THE HINDU

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:11 IST KATTAPPANA, August 2, 2011

Fluctuating prices prove a bitter deal for cocoa farmers

Lack of drier facilities prompts farmers to sell raw beans

Crisis-hit: Idukki district, where cocoa is cultivated in large areas, mostly as an inter-crop in areca and coconut farms, contributes about 60 percent of the total cocoa produced in the country.

Cocoa farmers in the district are facing a crisis due to the low yield and low prices of cocoa beans, especially during the monsoon season.

Also, farmers who do not have drier facilities are prompted to sell raw beans at much lower prices than that of dried beans. The price per kg of raw beans is as low as Rs.35 while the dried beans fetch up to Rs.160 a kg.

In the High Range areas, cocoa is cultivated in large areas, mostly as an inter-crop in areca and coconut farms.

It is estimated that the district contributes about 60 percent of the total cocoa produced in the country. Last year, 6,064 tonnes of cocoa was produced in the district.

Fungal diseases that affect the crops increase during the monsoon season, resulting in crop decay and loss.

The common pesticide used to protect the crops from decay is Bordeux mixture, the price of which was increased recently.

Since there isn't any direct procurement agency for cocoa, the farmers sell the produce to middlemen — both as raw and dried beans. Though the traders cite low quality of the beans as the reason for the dip in prices, farmers attribute it to the lack of market intervention by any procurement agency.

For a large number of farmers who cultivate cocoa in small holdings drier facilities are unaffordable.

Farmers say that 4 kg of raw beans will yield 1 kg of dried beans and there is no justification for reducing the price on the pretext of low quality.

George Scaria, a cocoa farmer at Parakkadavu, says that there is no competitive price offered by the middlemen as only one company procures cocoa beans. The high prices offered by the company in the initial period prompted many farmers to take up cocoa cultivation, he says.

Unlike coffee, cocoa harvest is spread across many months, without any particular season. Moreover, timely application of pesticides and clearing of branches are needed, which increase the labour costs.

He says that marketing intervention by the government is necessary to check the price fluctuations and to ensure remunerative prices for farmers

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Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:11 IST CHENNAI, August 2, 2011

“Animal husbandry sector lacks human resources to tackle emerging diseases”

Veterinary sciences and the animal husbandry sector need more attention from the government, said Ajay Kumar Gahlot, Vice-Chancellor, Rajasthan University of Veterinary and Animal Sciences, here on Monday.

Addressing the valedictory of a science exhibition organised by Tamil Nadu Veterinary and Animal Sciences University (TANUVAS), Dr. Gahlot said with the appearance of new zoonotic diseases such as avian flu, the role of veterinarians and the animal husbandry sector had become very important.

However, the sector did not have adequate human resources to tackle emerging diseases. This was mainly due to lack of adequate research in specialised subjects. The government should look into this issue seriously, he said.

Unenviable task

P. Thangaraju, former Vice-Chancellor, TANUVAS, said that veterinarians in the country were not given much importance as in the U.S. and Europe. As per the available data one vet had to handle nearly 13,000 cattle units in Gujarat and 20,000 in Uttar Pradesh.

In Tamil Nadu the situation was better, about 10,000 cattle units.

The Centre should look into the issue and do something in this regard, he said.

R. Prabakaran, Vice-Chancellor, TANUVAS, said that the university, along with the Madras Veterinary College, had started organising many events from the beginning of this calendar year.

To begin with ‘livestock and fisheries week' was observed, which received good response. The science exhibition had attracted more than 65,000 persons in the past four days.

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:11 IST CHENNAI, August 2, 2011

Rs. 1,157 cr. sanctioned for cattle scheme

To be launched on birth anniversary of Annadurai

The State government has sanctioned a total of Rs. 1,157 crore for free distribution of milch cows, goats and sheep to the rural poor.

Of the total amount, the scheme for free distribution of milch cows accounts for Rs. 232 crore and for goats and sheep Rs. 925 crore. All these amounts are to be spent over the next five years.

For the current year, the allocations for the schemes of milch cows and goats/sheep are Rs. 56 crore and Rs. 135 crore respectively, according to government orders issued by the Animal Husbandry, Dairying and Fisheries Department a few days ago.

Under the two schemes, the government will distribute 12,000 milch cows of cross-bred Jersey breed each year for five years and four goats/sheep to each of seven lakh families over the five years.

The schemes will be launched on September 15 on the occasion of birth anniversary of former Chief Minister C.N. Annadurai.

Under both schemes, women would be the beneficiaries, who would be involved in the process of procurement. No woman can avail herself of both the schemes. If there are eligible trans-genders, they will be considered. At least 30 per cent of the beneficiaries should be from Scheduled Castes (SC)/Scheduled Tribes (ST). The identification of beneficiaries would be done through inviting applications at special meetings of gram sabhas and the lists of shortlisted beneficiaries will be approved by village-level committees.

In respect of the scheme for milch cows, one cow per household will be given. The age of the animal should not be more than five years.

The spot purchase procedure will be applied to procure animals from the livestock shandies of other States such as Andhra Pradesh, Karnataka and Maharashtra, where there is a substantial population of cross-bred cows.

It had been proposed to purchase lactating cows through the procedure in the first three years. The number of milch cows to be procured under the system will be reduced proportionately. In the subsequent two years, animals are expected to be available from 13 livestock farms run by the authorities.

In the case of any shortfall under the spot purchase system, the option to purchase cows from distant States through tenders will be resorted to.

