THE HINDU

Today's Paper » FEATURES » SCI-TECH & AGRI

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Rural employment scheme making life miserable for small farmers

"What can we poor ryots do against the might of money and power?"

Troubled times: Shamanna Nayak in his field at Belthangady, Karnataka. - Photo: M.J. Prabu

"In the last 60-odd years several governments have come to power, and some of them got toppled for various reasons. Politicians become crorepathis in four or five years; but the condition of farmers is deteriorating from from bad to worse," says Mr. Shamanna Nayak a small farmer from Odilnala village, Belthangady taluk in Dharmasthala.

"In the name of development, fertile lands are being developed into industries, Special economic zones, IT parks, new airports and power plants, or developed into real estate. How can we then talk of ensuring the country's food security?" he asks.

Different varieties

Mr. Nayak owns five acres and grows more than 15 varieties of vegetables, arecanut, coconut, cocoa, banana, cashew, vanilla, paddy, cardamom using only natural inputs for the crops.

“Growing one or two vegetables is a common thing in this region. I wanted to grow as many varieties as possible to get a consistent income throughout the year,” he says.

The farmer earns between Rs. 45,000 to Rs.60,000 a year from cultivating vegetables alone.

“Cardamom, cocoa, banana, paddy etc are sold according to the prevailing market price and I am able to get an additional Rs. 35,000 to Rs. 40,000 a year from them,” he says.

Some of the government schemes for farmers are quite strange and contradictory, according to him.

“On the one hand, the government encourages farmers to buy seeds and fertilizers from its marketing departments and on the other hand, in the name of the rural employment scheme it is totally destroying the livelihoods of several thousand small farmers, as labour is very hard to source today.”

Working time

Those enlisted under the scheme need to work for a minimum of at least seven hours daily.

“But in reality, if you visit the place, you can see that after an hour of working these people simply sit under the tree chatting idly or worse, sleeping.

“At the end of the day they collect Rs.100 and leave. This is the ground reality, and worse still, the officials also know about it but do nothing,” he says.

The farmer further adds that the scheme has been scrapped from his region due to large scale corruption in selecting persons to work and the charges that the prescribed payment not being made.

Labour for work

Regarding labour for work the farmer says, “Thanks to the Pragatibandhu Scheme initiated by Dr. Veerendra Hegde, Dharmadhikari, Dharmasthala, we don't face labour problems in this region.

“I work in others fields for some days and other farmers work in my fields for certain number of days. If not for this scheme many of us would be facing hard times in sourcing manual labour.”

The farmer feels that the 100 days work scheme by the government is the main reason for striking a death blow to the already fragile farming community.

“It was the usual practice to call labourers from neighbouring villages to work if you could not source them in your village. But today after the scheme implementation, it is the same situation everywhere — nonavailability of workers.”

Doubtful question

“I don't know whether to laugh or cry when I read reports on India being vibrant and going to establish itself as a super power. How can a country hope to become powerful when farm lands are fast disappearing in the name of economic reforms?” he enquires.

“Before independence, zamindars controlled many acres of land. After Independence, the Government distributed the lands to landless farmers.

But today history is seen repeating itself. Several acres of lands are being bought by many new industrialists in the name of economic development.

What can we poor farmers do against the might of money and power?” he asks.

“The government says that massive industrialization will lead to overall improvement of rural life.

As a farmer in this profession for generations I agree since it will help improve my life, but I don't want such improvement to destroy my occupation,” he says with a determined look.

For more details contact Mr. Shamanna Nayak, Moolottu House, Oilanala Post & Village, Oilanala, Belthangady Taluk, Karnataka.574214, mobile: 09141105398.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:15 IST Bangalore, July 14, 2011

State's sugar production to touch 38 lakh tonnes

Karnataka's sugar production is expected to touch 38 lakh tonnes for the sugar year ending September 30 against last year's production of 25.6 lakh tonnes.

Sugar production touched 36.4 lakh tonnes in the first nine months of the current sugar year (October-September), an increase of 48 per cent over the previous year. The State produced just 16.6 lakh tonnes of sugar in 2009.

Karnataka is the third-largest sugar producer in the country and accounts for about 15 per cent of the country's production.

With three months remaining in the current season, 10 sugar mills will crush about 10 lakh tonnes of sugarcane and are expected to produce 1.5 lakh tonnes of sugar. With this, the State's production will touch 38 lakh tonnes for the year ending September 30.

Reasons

The rise in production is attributed to an increased area under the crop, availability of sugarcane, capacity addition by mills and better prices. Encouraged by better cane prices last year, farmers in Karnataka increased area under sugarcane from 4.8 lakh hectares to 5.63 lakh hectares. Area under sugarcane was 4.17 lakh hectares and 4.16 lakh hectares in 2000-01 and 2005-06, respectively.

Between October 2010 and June 2011, 59 mills crushed 331 lakh tones of cane. In terms of sugar recovery, the mills achieved better recovery at an average 11 per cent during the current year as against 10.78 per cent in the previous year. Normal monsoon contributed to the bumper crop. As of now, all mills have stopped crushing for the current year, while about a dozen are likely to restart ‘special season' crushing by July-end in southern parts of the State, according to the officials of the South Indian Sugar Mills Association.

Prices

For the 2010-11 sugar year, sugar factories have paid Rs. 1,800 a tonne to sugarcane farmers in southern parts against fair and remunerative price fixed at Rs. 1,391 a tonne by the Centre this year. Farmers in northern parts of the State have been paid Rs. 2,200 a tonne, an additional Rs. 400 a tonne towards harvest and transportation costs.

With a new record achieved by mills in terms of both sugarcane crushing and sugar production, the industry body is aiming at about 8 to 10 per cent growth in sugar output for the next year.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:16 IST CHENNAI, July 14, 2011

Authorities hope to bring three lakh ha under kuruvai

The farm authorities are confident of covering three lakh hectares under the kuruvai crop.

As of now, about 1.6 lakh hectares have been covered. During the corresponding period last year, it was around 1.4 lakh hectares.

The optimism is based on different factors, including present storage of 49 thousand million cubic feet (tmcft) in the Mettur dam. On Wednesday morning, nearly 14,000 cubic feet per second (cusecs) of water were released for irrigation. The dam recorded an inflow of about 3,400 cusecs.

There are reports that the south-west monsoon will turn vigorous in the coming weeks. In such an eventuality, the catchment of the Cauvery will benefit.

At the same time, what is disconcerting to the Water Resources Department officials is that the Mettur dam had received less water from the Cauvery as on date. The State had received about 12.8 tmcft, 16 tmcft short of its share for the elapsed period (June 1 to July 13). The government is taking up the matter with Union and Karnataka governments to ensure that the shortfall is cleared.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:14 IST KASARAGOD, July 14, 2011

Training for farmers

C.T. Ahammed Ali, former MLA, inaugurated a two-day session on ‘Scientific cultivation practices for coconut' at the Central Plantation Crops Research Institute (CPCRI) here on Wednesday.

He called upon farmers to make use of such sessions to improve harvest. CPCRI Director George V. Thomas presided over the function. As many as 30 farmers are taking part.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:13 IST ELURU, July 14, 2011

Fall in prices worries prawn growers

The drop in the prices of prawn worries the prawn growers in West Godavari district this time. The cost of the produce per kg has dipped to Rs. 280-290 as against Rs. 350-370 last year.

The traders claim that the price crash was due to ‘overproduction' while the Prawn Farmers Welfare Association blamed the National Fisheries Development Board (NFDB) for its reported failure to create domestic market.

