

Award for TNAU



P. Murugesu Boopathi, Vice-Chancellor of Tamil Nadu Agricultural University, receiving the Sardar Patel Award from Sharad Pawar, Union Minister for Agriculture and Food Processing, in New Delhi.

The Indian Council of Agricultural Research has presented the Tamil Nadu Agricultural University with the Sardar Patel Outstanding ICAR Institution Award for 2010 for its contribution to agriculture.

Union Minister for Agriculture and Food Processing Industries Sharad Pawar gave away the award to Vice-Chancellor of the university P. Murugesu Boopathi at a function held in connection with the ICAR Foundation Day in New Delhi recently.

Minister of State for Agriculture and Parliamentary Affairs Harish Rawat, Minister of State for Agriculture and Food Processing Industries, Director General Co-operation S. Ayyappan, besides others, were present during the ceremony.

The award comprised a shield, citation and a purse of Rs. 5 lakh.

Published: July 25, 2011 00:00 IST | Updated: July 25, 2011 04:06 IST PUDUKOTTAI, July 25, 2011

Training on fish culture

Free training on ornamental fish culture will be given for two days at the regional research centre of the TANUVAS here from July 27. Sessions on commercial prospects of ornamental fish; reproduction; supply of food and quality water and disease management will be taken up.

Those interested should register at the centre at 10 a.m. on July 27.

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Published: July 25, 2011 00:00 IST | Updated: July 25, 2011 04:06 IST TIRUCHI, July 25, 2011

Rain water harvesting structures must

The city Corporation will give its approval for the building, if rainwater harvest structure is included in its blueprint.

In a press release issued here, T.T. Balsamy, Corporation Commissioner, said that all the assistant commissioners have been advised to ensure that the old rain water harvest structures are being set up at the Corporation buildings and Corporation school campus should be properly maintained with adequate repair works being carried out wherever needed. All these works should be completed well before the onset of the north east monsoon.

He said that the assistant commissioners have been directed to ensure that every building in the city had the structure capable of harvesting the rain water for achieving the desired goal of maintaining the ground water table.

All the blue prints should be properly scrutinised and the inclusion of the rainwater structure should be ascertained, before granting the approval.

Mr. Balsamy has also appealed to the proprietors of domestic and commercial complex buildings without the structure, to set up the rain water harvest units immediately. "In case of non-compliance, the Corporation will provide the structure and recover the cost from the proprietors, on the lines of collection of property tax," the release added.

The official also said that the Corporation assistant commissioners would ensure that the supply channels to the tanks and other water bodies in the Corporation limits are not choked, affecting the flow of rainwater.

Published: July 25, 2011 00:00 IST | Updated: July 25, 2011 04:09 IST DACHEPALLI
(GUNTUR DT), July 25, 2011

Foodgrains seized

Vigilance & Enforcement (V&E) officials seized foodgrains worth about Rs 1.34 crore during raids conducted on Sai Venkataramana Rice Mill here on Sunday.

The foodgrains -- 11,235 quintals paddy, 646 quintals rice, 475 quintals broken rice and 100 quintals rice brawn -- were illegally stored in the mill for which a criminal case has been booked under Sections 6-A and 7 of Essential Commodities Act.

Besides, 154 bags of rice meant for Public Distribution System, and the truck in which it was being illegally transported, were seized near the town, according to official sources.

Published: July 24, 2011 23:38 IST | Updated: July 24, 2011 23:38 IST July 24, 2011

Food Security Bill

This refers to Ms Brinda Karat's article "Food Security Bill needs amendments" (July 23), which has brought several anomalies in the Bill to the fore. These must be addressed by the National Advisory Council. The main contentious issue is corruption. While it is hoped that Aadhar will, to a large extent, take care of this, it must be noted that Ms Karat is apprehensive about the impact of Aadhar. Perhaps Mr. Nandan Nilekani, Chairman of the Unique Identification Authority of India (UIDAI), should dispel such misgivings. The experience gained in the implementation of the Right to Education Act, 2009 should be gainfully utilised when the Right to Food Bill is passed in the monsoon session of Parliament.