As for the sheep/goats scheme, one lakh families would be covered this year. In the next four years, 1.5 lakh families would be covered every year. Of four goats/sheep to be distributed to each beneficiary, one should be male and three female.

Unlike in the case of the other scheme, the procurement of goats and sheep will have to be done largely within the State as the animals are prone to diseases when transported en masse from long distances and different climatic zones. Only in the case of beneficiaries from 12 districts, including Kancheepuram, Vellore, Tiruvannamalai, Dharmapuri, Coimbatore, Tirunelveli and Kanyakumari, they can purchase animals from shandies located in neighbouring districts of other States. There is also an option for the purchase of animals from government-run farms.

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:09 IST THANJAVUR, August 2, 2011

Change duration of turn system: farmers

The duration of turn systems in the Cauvery and Vennar should be for four days and not six days as followed by the Public Works Department (PWD), said S.Ranganathan, Secretary, Cauvery Delta Farmers Welfare Association here on Monday.

He said that at present the PWD is following a six-day turn for Cauvery and Vennar. But as the period is too long, water dries up in the system and hence crops are left without water. It becomes late when water is released into the system after six days.

If the proposed four-day turn is followed it will be useful, Mr.Ranganathan said. He also appealed to farmers not to ask for unrealistic volumes of water for cultivation. “Farmers demand 20,000 cusecs to be released per day. This will be more than the requirement and water may be wasted. The demand should be realistic and depending upon the requirement”, he said.

He also appealed to the PWD to repair shutters and sluices for efficient use of water.

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:05 IST Chitradurga, August 2, 2011

Farmers want district declared drought-hit

IN DISTRESS: Members of the Karnataka Rajya Raitha Sangha and the Hasiru Sene staging a protest in front of the Deputy Commissioner's office in Chitradurga on Monday.

Members of the Karnataka Rajya Raitha Sangha and Hasiru Sene on Monday staged a protest and submitted a memorandum to the Government through the district administration seeking fulfilment of their various demands, including a plea to declare the district drought-hit.

In the memorandum, it was stated that rainfall in the district during the current monsoon was inadequate and erratic. As a result, the seeds sown so far were not germinating and those that had germinated were not growing.

Hundreds of farmers are in distress and they fear that they might not get any yield this year and will not be able to repay loans.

The protesters urged the Government to take serious note of the situation.

Demand

The protesters demanded proper implementation of the Mahatma Gandhi National Rural Employment Guarantee (MNREG) Scheme to ensure that agriculture labourers, who had no other source of income, were given jobs. The Government should offer Rs. 10,000 an acre as compensation to farmers as was being done in neighbouring Andhra Pradesh.

Referring to the ongoing work on the Dabhol gas pipeline project in Chitradurga, the protesters accused officials GAIL of not taking farmers into confidence before acquiring land.

The company was acquiring about 100-foot-wide stretches of land in villages in the path of the pipeline, which might adversely affect the fertility of land, the memorandum said.

The protesters urged GAIL to provide land-losers with higher compensation, a gas connection, free insurance coverage, and borewells for free.

The two organisations have threatened to intensify the agitation if immediate steps were not initiated to meet their demands.

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:08 IST KOZHIKODE, August 2, 2011

Corporate impact on farming criticised

The impact of globalisation on farming sector in India and the attempts of corporate giants to conquer vast agricultural lands in the country were taken up for discussion at a national seminar on the ‘Problems in the agriculture sector in the era of globalisation', organised by the All India Agricultural Workers' Union (AIAWU) here on Monday.

Opening the seminar, AIAWU national president P. Ramaiah said the Union government's move to corporatise farm sector would alienate lakhs of traditional farmers from the sector. He alleged that the Centre, influenced by corporate bigwigs, was not interested in distributing surplus land to famers to strengthen the agriculture sector.

Mr. Ramaiah, who criticised the ‘neo-liberal' policies of the government, affirmed that India could survive the adverse trend only through a collective agitation.

He called upon farmers' forums to fight the ‘anti-agriculture stance of the government.'

Presenting a paper on food security and the corporatisation of agriculture sector, AIAWU national general secretary A. Vijayaraghavan said the price rise of essential commodities was a reflection of the reckless corporatisation of the farming sector.

Mr. Vijayaraghavan also pointed out that India's food security was in danger following the intrusion of the profit-driven corporate companies into the agriculture sector. “Such forces attempt to destroy the country's attempt at self-reliance in agriculture sector,” he said.

AIAWU national leaders Suneet Chopra and M.V. Govindan also presented papers on the role of farmers' movements to resist unwanted tendencies in the agriculture sector.

P. Mohanan, General convener of the organising committee, presided over the seminar.

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:10 IST RAJAHMUNDRY, August 2, 2011

Minister promises all help to poultry industry

‘Government will think of giving subsidy on poultry feed'

Minister for Animal Husbandry Pinipe Viswaroop on Monday assured the poultry industry of the support of the government. He told poultry farmers and hatchery and poultry owners that he would take up their problems to the notice of the Chief Minister.

Inaugurating the “India Poultry Expo-2011” here, organised by Tejeswi publications, the Minister said that government would think of giving subsidy on poultry feed like maize and address their problems with regard to marketing of eggs, chicks and feed.

The Minister's assurance came in response to the pleas made by those dependent on the poultry industry that without the support of the government they could not run the industry which was facing many troubles during the past few years.

