THE HINDU

Published: August 9, 2011 00:00 IST | Updated: August 9, 2011 04:11 IST Mysore, August 9, 2011

Labour shortage brews trouble for coffee industry

'Mechanisation is the only way out at this juncture'

Obstacle: Rising labour cost is a major reason for the shortage. File photo

Labour shortage is the major problem confronting the coffee industry. The emphasis of the Coffee Board of India is on mechanisation. Rising labour costs and unwillingness of the younger generation to work in coffee plantations are cited to be the main reasons. Alcoholism is said to be another factor that has come in the way of labour availability. This has affected the efficiency of workers.

A discussion paper presented by C. Upendranath, who works for a non-governmental organisation, at the National Research Programme on Plantation Development seminar in Thiruvananthapuram last year revealed this fact.

Mr. Upendranath presented the paper, 'Coffee conundrum: whither the future of small growers in India' on behalf of the Centre for Development Studies . Shortage of labour has pushed up daily wages from Rs. 200 to Rs. 250 in some cases.

In a district such as Kodagu, middlemen have taken charge of the situation, ferrying workers from neighbouring Kerala and other parts of Karnataka.

According to Mr. Upendranath, there are different estimates of labour absorption in the coffee sector. The United Planters' Association of South India has estimated that over a million workers are involved in the industry while the Coffee Board says five lakh people are directly involved, and an identical number indirectly.

Migration too has played an important role. Of the total 5.27 lakh coffee workers in the country, 2.02 lakh are in Kodagu, 1.31 lakh in Chikmagalur district, 0.88 lakh in Hassan district and rest spread across other States and non-traditional growing areas such as Andhra Pradesh and some northeastern States.

India is the sixth largest coffee producer in the world. The bulk of the commodity is grown in Karnataka, which accounts for 70 per cent of the coffee grown in the country, followed by Kerala (20 per cent) and Tamil Nadu (7 per cent). Small growers (those who cultivate on less than 10 hectares) form over 90 per cent of the operational holdings and account for 70 per cent of the production. Mechanisation is the only way out at this juncture, says Cheranda Nanda Subbaiah, the former chairman of the Codagu Planters' Association. Labour shortage has increased in recent years owing to expansion of the cultivation area.

The response from growers to the subsidies offered by the Coffee Board to buy equipment has not been very good because they are still sceptical of the efficacy of the new machinery, Mr. Subbaiah told *The Hindu* . The current coffee prices show a marked increase compared to what existed during the corresponding period last year.

The price of Arabica parchment which was about Rs. 6,500 during June last year now fetches Rs. 9,300 per 50 kg bag. Arabica cherry now fetches Rs. 4,800 (Rs. 2,850 last year), Robusta parchment Rs. 4,700 and Robusta cherry Rs. 2,750 (Rs. 1,725 last year).

The cost of labour and the cost of inputs such as fertilizer had gone up correspondingly, and it was no time for the growers to rejoice, Mr. Subbaiah said.

Published: August 9, 2011 00:00 IST | Updated: August 9, 2011 04:05 IST CHENNAI, August 9, 2011

State Agriculture Department to examine Bt cotton promotion

The State Agriculture Department will examine the matter of Bt cotton promotion in view of farmers' concerns.

Agriculture Minister K.A. Sengottaiyan was reacting to an observation by Communist Party of India (CPI) deputy leader S. Gunasekaran during the debate on the budget in the Assembly on Monday that farmers in Andhra Pradesh had committed suicide over the issue of Bt cotton application.

The Minister clarified that the government would not promote Bt varieties with regard to food crops such as brinjal. He also pointed out that in Gujarat, Maharashtra, Karnataka and Andhra Pradesh, Bt cotton was widely used.

Participating in the debate, S. Vijayadharani (Congress) wanted the government to initiate talks with the Kerala government and Central Water Commission on the Neyyar water issue.

For achieving the production targets of food grains, the State should enact a law on the lines of the Kerala Conservation of Paddy Land and Wetland Act.

Published: August 9, 2011 00:00 IST | Updated: August 9, 2011 04:11 IST Bangalore, August 9, 2011

Action plan to improve growth in horticulture

The Horticulture Department has come out with an action plan to improve the growth rate in the sector to 10 per cent over the next five years, P. Hemalatha, Director of the department, has said.

Speaking at the 95th birth anniversary of M.H. Mari Gowda, father of horticulture, Ms. Hemalatha said that this would take Karnataka to the number one position in horticulture. A slew of activities would begin once the plan was approved, though the department was short on staff, she added.

The work done by the late Mari Gowda, she said, was the inspiration for the functioning of the department.

S.V. Hittalamani, Additional Director, said that he developed over 300 nurseries in 13,000 acres, making quality seeds and saplings available to farmers.

M. Udayshankar, Opposition Leader in the BBMP Council, said that Mari Gowda would be remembered just as Hyder Ali and G.H. Krumbiegal for his contribution to Bangalore being a centre of horticulture.

Presentations

N.K. Haleshappa and M.C. Rangaswamy, progressive organic farmers, made presentations on their innovative methods.