Satyanarayana Raju, general secretary of the West Godavari District Prawn Farmers Association, said the prawn culture was forced to completely dependent on the exports market which was highly volatile in nature in the absence of any ‘tangible' efforts by the government agencies like the NFDB to promote the local market.

The prawn farmers have been subjected to crop failures for the last three years due to the outbreak of diseases or the supply of seed with poor quality.

It all resulted in the produce having poor demand in the export market.

The increasing cultivation cost adds up to the woes of the growers.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:16 IST CHENNAI, July 14, 2011

Plea to declare 10% crop holiday

Consortium of Indian Farmers Associations (CIFA) has urged Tamil Nadu farmers to declare 10 per cent crop holiday during 2011 khariff due to inadequate remunerative prices of agriculture commodities especially paddy. In a release on Wednesday, CIFA secretary-general P. Chengal Reddy said Tamil Nadu produced 225 MT food grains. By reducing the production of food grain by 10 per cent or 25 MT, the farmers could demand Rs.300 per quintal for paddy and Rs.4,000 per MT of sugarcane.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:12 IST ERODE, July 14, 2011

Erode Aavin releases funds to milk cooperative societies

The Erode District Co-operative Milk Producers' Union (Aavin) has released funds to the tune of Rs. 5.32 crore to enable the primary milk producers' cooperative societies in the district to pay arrears to milk producers.

The initiative was taken on Tuesday following instructions from the State government.

The union could not pay arrears to milk producers for the past few months, as the milk prices were not hiked despite an increase in procurement prices.

To facilitate the union to pay up the arrears, the State government had released funds to the tune of Rs. 1.63 crore to Erode Aavin. The Tamil Nadu Co-operative Milk Producers' Federation Limited paid Rs. 2.77 crore pending to the Erode union.

Besides, Erode Aavin has contributed Rs. 91.63 lakh from its own funds.

In all, Rs. 5.32 crore has been released to the primary co-operative societies for the payment of arrears, collector and special officer of the union R. Anandakumar said in a statement.

Funds

The funds would help the primary co-operative societies to pay up the milk producers without any delays, he added.

The union had also taken efforts to revive 53 sick primary cooperative societies to enhance milk procurement in the district.

It had planned to establish 10 new primary co-operative societies in the district.

The officials from the union would meet the milk producers in different parts of the district and extend necessary assistance to sort out their problems.

The collector said steps had also been taken up to pay bonus to the milk producers quickly.

Cattle feed

Efforts had been taken up to ensure the supply of 523 tonnes of cattle feed through the union and the Tamil Nadu Co-operative Marketing Federation to the milk producers. It was also planned to manufacture 18 tonnes of mineral mixture a month and supply it to the milk producers.

The union had also taken steps to appoint a few more veterinarians, who would visit the primary co-operative societies and provide treatment to the milch animals on a regular basis, the collector added.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:15 IST Namakkal, July 14, 2011

‘Take steps to stabilise cotton price'

Small-scale powerloom units of Pallipalayam and Kumarapalayam that are involved in making lungi and towel have urged the State Government to cancel the recently introduced 5 per cent Central Value Added Tax.

President of the Pallipalayam Small Powerloom Owners Association P.S. Kandasamy told *The Hindu* that close to one lakh people employed in the units had already been hit as they were hit due to fluctuating thread prices over last few months.

Thread prices that reached Rs. 65,000 per quintal a couple of months ago had now drastically dropped to Rs. 35,000. “Because of this, we have already reduced the number of shifts but even then lungis and towels worth Rs. 20 crore had got stagnated at Pallipalayam, Kumarapalayam, Erode, Somanur, Karur and Edapadi," he added.

Traders have stopped buying the finished materials expecting the price of thread and lungis and towels to drop further, Mr. Kandasamy said. He urged the government to cancel CENVAT and take steps to stabilise the price of cotton. If the situation continues, "we would have to down shutters indefinitely."

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:16 IST TIRUCHI, July 14, 2011

Training on livestock for SHG women

Fifteen person, including 13 women SHG members, were imparted training on livestock and poultry feed preparation at Veterinary University Training and Research Centre, recently. The programme was organised by Udhayam, a NGO.

Feed costs about 65 per cent of production cost of eggs, milk and meat. Veterinary experts explained the nutrients in the feed namely protein, fat, energy, minerals and vitamins, their role in animal system, feed ingredients which are added to prepare the feed and their purpose and level of inclusion for various category of animals and poultry. The importance of mineral mixture in ensuring proper digestion and availability of nutrients to the animals was highlighted. Cotton seed which contains linoleic acid which increases the milk yield and also to some extent milk fat could fetch more revenue .

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:12 IST Udhagamandalam, July 14, 2011

Saplings planted under afforestation programme

Under Hill Area Development Programme

A campaign to plant trees belonging to the shola species organised by the Horticulture Research Station (HRS) under the Hill Area Development Programme (HADP) got underway at Adhigaratty village near here on Tuesday.

Launching the scheme, the Nilgiris Collector Archana Patnaik said that such programmes have a direct bearing on the water security of the area.

Pesticides

She urged the farmers to reduce the use of chemical pesticides and weedicides in order to prevent residual toxicity in the drinking water.

The District Forest Officer, the Nilgiris North, S.Ramasubramaniam, said that every student should plant and nurture at least one tree.

The Head, HRS, N.Selvaraj, said that to a large extent quality of life was dependent on plants.

The Joint Director of Horticulture J.Haldorai, the Executive Officer, Adhigaratty Panchayat B.Nataraj and a large number of students were among the participants.

Published: July 14, 2011 00:00 IST | Updated: July 14, 2011 04:08 IST GULBARGA, July 14, 2011

Farmers urged to reduce grain output

Union Government blamed for not ensuring remunerative prices

The Consortium of Indian Farmers' Associations (CIFA) has urged Indian farmers to reduce foodgrain and oilseeds production by at least 10 per cent to restore balance between production and demand.

Executive member of the CIFA Basavaraj Ingin, also president of the Karnataka Red Gram Growers' Association, told presspersons here on Wednesday that despite repeated pleas by CIFA and other organisations to fix the fair prices of agricultural commodities, the Union Government had not done that. He said that because of huge rise in the cost of cultivation, farmers were not getting remunerative prices. He said that another reason for farmers not getting remunerative prices was the glut of foodgrains in the market. The record production last year had led to a crash in foodgrain prices in the wholesale market this year.

Mr. Ingin said that the only option for farmers was to declare a partial crop holiday to the extent of 10 per cent during the upcoming kharif and rabi season. “Declaring partial crop holiday would not have any major impact on the self-sufficiency of foodgrain production,” he claimed.

Mr. Ingin said between 1997 and 2007, the cost of diesel had gone up by 300 per cent, pesticide cost by 150 per cent, and fertilizer cost by 45 per cent, but the prices of foodgrain had increased only by 35 per cent. Considering the increased cost of cultivation and input costs, Mr. Ingin said that the price of sugarcane should be fixed at Rs. 4,000 per tonne, Rs. 3,000 per quintal for paddy, Rs. 5,000 per quintal for red gram and Rs. 4,000 for jowar.