MLA R. Suryaprakasha Rao said that the support of poultry industry was most encouraging as far as supplying eggs to children staying in welfare hostels was concand government schools.

He said that along with minister he will also take up the problems of the industry to the government.

A. Doraiah, President of AP Poultry Federation urged the government to purchase eggs from the federation for the mid-day meal programme and appealed for export permission of eggs to other countries.B.V. Sivasankar, Organizer of the event said that the expo was aimed at introducing latest technologies in poultry industry to farmers at the grassroots level. Giving details of poultry farms, that chicken population was 15 crore in the country out of which seven crores was in the State and East Godavari was having four crore of chickens. APPF Vice president KV Subba Rao, West Godavari Poultry Welfare Association president Chinna Venkataraju, North Andhra Region APPF president GK Ramaraju, and Mandapeta SBSR Poultry chairman Buliswami Reddy participated.

- *Animal Husbandry Minister inaugurates 'India Poultry Expo-2011'*
- *Expo aimed at introducing latest technologies in poultry industry to farmers, says organiser*

Published: August 2, 2011 00:00 IST | Updated: August 2, 2011 04:12 IST GUNTUR, August 2, 2011

Tobacco Board urges ITA to reconsider

'Decision taken because production in Zimbabwe overshot crop size'

High-level meet: Tobacco Board Chairman G. Kamala Vardhan Rao holding talks with members of Indian Tobacco Association in Guntur on Monday. — Photo: T. Vijaya Kumar

The Tobacco Board has begun a series of consultations with Indian Tobacco Association in a bid to dissuade the latter to call off its threat to reduce the indent indicating the crop size. But given the uncertainty prevailing in the global tobacco market, the Board, in all likelihood, would reduce the authorised crop size.

A final decision on authorised crop size, which stood at 170 million kg in Andhra Pradesh and 100 million kg in Karnataka, would be taken soon.

At a meeting held at the Board's office here on Monday, Board Chairman G. Kamala Vardhana Rao asked ITA president Bellam Kotaiah to take into consideration the interests of tobacco farmers. The ITA, which has placed an indent of 180 million kg in 2010, has resolved recently to reduce the indent to 120.44 million kg, a move which had been widely criticised by grower welfare associations.

The ITA took the decision on the grounds that tobacco production in Zimbabwe overshot the crop size resulting in global surpluses. But it has now emerged the production was limited to 140 million kg. The ITA was also influenced by the plummeting prices offered to Flue Cured Virginia (FCV) Tobacco in the 2010-2011 seasons.

Auctions

“The ITA should take into consideration internal supply-demand situation, number of barns allotted to farmers and quality of bright grade tobacco produced in Northern Light Soils and Southern Black Soils,” Mr. Rao said on Monday. Meanwhile, tobacco auctions continued on a sluggish note with 115.69 million kg sold, fetching an average price of Rs. 99.04 per kg. This was against 147.79 million kg sold during the corresponding period in 2010, which fetched a lower average price of Rs.92.38 per kg, but the number of bright grade bales sold was fewer last year. Auction on all platforms was coming to a close save for a few SBS and SLS platforms in Podili in Prakasam district.

hindustantimes
Tue,02 Aug 2011

Weather

Chennai - INDIA

Today's Weather

Cloudy

Tuesday, Aug 2

Max	Min
32.4°	25.6°

Rain: 3.0 mm in 24hrs	Sunrise: 5:54
Humidity: 52%	Sunset: 18:36
Wind: Normal	Barometer: 1001

Tomorrow's Forecast

Rainy

Wednesday, Aug 3

Max	Min
34°	26°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Aug 4	Aug 5	Aug 6	Aug 7	Aug 8
31° | 27°	32° | 26°	33° | 26°	34° | 26°	34° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy

the pioneer

Govt mulls loan at 1 per cent to boost fish farming in MP

August 01, 2011 11:40:23 PM

Staff Reporter | Bhopal

Following the instructions of Chief Minister Shivraj Singh Chouhan, important decisions have been taken to strengthen cooperative movement in the State. These decisions include providing loans at one per cent interest rate to fish farmers and providing land of free of cost to cooperative credit societies to construct godowns.

Giving this information, Cooperatives Minister Gaurishankar Bisen informed that short-term loans to the tune of Rs 5,747 crore have been distributed among farmers of the State so far and the process of recovery has also been speeded up.

The Cooperatives Minister informed that a target has been fixed that every cooperative credit society should have its own godown with an objective to increase the capacity of warehousing in the State as per expectations. For this, free of cost land would be provided to cooperative credit societies apart from making available funds to them under Grid Warehouse Project.

He informed that with a view to strengthening cooperative marketing federations, assets of 34 loss-making societies would be revalued and they would be permitted for assets' commercial use. The income generated through this process will help in running these societies.

The Cooperatives Minister informed that credit cards have been provided to over 39 lakh farmers in the State. During the last seven years, cooperative banks have issued credit cards to 12 lakh farmers and a campaign has been launched in the State from July 23 to August 15 with a view to cover cent per cent farmers.

He informed that credit cards for fishermen would also be made through cooperative banks and they will also be provided loan at the rate of one per cent as per the instruction of the Chief Minister.

According to Bisen, farmers are showing keen interest to get short-term loans at the rate of one per cent interest. He informed that loans worth only Rs 2,000 crore were distributed in 2005-06 while this amount has risen stupendously to Rs 5,747 crore now. He said that five per cent rise has also been registered in the rate of recovery, which stands now at 71 per cent. Bisen informed that the share of cooperative banks in extending loans to farmers has risen to 40 per cent from 26 per cent.