Amid probe, Monsanto applies for research on hybrid onions

In 2010, the firm was accused of violating biodiversity protection laws

Over a year after bio-piracy complaints against U.S.-based multinational Monsanto — with regard to Bt brinjal — reached the National Biodiversity Authority of India (NBA), the investigation is still continuing.

However, when Monsanto sent in its application to use Indian onion strains for hybrid research last month, the Authority promptly forwarded it, and expects it to be dealt with by the end of the month.

"It is a matter of very serious worry that the NBA, which has failed to demonstrate urgency in dealing with the complaint of bio-piracy against Mahyco/Monsanto, has wasted no time at all in processing Monsanto's application to access onions," says Leo Saldanha of the Environment Support Group (ESG), which is the complainant in the alleged bio-piracy case.

Now it is up to new NBA chairman Balakrishna Pisupati, who is set to take charge on August 12, to spur action in the long-winded investigation. While the NBA will meet on Tuesday, sources indicate that it is unlikely to take any decision on the Monsanto case just three days before its new chief takes over.

Dr. Pisupati, who holds a Ph.D. in genetics, helped develop and implement India's National Biodiversity Act, and has also worked with other Asian nations to draft frameworks allowing local communities to share the benefits of companies using their traditional genetic and biodiversity resources. He most recently headed a section of the United Nations Environment Programme's environmental law division in Nairobi.

Given his expertise in access and benefit sharing law, the Monsanto issue should be a textbook case for Dr. Pisupati. The U.S.-based agribusiness giant — in collaboration with several Indian and American institutions and funded by the U.S. government — allegedly accessed nine Indian varieties of brinjal to develop their genetically modified vegetable without any prior permission from the NBA or the relevant State and local boards.

Then Environment Minister Jairam Ramesh halted the release of Bt brinjal on health and safety grounds in February 2010. But environmental activists pointed out that Monsanto and its collaborators had also violated the Convention on Biological Diversity, 1992, and the Biological Diversity Act, 2002, by using the local varieties of brinjal without permission. This “compromises India's sovereign control over its biological resources” and also “denied economic and social benefits to local communities under the Access and Benefit Sharing Regime,” according to the ESG.

The ESG filed a complaint of bio-piracy — a cognisable, non-bailable crime with large financial penalties as well — before the statutory Karnataka Biodiversity Board on February 15, 2010. The State board collected responses from Bt brinjal's promoters by June 2010; while Monsanto denied violating biodiversity protection laws, the University of Agricultural Sciences, Dharwar, claimed that the law did not apply to it as it was a publicly funded company.

The Karnataka Biodiversity Board held a hearing and then forwarded its evidence to the NBA, which is tasked under the Act with responsibility to take action and initiate criminal proceedings if required. The State board has written at least four letters to the NBA between June 2010 and March 2011, urging appropriate action. However, the NBA has dithered on taking a final decision for over one year now.

“The NBA secretariat has been gathering inputs from various agencies on this case,” says NBA chairman M.F. Farooqui when asked why the investigation was being delayed. “A significant amount of material has been collected and a decision will have to be taken soon.”

Meanwhile, the NBA is conducting business-as-usual with Monsanto, processing its application to use two varieties of Indian onions for potential hybridisation. If no objection is made by August 27, the application will be automatically approved.

“When the Supreme Court found evidence of widespread illegal mining in Bellary, it banned all mining there as a precautionary principle,” says Mr. Saldanha. “Then how can the NBA entertain a fresh application from the same company which is being investigated for bio-piracy?”

Published: August 9, 2011 00:00 IST | Updated: August 9, 2011 04:11 IST NEW DELHI, August 9, 2011

Enhance role of women in agriculture: Purandeswari

Highlighting the role of Indian women in agriculture, Minister of State for Human Resource Development D. Purandeswari pointed out on Monday that in order to achieve a GDP growth of upto 10 per cent, there was need to revisit the farm policy and bring out schemes for integrating women more into agriculture.

Although women provide 60-80 per cent of agriculture labour, they have limited access to resources and not many opportunities to profit from their contributions.

Inaugurating a two-day National Consultation on Gender Perspective in Agriculture here, she pointed out that the migration of rural men had put pressure on women in agriculture. “Holistically revisiting agricultural policy can address several issues.”

Studies conducted in nine States by the Directorate of Research on Women in Agriculture (DRWA) show that the independent participation of women is greater in homestead-based agriculture. Joint participation in crop production activity is 75 per cent for major crops, 79 per cent for horticulture and 51 per cent in post-harvest operations.

In livestock rearing, the work participation rate of women is 58 per cent and in fisheries, about 95 per cent. The highest participation of women in agriculture was observed in Himachal Pradesh and the lowest in Uttarakhand, where there is joint participation with men.

The world over, women play a major role in agriculture and rural development. However, the nature and extent of their involvement differs with variations in the agro-production system and the land-owning status of farm households. Their role ranges from managers to landless labours.

A Food and Agriculture Organisation (FAO) study has indicated that in the Indian Himalayas, a pair of bullocks worked 1,064 hours, a man 1,212 hours and a woman 3,485 hours, in a year on a one-hectare farm — the figure illustrates the significant contribution women make to agriculture production.