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hindustantimes
Thu,14 Jul 2011

Weather

Chennai - INDIA

Today's Weather

Cloudy

Thursday, Jul 14

Max	Min
35.4°	27.9°

Rain: 00 mm in 24hrs
Humidity: 75%
Wind: Normal

Sunrise: 5:49
Sunset: 18:39
Barometer: 1001

Tomorrow's Forecast

Rainy

Friday, Jul 15

Max	Min
36°	26°

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday
Jul 16	**Jul 17**	**Jul 18**	**Jul 19**	**Jul 20**

30° | 26°	30° | 26°	32° | 27°	33° | 27°	32° | 27°
Rainy	Cloudy	Cloudy	Rainy	Rainy

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express buzz

By IANS

13 Jul 2011 02:55:08 PM IST

Pakistan to export mangoes to US

ISLAMABAD: Pakistan will export a consignment of high quality mangoes to the US after trying for a long time to tap into the American fruit market, officials said.

The Pakistan Horticulture Development and Export Company (PHDEC) with support from the ministry of commerce has made all arrangements to send the shipment of Pakistani mangoes to the US by the end of July, the Online news agency reported.

The first consignment would be sent July 27. It would comprise the Chaunsa variety of the fruit. Approximately 1200 kg will be sent.

Last year also, the company had made arrangements to send mangoes to US, but it could not materialise. However, this year it has fully ensured that there are no hurdles, said a statement.

Pakistan has been working for a long time to tap into the American market with its high quality mangoes, it said.

Pakistan's Commercial Consulate in Chicago will receive the consignment and distribute it to other Pakistani consulates for further disbursement.

Minister for Commerce Makhdoom Amin Faheem termed this step as a turning point in agriculture exports and expressed confidence that because of their high quality, Pakistani mangoes will become popular very soon.

By Yogesh Kabirdoss
14 Jul 2011 10:57:00 PM IST

Forest department nabs dealers, rescues parrots

CHENNAI: Till Monday, Senthil Kumar, a vegetable vendor at the Koyembedu wholesale market was a proud owner of a pair of Alexandrine Parakeet birds. The 28-year-old youth feeds them, speaks to the pair and provided everything to comfort the parrots. But, his unmatched love towards the pet birds could land Senthil Kumar behind the bars, as Alexandrine Parakeet is a scheduled bird under the Wildlife (Protection) Act, 1972. A sleuth from the Department of Forest rescued the parrots and framed charges against him two days ago.

“Possession of scheduled birds like Alexandrine Parakeet is a punishable offence under the Wildlife (Protection) Act,” said S Davidraj, Forest Range Officer, Head Quarters Range (Wildlife) in Chennai. “Similarly, we have nabbed bird smugglers, who were involved in selling parrots in and around Chennai, after smuggling it from Andhra Pradesh,” he added.

Chennai has always been a huge market for the parrot sellers, with locals fond of one of the most colourful members of the entire bird kingdom — Alexandrine Parakeet. Miscreants from the neighbouring state smuggle Alexandrine Parakeet to the city, marketing it at Masthanpuram area in Parrys. Besides, the smugglers sell the parrots at Moore Market and Sandai in Pallavaram localities.

When the illegal trade was at its peak, the forest department decided to crack the whip on the offenders. According to Davidraj, the department personnel carried out intensified check to end the menace. He said, “During the last 15 months, we have rescued about 200 Alexandrine Parakeet birds. In one such case, birds were rescued from a school in the city.”

Asked whether even the parrot astrologers should not possess the birds, he said, “The parrot astrologers were provided with license for possessing the birds. However, it was abolished, after the implementation of the Wildlife Protection Act, about four decades ago. So, nobody should posses the scheduled bird.”

With stern action from the forest department's end, Davidraj claimed that the parrot sale has almost come to an end in Chennai and suburban areas. The department is also creating awareness on wildlife crimes and offence among the school students, he added.

THE ECONOMIC TIMES
Thu, Jul 14, 2011 | Updated 09.28AM IST

14 Jul, 2011, 03.25AM IST, PK Krishnakumar,ET Bureau

Cashew nut prices inching closer to Rs. 1,000 per kilogram

KOCHI: Branded cashew nut prices are inching closer to Rs. 1,000 per kg, almost double the rates last year due to acute shortage of raw nuts.

Processors say Indian production is down while there is a scarcity of nuts in the world market, limiting import. High prices have started eating into domestic sales.

Cashew nut prices have seen almost 20% to 30% rise in the last few months with availability of raw nuts going down in India and abroad. Unlike in the past, any uncertainty in production is easily mirrored in the domestic market as the consumption of this dry fruit is rising rapidly in the country.

"I am losingRs. 75,000 a month as the jump in prices has hit the sales. Travellers buy big packets of nuts to give gifts," said Shyju who manages a dry fruit shop in Cochin Airport . Higher grade branded nut prices have shot up to Rs. 1,000 per kg, up by nearly 20% from couple of months ago.

"While the consumption has increased, the production has fallen. In the last 4 years, there has been a three-fold jump in the consumption. I think in the next few years, the Indian production will be sufficient only for local market," said P Somarajan, proprietor of Kailas Cashew Exports .

There has been a shrinkage in the processing capacity of cashew factories due to labour shortage and partial implementation of mechanisation.

13 Jul, 2011, 05.39PM IST,Reuters

India rushes for sugar sales as world market rallies

MUMBAI: Indian sugar traders are asking $775 per tonne free on board (FOB) as they take advantage of record-high international prices to sell 500,000 tonnes of exports approved three weeks ago, three dealers and one analyst told Reuters.

Good demand from neighbours and Gulf countries will mean exporters can easily ship out the quota, allowed under the Open General Licence scheme, by mid-August even at the higher prices, they added.

"The FOB price is rising, tracking the surge in the international market. Yesterday exporters were quoting $750 per tonne. Today they are quoting $775," said Kamal Jain, managing director of Kamal Jain Trading Services, a sugar brokerage based in western Maharashtra state.

London white sugar futures spiked to a record $86 8.8 per tonne on Wednesday and raw sugar rallied as fears of a shrinking cane crop from the world's No. 1 producer Brazil, which usually exports around 28 million tonnes a year, spurred investor buying.

A Reuters technical analyst expects New York sugar to extend gains to 31.40 cents/lb.

" Sugar millers are selling aggressively for immediate shipment . They are getting higher-than-expected prices ," said a Mumbai-based sugar dealer with a leading international commodities brokerage.

"They wanted to ship this quantity before prices correct," the dealer said.

Farmers have asked the government to allow exports of sugar, wheat and rice as stocks pile up from bumper harvests.

The government finally said on Tuesday it would allow one million tonnes of common rice exports and an unspecified amount of wheat but may have missed the boat as Russia is already selling wheat.

India, the world's top sugar consumer and the biggest producer after Brazil, should churn out 24.2 million tonnes in the current 2010/11 season and output may jump to 26.5 million tonnes in 2011/12, according to industry estimates. The country consumes an estimated 22 million tonnes a year.

The South Asian country had to import sugar in 2009 after the worst drought in nearly four decades hit output and this year's OGL sales are the first since then.

An earlier round of 500,000 tonnes of OGL exports secured average prices of $700 per tonne when sales were made in April-May .

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the pioneer

Manipur farmers protest against high urea prices

July 13, 2011 10:39:51 PM

Laimayum Bashanta Sharma | Imphal

Local farmers in Manipur have started protests, burning the effigy of State Agriculture Minister Ph Parijat, following the failure of the Government to facilitate availability of urea at a subsidised rate as assured by the Cabinet.

A group of farmers from Sekmai area on Tuesday came out in strong protest at Lairenkabi against the State Government for failing to make urea available in the market at Rs 520 per bag despite the assurance given to the farmers of the State.

