

# Export of 1 mt more sugar may get nod

Date: 15/3/2012

Reporter: FE Bureau

Source: The Financial Express

**New Delhi:** The government may allow exports of one million tonne of sugar on top of the two million tonne already permitted for the marketing year through September, a senior food ministry official said on Wednesday.

Earlier this month, agriculture minister Sharad Pawar said the country had the potential to ship out one million tonne more sugar in 2011-12, as domestic supplies remained adequate.

The apparent agreement between the ministries of food and agriculture brightens export prospects, as the two ministries had on occasions offered conflicting views on sugar shipments in the past.

"We will have bumper production of sugar in this season. So, more exports can be allowed," said the food ministry official, who didn't want to be named. A proposal to allow further exports may be placed before an empowered group of minister on food, headed by finance minister Pranab Mukherjee, by the end of this month or early April, he added.

The food ministry has already revised upward its sugar output estimate by around 500,000 tonne to 25.2 million tonne, based on the inputs of cane commissioners of producing states, while domestic consumption is pegged at around 21.5 million to 22 million tonne.

India, the world's second largest sugar producer, had exported 2.6 million tonne of sugar in 2010-11.

The country has allowed exports in two equal tranches so far in 2011-12, as domestic supplies have exceeded demand for a second straight year. India's sugar output jumped 15% until end-February to 18.65 million tonne due to higher cane crushing.

The government had permitted 1.5 million tonne under the open general licences last year in three equal tranches, starting April 2011, after a gap of two years when it faced a shortage. Industry executives had said sugar mills lost out on a chance to maximise export returns by cashing in on soaring global prices in February and March last year due to the late decision by the government.

The domestic industry has been demanding that exports of 3 million to 4 million tonne be allowed in 2011-12 as domestic supplies remain plentiful. Industry executives often blame low sales realisation in the domestic market and the lack of a clear export policy for non-payment of arrears to farmers for cane purchases. US raw sugar futures crashed 27% in 2011, the first annual fall in four years, on higher output in Asia and Europe, although exports are still more remunerative for Indian mills as domestic wholesale prices have remained subdued more than seven months now due to adequate supplies.

## **Inflation rises to 6.95% in February driven by food**

Date: 15/3/2012

Reporter : BL Bureau

Source: The Business Line

New Delhi, March 14: Riding on the back of food inflation, especially protein-based item, the annual rate of inflation, based on monthly wholesale price index, rose to 6.95 per cent in February.

Inflation rate was 6.55 per cent in January and 9.54 per cent in the same period last year.

Reacting to the inflation numbers, Finance Minister, Mr Pranab Mukherjee, said, "Inflationary pressure is there...we will end the year with 6.5 per cent inflation."

Prices of vegetables rose by 1.52 per cent during February and pulses turned costlier by 7.91 per cent. Prices of vegetables crashed 43.13 per cent in January. Prices of egg, meat and fish prices rose 20 per cent during February, from 18.63 per cent in January. Milk too became expensive by 11.70 per cent.

Price of onion, however, bucked the trend, declining by 48.50 per cent year-on-year in February.

Prices of manufactured items, which weigh 65 per cent in the WPI basket, went up by 5.75 per cent year-on-year in February, as against 6.49 per cent in the previous month.

Among manufactured items, iron grew dearer by 15.82 per cent and edible oil prices rose by 7.57 per cent, on an annual basis. The cost of tobacco products rose by 10.10 per cent and basic metals became costlier by 10.44 per cent.

Non-food primary articles, which include fibres and oilseeds declined 2.56 per cent in February. Inflation in the fuel and power segment was 12.83 per cent on an annual basis as against 14.21 per cent in the previous month.

This inflation data came a day before RBI takes up a mid-quarterly policy review on Thursday. RBI is widely expected to hold the policy rates, given the inflation situation in the economy.