According to National Advisory Council Secretary Rita Sharma, growth must be broad-based and inclusive for it not to increase the divide between the haves and the have-nots.

Director-General of Indian Council of Agricultural Research S. Ayyappan urged the participants of the event to come up with innovative ideas on how to provide women with better access and control over farm resources, information, knowledge and the market.

The consultation is an effort to draw the attention of women scientists and academicians to look into the subject of gender research in agriculture.

It was organised by the DRWA and the Extension Wing of the ICAR.

Published: August 9, 2011 00:00 IST | Updated: August 9, 2011 04:07 IST HOSUR, August 9, 2011

Rs. 50 lakh earmarked for Hosur forest division development

Action plan prepared after meeting with VFC members

Twenty seven Tribal Village Forest Committees (VFCs) under the Hosur forest division will spend around Rs. 50 lakh during the financial year 2011-12.

An action plan was prepared after a meeting recently with VFC members at Denkanikottai.

District Forest Officer A.K. Ulaganathan presided over the meeting with seven rangers attached to the Hosur division. The forest department had constituted 27 VFCs during 2004 in the Hosur division. These VFCs conduct Participatory Rural Appraisal (PRA) to understand the resources available and needs of the people and then prepare a location specific micro plan for implementation of the activities under the project. The micro plan gives details of the village and the adjoining forests.

Afforestation activities to be undertaken, village development activities and income generation activities required to be promoted are documented in the micro plan. The VFCs were given exclusive Non-Timber Forest Products (NTFP) collection rights free of cost in the areas coming under their jurisdiction.

NTFP collected from the units concerned are sold through the tribal VFCs and the amount is remitted into the tribal VFC accounts.

This is used for community development activities in villages, alternate income generation activities or as loan component for the benefit of the members, which should be paid back to the VFC account to revolve it again.

With the VFCs in the Hosur division continuing to generate revenue, lakhs of rupees are credited into the accounts of the committees every year.

Many activities like construction of community halls, purchase of cattle and sheep for alternate livelihood, disbursal of loan to villagers, improvement of basic amenities in villages such as water supply, electricity, irrigation and improvement of roads have been taken up with these funds.

The VFC members have demanded that developmental activities in their hamlets be taken up.

Their other demands are basic infrastructure like drinking water, borewell for irrigation, construction of community halls, repair of houses, sanitation facilities, financial help to purchase sheep and cattle, search lights to chase away straying wild elephants, individual loan and loan to SHGs.

hindustantimes
Tue,09 Aug 2011

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Tuesday, Aug 9

Max	Min
36.5°	27°

Rain: 00 mm in 24hrs
Humidity: 70%
Wind: Normal

Sunrise: 5:55
Sunset: 18:33
Barometer: 1002

Tomorrow's Forecast

Cloudy

Wednesday, Aug 10

Max	Min
37°	28°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Aug 11	Aug 12	Aug 13	Aug 14	Aug 15
32° | 27°	32° | 26°	31° | 26°	31° | 26°	31° | 26°
Rainy	Rainy	Rainy	Rainy	Rainy

the pioneer

Provide grain at food security Bill prices: KV Thomas

August 09, 2011 12:45:10 AM

SEEMA SINDHU | New Delhi

The Centre may slash down price of grain distributed among the poor through PDS in the backdrop of a bumper production this year.

Food Minister KV Thomas told *The Pioneer* that in the upcoming Empowered Group of Ministers (EGoM) meeting on August 16, he would propose to the chairman to consider providing grain at the price proposed in the National Food Security Bill — rice at Rs 3/kg and wheat at Rs 2/kg. At present, the Centre issues PDS grain to BPL at Rs 5.65/kg for rice and Rs 4.15/kg for wheat.

The EGoM is headed by the Finance Minister Pranab Mukherjee. Thomas discussed the matter with Mukherjee on Monday. He also had a meeting with Agriculture Minister Sharad Pawar later in the day.

If the EGoM approves the proposal, the process of implementation for the same may take a couple of months. However, this will increase the food security.

The Government is facing a problem of plenty this year due to bumper production. The stock position of wheat and rice in Central pool as on July 1, 2011 was 640.06 lakh tonnes comprising 371.49 lakh tonnes of wheat and 268.57 lakh tonnes of rice.

Thomas said that he would also propose an alternative for covering more poor. He said that his

Ministry would propose to accept the State's number of BPL.

The Government is facing the wrath of the Supreme Court on the mismatch between the BPL numbers put forth by the Centre and the states. The Centre accepts Planning Commission number of BPL, which is less than the States' own estimates. At present, the Centre gives grain to around 6.5 crore BPL which is planning commission's estimate. The States' estimate is higher- around eight crore. If the EGoM agrees on Thomas' proposal, around 1.5 crore more poor will be covered through the PDS.