An aggrieved farmer at the protest site said, "We are forced to buy urea at Rs 650-720 per bag against the Government's fixed rate of Rs 520 per bag." June-July is the season when the fertilizer demand is maximum, he said, adding "If we cannot get it by the end of this month, there is no need of it thereafter."

A few weeks ago, the State Government through a Cabinet decision set aside Rs 2 crore as fertilizer subsidy for farmers in the State and gave the assurance that urea would be made available to farmers at Rs 520 per bag.

The Agriculture Minister also convened a Press conference last week following panic among the farmers over the high price of urea.

'Clean storage tanks before Narmada water distribution'

July 14, 2011 12:43:02 AM

Staff Reporter | Bhopal

Anticipating distribution of Narmada water soon to the city residents, Mayor Krishna Gaur called for the cleaning of storage tanks and pipelines, on Wednesday. The `339 crore, Narmada Water Supply Scheme under Jawaharlal Nehru National Urban Renewable Mission is expected to commence from July 31.

Speaking while inspecting the Ahmedpur pumping station, Gaur said laying and testing of distribution along with purity of water supply from feeder man mains, should be ensured. She said that pure water should reach the people of the city who are anticipating Narmada water in their homes.

The Ahmedpur reservoir connects with Arvind Vihar, Leharpur, Shakti Nagar, Panchwati market, Saket Nagar and Alkapuri storage tanks. The reservoir would also supply water to the master balancing reservoir at Arera hills and other pipelines. Water Resource Department and BMC officials were present on the occasion and took note of the Mayor’s guidelines. The PHE officials informed that regular sampling of the water would be carried out to main the quality of water supplied.

The Mayor along with other officials took stock of the situation at the feeder man mains and inspected the quality of water. Systems were noted to be in place for the regular maintenance of the tanks and a register was told be maintained.

According to estimates by BMC 458 MLD water will be required for 27.50 lakh projected population of the city by the year 2022 at the rate of 150 litres of water per head. The estimated population of 2011 is 21 lakh.

Business Standard

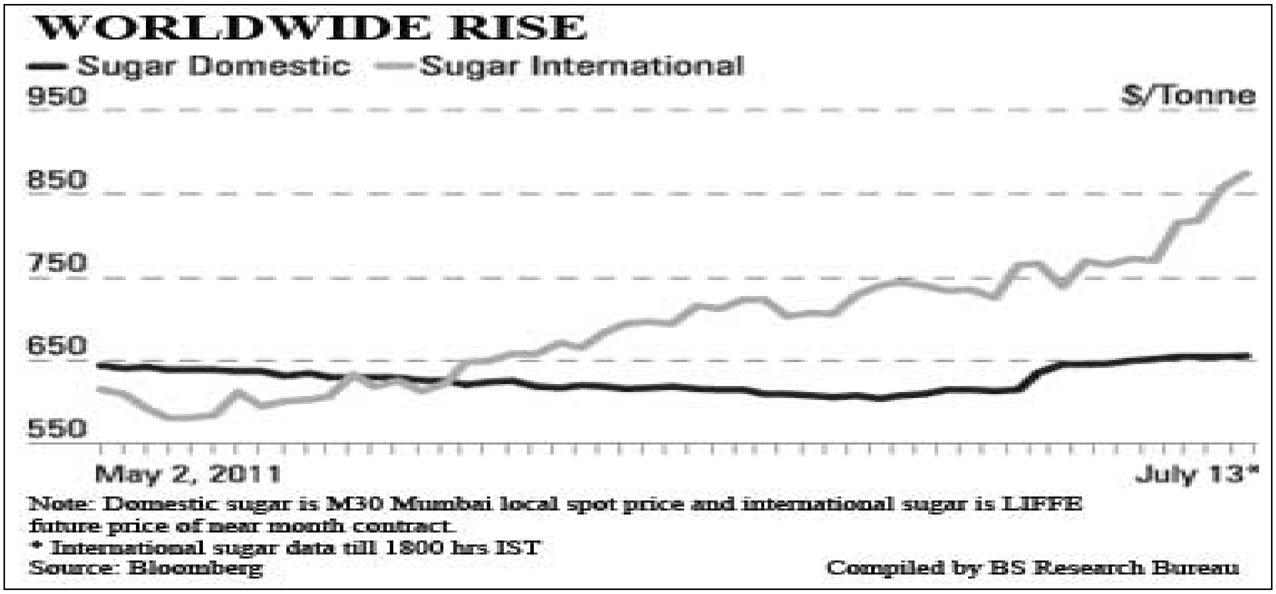
Thursday, Jul 14, 2011

Global sugar price at new high of $874 a tonne

Sanjay Jog / Mumbai July 14, 2011, 0:59 IST

Sugar prices have zoomed to a new high at $874.5 per tonne in the global market (LIFFE near month futures) compared to $860 a tonne reported in January. The rise in global prices is attributed to uncertainty about sugar production in Brazil, the largest producer and exporter. The Brazilian sugar industry is expected to crush 536 million tonnes of cane to produce 33.7 million tonnes sugar, against the earlier projections of 573 million tonnes and 35.9 million tonnes, respectively.

High prices have brightened the scope for higher realisation from exports. India's prices work out at $ 655.96 a tonne, which shows that international prices are higher by 33 per cent.



Industry sources believe this has led to a volatility in global prices, that jumped by $100 to $112 per tonne in the last two weeks when the price was between $750 to $762 a tonne.

According to the sources, sugar mills are going to benefit from the surge in global sugar prices. In India, sugar prices are Rs 2,600-2,800 per quintal (ex- mill) in Maharashtra and Uttar Pradesh. Millers, however, are expecting Rs 3,200-3,300 per quintal, especially after the the Centre recently announced an additional 500,000 of sugar under open general license exports.

Yogesh Pande, founderpresident of Maharashtra Sugar Brokers Association told Business Standard, “The increase in global sugar price will help domestic sugar industry and an additional 10 lakh tonnes can be allowed for exports. This is necessary as the production in the ensuing sugar year 2011-12 will be around 26 million tonnes. This is in addition to the carryforward stock of four million tonnes.”

Manik Borkar, managing director Anuraj Sugar Mill said, “The increase in global sugar price will certainly bring cheer for mill owners in the country and particularly in Maharashtra, as the production has risen by three million tonnes by the end of the crushing season of 2010-2011. This will help mills to earn more due to rise in domestic prices and in turn they will be able to give more price for sugarcane to the farmers”.

A commodity analyst with Barclays Capital said, “In the short term, we are expecting sugar prices to gain further, as while the market is still expecting a return to a surplus, recent concerns over the Brazilian crop on ageing cane and low sucrose content has seen continued mark-downs in supply estimates."

Cotton acreage grows at fastest pace

Anindita Dey / Mumbai July 14, 2011, 0:58 IST

Cotton sowing in the ongoing season has seen unprecedented growth, according to data with the Cotton Corporation of India.

According to textile ministry officials, the northern zone, comprising Punjab, Haryana and Rajasthan, have witnessed a sharp growth of 20 per cent in acreage, although it usually grows by a marginal three to five per cent. During 2010-11, acreage had gone down seven per cent from 1.46 million hectare in 2009-10.

The west, comprising Maharastra, Gujarat and Madhya Pradesh, saw the acreage going up 8-10 per cent, following the recent rains.

Officials added it may go further up.

Last season (2010-11),sowing went up 7.5 per cent. Traditionally, the region contributes majorly to output, around 55-60 per cent. Acreage in 2011-12 could be a record high, according to officials, crossing the 2010-11 high.

Official sources attribute various reasons for this growth.