Ganjam farmers perform Benguli Puja for good rain

August 01, 2011 11:42:28 PM

PNS | Berhampur

With rain playing truant and drought scare haunting Ganjam, farmers have preferred to fall back on old and time-tested rituals to invoke the rain god. Benguli Puja (frog worship) at Khajuria village under Rangeilunda block of Ganjam is being performed for rain as the area has got 70 per cent less rainfall compared to other blocks.

Deficient rain has hit the farmers of Ganjam hard. To add insult to injury, the major water reservoirs of the district have also gone dry ruling out the possibility of irrigation. The people of Khajuria are performing the puja to propitiate Lord Indra for rain. It is strongly believed that the Benguli (frog) can prevail upon Lord Indra for a good rain.

According to the villagers, Lord Indra gives rain being delighted by the prayers. By singing folksongs, the villagers make the god happy. Earlier, this practice was seen in Khajuria and Kumharapalli villages.

Though the State Government has been making many plans to face the upcoming drought situations, the villagers still believe that the old ritual can help them wriggle out of the crisis.

SP demands probe in irrigation department

August 01, 2011 10:51:31 PM

Pioneer News Service | Lucknow

Lashing out at the state government, the Samajwadi Party (SP) on Monday alleged a probe in the large scale corruption resulting in the breaking of two bunds over Ghaghra river submerging several villages of Barabanki and Gonda districts.

"These bunds are repaired and maintained by the irrigation department every year. Despite this their breaking during rainy season is also a seasonal affair. It shows that funds are siphoned away in the name of construction of Charsari and Ring bund over Ghaghra river," said state spokesperson, Rajendra Choudhary.

The SP leader claimed that irrigation department took no preventive steps while the minister completed the formalities by one inspection. "The government is insensitive towards people's plight. The careless attitude of officials is due to large scale corruption in every work. Chief Minister Mayawati is hesitant to take any stern action against the officials and her ministers," said Choudhary.

He also lamented that adequate relief measures have not been taken by the state administration for the people affected by floods. "Villagers have lost their whole belongings. Animals too are facing crisis of fodder. They are living in open areas while government is yet to initiate relief measures on war scale," he said.

Meanwhile in another development, the youth wings of SP launched a 15 day campaign for a 12 point charter of demands on Monday. The demands include restoration of students union, scholarships to muslim and OBC students, free rail and bus travel to students, unemployment allowance etc. The youth leaders undertook a signature campaign in support of their demands at various state universities. Senior party leaders claimed that police tried to scuttle their programme in Amroha though it was held.

Meanwhile, SP leaders observed the death anniversary of freedom fighter Lokmanya Tilak at party headquarters on Monday. On the occasion, leader of opposition, Shivpal Yadav felicitated veteran freedom fighters. He decried the move by state government to scrap the two percent reservation facility to the dependents of freedom fighters. Yadav assured that he will raise the issue during the coming monsoon session of the assembly. He also condemned the state government's step for renaming Tilak Marg in Lucknow after the British police officer BN Lahri.

Business Standard

Tuesday, Aug 02, 2011

Indonesia set to adjust palm oil export tax rate

Reuters / Kuala Lumpur August 02, 2011, 0:57 IST

Indonesia, the world's biggest palm oil producer and exporter, could lower the maximum export tax rate by this month, a small concession by Jakarta to a powerful industry lobby that says the duty structure hurts trade.

The existing palm oil export system was put in place to secure domestic supply and reduce volatility in cooking oil prices. In 1998, high cooking oil and other food product prices sparked riots in the country.The government now charges between 1.5 per cent and 25 per cent, depending on average spot Rotterdam market prices in the preceding 30 days.

Indonesia and Malaysia, the second largest producer of palm oil, have seen strong output that is likely to last into 2012 and has already led to a massive stock build. Traders expect combined stocks to hit a record in the third quarter. For Indonesia, traders say stocks are currently at 2.3 million to 2.5 million tonnes. Indonesia does not issue official monthly stock data. Lowering the export taxes suggests that Jakarta is comfortable that cooking oil supplies will not get squeezed and prices will rise, especially during the current Muslim fasting month of Ramadan.

Coffee exports up 38% in Apr-July on strong global demand

Press Trust Of India / New Delhi August 02, 2011, 0:56 IST

India's coffee exports rose sharply, by 38 per cent, to 145,505 tonnes till July of the current financial year on the back of strong global demand and high international prices, according to the Coffee Board of India.

The country had shipped 105,345 tonnes during April-July last year, the official data showed.

"Coffee exports have risen so far, both in volumes and value terms. Sluggish global supply and a peak rise in international prices have been of good advantage for Indian coffee exporters," a senior Coffee Board official said.

In value terms, coffee exports had increased to Rs 1,977 crore during April-July this financial year, as against Rs 1,031 crore in the period a year ago, he said.

The official said domestic exporters had been able to fulfil the global orders because of higher domestic production, which stood at 302,000 tonnes in 2010-11 and is likely to jump to 322,250 tonnes this year.

Besides, global prices had remained firm due to tight supply-demand situation in Columbia and Brazil. As a result, unit value realisation for Indian exporters had been much better than last year, the official noted.

The data showed that exporters were able to ship a tonne of coffee at an average price of Rs 1,35,897 in April-July of this financial year, as against Rs 97,922 tonnes in the same period last year.