Business Standard

Tuesday, Aug 09, 2011

Tea industry to seek IIT-G help to overcome labour shortage

Supratim Dey / Kolkata/ Guwahati August 09, 2011, 0:54 IST

To overcome the problem of labour shortage, which has been "pinching" it hard of late, the tea industry of Assam will soon knock the doors of IIT-Guwahati to help it introduce more mechanisations into its activities.

The tea industry has zeroed in on two-pronged approach to overcome the labour shortage problem, said Bidyananda Barkakoty, Chairman of North Eastern Tea Association (NETA). Besides introducing more mechanisations into its activities, the tea industry will soon approach the Development of North Eastern Region (DoNER) ministry to set up a skill development and training institute in Assam to impart skill based training both among blue and white collar workers.

"Shortage of labour is going to be a major challenge for the tea industry. We have already started to feel the pinch. Absenteeism has already been an area of concern," Barkakoty said.

He said that though absenteeism among labourers was affecting tea production, shortages in many gardens had been felt even without absenteeism. “We have taken up the issue with Assam Chah Mazdoor Sangha (ACMS) at several meetings,” added Barkakoty.

The tea industry wants machines indigenously designed and developed based on the local conditions.

“Research and Development (R&D) on mechanical harvesting, pruning and other field operations is the need of the hour. There are some existing machines made in Germany, Japan, China and other foreign countries. If the machines can be designed and developed indigenously based on the local conditions, then the cost of machines will come down to a considerable extent and will be more user friendly. We will seek the help of IIT Guwahati in this regard,” said Barkakoty.

He also stressed that tea, being a labour intensive industry, skill development at all levels had been lagging behind, thereby adversely affecting production, productivity and livelihood enhancement.

Tobacco Board lobbies with ITA on crop size

D Gopi / Chennai/ Guntur August 09, 2011, 0:35 IST

The Tobacco Board is now lobbying with the Indian Tobacco Association (ITA) on the crop size for the year 2011-12.

The ITA had placed an indent for 120 million kg of tobacco for the 2011-12 season, as against the crop size of 170 million kg. The ITA claimed that it had no export orders from the global market, and it would not be possible for the traders to buy the crop at the prices fixed by the board. In the 2010-11 season, the crop size was put at 166.16 million kg spread over 116,316 hectares.

This year, there was a fight between the traders and the farmers as the former have brought down the price to the average of Rs 94-110 against the board price of Rs 120 a kg.

The farmers in Prakasam district have protested against this. The board had intervened and held talks with the traders and the farmers to solve the problem.

Some of the farmers, including the Virginia Tobacco Growers Association president and former MP Yalamanchili Sivaji, have suggested a few alternatives like asking the board to intervene and purchase the crop.

The farmers have even offered to wait for a couple of months for the money, if the board procured their crop. This would clear the stocks from the auction platforms forcing the traders to offer better price.

However, the board is not inclined to get into the auction slot and is concentrating more on convincing the traders and the ITA.

Haryana's basmati acreage may shrink

Vikas Sharma / New Delhi/ Chandigarh August 09, 2011, 0:22 IST

Looking at the surge in the area under paddy transplantation in Haryana this season, there are apprehensions that the area under basmati rice would decrease.

Members of rice millers and export association said the area under traditional basmati is likely to fall this year while area under Pusa- 1121 is likely to remain the same. The overall area under basmati this season could decline by 5-10 per cent according to Haryana rice millers.

In Haryana, where around 12 lakh hectares of land is covered by paddy, 50 per cent area is targeted for basmati, while remaining under non basmati variety.

According to latest data, 11.53 lakh hectares under paddy was covered as against 10.95 lakh hectares covered in the corresponding period previous year. The targeted area for paddy this season is 12 lakh hectares.

Agriculture department officials in Haryana maintained since transplantation was on, it was difficult to comment whether basmati area would decline this year or not. The clear picture would emerge only after few days.

Sushil Jain, president, Haryana Rice Exporters Association maintained area under basmati in Haryana would decline as area under traditional basmati(which almost doubled last year) is likely to halve this year.

Even as other varieties area may remain constant.

Sushil Jain, president, Haryana Rice Exporters Association maintained area under basmati in Haryana would decline as area under traditional basmati(which almost doubled last year) is likely to halve this year even as other varieties area may remain constant..

The area under basmati declining this year is primarily due to two reasons .

The floods inundating field when common variety was already transplanted resulted in farmers to move to basmati transplantation.

Basmati area which ideally is 50-55% of the total paddy area in Haryana , last year because of re- transplantation surged to 65%. The area under traditional basmati almost doubled last year.

Sushil Jain maintained farmers opting for traditional basmati did not receive attractive remunerations last year because of increase in area under basmati. Higher area resulting in more production suggested prices of traditional basmati coming down by 20-25% , thereby discouraging farmers this year to go in for traditional basmati transplantation. This could result in basmati area dipping .

Monsoon in Haryana this season has been deficient and as per reports till first week of August rainfall in Haryana has been 32% deficient.This however would have no major impact on production of paddy as scientists maintain less rainfall means lower incidence of attacks on crop by pest and pathogens thus improving the production.

Moreover paddy in Haryana is grown in area where assured irrigation facility is available; hence any deviation in rainfall from normal does not have significant impact on the production of rice.