K. Nehru Patnaik,

Visakhapatnam

Ms Karat's article has exposed the UPA government's half-hearted efforts to address poverty and hunger. Far from achieving the idea of a universal-Public Distribution System (PDS), the proposed measures in the Bill will further weaken the existing PDS. Similar to the Right to Education Act, which has so far proved to be a façade, the Food Security Bill will only be an eyewash unless all World Bank prescriptions in the Bill are spurned.

Syed Sultan Mohiddin,

Kadapa

In this Bill, the negatives outweigh the positives. There is clearly a lack of understanding on the basic concepts, criteria and the numbers put forth. The concept of the poverty line is misleading and detrimental to basic human rights. There are serious concerns on the pricing front too. There is enough scope for corruption and maladministration when one looks at the reforms being sought to be introduced. It is hard to believe we have buffer stocks rotting in godowns, on the one hand, and cases of starvation, on the other. The PDS needs to be overhauled and hoarding must be dealt with. Focus on the GDP is good but it cannot be at the cost of growing concerns over food security.

R. Girish,

Botswana

While it is the duty of the government to provide food to one and all, the poor and rich cannot be treated on a par under the PDS.

Second, there should be no reason for any differences in the number of BPL families in the State and Central lists. Third, there is no need to change the allocation of 35 kg of foodgrains per family but an additional quota may be provided for families with more than five members, as suggested.

While it is estimated that there are innumerable bogus PDS cards, there are also a number of families who do not have them. Proper control over the allocation and use of PDS commodities will save a lot of trouble for the government. It should be ensured that no family is excluded from the PDS. There should be no cap on the number of BPL families.

C.R. Ananthanarayanan,

Bangalore

Though some of the provisions of the Bill are commendable, they tend to do more harm than good. Moreover, the idea of utilising Aadhar (UID) for unique identification seems to be inconceivable and unintelligible. Manual labourers and workers will be automatically excluded from accruing any benefits.

Vilas Wahi,

New Delhi

The intent of the Bill should be to cover all “starving families” and to eradicate hunger. But the government, by drawing the line of eligibility in an arbitrary manner, and then having a percentage on coverage for rural and urban households, is not only defeating the purpose of the Bill but also making the scheme dubious. While it routinely provides massive write-offs to corporates, by asking individual States to fund this Bill shows its seriousness, or lack thereof, in implementing this Bill. It is also committing a grave mistake of introducing a cash option in lieu of foodgrains, as many would misuse the money than feed their families.

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Monday, Jul 25

Max Min

34° | 26°

Rain: TRACE

Sunrise: 5:52

Humidity: 75%

Sunset: 18:38

Wind: Normal

Barometer: 1002

Tomorrow's Forecast



Rainy

Tuesday, Jul 26

Max Min

35° | 26°

Extended Forecast for a week

Wednesday

Jul 27



32° | 28°

Rainy

Thursday

Jul 28



30° | 27°

Rainy

Friday

Jul 29



30° | 26°

Rainy

Saturday

Jul 30



30° | 27°

Rainy

Sunday

Jul 31



29° | 25°

Rainy

25 Jul 2011 09:57:59 AM IST

An apple a day to hit your monthly budget

SHIMLA/KULLU: A box of Royal Delicious cost Rs.1,100 last year. But thanks to this year's dismal production, the same box costs a staggering Rs.2,200 in wholesale markets -- bitter news for those who relish the fruit and a sweet one for growers.

Apple growers in Himachal Pradesh are upbeat as they are getting record prices this season. Trade representatives say good quality apples have been priced at a double rate this year as compared to the last year.

"A 20 kg box of superior quality Royal Delicious is fetching between Rs.2,200 and Rs.2,300 in Delhi's Azadpur market, against Rs.1,100 per box last year," Gian Singh Chandel, chairman of the Dhalli apple market committee near Shimla, told IANS.

He said the arrival of the superior qualities have just started from mid-hills of Shimla, Kullu and Mandi districts and by mid of next month, the harvesting would pick up.