First being the skyrocketing price of cotton last year, which peaked at Rs 6,000 per quintal, followed by a higher minimum support price (MSP) this year. For the 2011-12 kharif season, the MSP has been increased by Rs 300, both for medium and long staple fiber, to Rs 2,800 and Rs 3,300 a quintal, respectively.

Sources said the acreage may go up to a high of 12 million hectares this season, as against 11.1 million hectares at present. Acreage has gone up since farmers expect the prices to peak this year, too.

Second, the agriculture ministry, of late, has been laying greater emphasis on the eastern region for paddy and wheat output, since the soil capacity for these foodgrains saturated in the traditional food belt in the north. Therefore, the ministry, based on the recommendation of the Commission for Agricultural Costs and Prices, has advised farmers to shift to cash crops like cotton and sunflower.

"There is enough incentive for the acreage to go up, given the higher MSP. No other commodity has seen such a sharp rise in MSP in the kharif season", sources said.

They explained the increased sowing is happening at the cost of other crops, like paddy in the north, soybean, maize and groundnut in the west, and tobacco and chili in the south.

Meanwhile, the production estimates are around 31.2 million bales.

In April, the Cotton Advisory Board ha d revised the estimated downwards for the current season (2010-11) to 31.2 million bales, as against the earlier estimate of 32.9 million bales.

At the same time, the acreage was reviewed upwards for the current season from 10.3 to 11.16 million hectares.

TN spinning mills incur Rs 5,000 cr loss

BS Reporter / Chennai July 14, 2011, 0:56 IST

Spinning mills in Tamil Nadu have incurred a loss of around Rs 5,000 crore in the last four months due to a drop in cotton and yarn prices, sudden glut and closure of dyeing units, among others.

The mills have now approached the state government to exempt or provide an optional route (as in the case of central excise) from VAT for a period of two years to enable the industry to avoid further closures and regain its competitiveness in the open market.

"The increase in VAT by the Tamil Nadu government has become a last straw on the camel's back," said J Thulasidharan, chairman of the Southern India Mills Association (SIMA). The increase in VAT rate on raw cotton from 4 per cent to 5 per cent would discourage any cotton development in the state as it is expensive for the mills since the CST is only two per cent, he added.

The spinning sector, which accounts for 47.5 per cent of the capacity and 60 per cent yarn export of the country, employs over 600,000 people. Thulasidharan said cotton-based textile industry in TN had been facing crisis for the last four months due to abnormal drop in cotton and yarn prices, sudden glut in the domestic and international markets, huge accumulation of yarn stock, closure of dyeing units in all textile clusters, including Tirupur, due to pollution, acute power shortage, etc.

He said the spinning mills in state were already in a disadvantageous position due to the absence of raw material base. The mills have to incur Rs 4-5 per kg for bringing cotton from states like Gujarat. Moreover, new investments in modernisation and greenfield projects had become dormant due to power shortage and high logistics cost.

Stating that huge spinning capacity was being created in cotton growing states, he said it was posing a threat to the state textile mills. The SIMA chief further said one per cent Market Committee fee on cotton and cotton waste was also an additional burden to the textile mills.

In order to minimise the losses, the sector across the country had cut production by 35 per cent from May 24 and recently hundreds of small and medium mills stopped production 100 per cent.

Commodity prices on the boil again

Dilip Kumar Jha / Mumbai July 14, 2011, 0:45 IST

US Fed’s indication of more stimulus supports base metals, euro zone crisis drives precious metals to all-time highs.

Commodity prices shot up today, following news supporting a rise from across the world. While the US Federal Reserve hinted at another stimulus package to pull the country’s economy out of a possible slowdown, European leaders are scheduled to hold an emergency meeting to discuss the region's financial crisis.

Consequently, gold set a new record at $1,578.5 an oz in London on indications of a deepening euro zone debt crisis. The precious metal in sterling rose to an all-time high of 987.11 pounds an ounce, up 0.5 per cent on the day and set for an eighth daily rise.

Gold prices also hit a record high in Mumbai’s Zaveri Bazar to settle at Rs 22,750 per 10g today, thereby pulling the physical business almost to a standstill. The metal gained Rs 295 from the previous day’s close of Rs 22,455 per 10g.

Commodity	Jul 12	Jul 13
Copper	9,501	9,659
Aluminium	2,444	2,451
Nickel	23,080	23,710
Zinc	2,302	2,346
Lead	2,660	2,745
Tin	26,300	26,605
Gold ($/oz)	1,549.1	1,573.30
Gold (Rs /10 gm)	22,455	22,750
Silver ($/oz)	35.24	36.7
Silver (Rs /kg)	53,035	54,885
Crude	94.59	97.11

Silver followed suit and closed with a gain of Rs 1,850 at Rs 54,850 a kg. This was the largest single day gain for silver in recent memory.

European leaders will meet this Friday to discuss the region’s economic crisis, after acknowledging for the first time that Greece may need to default on its bond obligations to solve its debt problems. This has raised fears in the market, keeping the euro at a four-month low against the dollar.

The fear worsened with ratings agency Moody's downgrading Ireland's credit rating to junk status on Tuesday. Moody's has also said Greece would need a second bailout. Euro zone politicians are also shifting focus to Italy which, if it required assistance, would overwhelm the euro zone's existing rescue funds. Supporting the worsening global economic sentiment, the Federal Reserve hinted that some members were pondering the possible need for additional easing.

"Base metals are firming up because of indications of more financial easing by the US Federal Reserve. Another stimulus package means more money in the hands of investors. This means people will have more buying capacity," said Gnanasekar Thiagarajan, Director, Commtrendz Research.

Ireland is facing considerable challenges in regaining its economic sovereignty and it cannot take for granted that it will get a cut in the cost of its European emergency loans, finance minister Michael Noonan has warned. This indicates the economy of the region is worsening, said Thiagarajan.

Meanwhile, supportive growth numbers from China also helped commodities to rise. Copper imports in China, the world's leading copper and aluminium consumer, snapped a two-month decline and recorded a rise of 9.9 per cent to 280,009 tonnes in June. China's implied oil demand in June rose 1.1 per cent from a year earlier. "Supportive growth numbers from China eased the jitters about demand and overshadowed concerns over the European sovereign debt issue. The Chinese economy continued to grow at a rapid pace. It grew 9.5 per cent in the second quarter of the year even after continued monetary tightening efforts from China. All these are positive indications for metal prices," said Basant Vaid, Senior Research Analyst, Bonanza Portfolio Ltd, a commodity broking firm.

"Now, it will be interesting to watch if the Federal Reserve resorts to further quantitative easing in the times to come. If that happens, we expect the prices of all dollar-denominated commodities to surge in the coming days."

Copper rose around 8 per cent in the last two weeks underpinned by worker strikes at some of the world's top copper mines. Although Chile's Codelco returned to work on Tuesday after a 24-hour strike, the protest highlighted challenges facing the world's top copper miner as it struggles to lift stagnant output. But, workers will return to work at Freeport-McMoRan Copper & Gold's Indonesia mine, following an eight-day strike after the company agreed to start talks over pay on July 20.

Govt to take call on more sugar exports by Sept-end

Sanjeeb Mukherjee / New Delhi July 14, 2011, 0:44 IST

The government would take a final call on allowing more sugar exports only by the end of September, after assessing the demand and supply scenario, food minister K V Thomas said. He said the position on actual demand would become clear by September, as during that time the government would lift the stock holding limit on traders. At present, traders can't keep sugar stocks in excess of 500 tonnes in a month.