Never-ending woes of the jute industry

Kunal Bose / August 09, 2011, 0:22 IST

Labour disputes, strikes in mills upset gunny bag procurement by govt agencies, sugar factories.

The one-and-a-half-century jute industry, ever unconcerned about challenges emerging from alternative materials, has made it a habit to fall back on the government to keep competition at bay. And, so far, it has found obliging governments. What has helped the antediluvian industry win official sympathy is its making a case on about five million families engaged in raw jute cultivation being denied their livelihood if jute packaging material had to compete with synthetic substitutes.

Lip sympathy apart, it is not known how helpful the industry has been in promoting jute growing on scientific lines in eastern states, as processors of some other cash crops have been doing in many parts of the country. Labour disputes in jute mills are legion. Strikes on many occasions in the past have lasted over months, upsetting gunny bag procurement programmes of government agencies and sugar factories. The last strike, in February 2010, took two months to be resolved. But, for jute mill owners, any criticism slips like water off a duck's back. At any cost, they will deny a level playing field to producers of synthetic materials.

Being a natural fibre, jute recommends itself for its ecofriendliness and biodegradability. There is no questioning that food crops like wheat and rice are ideally packed in jute bags. The same, however, cannot be said about ready for consumption sugar. Bulk consumers of sugar like soft drinks makers, pharmaceutical units and confectioners find the presence of traces of batching oil used in softening jute and loose fibres in the sweetener highly annoying. Incidentally, in international trade, the accepted practice is to pack sugar in high density polyethylene (HDPE) bags. Since bulk consumers here will not accept delivery of the sweetener packed straight in jute bags, sugar factories barred by law from using HDPE bags are putting alkathene liners in jute bags, incurring extra cost in the process.

Indian Sugar Mills Association (Isma) Director General Abinash Verma says the "mission of the industry is to deliver sugar in the market without contamination and at least cost. But as long as the Jute Packaging Materials Act (JPMA) will be hanging over our head like the Damocles sword, neither will be possible. The specifications of 50-kg jute bags are such that besides allowing sugar leakages through gaps between woven yarns, the packed material runs the risk of fungal infection and bacterial contamination. As for cost, a 50-kg HDPE bag comes at Rs 15 against Rs 35 for an identical capacity jute bag." JPMA requires mandatory packing of 100 per cent production of sugar in jute bags. In one more instance of political considerations overshadowing economic reasoning, the government has repeatedly overruled the recommendation of the Standing Advisory Committee that sugar factories be allowed to pack 25 per cent of their production in non-jute bags.

At the time of pronouncement of JPMA in 1987, foodgrain, sugar, fertiliser and cement were brought within the ambit of exclusive use of jute packing material. However, it did not take the makers of cement and fertilisers a long time to get them exempted from JPMA, arguing successfully that HDPE and not jute provides the ideal shield to keep the two commodities in good order during handling and in all kinds of weather. Besides technical factors, what helped cement and fertiliser producers win the day was their lobbying power. That left sugar and foodgrains within the scope of JPMA. But while sugar factories remain at the mercy of jute mills for bag prices, the government buys bags at rates fixed by it.

Isma says despite cement and fertilisers escaping the JPMA net, jute mills have not stopped “arbitrary fixing of jute bag prices. The price behaviour of bags used for packing sugar since April 2010 and particularly at the height of cane crushing in the current season will illustrate how jute mills are using their monopoly power in moving the market.” Verma says by making sugar factories do with jute bags, the sweetener consumers are penalised in two ways: first, they are made to pay up to an extra 40 paise for a kg of sugar and second, they don’t get as clean sugar had it been packed in HDPE bags. What particularly defies logic is that even people below the poverty line, who buy subsidised levy sugar, are not spared the extra cost.

Isma wonders whether jute still needs crutches from sugar. Hasn’t the country’s food production risen to a record 235.88 million tonnes in 2010-11, up 20 per cent from 2000-01, creating so much more demand for jute bags from the food sector? However, raw jute production has remained well within 11 million bales, requiring the country to import both the raw material and jute bags. Isma is raising the issue that to the extent sugar factories are using jute packing material of foreign origin, it is subsidising an offshore industry. But what will make the domestic jute industry sit up is Isma’s decision to find out if mandatory packing of sugar in jute bags is not in breach of the Competition Act of 2002.

The Hindu Business Line

Crude palm oil plunges to year's low

Mumbai, Aug. 8:

Most edible oils prices extended losses in line with weak global markets on Monday. Crude palm oil (CPO) futures on Bursa Malaysia Derivatives (BMD) plunged to hit a new low for the year, following a broad selloff across markets after Standard & Poor's downgraded the credit rating of the US.

Palmolein dropped by Rs 2, soya oil by Re 1, rapeseed oil by Rs 6 and cotton oil by Rs 2 for 10 kg in the domestic market. Groundnut oil rose by Rs 5 and sunflower oil remained unchanged.

Volumes were thin in the physical market as stockists avoided new buying. Local demand was need-based. Resellers sold only 80-100 tonnes of palmolein in ready market at Rs 553-554. Local refiners quoted higher prices for earlier deliveries.

