs 161 (Rs 161.50) at Kottayam and Kochi, according to the Rubber Board. The trend was partially mixed.
November futures improved to Rs 161.10 (Rs 160), December to Rs 162.90 (Rs 162.20) and January to Rs 165.05 (Rs 164.73) while the February and March futures remained inactive on the National Multi Commodity Exchange.
RSS 3 (spot) surrendered to Rs 157.58 (Rs 158.84) at Bangkok.
October futures closed at ¥252.9 (Rs 158.55) on the Tokyo Commodity Exchange.
Spot rubber rates Rs/kg were: RSS-4: 160 (161); RSS-5: 151 (152); Ungraded: 147 (148); ISNR 20: 153 (154) and Latex 60%: 122 (122).

Cotton crop estimated at 381 lakh bales

Mumbai, Oct. 21:
The Cotton Association of India has estimated higher production at 381 lakh bales in its third estimate for cotton season 2013-14.
The current estimation is higher by two per cent from 375 lakh bales forecast in September. The Association expects better monsoon and good moisture to improve yield substantially this year. Output in the Central region consisting of Gujarat, Maharashtra and Madhya Pradesh is expected to increase significantly by 19 per cent to 207 lakh bales against 174 lakh bales achieved last season.
Gujarat may post 36 per cent jump in production at 113 lakh bales this season (83 lakh bales). However, cotton output in the northern and southern regions may fall marginally, said the CAI press release.

Teas worth Rs 6.61 crore unsold at Coonoor sale

Coonoor, Oct. 21:
For the fourth consecutive week, the sale volume at Coonoor Tea Trade Association auction has fallen. At Sale No: 42, teas worth Rs 6.61 crore remained unsold. This happened because there were no takers for 45 per cent on offer despite reducing price by Rs 5 a kg over previous week. This week’s turnover dropped to Rs 8.15 crore from the previous week’s Rs 9.28 crore.

Sugarcane area drops in AP; farmers seek Rs 3,500 a tonne

Hyderabad, Oct. 21: With the cost of production going up sharply, sugarcane farmers in Andhra Pradesh have demanded the State Government to ensure a price of Rs 3,500 a tonne for 2013-14.

The Federation of Sugarcane Growers' Associations of Andhra Pradesh has appealed to Chief Minister N. Kiran Kumar Reddy to bring pressure on the Union Government to increase the statutory minimum price (SMP) for this season.

"The State Government should ask the factories to give a remunerative price (State advisory price) over and above the SMP," N.S.V. Sharma, Secretary of the Federation, told *Business Line*.

He also suggested that the reimbursement of purchase tax (which is Rs 60 a tonne) be passed on to the growers and not to the factories.

"If farmers get it, it will bring relief to them. He appealed to the Chief Minister to convene a tripartite meeting with representatives of factories, officials andgrowers to discuss the problems faced by the sugarcane farmers.

Area down

The State grows sugarcane in 1.89 lakh hectares on an average. But the acreage went down by five per cent this year. Unofficial figures, however, put this still lower. As a result, the Government has pared production estimates.

As against the average production of 147 lakh tonnes, the State is expected to produce a tad lower.

In fact, the decrease in area continued for the second consecutive year. While the area dropped by 15 per cent last year to 1.76 lakh ha, it is all set to come down to 1.65 lakh ha next year.

"Farmers planted only in 63,500 ha this year (which will come for harvest next season). With the rattoon crop (the follow-up crop) covering an area of 1.01 lakh ha, the total area could touch the 1.76 lakh-ha- mark," N.S.V. Sharma said.

With the crop turning unremunerative, farmers are shifting to other crops such as maize and oil palm, wherever possible.

"It is only those farmers who cannot afford other crops (based on water availability) are growing cane," he said.

Cardamom steady on matching demand-supply

Kochi, Oct. 21: Cardamom market was steady at auctions held in Kerala and Tamil Nadu last week on nearly matching demand and supply.

Upcountry buyers were buying but the tempo at which they were covering in recent weeks has slowed down as good quantity is claimed to have been bought.

The arrival for a week is estimated to be above 600 tonnes and the main hub, Bodinayakannur where the processing is taking place, does not have adequate infrastructure facilities to handle such huge volumes every week.

Add to this is the shortage of labour, market sources in Bodinayakannur said.

This phenomenon is also being pointed out as a reason for the slow down. Heavy arrivals coupled with these constraints have pushed the prices down, they said.

Exporters also reported to have slowed down their buying and they estimated to have bought around 60 tonnes of exportable variety last week. Arrival of higher grade material has increased significantly during the current season. As a result, the 8mm capsules no longer remain a fancy item, trade sources in Kumily said. It is being sold now at Rs 700-750 a kg, they claimed.

On an average around 600-650 tonnes of new cardamom are arriving every week. The crop would have been a bumper one had there not been such heavy South-West monsoon rains this season, trade sources said. Total arrivals at the Sunday auction of the KCPMC stood at 90 tonnes and the entire quantity was sold out, P.C. Punnoose, General Manager, CPMC, told *Business Line*.