The board also said the country's total coffee exports rose to 311,798 tonnes in the first 10 months of the 2010-11 coffee year ending September, as against 220,358 tonnes in the period a year ago.

India largely exports coffee to Italy, Germany, Belgium, the Russian Federation and Spain.

6.3% storage space to be added to central pool

Komal Amit Gera / Chandigarh August 02, 2011, 0:40 IST

The country may add about four million tonnes of foodgrain storage capacity by the end of this year for the central pool. This would be part of the 15 mt of additional storage capacity to be created, for which the Cabinet had given its mandate.

Sources in the Food Corporation of India (FCI) informed that applications for this were invited under the Private Enterprenuership Guarantee Scheme and final approvals have been sanctioned for nearly four million tonnes multi-commodity storage. This would mobilise an investment of Rs 1,200 crore and entail a rent of about Rs 320 crore per annum on FCI. FCI and state agencies have been in a controversy over the shortage of storage space and reports of rotting of foodgrain, especially in producer states.

Agriculture scientists in Punjab have evinced serious concern over damage of foodgrain and its economic cost. With a record grain stock of 64 mt this year against the storage capacity of 63 mt and growing requirement to match the allocation after implementation of the Food Security Bill, the FCI brass is leaving no stone unturned to expedite the creation of new capacities. Punjab and Uttar Pradesh remain front runners in private participation.

The State Warehousing Corporation in Maharashtra, Andhra Prade-sh, Karnataka, Punjab and Haryana are also likely to put up substantial capacities. There have been defaults to the tune of 150,000 tonnes in Andhra Pradesh, 170,000 tonnes in Tamil Nadu and 55,000 tonnes in Jammu and Kashmir, as the bidders could not arrange the land in the stipulated time of 90 days. They would forfeit a security deposit of Rs 140 a tonne.

THE HINDU Business Line

Sugar turns bitter on higher free sale quota

Mumbai, Aug. 1:

Sugar prices on the Vashi wholesale market extended the loss further by Rs 5-10 a quintal in spot and naka business. In mill tenders, a sharp decline of Rs 30-35 a quintal was witnessed on Monday.

The market turned bearish after the announcement of a higher free sale quota for August. Prices in the futures market were down by Rs 25-30 a quintal till noon on Monday, according to traders.

Market sources said the price was down by Rs 20-30 in the physical market on Saturday. Weak sentiment continued on Monday as demand was lower than expected despite improvement in retailer buying.

The improvement in retail demand arrested price decline in *hajar* (spot) and naka rates.

According to traders, market is expected to move along the lines of mills selling tracking futures market and demand support in physical market.

In the month beginning, retail consumer demand is expected to rise as second fortnight of current month is full of festivals such as *Raksha Bandhan*, Independence day, Parsi New Year, *Janmashthami*, Ramzan, and *Ganeshotsav*.

According to sources, on Saturday, there was absence of month-end offer by a large number of mills. A few mills sold nominal quantity to State-level buyers.

Today, mills tenders were expected lower in the range of Rs 2,635-2,670 (Rs 2,670-2,720) for S-grade and Rs 2,700-2,780 (Rs 2,730-2,800) for M-grade.

Arrivals were 50-52 truckloads (each 100 bags) and local dispatches were 52-53 truckloads.

The Bombay Sugar Merchants Association sugar rates were: Spot: S-grade Rs 2,761-2,835 (Rs 2,766-2,832); M-grade Rs 2,821-2,941 (Rs 2,836-2,951).

Naka: S-grade Rs 2,700-2,730 (Rs 2,710-2,740); M-grade Rs 2,760-2,900 (Rs 2,760-2,900).

(This article was published in the Business Line print edition dated August 2, 2011)

IMD projects ‘below normal' monsoon in August-Sept

27 per cent likelihood of ‘deficient' rains

MONSOON RAINFALL: % DEVIATION FROM NORMAL

	June	July	June-July		June	July	June-July
Gujarat region	-87.84	-89.33	-38.41	Punjab	113.29	-52.31	-20.40
Saurashtra & Kutch	-71.71	6.91	-12.73	West Madhya Pradesh	112.43	6.41	34.56
Marathwada	-51.71	29.27	-5.84	Gangetic West Bengal	75.37	-31.66	13.75
Telangana	-40.77	9.82	-8.55	Haryana & Delhi	60.57	-53.44	-28.72
Assam & Meghalaya	-35.70	-28.15	-31.74	East Uttar Pradesh	58.81	-22.38	-4.48
Coastal Andhra	-26.85	4.43	-7.87	Jammu & Kashmir	52.41	-36.38	-12.94
Rayalaseema	-24.08	16.56	-0.43	Jharkhand	56.00	-46.14	-8.23
Tamil Nadu	-23.48	-6.32	-13.25	Bihar	44.51	-26.61	-3.20
West Rajasthan	-15.38	-8.57	-10.11	Coastal Karnataka	22.69	-0.71	9.31
Vidarbha	-13.63	-19.72	-17.59	Kerala	21.67	-25.44	-3.19
North Interior Karnataka	-12.81	2.74	-4.05	South Interior Karnataka	21.13	-14.72	-0.53
Madhya Maharashtra	-10.05	1.20	-3.33	Chhattisgarh	5.69	-22.88	-16.91
East Rajasthan	141.92	-12.97	20.68	Orissa	0.37	-39.85	-24.22
West Uttar Pradesh	136.43	-10.88	20.92	ALL-INDIA	11.31	-14.43	-5.13
East Madhya Pradesh	136.42	-7.19	32.89				

New Delhi/Thiruvananthapuram, Aug. 1:

The India Meteorological Department (IMD) has forecast ‘below normal' rainfall for the country during the second half (August-September) of the current south-west monsoon season.