Liberty offered palmolein at Rs 558, soya oil at Rs 638 and sunflower oil at Rs 695. Ruchi quoted palmolein at Rs 554, soya refined oil at Rs 634 and sunflower oil at Rs 694. Allana offered palmolein at Rs 558. In Rajkot and Saurashtra, groundnut oil remained unchanged at Rs 1,465 for a *telia* tin and at Rs 955 for loose (10 kg).

Malaysia's BMD CPO September closed at MYR3,036 (MYR3,079), October at MYR2,994 (MYR3,051) and November at MYR2,980 (MYR3,044) a tonne. August contract of soya oil dropped to at Rs 658 (Rs 658.70) and September declined to Rs 646.70 (Rs 647.80).

Mumbai Commodity Exchange spot prices (Rs/10 kg): Groundnut oil 970 (965), soya refined oil 634 (635), sunflower exp. ref. 655 (655), sunflower ref. 700 (700), rapeseed ref. oil 684 (690), rapeseed expeller ref. 654 (662), cotton ref. oil 663 (665) and palmolein 554 (556).

(This article was published in the Business Line print edition dated August 9, 2011)

Heavy arrivals drag cardamom to near Rs 600/kg

Buyers slow purchase; exporters stock ample quantity

Kochi, Aug. 8:

Cardamom prices fell sharply last week on heavy arrivals from the early new crop outstripping the demand at auctions held in Kerala and Tamil Nadu.

Weekly arrivals have soared to around 400 tonnes because of an early crop that is also good.

It has happened during the usual peak period of the season. It has affected the market sentiments in the country, market sources said.

Against arrivals of 86.5 tonnes of cardamom during the first week (August 1-7) of the last season (officially the season begins from Aug 1), it was at 405.16 tonnes in the same period this season.

Overseas buying

Such heavy arrivals during a lean period of the season have caused bearish sentiments in the market. Buying slowed down in the declining market.

To make matters worse, some traders are allegedly sending SMS to north Indian buyers asking them to delay their purchases, claiming that the average price would fall to Rs 450 a kg, market sources told *Business Line*.

Export buying has slowed as major overseas buyers have stocked enough quantity for the Ramadan month, which is under way, they said.

Upcountry buyers were buying small quantities.

Arrivals at the Sunday auction conducted by the KCPMC were 74 tonnes and the maximum price fetched was Rs 1,020 a kg and the minimum was Rs 430 a kg. Auction average dropped to Rs 578 a kg from Rs 693 a kg on the previous Sunday, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line*.

He said that the upward trend in arrivals, of late, was not a favourable sign at present.

Total arrivals during the current season up to August 7 stood at 405.1 tonnes against 86.5 tonnes in the same period the previous season.

Sales during the period were at 393.7 tonnes and 86.2 tonnes, respectively.

Weighted average price as on August 7, 2011, was at Rs 622.34 a kg, while that on the same day last year was at Rs 1,353.21 a kg.

“The demand-supply mismatch has pulled down the prices,” market sources in Bodinayakannur and Kumily said.

Prices of all grades dropped at the auctions as well as in the open markets.

Prices in Kumily for graded varieties in rupees per kg were: AGEB Rs 860 -870; AGB 675-685; AGS 645- 655 and AGS 1: 595-605.

Prices in the open market at Bodinayakannur (Rs/kg) were: AGEB (7mm) 840-850;AGB (6mm) 650- 660; AGS (5mm – 6mm) 630-640 and AGS 1: 575-585.

The weather conditions in the growing areas continued to remain good with the entire growing areas receiving sufficient rains.

Given this situation “we can expect a super crop this season”, some of the traders in Kumily claimed.

(This article was published in the Business Line print edition dated August 9, 2011)

Cotton drops below Rs 35,000 a candy

Rajkot, Aug. 8:

Cotton fell by Rs 1,000 for a candy of 356 kg as demand has dropped in the past three days.

Sankar-6 variety declined by Rs 1,000 at Rs 33,500-34,000 a candy. Its lower grade fetched Rs 29,000-30,000 a candy.

Raw cotton or *kapas* sold at Rs 830-860 for a *maund* of 20 kg.

Brokers said demand was nominal as mills were not buying.

Prices had risen to Rs 35,000 a candy earlier when the Centre removed restriction on exports on August 1. Top importers such as China and other Asian countries, such as Bangladesh and Vietnam, are main importers of Indian cotton.

Exports were capped at 5.5 million bales of 170 kg each in October last year to cushion the domestic textiles industry's need against rising raw-material prices.

A million bales more were allowed for export in June, after prices fell sharply.

According to estimates of the Cotton Advisory Board, surplus at the end of the current season would be 5.25 million bales on account of lower industry demand.

In February, the board had estimated it at 2.75 million bales.

(This article was published in the Business Line print edition dated August 9, 2011)

Poor buying, global cues drag soya oil

Indore, Aug. 8:

Weak foreign markets and subdued local demand kept soya oil sluggish on Monday. Negative projections by Chicago Board of Trade (CBOT) added to the bearish mood.