He said the maximum price stood at Rs 850 and the minimum at Rs 408. The auction average was at Rs 593.11. There was no auction the previous Sunday on account of Mahanavami.

The individual auction average last week hovered at around Rs 600 and thus remained nearly steady.

The current season has begun officially from Aug 1 and, the total arrivals up to Oct 20, stood at 5,477 tonnes against 2,744 tonnes last season (as on Oct 24, 2012 as from Sep 24-Oct 23, there were no auctions following withdrawal from the auctions by traders in protest against the rise bidding rates). The sales were at 5,347 tonnes and 2,573 tonnes respectively.
The weighted average price as on Oct 20 stood at around Rs 612.36 against Rs 742.08 on Oct 24 in 2012.

Sugar output slips 4.5%, but consumption goes up

ISMA blames it on lower crushing, recovery

Overall output fell due to lower recovery and less sugarcane crushing.

New Delhi, Oct. 21: Domestic sugar consumption grew 3.6 per cent to 22.8 million tonnes in 2012-13 over previous year, even as production declined 4.5 per cent to 25.14 mt during the period.
The Indian Sugar Mills Association (ISMA) on Monday attributed the decline in last year's output to the lower crushing and recovery levels in Maharashtra.
For the sugar year ending September 2013, production stood at 25.14 mt against 26.34 mt in the corresponding last year. The top two producing States — Maharashtra and Uttar Pradesh — produced 7.99 mt and 7.48 mt, respectively.
Sugar output in Karnataka stood at 3.46 mt, Tamil Nadu at 1.96 mt and Andhra Pradesh at 0.99 mt, ISMA said.
The overall output fell due to lower recovery and less sugarcane crushing on account of insufficient rains in Maharashtra, Karnataka and Tamil Nadu, it said.
An estimated 250.7 mt of sugarcane was crushed in 2012-13 against 257 mt in the previous year. Sugar recovery was down at 10.03 per cent from 10.25 per cent in the review period.
ISMA said the opening sugar balance for the new crushing season starting October 2013 stood at 8.85 mt.

consumption

Sugar consumption, as reported by the sugar mills to the Food Ministry in their statement up to September 30, stood at 22.8 mt against 22 mt in the previous year.

Cotton wilts on rising inflow

Rajkot, Oct. 21:
Cotton price remained under pressure as arrival of new crop has gained during the past one week.
With this, despite reports of crop damage due to heavy rainfall in Gujarat, higher production estimate in the State and country may pull down the fibre more in coming days.
According to a Rajkot-based cotton broker, “Cotton prices are under pressure as arrival of new crop has gathered pace amid sluggish demand. Domestic mills and some export demand were there in the market but was very limited.”
Gujarat Sankar-6 cotton was traded down by Rs 200 to Rs 44,000-44,500 a candy of 356 kg, while rain-damaged cotton stood at Rs 42,000-43,000.
Kapas or raw cotton was traded down by Rs 5-7 to Rs 850-1,070 for a maund 20 kg. Cotton seed was traded at Rs 370-390 a maund.
About 20,000-25,000 bales of 170 kg of cotton arrived in Gujarat and 42,000-45,000 bales arrived in India.
Trade estimates
Meanwhile, the Cotton Association of India (CAI) said here today in its third estimate, that the cotton crop for the season 2013-14, that began this month, is expected at 381 lakh bales .
The Saurashtra Ginners’ Association (SGA) has estimated about 92 lakh bales cotton production in Gujarat for 2013-14.
According to SGA, including arrival from Maharashtra, cotton production of Gujarat likely to be 110 lakh bales.

Mixed trend in sugar

Mumbai, Oct. 21: Sugar prices ruled mixed on Monday. In the spot, prices for fine-bold variety increased by Rs 20-30 on higher demand while declined by Rs 5-10 on the lower side due to fair quality old stocks.

Naka and mill tender rates were unchanged as producers continued selling in local market in the absence of upcountry demand. Morale was steady, said sources.

On the futures market, prices were up for third consecutive day on improved prospects for exports.

An analyst said that Vashi market carries ample stocks and producers are continuously selling in local markets as prices in Uttar Pradesh, Karnataka and Gujarat are ruling at par with Maharashtra forcing upcountry buyers (especially eastern and southern side demand) to nearby producing States.

On the other hand, new crushing season has started with opening balance of more than 95 lakh tonnes and output in 2013-14 is also expected higher.

Arrivals in Vashi market were 62-63 truck loads (of 100 bags each) while local dispatches were also 61-62 truck loads.

On Saturday, 17-18 mills offered tender and sold about 38,000-40,000 bags at Rs 2,700-2,840 (Rs 2,690-2,820) for S-grade and Rs 2,880-3,000 (Rs 2,870-2,970) for M-grade.

Bombay Sugar Merchants Association's spot rates were: *S-grade Rs 2,892-3,055 (Rs 2,902-3,012) and M-grade Rs 3,026-3,282 (Rs 3,031-3,261).*

Naka ***delivery rates were:*** *S-grade Rs 2,830-2,920 (Rs 2,830-2,920) and M-grade Rs 2,950-3,120 (Rs 2,950-3,120).*

Uttar Pradesh rates were: Lakhimpur Rs 3,315 and Muzzafarnagar Rs 3,225.