"According to our current assessment, we have stocks of around 6.2-6.3 million tonnes (mt), required to meet the domestic demand for the next three months. Hence, at present, we can't take a call on exports," he said.

He said the country's sugar production in 2010-2011 was estimated to be around 24.5 mt, up from the earlier estimate of 24.2 mt. With an opening stock of 4.86 mt, the total sugar available this year has been 29.36 mt. "Of this, 21-21.5 mt has already come into the market and 2.1 mt exported, which leaves us with a stock of 6.2-6.3 mt," Thomas said. India has allowed exports of 1 mt sugar under the open general license and another 1.1 mt through the advance license scheme. However, sugar mills have been demanding exports of another 1 mt in view of bumper sugar production expected in the next crop season that starts from October. Industry officials expect India's sugar production in 2011-2012 crop season to be around 26-26.5 mt.

Karnataka farmers demand more

BS Reporter / July 14, 2011, 0:01 IST

Cane growers in Karnataka have urged the state government to intervene between them and mill owners to immediately announce prices for the current and next sugar years. Sugar mills have announced Rs 1,800 per tonne for the year 2010-11, which is 7.6 per cent lower than the previous year.

“The cost of cultivation of sugarcane has gone up over the last couple of years and works out at Rs 2,250 per tonne. Also, the cost of harvest and transportation of cane to the mills has gone up by 50 per cent in the last one year. We are not in a position to supply cane to mills at Rs 1,800 per tonne. If the same trend continues, then we may have to stop growing cane from next year,” Kurubur Shanthakumar, president of Karnataka Sugarcane Growers’ Association said.

At a meeting convened by the state minister for sugar, S A Ravindranath, here on Wednesday, the growers demanded the government direct the mill owners to pay Rs 2,500 per tonne for the current season. They also demanded Rs 3,000 per tonne of cane for the year 2011-12.

THE HINDU Business Line

Guar emerges rising star in commodities trade

Since January, guarseed has gained 65% while its gum doubled

Chennai, July 13:

Guarseed and guargum have really been rocking in the commodities market since the beginning of the year. Guarseed has gained nearly 65 per cent, while guar gum, a derivative of the seed, has nearly doubled.

After being quoted at Rs 2,360 a quintal at the beginning of the year, guarseed on Wednesday closed at a record Rs 3,900, a gain of 62 per cent since January 1. In fact, over the last few weeks, guarseed prices have been recording new highs every day. On Tuesday, it closed at Rs 3,892.

On the National Commodities and Derivatives Exchange (NCDEX), guarseed prices were marginally down on Wednesday. The July contract closed at Rs 3,892, while August ended at Rs 3,962 and September at Rs 4,011.

Guar gum, on the other hand, ended lower on the spot market and NCDEX. Guar gum spot closed at Rs 12,457.90 a quintal from Rs 12,462 on Tuesday. At the beginning of the year, it was quoted at Rs 6,344.

On the NCDEX, the July contract closed at Rs 12,249, August ended at Rs 12,450 and September at Rs 12,677. In fact, contracts beyond September gained.

Export demand

“Export demand has really kept guarseed and guar gum zooming since the start of the year.

Data available for the April-February period of last fiscal show exports increased 84 per cent during the period compared with the same period the previous year,” said Ms Vedikar Narvekar, Senior Research Analyst with Angel Commodities.

According to Commerce Ministry data, guar gum exports increased to 3.52 lakh tonnes (lt) from 2.18 lt a year ago. In terms of value, they were up 140 per cent to Rs 2,360 crore.

“The current rise in guarseed and gum is due to poor coverage of monsoon in the growing areas. West Rajasthan areas where guar is grown is particularly rain-deficient. Though area under guar has gone up, it is in irrigated areas,” said Ms Narvekar.

West Rajasthan growing areas comprise Barmer, Jaisalmer, Jodhpur, Nagaur, Churu, Bikaner, Ganganagar and Hanumangarh districts and rain deficit in these areas is 37 per cent.

According to the Rajasthan Agriculture Department, area under guar has increased to 24.8 lakh hectares this year against 10.5 lakh hectares during the same period a year ago. The State has set a target of 30 lakh hectares for guar cultivation.

According to a report from NCDEX, area under guar has gone up mainly due to record prices for the crop. “Prices of crude oil ruling above $100 a barrel for the last few months have also contributed in a big way to the rising trend in guarseed and gum,” said Ms Narvekar.

Uses and applications

Guar, a leguminous crop, is primarily grown in Rajasthan, besides Haryana, Punjab, Gujarat and Madhya Pradesh. Rajasthan accounts for 70 per cent of the total crop in the country. Guarseed is a raw material for producing guar gum. Guar gum is used as a thickening agent and additive in food products such as instant soups, sauces, processed meat products, baked goods, milk and cheese products, yoghurt and ice-creams. It has industrial applications in the paper and textile sectors, ore flotation, explosives manufacture and fracturing of oil and gas formations. India is the major producer of guar seed and gum, accounting for 80-85 per cent of the total global supply.

Record prices

"Guarseed prices, in the short-term, could easily rule above Rs 4,000 a quintal," she said. "Lower stocks of guar seed and guar gum as a result of export demand support bullish market sentiments," the NCDEX report said. The bullish run in the guar counter has come notwithstanding a record 15.46 lt production during the current crop year that ends this month. Last year, production was estimated at 4.5 lt.

Flood of arrivals pulls turmeric down

Erode, July 13:

Spot turmeric prices decreased because of heavy arrivals.

“Because of the increased arrival of spot turmeric on Wednesday, the price of the yellow spice has decreased slightly. But sales were very encouraging. Buyers obtained orders for hybrid variety, purchased heavily on Tuesday. Enthused by the heavy sale, more hybrid varieties arrived for sale. But the prices of the hybrid varieties have decreased by Rs 250 a quintal,” President of Erode Turmeric Merchants Association, Mr R.V. Ravishankar, said.

More than 10,000 bags of turmeric arrived for sale, 6100 bags were sold. The price of spot turmeric increased around Rs 150 a quintal in Gobichettipalayam Agricultural Cooperative Marketing Society. Only half of the stock of hybrid variety was sold. Farmers have taken back the rest, said Mr Ravishankar.

At the Erode Cooperative Marketing Society, sales were encouraging as 90 per cent of the turmeric that arrived were sold.

The price was slightly increased by Rs 50 a quintal. At the Regulated Marketing Committee, the prices improved by Rs 100 a quintal, and 90 per cent of the stocks were sold.

Mr Ravishankar said that the prices may prevail till August. Prices in other markets did not increase. Price in the futures market also remained unchanged.

At the Erode Turmeric Merchants Association's sales yard, finger variety was sold at Rs 5,603 to Rs 7,915 a quintal, root variety at Rs 5,055 to Rs 7,175 a quintal.

Salem Crop: Finger variety was sold at Rs 7,330 to Rs 8,466 a quintal, root variety at Rs 6,895 to Rs 7,401. Totally 2,092 bags arrived for sale, 495 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety was sold at Rs 5,859 to Rs 8,010 a quintal, root variety at Rs 5,319 to Rs 7,299. Out of 261 bags arrived for sales, 135 bags were sold.

At the Erode Cooperative Marketing Society, finger variety was sold at Rs 6,860 to Rs 8,070 a quintal, root variety at Rs 6,363 to Rs 7,269. Out of arrival of 1,263 bags, 1,132 bags were sold.

At the Regulated Marketing Committee, finger variety was sold at Rs 7,451 to Rs 8,189 a quintal, root variety at Rs 6,899 to Rs 7,220. Out of 700 bags kept for sale, 623 bags were sold.