Currently, the fruit wholesale markets in the state are flooded with early apple varieties like Red Gold, Red June and Tydeman's Early Worcester.

Naresh Chauhan, an apple farmer from Kullu district, said: "The harvesting has just begun in some areas but it will gain momentum as the apples are getting remunerative prices."

He said since the crop is lean this year, the buyers are directly procuring the apples from the growers.

The price of Rs.2,200 per box of Royal Delicious, Red Chief and Super Chief is quite good, Chauhan added.

According to official estimates, this year's apple production would be around 22.5 million boxes - about 50 percent less than last year's bumper production of 44.5 million boxes.

But experts believe this year's fruit would be more crisp, crunchy and juicy as there is sufficient moisture in the soil that would help the plant get sufficient nutrients.

Usman Shaikh, a Pune-based trader, said: "We are daily procuring 500 boxes from Dhalli against the requirement of 1,000. The prices are of course quite high but the quality of fruit is

marvellous."

Estimates of the horticulture department say so far over 125,000 crates of apples have been dispatched to various markets from the state as compared to 165,000 last year.

However, the world-famous delicious apples from Kinnaur and Lahaul and Spiti districts would start arriving by October when the harvesting from other areas is almost over.

Himachal Pradesh is one of India's major apple-producing regions with more than 90 percent of the produce going to the domestic market.

The state's apple economy is pegged around Rs.1,500 crore, with Shimla, Kullu, Mandi, Lahaul and Spiti, Kinnaur and Chamba districts being the hubs.

24 Jul 2011 01:14:38 PM IST

Inflation to stay around 8% till Mar 2012: Citi



MUMBAI: Global banking and research giant CitiGroup has projected India's headline inflation to remain elevated during this fiscal, and stand at 8% by March 2012, on account of high commodity prices and upward revision of past data among other factors.

The 8% projection for March 2012 is higher than the 6-7% forecast by the Government. The Reserve Bank had also earlier said it expected headline inflation to moderate to around 6% by end of the fiscal.

"We... Expect headline inflation to average 9-9.5% (in 2011-12) with the March reading likely at 8% as against the RBI's estimate of 6%," Citi India said in its 'India Macro Flash'.

It further added: "We maintain our view that prices will remain elevated due to upward revision in minimum support prices of agri crops which sets a floor to market prices, continued upward revisions to past data and the fact that while commodity prices have eased, they are relatively

higher than last year".

Headline inflation, as measured by Wholesale Price Index (WPI), stood at 9.44% in June, up from 9.06% in May.

In recent months, the inflation data has seen frequent revisions including for April which was revised to 9.74% from the initial estimate of 8.66%. The revisions have put further pressure as the revised numbers soar much above the initial estimates.

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Farmer inspires fellow villagers by using new technology

July 25, 2011 12:02:11 AM

One-day, he came across officers of horticulture department who visited his village to teach about new technology and methods of cultivation. All the villagers gathered to listen to the officers. Kafvara was also one of them.

The officials gave the tips about yielding more crops with the use of drip-irrigation system.

Kafvara was fully convinced and swung into action. He prepared mud-border of six height and one foot wide at one-one meter distance in the field before the arrival of monsoon. He sowed the hybrid saplings of chilly at the distance of 40 to 60 metre in the middle of mud-border.

Drip-irrigation Company installed drip-system in the field. Besides, a system was also developed to feed medicine and fertilisers in the form of liquid to the saplings from time to time in order to protect the crop.

Now, he is witnessing a high yielding crop of chilly. Earlier, he was taking each 9 quintal 'bigha' chilly and increased to 12 each quintal 'bigha' chilly. He is earning ` 60,000 at each bigha crop. Not only this, he has improved his living standard. He bought a computer system and learned

how to operate internet on it.

Taking a cue from his crop, the other farmers of his village are now experimenting in their fields in order to yield healthy and more crop with the use of modern technology of cultivation.