This comes even as the first half (June-July) has turned out to be not so bad, with the monsoon showers being reasonably well spread, both in spatial as well as temporal terms.

According to the IMD, rainfall for the country as a whole during August-September is likely to be 90 per cent of the ‘normal' or long period average (LPA) of 435 millimetres (mm) for these two months. That makes it ‘below normal', technically defined to be between 86 and 94 per cent of the LPA.

Moreover, there is a 27 per cent likelihood of the monsoon even being ‘deficient' (below 85 per cent of the LPA) during the second half. The corresponding probabilities for ‘below normal' (86-94 per cent of LPA), ‘near normal' (95-105 per cent), ‘above normal' (106-115 per cent) and ‘excess' (above 115 per cent) are pegged at 46 per cent, 24 per cent, three per cent and zero respectively.

The IMD's quantitative rainfall forecast at 90 per cent of LPA for August-September – with a model error of plus or minus 8 per cent – would suggest a weakening of monsoon activity during the second half of the season.

Good first half

The first half had seen the country receive an area-weighted rainfall of 429.2 mm, which was 94.87 per cent of the LPA of 452.4 mm for June-July. Within that, rainfall was surplus (111.31 per cent of LPA) in June and deficient (85.57 per cent) in July.

If the IMD's 90 per cent of LPA rainfall prediction for August-September – based on its Long Range Forecast Outlook released on Monday – comes true, the 2011 monsoon season would return an overall shortfall of about 7.5 per cent (92.5 per cent of LPA).

But these overall percentages, by themselves, may not hold much meaning. For agriculture, what matters is not aggregate numbers as much as their distribution across space and time. By that yardstick, this year's monsoon has so far been quite satisfactory.

As the accompanying table shows, most of the areas that received very little rains in June – the contiguous stretch covering Gujarat, Maharashtra, North Interior Karnataka, Andhra Pradesh and Tamil Nadu – saw a revival of monsoon activity during July. As a result, there has been a considerable lowering of sowing acreage deficit for most kharif crops over the last couple of weeks.

The converse of this, however, has been that much of the North and East, which were hugely rainfall surplus in June, recorded sub-par precipitation in July. In other words, a balancing of sorts has taken place, with no region (barring maybe, Assam) going entirely dry over the two months.

No reason for pessimism

The other sliver lining is that the IMD itself does not give any specific reason for its pessimistic prognosis for August-September. The Department has, in fact, virtually ruled out the emergence of any 'El Nino' conditions associated with monsoon failure.

According to it, the latest global forecasts "from a majority of dynamical and statistical models indicate high probability (about 80 per cent) for the present ENSO-neutral conditions (i.e. neither El Nino nor La Nina) to continue during the remaining part of the 2011 south-west monsoon season."

That perhaps indicates the IMD's preference to err on the side of caution.

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Ominous portends on farm front

Mumbai, Aug. 1:

Two months into the 2011 South-West monsoon season that began on June 1, far from refreshing, the farm prospects look disappointing, bordering on the scary. With the passage of every day, it is becoming increasingly clear that in respect of a number of crops, the kharif 2011 output is most likely to fall short of the previous year's record numbers.

As of end-July, the all-India area weighted rainfall was in the negative territory — four per cent below normal. The spatial distribution of rains is a sure cause for concern. Six out of the 36 meteorological sub-divisions received excess rainfall, while 8 sub-divisions have faced deficient rains.

This includes the whole of Gujarat, Haryana, Orissa, Western Rajasthan as also Assam and Meghalaya.

Although in 22 sub-divisions rainfall has been ‘normal', the information masks reality. Importantly, Punjab, Bihar, Chhattisgarh, Telengana and coastal Andhra Pradesh as also Vidarbha are closer to the deficient category.

Slipping acreages

Reports of the Weather Watch group suggest acreages are slipping, especially in coarse grains, pulses and groundnut. Clearly, the time for planting has already ended. There will be no further expansion of actual planted area.

But one must hasten to add that there is strong likelihood of a lag in receiving and compiling official sowing and acreage data. So, final acreage numbers for kharif 2011 are most likely to be significantly higher; but in many cases are most likely to fall below the normal and even below last year's acreage.

So, on current reckoning, looking at the performance of southwest monsoon and available acreage data, the coming months are set to be challenging for growers, consumers and policymakers alike. Although a more realistic picture of sown acreage will be known in the next few days, there are early signs that kharif 2011 farm production may slip.

Of particular interest are coarse cereals, pulses and groundnut. In case of pulses and oilseeds, the country is already a large importer. Further tightening of domestic availability in the face of growing demand would mean rising prices and increased import dependence.

Daunting task

How the policymakers would face this daunting challenge remains to be seen.

At the same time, there is no let up in the high levels of food inflation, nor have high prices compressed food demand.

Consumption demand is robust, but the uncomfortable skew in consumption means that demand continues to emanate from those with purchasing power. As for the poor and the needy, if anything, high food prices are seen diluting their food and nutritional intake.