Sugar rules firm on smooth supply

Mumbai, July 13:

Spot sugar prices on the Vashi wholesale market witnessed mixed trend on Wednesday.

Spot prices of the S-grade ruled firm while M-grade rates declined Rs 10 on weak demand. Naka and mill tender rates were steady on smooth supply. In coming days, price movement will depend on how the demand improves, said traders. The sentiment was steady.

Mr Mukesh Kuwadia, Secretary of Bombay sugar merchants association, said arrivals and dispatches continued the higher level with some retail buying support. However, producers are not keen to sell at lower rates. In last two days, few mills have offered tenders and volumes traded were low.

On Tuesday evening, about 12-14 mills offered tenders and sold about 21,000-22,000 bags (100 kg each) in the range of Rs 2,700-2,730 (Rs 2,680-2,725) for S-grade and Rs 2,780-2,835 (Rs 2,760-2,850) for M-grade. Arrivals to the market was 54-55 truckloads (each of 100 bags) and local dispatches were about 52-53 truckloads.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,800-2,851 (Rs 2,771-2,851) and M-grade Rs 2,851-2,991 (Rs 2,861-2,991).

Naka delivery rates: S-grade Rs 2,780-2,800 (Rs 2,770-2,800) and M-grade was Rs 2,830-2,950 (Rs 2,830-2,900).

Low buying takes steam off rice

Karnal, July 13:

Following low buying in the market, prices of aromatic and Sharbati varieties dropped by Rs 20-50 a quintal on Wednesday.

Mr Amit Chandna, Proprietor of Hanuman Rice Trading Company, said adequate stocks against low buying pulled the prices down.

“Bulk buyers are out of the market and they are waiting for prices to stabilise as they don't want to bear any more loss,” he added. Pusa-1121 (steam) dropped further Rs 30 and ruled at Rs 4,850 a quintal, Pusa-1121(sela) decreased Rs 25 and sold at Rs 3,850-3,900 while Pusa-1121 (raw) witnessed a major fall, went down Rs 50 and quoted at Rs 4,330 a quintal.

Duplicate basmati dropped Rs 30 and ruled around Rs 3,500. Pure basmati (raw) remained unchanged and sold at Rs 5,900-6,000 a quintal while basmati (*sela*) was ruling at Rs 4,000-4,025.

Among brokens of Pusa-1121, Tibar sold at Rs 3,100-3,250, Dubar ruled around Rs 2,550 and Mongra was trading at Rs 1,900-2,070 a quintal.

Sharbati (steam) decreased Rs 20 and quoted at Rs 2,900-2,960 while the Sharbati (*sela*) remained unchanged at Rs 2,750-2,800 a quintal.

PR-11 (Sela) sold at Rs 2,000-2,175 while PR-11(raw) quoted at Rs 1,950-2,130 a quintal. Just around 1,600 bags of *Govinda* variety arrived from Uttar Pradesh and quoted at Rs 800-840 a quintal.

Global cues heat up edible oils

Mumbai, July 13:

Edible oils prices shot up on Wednesday, following a sudden spurt in Malaysian palm oil futures and Chicagoan soya market.

In Mumbai, palmolein rose by Rs 3, soya oil by Rs 4 and cotton oil by Rs 3 for 10 kg, tracking strong foreign markets and as local refineries increased prices. Groundnut oil was steady despite a price rise in Saurashtra. Sunflower and rapeseed oils were unchanged as rain progressed in producing areas.

Local refineries directly traded 900-1,000 tonnes of palmolein at Rs 536-538. Liberty sold palmolein at Rs 540-542 in the local market. Ruchi sold palmolein at Rs 541, soya refined oil at Rs 628 and sunflower oil at Rs 688. Allana's palmolein was at Rs 538.

August contract for crude palm oil on Bursa Malaysia Derivatives closed at MYR3,100 (MYR3,044), September at MYR3,082 (MYR3,034) and October at MYR3,091 (MYR3,031) a tonne. July contract for soya oil on National Board of Trade in Indore was up at Rs 647.50 (Rs 642.50) and August rose to Rs 649.50 (Rs 641.20).

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 960 (960), soya refined oil 632 (628), sunflower exp. ref. 650 (650), sunflower ref. 695 (690), rapeseed ref. oil 662 (662), rapeseed expeller ref. 632 (632), cotton ref. oil 648 (645) and palmolein 537 (534).

Fresh export demand lifts jeera

Rajkot, July 13:

New export demand and a pick-up in local demand lifted jeera prices on Tuesday. Lower arrivals aided rising prices.

July contract on the National Commodity and Derivatives Exchange gained Rs 161 to Rs 14,265 a quintal, with an open interest of 5,001 lots. August contract increased by Rs 182 to Rs 14,748 a quintal, with an open interest of 19,584 lots.

Jeera rose by Rs 20-25 to Rs 1,845-3,112 for 20 kg in the spot market in Unjha. It traded at Rs 2,100-2,652 for 20 kg in Rajkot. Higher local demand and new export demand triggered bargain-buying, said Kedia Commodities. 4,000-5,000 bags arrived. Support for jeera is at Rs 14,569. Below that, it could be tested at Rs 14,389. Resistance is now seen at Rs 14,939. Above that, it could see a resistance at Rs 15,129.

Production in Syria and Turkey is likely around 45,000 tonnes, down almost 10,000 tonnes from earlier estimates, perhaps because of inferior quality of produce in these countries.

Production in the current season is likely to be around 21 lakh bags of 60 kg each against 28 lakh bags in the past year, as sowing acreage has declined sharply in Gujarat. Weak export demand restricted gains. According to the latest release from the Spices Board of India, during April-March 2010-11, exports dropped by 35 per cent to 49,250 tonnes.

Chana may rise to Rs 3,000 a quintal

Indore, July 13:

Chana continued to rise for the third straight day as speculators dominated futures market. Spot chana prices gained as their futures rose and stockists held back produce expecting even higher prices.

Spot chana (*kanta*) gained Rs 50 at Rs 2,800-2,850 a quintal. Similarly, chana (*desi*) also gained Rs 50 at Rs 2,750 a quintal. Going by the current trend, chana prices may hit Rs 3,000 a quintal, traders said.

Aided by spot chana prices, chana dal (bold) in the spot market was Rs 100 up at Rs 3,550-3,575, chana dal (average) fetched Rs 3,450-3,475 and chana dal (average) sold at Rs 3,300-3,325 a quintal.

Dollar chana or chickpea remained firm in the *mandis* despite subdued demand in domestic and export markets. It fetched Rs 6,400-6,600 a quintal in *mandis*. Arrivals of dollar chana dropped to 500-600 bags because of rains in the State.

Slack demand dragged masoor. Masoor (bold) sold at Rs 2,825-2,850 a quintal and masoor (medium) at Rs 2,550 a quintal in the spot market. Masoor dal ruled firm, with masoor dal (bold) in the spot market ruling at Rs 3,500-3,525, masoor dal (medium) at Rs 3,400-3,425 and masoor dal (average) at Rs 3,300-3,325 a quintal.

Tur and moong remained firm in the spot market even though there were no queries and as incessant rains hit trading. Tur (Maharashtra), which had gained on Tuesday, remained firm at

Rs 3,200 a quintal and tur (Nimari) ruled at Rs 2,600-2,700. Tur dal ruled steady with tur marka selling at Rs 6,100, tur dal (full) at Rs 5,500-5,550 and tur dal (*sawa* no.) at Rs 4,500-4,600.