THE TIMES OF INDIA

Food security law could push up world prices, widen subsidy bill

Surojit Gupta & Sidhartha, TNN | Jul 25, 2011, 12.27AM IST

NEW DELHI: The proposed Food Security Act has the potential to stoke global food prices and significantly increase the country's food subsidy bill, officials and experts say.

The government plans to introduce a legislation which aims to ensure food security for 75% of the rural households and 50% of the urban areas and includes both below poverty line and above poverty line families.

Experts say that in case there is a drought in future and procurement drops below the desired level, the government may have to resort to imports to meet the commitment under the proposed Act and this is bound to trigger a sharp increase in global prices given the likely scale of the imports.

"Historically we have exported at low prices and imported at high prices. The global market keeps a close watch on production around the world and India is not a regular importer or exporter. So whenever India enters the global market, for example as they did in 2008, we had to import at high prices," said Vinod Kapoor, an independent trade expert.

Officials say the costs involved for running the scheme could also pose a serious challenge. They say monitoring and implementing the provisions of this gigantic plan would also prove to be a huge obstacle for the government machinery and put a huge strain on the procurement agencies.

This year the government has procured record amount of grains (see table) but in the past ten years there have been times when the procurement was below expectations. While the option to

mop up grains from the open market is available, it would put a huge strain and lead to market distortions. According to government estimates, the total requirement to implement the plan would be around 61 million tonnes.

"In 1972-73, there was a complete takeover over of the wholesale market for grains and had to be reversed within weeks. That danger is there now," a senior official, who did not wish to be identified, told TOI. The then prime minister Indira Gandhi nationalised the wholesale trade in food grains but had to reverse the decision after the decision led to market chaos and bumped up prices.

Some experts suggest that providing cash compensation should be made an upfront provision in the legislation. Too much emphasis on wheat and rice may also hurt the process of diversification of agriculture, they argue.

"Why only wheat and rice. There should be a choice that the household can purchase eggs, maize, etc. This will reduce the burden on wheat and rice," said an official.

Another worry which has emerged is the fiscal burden that the move will impose. Officials do not expect any major burden this year as the implementation could take place by around December or January, after the legislation is approved by Parliament. But things would be different from next year. "For the full year the food subsidy bill next year could touch Rs 90,000 crore if not Rs 100,000 crore," said another senior official, closely linked to the discussion, who did not wish to be identified.

Economists said while such a programme was desirable, the government would have to restructure its spending to cushion the impact on public finances. "This will definitely lead to an increase in the fiscal burden. The government may have to look at restructuring its expenditure pattern, otherwise it may have to mobilise additional resources," said D K Joshi, chief economist at ratings agency Crisil.

Business Standard

Monday, Jul 25, 2011

Cotton yarn stocks down by 150 million: CITI

BS Reporter / Mumbai/ Ahmedabad July 25, 2011, 0:37 IST

The spinning industry, which had a stock of more than 500 million kgs of cotton yarn following last year's restrictions on exports, has reported significant easing in the cotton yarn stock position, the Confederation of Indian Textile Industry (CITI) said.

In a statement made by Shishir Jaipuria, Chairman, CITI, from a peak level of 500 million kgs, cotton yarn stocks with the mills have now come down to around 350 million kgs and is expected to come down further in the coming months. "The festival season in the country starting from September onwards is expected to see significant improvement in demand for all textile products and this would also help the spinning sector to dispose of their accumulated stocks of cotton yarn. In fact, from May 23, 2011 onwards spinning mills all over the country had resorted to significant production cuts. Currently 25–30 per cent of capacity for cotton yarn production in the country is lying closed."

Restriction on export of cotton yarn has been lifted by the government and current cotton yarn exports are comparable with those of the same period last year. There has also been some positive movement in domestic demand for cotton yarn and he expects this trend to continue, the industry body stated.

Earlier, CITI had requested government for a comprehensive relief package for the spinning industry in order to tackle the losses suffered by the industry in recent months because of restrictions on cotton yarn exports, fluctuation in cotton and cotton yarn prices and accumulation of stocks both of fibre and yarn.