Unrelenting prices

The irony of the situation is palpable. The Agriculture Ministry has claimed highest ever production of a large number of crops during 2010-11 including foodgrains covering wheat; coarse cereals mainly maize; pulses mainly urad, moong and gram; and oilseeds mainly soyabean.

However, despite the record harvest, market prices have stayed stubbornly high. For instance, a record crop of 8.25 million tonnes of gram (chana) was harvested just four months ago; but prices have jumped by over 15 per cent in the last two months.

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Cashew prices rise 5%

Kochi, Aug. 1:

Cashew prices rose by 5-7 per cent last week in the domestic market. Large processors offered limited quantity at the higher price and small ones mostly avoided selling at the lower price. Trade sources in Mumbai said there was hardly any buying at higher prices. While some business was done for shipments up to December, some buyers bought for the first quarter of 2012, they said.

The W240 variety was quoted at $4.85-$4.95, W320 at $4.60-$4.70, W450 at $4.50-$4.55, SW320 at $4.50-$4.60, splits at $4.15-$4.20 and pieces at $4.00-$4.05 (f.o.b.) in a firm overseas cashew market.

Indian domestic market remained firm. Export equivalent of recently- traded levels were as follows: W320 at around $4.80, splits at around $4.60 and pieces at around $4.40 (f.o.b.). There is good demand for brokens and moderate demand for wholes at current levels but stocks for prompt delivery are limited. August to November or December is the peak-consumption period.

“Depending on the offtake by retailers in the first half of August, wholesalers will be in the market for next round of buying by end of August/early September to replenish their stocks and build up inventory,” Mr Pankaj Sampath, a Mumbai-based dealer, told *Business Line*.

There were no new trades for raw cashew nuts (RCN) with origins. Resellers offered for Guniea Bissau at around $1,700, for Ghana at around $1,550 and for Ivory Coast at around $1,450 (c&f). Regional processors bought small lots at higher prices as they have to increase production to meet peak-season demand. “Indian imports in 2011 will be lower, and there is significant variation in total and grade-wise out-turn from all origins,” Mr Sampath said.

New buying pattern

Normally, July to mid-August are dull periods in the US and the EU markets due to summer holidays. However, a changed buying pattern there has kept the market active during this period, too,. As short-term buying during the period continues, regular buying is expected to continue for some time now. Prices could fall in the next six months if demand for kernel drops drastically during August-October, which seems unlikely as of now, he said.

Outlook for the first half of 2012 is hazy.

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Cotton up Rs 1,000 a candy as export ban goes

Rajkot, Aug. 1:

Cotton prices rose by Rs 1,000 a candy of 356 kg in the last two days following the Government's decision to free exports till the new season that begins in O.

The *Sankar*-6 variety traded at Rs 31,000-32,000 a candy, against which was Rs 29,000-31,000 a candy on Friday. *Kalyan* variety remained unchanged at Rs 18,000-20,000 a candy in Gujarat.

While 1,500-2,000 bales arrived in Gujarat, 4,000-4,500 bales arrived in the rest of the country. Raw cotton increased by about Rs 20-25 for a *maund* of 20 kg to Rs 650-833.

However, brokers said the rise in prices was just because of the Government's decision and demand is still low.

The government has allowed exports under open general licences for the rest of the season responding to a fall in prices because of ample stocks in the country.

Prices have declined to about Rs 31,000 a candy now from the peak of Rs 62,500 a candy during March-end.

According to estimates of the Cotton Advisory Board, surplus at the end of the current season will be 52.5 lakh bales on account of lower industry demand. In February, the board had estimated it at 27.5 lakh bales.

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Mixed trend in edible oils market

Mumbai, Aug. 1:

Edible oils were mixed in Mumbai on Monday. While select indigenous edible oils ruled steady despite sluggish demand due to a weak trend at producing markets, imported edible oils improved tracking extended gains in foreign markets.

Palmolein and soya oil rose by Rs 2 and Rs 3, respectively, tracking higher close in the Malaysian market. Cotton refined oil increased by Rs 5 for 10 kg, following a firm trend in the cotton market due to lean season-end.

August being a festival month, consumer demand for edible oils is expected to rise sharply. Heavy rain in the last two days have reduced local demand. On Monday, 550-600 tonnes of palmolein were traded. Resellers offered palmolein at Rs 556-557. Liberty quoted palmolein at Rs 558, soya oil at Rs 641 and sunflower oil at Rs 700. Ruchi offered palmolein at Rs 557, soya refined oil at Rs 639 and sunflower oil at Rs 700. Allana quoted palmolein at Rs 557. In Rajkot and Saurashtra, groundnut oil remained unchanged at Rs 1,475 for a *telia* tin at Rs 955 for loose (10 kg) on lack of demand.

September contract for crude palm oil on Bursa Malaysia Derivatives closed at MYR3,128 (MYR3,097), October at MYR3,121 (MYR3,096) and November at MYR3,120 (MYR3,093) a tonne. August contract for soya oil on National Board of Trade in Indore closed higher at Rs 665.30 (Rs 662.20) and September was up at Rs 664 (Rs 659.20).

Mumbai Commodity Exchange spot rates (Rs/ 10kg): Groundnut oil 965 (965), soya refined oil 642 (639), sunflower exp. ref. 655 (655), sunflower ref. 710 (705), rapeseed ref. oil 695 (695), rapeseed expeller ref. 665 (665), cotton ref. oil 667 (662) and palmolein was 556 (554).