Soya refined was quoted at Rs 630-632 for 10 kg in Indore *mandis* on Monday, against Rs 630-635 on Saturday. Trading for the oil, however, remained dull at the current price level primarily because of weak foreign markets and lack of buying in the physical market. Resellers sold soya refined at Rs 627-628 for 10 kg.

Soya solvent also declined by Rs 5 at Rs 595-600 for 10 kg on drab trading. Speculation lifted soya-oil futures. August contract of soya refined closed higher at Rs 646.40 on National Board of Trade, after opening at Rs 643.90 in the morning. August and September contracts of soya oil rose to Rs 654.50 and Rs 645 on the National Commodity and Derivatives Exchange.

Beside weak foreign markets, the recent spate of monsoon rains in soyabean-producing regions of Madhya Pradesh have improved prospects of the harvest, leading to the bearish sentiment, said a soya-oil trader. Trade experts, however, differed as they see the coming festive season to push up demand for soya oil.

Soyabean traded low on sluggish demand at the plant level and weak projections by CBOT. Soyabean traded at Rs 2,280-2,320 a quintal on Monday against Rs 2,300-2,340 a quintal on Saturday. Plant deliveries of soyabean also declined to Rs 2,380-2,400 a quintal on weak demand for soya de-oiled cake, which sold at Rs 18,300 a quintal in the port on Monday, against Rs 17,200 a quintal in the domestic market.

Heavy rains in parts of the State hit arrivals of soyabean in State ex Indore *mandis* at 20,000 bags on Monday against 35,000 on Saturday. A thousand bags arrived in Indore *mandis*.

(This article was published in the Business Line print edition dated August 9, 2011)

Continuous selling, poor offtake peg sugar down

Mumabi, Aug. 8:

Sugar prices ruled almost steady on Monday with fine quality sugar fetching Rs 5-10 a quintal higher, while fair quality lost Rs 4-5. Arrivals and dispatches were balanced and continued selling by producers eased supply.

A wholesaler at the Vashi wholesale market said despite festivals ahead, domestic and bulk consumers demand has not improved. Mills continue to sell at current price level.

There is no big demand for export or from neighboring States. Producers are depending on the State-level markets for volume. Since the last four days, mills tenders rates have ruled almost unchanged.

He further said that due to high food inflation bulk consumer demand for festivals has been affected. Freight rates were steady. The market will move on the basis of demand – supply position with range bound movement.

About 18-20 mills offered tenders on Saturday and sold 80,000-85,000 bags (each 100 kgs) in the range of Rs 2,575-2,615 (Rs 2,575-2,615) for S-grade and Rs 2,630-2,700 (Rs 2,630-2,700) for M-grade. Arrival in the market was 51-52 truckloads (each 100 bags) and dispatches were at the same level.

Bombay Sugar Merchants Association's spot rates : S-grade Rs 2,710-2831 (Rs 2,711-2,810) and M-grade Rs 2,751-2,931 (Rs 2,761-2,921).

Naka delivery rates : S-grade Rs 2,650-2,700 (Rs 2,660-2690) and M-grade Rs 2,750-2,880 (Rs 2,700-2,870).

(This article was published in the Business Line print edition dated August 9, 2011)

Heavy arrivals pound turmeric

Erode, Aug. 8:

The price of spot turmeric decreased by Rs 300-500 a quintal on Monday. It decreased by Rs 600 a quintal at the Regulated Marketing Committee.

“Arrival of over 10,000 bags of turmeric caused the decrease in price on Monday, the opening day of the week,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Even the hybrid variety sold below Rs 7,000 a quintal for want of demand. “No trader has received fresh order from North India, so bulk buyers quoted lower price for the yellow spice. Prices quoted in the turmeric futures were also low, which is reflected in the local market.

“Sales were only 30 per cent of the total arrival of 10,000 bags on Monday. Farmers despite being aware of the declining trend bring huge stocks, as they cannot store them in their premises. This is because production this year is three times higher than last year.”

At the Erode Turmeric Merchants Association Sales yard, the finger variety sold at Rs 4,6096,315, the root variety at Rs 4,509-5,717.

Salem Crop: The finger variety sold at Rs 5,830-6,777, the root variety Rs 5,099-5,911. Of the 2,137 bags that arrived for sale, 409 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold at Rs 5,372-6,503, the root variety at Rs 4,310-6,016. Of the 353 bags that arrived, only 179 were sold.

At the Erode Cooperative Marketing Society, the finger variety sold at Rs 5,177-6,381, the root variety at Rs 4,919-5,816.

Of the 1,188 bags that arrived, 1,160 were sold.

At the Regulated marketing Committee, the finger variety sold at Rs 5,709-6,346, the root variety at Rs 5,593-6,045. Of the 890 bags kept for sale, 594 were sold.

(This article was published in the Business Line print edition dated August 9, 2011)

Rice market rules steady

Karnal, Aug. 8:

Despite restricted trading, the rice market witnessed a steady trend with prices of aromatic and non-basmati rice ruling without much alteration from previous levels.