Moreover, with the improvement in the demand position, spinning industry is expected to come out of its present problems during the second half of the current fiscal. However, the mills will

find it extremely difficult to repay loans and find working capital in the coming months because of the huge losses they suffered during the first half of the fiscal.

"CITI has sought a two year moratorium for repayment of loans and interest and a few other facilities from the Reserve Bank of India, in order to avoid the accounts becoming Non Performing Assets. The industry is confident that the current challenges can be met with the help of the relief which has been sought from government and the RBI. This will help the industry to revive its operations in full during the coming months and to avoid retrenchment of any workers," Jaipuria added.

Cotton saga unravels

Latha Jishnu / July 25, 2011, 0:06 IST

Cotton has been the biggest success story in Indian agriculture since the Green Revolution. In a country struggling with stagnant yields in most crops, production has soared from 13.6 million bales (each bale is 170 kg) in 2002-03 to 31.2 mb in 2010-11, a figure that catapulted India into the big league, as it was 23 per cent of global production last year.

Poor quality cotton with high trash content has given way to the kind of lint that the world is ready to pay good money for, allowing the country to export between 600,000 tonnes and 1.5 million tonnes of raw cotton each year after 2005.

The popular narrative is that introduction of genetically modified (Bt) cotton brought this transformation. Bt cotton contains 'Cry' genes from the soil bacterium *Bacillus thuringiensis* (hence Bt), highly toxic to bollworm caterpillars, identified as the main cotton pest. The Bt technology, first developed by Monsanto in 1986, came to India in 2002 when the American seed giant entered into an agreement with its Indian partner, Maharashtra Hybrid Seed Company or Mahyco. The joint enterprise they set up to purvey this technology enjoyed rapid-fire success, despite steep upfront charges and royalty fees.

Year	Area (Million	Production (Million bales	Yield (Kg per
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	hectares)	of 170 Kg)	hectare)
2002-03	7.667	13.6	302
2003-04	7.630	17.9	399
2004-05	8.786	24.3	470
2005-06	8.677	24.4	478
2006-07	9.144	28.0	521
2007-08	9.414	30.7	554
2008-09	9.406	29.0	524
2009-10	10.310	29.5	486
2010-11	11.161	31.2	475

Source- Cotton Advisory Board

The result was commercial release of several hundred Bt hybrids containing the same Cry genes, approved by the then regulator, the Genetic Engineering Approval Committee (GEAC). Most were snapped up by farmers keen to try the new technology. Within four years, Bt cotton reduced insecticide use to half the previous level. For farmers, the returns were extraordinary. Some researchers estimate the net average gains from Bt cotton at \$76-250 (Rs 3,370-Rs 11,090 at the current conversion) per hectare.

The rub

One statistic in this triumphal march, however, has not kept pace — yields. While yields did go up from an average 302 kg per ha in 2002-03 to 554 kg in 2007-08 (see table), productivity has been stagnant for the past five years, according to the chief of the Central Institute for Cotton Research (CICR), Keshav Kranthi. CICR is the country's leading research institution for cotton and has been trying to develop its own transgenic varieties. "The main worry is the stagnation in productivity at an average of 500 kg lint per hectare for the past five years. The gains have been unaffected by the sharp increase in area of Bt cotton, from 5.6 per cent in 2004 to 90 per cent in 2010," he warns.

The yield was 463 kg per ha when the Bt cotton area was 5.6 per cent in 2004 and reached a mere 506 kg per ha when the area under Bt cotton increased to 9.4 million ha, which is 85 per

cent of the total 11.1 million ha currently under cotton cultivation. More worrying, says Kranthi, is the increasing problems of sap-sucking insects, such as leaf hoppers, aphids, whiteflies and thrips, on the vast majority of susceptible Bt hybrids. New pathogens have started affecting the new Bt hybrids. Insect populations of mealybugs, gall midges, mosquito bugs and safflower caterpillars, hitherto unknown are new concerns.