Upcountry orders still elude Erode turmeric traders

Erode, Oct. 21:
Absolutely no fresh turmeric order was received from North for Diwali.
"Usually about a month back, the traders and exporters will receive good upcountry orders for more than 10-15 tonnes of turmeric. But for the past two years only negligible demand is received from North, as the merchants tere placed very limited orders and purchased cheaper varieties from Maharashtra and Andhra Pradesh," said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.
On Monday, only 2,200 bags of turmeric was arrived for sale.
The local traders have purchased about 1,100 bags and the stockists have purchased only about 100 bags.
The price of the commodity is stable at Rs 5,800-6,000 a quintal.
Traders said that the same price will remain for some more days and added that few bags of quality hybrid variety turmeric arrived for sale, which fetched a maximum price of Rs 6,500. Inferior variety was sold at Rs 5,100.
At the Erode Turmeric Merchants Association Sales yard, the finger variety fetched Rs 4,039-6,014; the root variety Rs 3,799-4,009.
Salem Hybrid Crop: The finger variety was sold at Rs 5,107-6,579 and the root variety Rs 4,509-5,291. Of the arrival of 531 bags, only 108 were sold.
At the Regulated Market Committee, the finger variety quoted Rs 4,619-6,066 and the root variety Rs 4,399-4,909. All the 205 bags found takers.
At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 4,859-6,050 and the root variety Rs 4,903-4,989. All the 264 bags were traded. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety fetched Rs 4,489-5,888; the root variety Rs 4,472-5,042. All the 130 bags were sold.

Range-bound trading likely in rice

Karnal, Oct. 21:

Rice market witnessed a mixed trend with Pusa-1121 rice varieties improving by Rs 50-100 a quintal, on Monday, while all other aromatic and non-basmati varieties managed to rule firm at their previous levels.

Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that fresh buying by bulk buyers mainly pushed Pusa-1121 varieties back in to positive territory. Bulk buyers have taken good advantage by buying at those levels, he added.

Trade may continue to witness a range-bound trend till Diwali, said trade sources. It is unlikely to see any major alteration in coming days and market may continue to rule around current levels with marginal alteration till Diwali, said market sources.

In the physical market, after witnessing a continuous fall over the last one week, Pusa-1121 (steam) improved by Rs 100 and sold at Rs 7,450-7,500, while Pusa-1121 (sela) went up by Rs 50 and quoted at Rs 7,050. Pusa-1509 (sela) quoted at Rs 5,950-6,000.

Pure Basmati (Raw) quoted at Rs 11,000 . Duplicate basmati (steam) sold at Rs 6,000 .

For the brokens of Pusa-1121, Dubar quoted at Rs 3,600, Tibar sold at Rs 4,200 while Mongra was at Rs 3,100 .

In the non-basmati section, Sharbati (Steam) sold at Rs 4,430 while Sharbati (Sela) quoted at Rs 4,200.

Permal (raw) sold at Rs 2,250-75 while Permal (sela) went for Rs 2,300. PR-11 (sela) sold at Rs 2,700 while PR-11 (Raw) quoted at Rs 2,700-25. PR14 (steam) sold at Rs 2,700 a quintal.

Paddy arrivals

About 70,000 bags of PR paddy arrived and quoted at Rs 1,330-1,420, around 15,000 bags of Pusa-1121 arrived and sold at Rs 3,240-3,300, 5,000 bags of Sugandha at Rs 2,400, while 12,000 bags of Sharbati arrived and sold at Rs 2,300. Around 7,000 bags of Duplicate Basmati arrived and went for Rs 3,150-3,260 a quintal.

Bearish trend in soya to continue on higher arrivals

Indore, Oct. 21:
Rising arrivals have pounded soyabean prices in Indore mandis in the past one week by Rs 100 a quintal. Amid arrivals of 5-5.50 lakh bags in mandis across Madhya Pradesh, soyabean prices declined to Rs 3,200-3,400 a quintal. Besides rise in arrivals, increased arrivals of better quality soyabean having less moisture content has also added to the bearish sentiment, said a trader.
According to Mukesh Purohit, a local soya oil manufacturer, soya seeds with moisture content as high as 25-28 per cent, is still ruling in the range of Rs 1,800-3,000 a quintal. With arrivals picking up further in the coming days, bearish sentiment in soyabean will likely to continue.
In futures also, soyabean was traded lower on weak buying support with its November and December contracts on the NCDEX closing at Rs 3,519 (down Rs 13) and Rs 3,554 a quintal (down Rs 4.50). With increased availability of better quality soyabean to the crushers, plant deliveries has also declined by Rs 100-125 a quintal to Rs 3,475-3,525.
Soyameal on Kandla port was at Rs 32,800 a quintal on scattered buying support.
Soya oil traded higher on strong global cues and increased festival demand with soya refined oil being quoted at Rs 675-80 (Rs 670-75), while soya solvent ruled at Rs 640-45 for 10 kg. With increased festival demand ahead, bullish trend in soya oil will likely to continue in the coming days.