On Monday, Pusa-1121 (steam) ruled flat and sold at Rs 4,940-5,190 a quintal, Pusa-1121 (sela) was at Rs 3,950-3,970, while Pusa-1121 (raw) ruled at Rs 4,370 a quintal.

There is no bulk buying in the market at present as traders have adopted a wait and watch policy following inadequate rainfall, which may affect the production and quality of the crop if it doesn't rain on time, said Mr Praveen Kumar, a rice miller. Major changes in prices are unlikely this week, he said.

For the brokens of Pusa-1121, Tibar sold at Rs 3,100-3,350, Dubar ruled at Rs 2,600-2,660 and Mongra was trading at Rs 1,900-2,145 a quintal.

Duplicate basmati quoted at Rs 3,430 a quintal. Pure basmati (raw) was ruling at Rs 5,870 a quintal while basmati (sela) quoted at Rs 3,950 a quintal.

Sharbati varieties were quoted with marginal drop, after ruling flat for almost 5 days, Sharbati (steam) went down by Rs 15 and ruled around Rs 2,850, while the Sharbati (sela) was at Rs 2,730 a quintal.

Among the brokens of Sharbati variety, Tibar quoted at Rs 2,350-2,500, Dubar sold at Rs 2,100-2,240 while Mongra was trading at Rs 1,730-1,750 a quintal.

After witnessing a good uptrend last weekend, PR-11 and Permal varieties ruled firm on previous levels.

(This article was published in the Business Line print edition dated August 9, 2011)

Seafood exports target pegged at $4 b this fiscal

Kochi, Aug. 8:

Seafood exports from the country are targeted to rise to $4 billion during the current fiscal, up from $ 2.8 billion achieved in the 2010-11 fiscal.

Addressing a press conference in Kochi, Ms Leena Nair, Chairperson of the Marine Products Export Development Authority (MPEDA), said that increased production of vannamei shrimp, growth in infrastructure facilities for production of value-added items and re-gaining pace in the Japanese market after the tsunami are expected to help in achieving the target.

This is on the back of buoyant growth in 2010-11 when seafood exports spurted by 19.85 per cent in quantity to 8, 13,091 tonnes, 28.39 per cent growth in value to Rs 12,901.47 crore and 33.95 per cent growth in dollar earnings.

Growth last year

Shrimp exports increased by 16 per cent in quantity, 37 per cent in value and 43 per cent in dollar earnings during last year.

The US was the biggest export destination for vannamei shrimp.

Shrimp prices have been increasing over the past year and the only hindrance before the export target is any unforeseen global economic shock impacting demand from the developed world.

Although new markets and new products have been opening up the export frontiers for seafood export, the dependence on traditional markets was very much in evidence.

Major markets

South-East Asia that has emerged as a major market destination have been revealed an export growth rate of over 50 per cent in quantity, over 40 per cent in value realisation and close to 50 per cent growth in dollar earnings.

The growth in new markets such as Egypt, South Africa and the Gulf countries are all expected to augment the growth process, said Mr Anwar Hashim, President of the Seafood Exporters Association of India.

The growth in farmed and fished product exports have helped the country to achieve the records that it set last year, he added.

Widening export basket

With the increasing dominance of countries of South-East Asia in export destinations, new items have also been added to the export basket.

Mackerel exports to Thailand last year have been huge. And prices have been handsome.

Ribbon fish which used to command a price of less than one dollar in the global markets now fetches over thrice that amount.

(This article was published in the Business Line print edition dated August 9, 2011)

Assam's share in country's tea output rises to 44%

Coonoor, Aug. 8:

Assam's share in the country's tea output has increased to 44 per cent in the first half of current calendar year from 41 per cent in the corresponding period last year, reveals an analysis of the latest data available with the Tea Board and producers' organisations.

Assam continued to be the biggest contributor at 158 million kg (mkg) of the country's output of 358.32 mkg.

In 2010, Assam's share was 137.68 mkg of the country's total output of 338.97 mkg. Output in Cachar fell marginally this year.

Assam Valley achieved a gain of 21 mkg.

(This article was published in the Business Line print edition dated August 9, 2011)

Spot rubber eases on selling pressure

Kottayam, Aug. 8:

Rubber prices remained under pressure on Monday. Broad weakness in domestic and international stock and commodity markets reflected in natural rubber prices also. On the spot, the market slipped partially on selling from dealers as buyers stayed back expecting further fall in prices.

Sheet rubber declined to Rs 207 (208) a kg, as quoted by the traders. The grade fell to Rs 207.50 (208.50) a kg both at Kottayam and Kochi, according to the Rubber Board.

The August series weakened further to Rs 207.50 (208.06), September to Rs 205.25 (206.99) and October to Rs 205.20 (207.10 a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs 213.31 (215.58) a kg at Bangkok.

The August futures weakened to ¥366 (Rs 212.11) from ¥372.5 a kg on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 207 (208); RSS-5: 203 (204); ungraded: 196 (198); ISNR 20: 205 (205) and latex 60 per cent: 134 (134).

(This article was published in the Business Line print edition dated August 9, 2011)