One reason could be the huge number of Bt hybrids — estimated at over 780 — that have flooded the market. Farmers are not able to choose the Bt hybrids most suitable for their soils and farming conditions. Recommendations on a proven package of practices and the suitability of hybrids for specific agro-ecological sub-zones would have greatly helped push productivity. Instead, lack of stewardship has meant progressive problems and stagnation of production and productivity.

Implications

Kranthi makes it clear that these are issues related to the stewardship and have nothing to do with Bt technology, which he believes is good. But he worries about the issues that have become a major concern with farmers. Prime among these is the steady increase in insecticide use. Farmers now pay as much as they did in 2002 for management of the new pests (see table).

However, seed firms do not appear unduly concerned. K K Narayanan, managing director, Metahelix Life Sciences, says, “These pests were always there, but considered minor. Now, when there is an effective solution to take care of the major pest (bollworm), the other ones become relatively more prominent.” Metahelix, Nath Bio-Genes and JK Agri Genetics are the other technology developers whose hybrids are also competing against Monsanto’s. Narayanan also dismisses Kranthi’s contention of indiscriminate release of Bt hybrids. “The farmers are wise enough to choose the best hybrids that produce more and give higher incomes. It does not matter how many hybrids are released.”

Monsanto points out, “India has a stringent system, in which new hybrids are rigorously tested and evaluated for performance under different agro-climatic regions.” As for the new pests, a spokesperson says, “The intensity of any pest attack is a combination of weather, growth of weeds and other environmental conditions. Farmers need to manage other factors responsible for production as they start becoming relevant.”

When Monsanto says, “Indian farmers are the world’s fastest adopters of Bt cotton technology” it actually highlights the problem. US anthropologist Glenn Stone, who has been studying the questions surrounding the use of Bt technology in India for over a decade, finds that “farmers are on a seed and pesticide treadmill, and this is right at the heart of the problem”. Both technologies have some inherent unreliability and both change quickly in India, and the problems in each technology exacerbate the problems in the other, he points out.

Rice set to rally on Thai plan, demand: Exporters' group

Bloomberg / Singapore July 24, 2011, 0:22 IST

Rice prices may advance as global demand increases and a new government in Thailand, the largest shipper, pays farmers above-market rates for supplies and pushes up export costs, the Thai Rice Exporters Association said.

Higher prices of rice, staple for half the world, would fuel global food costs that reached an all-time high in February, according to United Nations' gauge. Rice is already this year's best-performing grain after farmers in the US, the third- largest exporter, switched to other crops.

Rice has ‘a massive food-inflation potential,’ said Jonathan Barratt, managing director at Commodity Broking Services Pty, who correctly predicted a rally last week. “That’s something that needs to be widely watched.”

Rough rice on the Chicago Board of Trade, up 18 per cent this year, surged to \$17.19 per 100 pounds on July 15, the highest price, since October 2008. In Thailand, the 100 per cent grade B variety has rallied 8.5 per cent to \$563 per tonne, since the July 3 poll won by the opposition Pheu Thai Party.

Korbsook's comments echo forecasts from the shipper's group that the new policy in Thailand will increase shipment prices. Thailand's export price may rise to \$800 in the fourth quarter, according to a Bloomberg survey of four exporters, millers and traders taken a week after the electoral contest.

'High Prices'

“World demand will increase this year, even though the trend of high prices is coming in the next three months,” Korbsook said. She declined to say how high the price may go.

Incoming Thai leader Yingluck Shinawatra won the election on promises to buy rice at higher prices to boost rural incomes and increase minimum wages. Her government plans to buy unmilled grain from farmers at 15,000 baht (\$503) a tonne.

The last time a similar policy was implemented, the Thai government led by Thaksin Shinawatra, Yingluck's brother, bought 5.4 million tons between Nov. 1, 2008 and June 15, 2009. That was equal to 18 per cent of the global rice trade in 2008, when food shortages sparked riots from Haiti to Egypt.

Thailand may have had 12 million tonnes of rice available for export this year without government intervention, Korbsook said. That would have made shipments the largest ever, surpassing the 10.14 million tonnes sold in 2003-2004, according to US Department of Agriculture data.