## **M-grade sugar sold at discount to clear stocks**

Date: 15/3/2012

Reporter: BL Correspondent

Source: The Business Line

Mumbai, March 14: Sugar prices ruled steady at all levels on Wednesday in Maharashtra. At the Vashi wholesale market, routine demand and ample supply kept the sentiment slightly weak at the end of the day. Traders sold fair quality M-grade at a discount of Rs 20 a quintal in ready market to avoid inventory pressure. Naka and mill tender rates ruled steady. Mr Mukesh Kuwadia, Secretary of Bombay Sugar Merchants Association, said, that production estimate remained a cause for worry. Sugar industry estimates production at 260 lakh tonnes, while Government data put the number at 247 lakh tonnes.

In view of higher output estimates during 2011-12, the Centre has already allowed export of 20 lakh tonnes in two tranches of 10 lakh tonnes during November 2011 and February under the open general licence.

Now, producers are demanding that an additional 10 lakh tonnes exports be allowed.

He said that considering 227 lakh tonnes for domestic consumption and exports of 20 lakh tonnes (Already permitted) total comes to 247 lakh tonnes. If we consider the Government's estimate, there could be no additional surplus at the end of the season except last year's carryover stock, which is around 45-50 lakh tonnes. It will meet requirement of two months' domestic consumption.

A clear picture of current year production will be known after April 15, Mr Kuwadia said.

Arrivals at the Vashi market were about 50-51 truckloads and dispatches were about 47-48 loads. On Tuesday, about 20-22 mills sold about 38,000-40,000 bags in the range of Rs 2,730-2,800 (Rs 2,730-2,800) for S-grade and Rs 2,830-2,900 (Rs 2,830-2,900) for M-grade.

**The Bombay Sugar Merchants Association's spot rates:**S-grade Rs 2,876-2,962 (Rs 2,876-2,962) and M-grade Rs 2,941-3,061 (Rs 2,966-3,061).

**Naka delivery rates:**S-grade Rs 2,820-2,860 (Rs 2,820-2,860) and M- grade Rs 2,920-3,000 (Rs 2,920-3,000).

## **Coffee, sugar ease as dollar strengthens**

Date: 15/3/2012

Reporter: Reuters

Source: The Business Line

LONDON, March 14 (Reuters) - ICE arabica coffee and raw sugar futures fell in early trade, weakened partly by a strengthening dollar, but remained above lows set earlier in the week.

Cocoa futures on ICE were little changed.

Arabica coffee futures were weaker as the market headed down towards a 17-month low set earlier in the week. May arabicas on ICE were off 1.15 cents or 0.6 percent at \$1.85 per lb at 0902 GMT. The contract slid to \$1.8105 on Monday, a 17-month low for the second month. Dealers said the prospect of a global surplus in 2012/13 had helped to diminish investor appetite for the commodity. Commodities broker Marex Spectron, however, said in a report on Tuesday that the surplus would be below trend for an on-year in Brazil's biennial crop cycle and future price risk was likely to be to the upside.

Benchmark Liffe May robusta coffee futures were down \$2 at \$1,970 a tonne.

Raw sugar prices fell in early trade but remained well above a two-month low set earlier this week. May raw sugar on ICE was off 0.20 cent or 0.8 percent at 23.93 cents a lb. The contract dipped to 23.26 cents on Monday, the lowest level for the front month since Jan. 13. Dealers said the prospect there could be further exports from India was also keeping the market on the defensive. Indian sugar futures slipped on Tuesday on lower-than-expected demand in the physical market amid rising inventory due to the ongoing cane crushing season, dealers said. London May white sugar futures eased \$4.10 or 0.6 percent to \$637.20 per tonne.