Moong (bold) fetched Rs 4,200-4,400 a quintal and moong (medium) Rs 3,800-4,000 a quintal. Moong dal ruled steady, with moong (mongar) selling at Rs 5,600-5,650 a quintal, moong dal (bold) at Rs 5,500-5,550 and moong dal (*chilka*) at Rs 4,700-4,750 a quintal.

Now, AP farmers threaten nation-wide crop holiday

Hyderabad, July 13:

After observing crop holiday in about three lakh acres in water-rich areas in Andhra Pradesh as a mark of protest against very low incomes, farmers now have decided to reach out to their peers in other parts of the country.

Besides making their protest audible in the national capital, the farmers would like to produce less in order to turn demand-supply equation to their favour.

“Governments, both at the Centre and States, have taken us for granted. We are being forced to beg for remunerative prices. We have decided to make a collective statement by announcing at least crop holiday across the country,” Mr P. Chengal Reddy, Secretary-General of Confederation of Indian Farmers' Associations (CIFA), told *Business Line*.

To begin with, the association would organise meetings in Punjab, Tamil Nadu, Maharashtra and Karnataka through their member organisations to bring home the message on the need for a crop holiday.

“We have appealed to them to go for crop holiday in at least 5-10 per cent of the total irrigated area. We are going to hold meetings with them in the next few weeks and convince them on the issue,” he said.

Kharif sowing

Asked whether permission to exports was not handy, Mr Chengal Reddy said the move would help only traders. “They should have announced this five months ago when we asked for it. This would have created good demand, resulting in better incomes to farmers. Giving permission for exports would not help farmers,” he said.

Progressive farmers in Andhra Pradesh have hit headlines in the State last month when they announced their decision not to go for kharif sowings.

The Chief Minister, Mr N. Kiran Kumar Reddy, himself had asked the farmers to give in. The farmers, however, are not relenting. “Farming has become unviable. Cost of production is crossing Rs 20,000-mark for an acre. Our returns barely cover this. About 30 per cent of the produce from rabi season is still with us. There are no takers,” Mr N. Subba Rao, a farmer from Achanta in East Godavari district, said.

Farmers in the East Godavari district, a top ranking paddy area in the country, are not growing paddy in about one lakh acres.

‘Good rains' for India in Aug-Sept, say Japanese experts

Thiruvananthapuram, July 13:

Japanese researchers have concluded that the 2010-11 La Nina, which brought a normal monsoon last year marked by occasional flooding events, faded out fully in June.

La Nina is the periodical ocean phenomenon marked by cooling of the east-equatorial Pacific waters and warming of the west, and has mostly coincided with a good Indian monsoon, though without direct cause-effect relationship.

TO RETURN

But researchers at the Tokyo-based Regional Institute for Global Change (RIGC) have maintained their forecast for the return of La Nina conditions towards the autumn.

The Climate Prediction Centre of the US National Weather Services too had come out with an outlook recently suggesting the return of La Nina later this year.

In what is a good sign for the Indian monsoon, the RIGC has also said that the La Nina would be accompanied by a ‘weak positive Indian Ocean Dipole' from August to November.

The India Ocean Dipole (IOD) is a seesawing of ocean water temperatures in west and Indian Ocean, closely resembling the El Nino-La Nina phenomenon in the equatorial Pacific but with more direct and immediate impact on Indian monsoon.

‘GOOD RAINS'

When the ocean water temperature is high in west Indian Ocean relative to the east, it is said to be a positive IOD phase, and vice versa.

A positive IOD is seen as boosting the prospects of a concurrent Indian monsoon and hence the RIGC outlook for good rains, despite the ‘weak' IOD credentials.

In its draft outlook statement, the RIGC said most of India would have good rains, even flooding events, during late summer (August-September-October) associated with the influence of La Nina and the emerging positive IOD.

The IOD event may be related to current sub-surface cooling condition in the eastern equatorial Indian Ocean.

This would also mean that warmer-than-normal sea surface temperatures would persist west of Australia during the following months.

Higher arrivals pull down chilli prices

Chennai, July 13:

Chilli prices continued to drop on the spot and futures market on higher arrivals from warehouses on Wednesday. However, export demand continued to provide a cushion to the spice from the fall it has been witnessing since the last one month.

In fact, support from exports at the main terminal market in Guntur seemed to be pushing up prices despite higher arrivals. At the Guntur Agricultural Produce Marketing Committee yard, the modal price or the rate at which most trades took place was up Rs 500 at Rs 7,000 a quintal for dry chilli red. Arrivals were 137.5 tonnes against 67.2 tonnes on Tuesday. Quality chilli commanded as high as Rs 7,500 for the variety. In case of dry chilli red top, quality produce fetched Rs 12,500 a quintal.

On the National Commodities and Derivatives Exchange, July and August contracts slipped by a little over Rs 50 a quintal. Chilli for July delivery ended at Rs 8,090 a quintal, while August delivery closed at Rs 8,284 a quintal.

According to Mr Anand James, Chief Analyst of Geojit Comtrade, chilli prices are witnessing a downtrend on poor domestic demand and higher arrivals in the spot market. Improvement in overseas demand from Sri Lanka, Thailand and Malaysia have been holding prices from falling further.

Market sources put total stock in Guntur warehouses at around 47-48 lakh bags (45 kg each). Of this quality produce is estimated at 30-35 lakh bags. Chilli production averages around 13.5 lakh tonnes (lt) annually. Andhra Pradesh accounts for over 7.5 lt of the total production in the country.

Year's highest volume offered at Coonoor tea auction

Coonoor, July 13:

The offer for the auctions of Coonoor Tea Trade Association continues to be high with huge arrivals of fresh tea.

An analysis of brokers' listing indicates that 17.17 lakh kg is being offered for Sale No: 28 to be held on Thursday and Friday. This is the largest volume offered so far in 2011. It is some 34,000 kg more than last week's offer which was the highest volume so far. It is, however, some 1.19 lakh kg less than the offer this time last year.

Of the 17.17 lakh kg on offer, 11.39 lakh kg belongs to the leaf grades and 5.78 lakh kg belongs to the dust grades. In the 17.17 lakh kg, fresh teas account for as much as 15.73 lakh kg.

Quotations held by brokers indicated bids ranging Rs 38-43 a kg for plain leaf grades and Rs 80-135 for brighter liquoring sorts. They ranged Rs 43-47 for plain dusts and Rs 85-135for brighter liquoring dusts.

Spot rubber improves on global cues

Kottayam, July 13:

Spot rubber improved on Wednesday. According to observers, the prices turned better following the moderate recovery in the trend setting international indices. There were enquiries from major consuming industries but they seemed to be keeping a low profile.Major grades ended higher though the domestic futures failed to hold on the initial gains during late trades probably on selling at higher levels prior to the expiry of its July series.Sheet rubber increased to Rs 214 from Rs 213 and Rs 212.50 a kg respectively according to traders and the Rubber Board.In futures, the July series slipped to Rs 212.55 (212.88), August to Rs 215.20 (215.35), September to Rs 214.90 (215.16), October to Rs 215 (215.38) and November to Rs 216.50 (216.75) a kg while the December series inched up to Rs 217.25 (217.03) on the National Multi Commodity Exchange.

RSS 3 firmed up to Rs 210.42 (207.98) a kg at Bangkok. The July futures recovered to ¥377 (Rs 212.02) from ¥369.9 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: 214 (213); RSS-5: 212 (210); ungraded: 209 (206); ISNR 20: 210 (210) and latex 60 per cent: 137 (136).