Index Gains

The Rice Price Index of the United Nations' Food & Agriculture Organisation, which tracks 16 varieties from Vietnam to the US, rose in June for the first time since February, the agency said July 6. The "uncertainty over export prices in Thailand" helped to boost prices, it said a day later.

Global output of rice will expand 2.7 per cent to 476.1 million tonnes in the 2011-2012 season, beating demand that's forecast at 469.9 million tonnes, the FAO said in a July 7 report.

The FAO's World Food Price Index, which tracks 55 items, peaked at 237.68 in February. Last month, the index gained 1.1 per cent to 233.84.

THE HINDU **Business Line**

Non-basmati export norms create new problem of plenty

New Delhi, July 24:

Allocation of scarce resources by the State, whether to do with coal blocks or telecom spectrum, is often a fertile ground for controversies and even scams.

It is no different in the case of another scarce resource – export of non-basmati rice, prohibited since April 2008. On July 19, the Directorate General of Foreign Trade (DGFT) issued a notification permitting up to one million tonne (mt) of shipments and inviting applications from parties with “intent to export”.

Given surging global prices, the notification allowing exports, though limited to one mt, led to a virtual scramble among prospective shippers to grab a piece of the cake, which is to be individually allocated on a first-come-first-serve basis.

As the DGFT's window to receive applications via e-mail opened at 1000 hours on July 21, some 1,000 intents were reportedly received within five minutes. By the end of the day, the number of applications totalled around 6,000 and crossed 7,500 at 1700 hours on July 22, when the window was closed.

The DGFT notification, while asking applicants to specify the quantity sought to be exported, had fixed an individual cap of 12,500 tonnes. If each of the estimated 7,500 applications was for this maximum limit, it would have added up to 94 mt, close to India's annual rice output and three times the world rice trade. The one-mt quota itself would have been exhausted within a minute of the receipt of applications!

“It is a situation tailor-made for people to go to court. There are bound to be many, including those with genuine export credentials, who would cry foul over not getting quotas on account of being late by just a few seconds,” sources pointed out.

The DGFT would be announcing the list of successful allottees on July 27, after which they will be given time till August 18 to submit the required documents, irrevocable and confirmed letter of credit and a performance bank guarantee for 10 per cent of the value of exports. In the event they do not produce these documents, their export quota would be allocated to the waitlisted applicants.

“This whole mess is partly due to the very low minimum export price (MEP) of \$ 400 a tonne set in the notification. They should have fixed the MEP at least \$ 100 higher, which would have kept away non-serious players. A low MEP makes sense only if you allow unlimited exports and not restrict it to one mt as has been done,” the sources noted.

The present situation, according to them, is conducive for an informal secondary market for quotas to emerge. The ones to be allotted the quotas would probably be approached by trade houses and other established exporters having ties with overseas buyers. While the exports as well as letter of credit may get issued in the allottee's name, the actual contracts and shipments would be undertaken by the trade house.

“What we are seeing here is a repeat of raw cotton exports, where again a grey market for offloading quotas at a premium or on a profit-sharing basis developed. But in cotton, it took 10 days from the opening of contract registrations for the entire 55 lakh bale export quota to be exhausted. Here, it has happened within minutes, if not seconds,” the sources added.

(This article was published in the Business Line print edition dated July 25, 2011)

Supply squeeze likely to keep pepper market hot



Kochi, July 24:

The Indian pepper market continued to remain highly volatile. Last weekend witnessed the market moving up sharply without any link to the market fundamentals. There were no overseas demand given the high price for Malabar on the one hand and limited activities in the markets in the US, Europe and Canada on account of the summer vacation. Therefore, no activities in the overseas markets are likely on the export front for about a fortnight.

However, there might be some stray business taking place from certain pockets for Malabar provided the difference between the parity for MG1 and other origins are not above \$200 a tonne, market sources said. Decline in output in Indonesia in its July/August crop coupled with

exports of huge quantity from Vietnam during the first seven months might lead to a supply squeeze in the international market for the coming five months. Such a scenario could keep the market hot for some time to come this year, sources told *Business Line*.