# दस लाख टन और चीनी निर्यात को मंजूरी संभव

Date: 15/3/2012

Reporter: बिज़नेस भास्कर ब्यूरो

Source: बिज़नेस भास्कर

**बजट सत्र के बाद ईजीओएम की बैठक में खाद्य मंत्रालय के प्रस्ताव पर होगी चर्चा**

**जारी रहेगा अनाज निर्यात**

सरकार गेहूं और गैर-बासमती चावल का निर्यात जारी रखने पर भी मुहर लगा सकती है। गेहूं और चावल का केंद्रीय पूल में भारी-भरकम स्टॉक बचा हुआ है जबकि नई फसल का रिकॉर्ड उत्पादन होने का अनुमान है।

**ओपन जनरल लाइसेंस (ओजीएल)** के तहत केंद्र सरकार और दस लाख टन चीनी के निर्यात को मंजूरी दे सकती है। सरकार 20 लाख टन चीनी निर्यात करने की अनुमति दो बार में पहले ही दे चुकी है। सरकार गेहूं और गैर-बासमती चावल का निर्यात जारी रखने पर भी मुहर लगा सकती है। गेहूं और चावल का केंद्रीय पूल में भारी-भरकम स्टॉक बचा हुआ है जबकि नई फसल का रिकॉर्ड उत्पादन होने का अनुमान है। बजट सत्र के बाद इन मुद्दों पर फैसला खाद्य मामलों के उच्चाधिकार प्राप्त मंत्रि समूह (ईजीओएम) की बैठक में होने की संभावना है। खाद्य मामलों के ईजीओएम के अध्यक्ष वित्त मंत्री प्रणब मुखर्जी हैं।

खाद्य मंत्रालय के अधिकारिक सूत्रों के अनुसार चालू पेराई सीजन में चीनी का उत्पादन अनुमान बढ़कर 251 लाख टन होने का है। जबकि देश में चीनी की सालाना खपत 220 से 225 लाख टन की होती है। इसलिए दस लाख टन और चीनी के निर्यात की अनुमति देने की सिफारिश की गई है। इस पर फैसला ईजीओएम की अगली बैठक में होने की संभावना है।

चालू पेराई सीजन में सरकार पहले ही दो बार में 10-10 लाख टन चीनी के निर्यात की अनुमति दे चुकी है। सबसे पहले 22 सितंबर 2011 को ओजीएल के तहत 10 लाख टन चीनी के निर्यात की अनुमति दी थी। यह चीनी निर्यात भी हो चुकी है। इसके बाद 7 फरवरी को सरकार ने 10 लाख टन और निर्यात की अनुमति दी, जिसमें से 13 मार्च तक 1.29 लाख टन निर्यात के लिए रिलीज ऑर्डर जारी किए जा चुके हैं।

अधिकारी के अनुसार ईजीओएम की बैठक में गेहूं और गैर बासमती चावल का निर्यात जारी रखने पर भी सहमति बन सकती है। ईजीओएम की मंजूरी लेने के लिए इसके बारे में भी प्रस्ताव तैयार किया गया है। केंद्रीय पूल में एक मार्च को खाद्यान्न का 544.33 लाख टन का भंडार मौजूद था जबकि वर्ष 2011-12 में गेहूं का रिकॉर्ड 883.1 लाख टन और चावल का 10.27 करोड़ टन का रिकॉर्ड उत्पादन होने का अनुमान है। इसलिए गेहूं और गैर-बासमती चावल का निर्यात जारी रखा जा सकता है।

सरकार ने 9 सितंबर 2011 को गेहूं और गैर-बासमती चावल के निर्यात को मंजूरी दी थी। सूत्रों के अनुसार अभी तक 35.70 लाख टन गैर-बासमती चावल और 5.73 लाख टन गेहूं का अभी तक निर्यात हो चुका है। उन्होंने कहा कि समय-समय पर निर्यात की स्थिति की समीक्षा जरूर की जाएगी। उन्होंने बताया कि सार्वजनिक वितरण प्रणाली (पीडीएस) में खाद्यान्न का वितरण और खरीद तंत्र को मजबूत किए जाने की आवश्यकता है।

साथ ही खाद्यान्न के भंडारण और परिवहन की समुचित व्यवस्था के लिए भी जरूरी कदम उठाए जा रहे हैं। मार्च 2013 तक सरकार ने 151 लाख टन की अतिरिक्त खाद्यान्न भंडारण के गोदाम बनाने का लक्ष्य तय किया हुआ है।