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Rice market steady as buying improves a tad

Karnal, Aug. 1:

The rice market witnessed a steady trend on Monday. Prices of aromatic and non-basmati rice ruled at previous levels as a result of some buying in the market.

After witnessing a decline last weekend, Pusa-1121 varieties managed to maintain their previous levels. Pusa-1121(steam) sold at Rs 4,950-5,175 a quintal, Pusa-1121(sela) was at Rs 4,000 while Pusa-1121(raw) ruled at Rs 4, 400 a quintal.

Duplicate basmati was quoted at Rs 3, 450 a quintal. Pure Basmati (Raw) was ruling around Rs 5,900 a quintal while Basmati Sela quoted at Rs 4,000 a quintal.

Brokens of Pusa 1121 remained unchanged, Tibar sold at Rs 3,100-3,320, Dubar ruled at Rs 2,650 and Mongra was trading at Rs 1,900-2,130 a quintal.

Traders have got some fresh demand for Permal varieties but prices may not rise as demand is low against the ample stocks, said Mr Amit Chandna, Proprietor of Hanuman Rice Trading Company. Due to poor domestic demand, prices of aromatic varieties are range-bound within the negative territory, he said. The demand for brokens is good at present and prices may increase, said Mr Amit.Sharbati (steam) was ruling around Rs 2,900 while the Sharbati (Sela) was at Rs 2,750 a quintal.Among the brokens of Sharbati variety, Tibar quoted at Rs 2,350-2,500, Dubar sold at Rs2, 100-2,230 while Mongra was trading at Rs 1,720-1,750 a quintal.

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Domestic offtake boosts soya oil marginally

Indore, Aug. 1:

Soya oil gained marginally on strong global cues and improved domestic demand. Improved buying ahead of the festive season perked up soya refined prices in the physical market by Rs 3 at Rs 633-Rs 636 for 10 kg.

Besides improved domestic demand, rising Malasiyan palm oil futures and positive projections by Chicago Board of Trade also lent support to soya refined in the local market. Soya refined, however, was quoted at Rs 634 in bulk trade. Resellers quoted soya refined at Rs 632.

Improved buying support also perked up soya solvent, selling at Rs 604-608 for 10 kg in spot and delivery markets, against Rs 598-602 on Saturday. Taking cues from improved foreign markets, soya oil futures also gained. August contract for soya oil on National Board of Trade closed higher at Rs 665.20, after opening at Rs 664 in the morning. On Saturday also, the contract had closed higher at Rs 662.20 after opening at Rs 659 in the morning.

Similarly, soya oil futures closed higher on the national Commodity and Derivatives Exchange (NCDEX) on improved buying. August and September contracts for soya oil closed marginally higher at Rs 664.20 and Rs 661.20.

Amid reports of record sowing of soyabean and lack of buying by crushers at the higher rate, soya seeds ruled firm selling in State ex Indore *mandis* at Rs 2,270-2,320 a quintal on Monday, against Rs 2,300-2,360 in Indore *mandis*. Soyabean futures, however, declined on weak buying with August and September contracts on the NCEDX closing at Rs 2,450 and Rs 2,481 a quintal.

Plant deliveries of soyabean also gained at Rs 2,390-2,410 a quintal on rise in demand for soya de-oiled cake at the plant level.

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Turmeric drops to year's lowest

Erode, Aug. 1:

Spot turmeric prices dropped sharply on Monday as heavy arrivals continued.

“Over 9,000 bags arrived at the Erode turmeric market on Monday. But prices decreased by Rs 200 a quintal and sales were lower than 50 per cent,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that usually arrivals would be lower during this season. But this year, farmers have brought huge stocks, resulting in prices dropping.

Farmers said bulk buyers and those in the export business were quoting a lower price and buying limited stocks. Bulk buyers said the price quoted in the futures market was at a low of Rs 7,050-7,130 a quintal and this reflected in the spot market. They said a further fall in price is expected in the futures market. In the Regulated Marketing Committee, the price decreased by Rs 580 a quintal and sold at Rs 6,406 a quintal. This is the lowest price fetched this year for the finger variety. At the Erode Cooperative Marketing Society, Erode turmeric merchants' sales yard and Gobichettipalayam Agricultural Cooperative Marketing Society, prices declined by Rs 200 a quintal.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 5,009-6,806, the root variety Rs 4,839-6,076.

Salem crop: The finger variety fetched Rs 6,391-7,636, the root variety Rs 5,204-6,650. Totally, 2,432 bags arrived for sales, of which 406 were sold.

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Spot rubber improves on covering buy

Kottayam, Aug. 1:

Spot rubber turned better on Monday. According to sources, the market improved mainly on covering purchases as sellers stayed back possibly following another firm closing in the international markets. Declines in the domestic futures failed to make any visible impact on prices. The trend was mixed.

Sheet rubber increased to Rs 208 (206) a kg, according to traders. The grade inched up to Rs 207.50 (207) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

The August series slipped to Rs 206.53 (207.83), September to Rs 205.91 (207.64), October to Rs 206.00 (207.78), November to Rs 207.26 (209) and December to Rs 208.55 (210), while the January series improved to Rs 212.90 (211.25) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) firmed up to Rs 216.47 (215.72) a kg at Bangkok. The August futures firmed up to ¥382 (Rs 217.97) from ¥380.9 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg) RSS-4: 208 (206); RSS-5: 205 (204); Ungraded: 197.50 (197); ISNR 20: 206 (206) and latex 60 per cent: 135 (136).

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