Meanwhile, availability in India is also limited. Growers and primary market dealers are not showing any interest to part with their produce at the current levels, sources said. As prices were ruling higher not much inventory were created by domestic dealers. They may enter the market in the coming days as the festival/winter season begins. The fate of the next crop would be known only after the southwest monsoon, they said.

Bull operators were on the driving seat and the market went up sharply during the week. August, September and October contracts went up by Rs 1,208, Rs 1,347 and Rs 1,224 respectively to close at Rs 29,593, Rs 30,161 and Rs 30,503 a quintal.

Total turnover increased by 9,966 tonnes to 50,365 tonnes. Total open interest went up by 736 tonnes to 13,951 tonnes.

Spot prices, also in tandem with the futures market trend and on good buying support amid limited supply, shot up by Rs 1,100 a quintal during the week to end on Saturday at Rs 28,000 (ungarbled) and Rs 29,000 (MG 1) a quintal.

Overseas trend

The black pepper market showed a mixed response last week, when compared with prices in the previous week, according to the International Pepper Community (IPC).

At the Commodity Exchange in India, prices of Malabar black moved up steadily throughout the week. On an average the increase was around 2-3 per cent.

Local prices in local currency were reported stable in Lampung, Vietnam, Sarawak, Brazil and Sri Lanka.

Local prices of white pepper were stable at all origins. A marginal increase of fob prices took place in Bangka and Sarawak, while in Vietnam the price was stable.

Indonesian exports

During January-June 2011, Lampung has shipped 14,760 tonnes of black pepper, as against 12,030 tonnes in the same period of last year. In the second half of the year however, export of black pepper from Lampung is estimated to be lower than the corresponding period, due to lower crop this year.

Compared with the exports in the previous two months (April and May 2011), a substantial drop in exports were demonstrated in June with a continuous decline of export in the past three months. Large export in April 2011 was due to unusual crop during March 2011 in East Lampung, as a result of climate change. Harvest in main season of July/August is estimated to be lower.

Indonesia exported 49,000 tonnes of black pepper in 2010. Out of this, Lampung contributed 47,900 mt (98 per cent).

(This article was published in the Business Line print edition dated July 25, 2011)

Nearly 28% Coonoor tea unsold

Coonoor, July 24:

As there were no takers for nearly 27.5 per cent of the 16.72 lakh kg offered for sale no 29 of Coonoor Tea Trade Association auctions despite shedding prices by Rs 3 a kg, teas worth Rs 2.64 crore remained unsold

“Some invoices of orthodox leaf were withdrawn despite shedding Rs 2-3 a kg. Better liquoring CTC leaf lost Rs 2-4, mediums Rs 2-3 and plainers suffered withdrawal even after shedding Rs 1-2. Some cleaner, smaller, blacker types, however, managed to fetch Rs 1-3 more.

(This article was published in the Business Line print edition dated July 25, 2011)

Arrivals at Kochi tea auction remain firm

Kochi, July 24:

Arrivals continued to be firm at the Kochi tea auction even as prices did not vary much over the week. There was 12, 58,000 kg of dust and 3, 28,000 kg of leaf tea on offer at the auction. Good

liquoring CTC dust grades were fully firm to dearer, especially the select good grades. AVT and Kerala State Civil Supplies Corporation were active on good liquoring grades along with loose tea traders. Tata Global operated on grainier varieties while Hindustan Unilever remained selective. There was fair amount of upcountry demand. Bulk of the offerings of orthodox dust was absorbed by exporters.

There was fair demand for high-grown orthodox leaf grades while whole leaf, as well as bolder broken and fannings were firm to dearer at the auction. Other grades quoted lower and there were several withdrawals. Medium tippy grades and bolder broken grades remained firm. Other grades were irregular and quoted lower with several withdrawals. Fannings were also barely steady and tended to ease. Exporters to CIS countries remained subdued. Exporters to Tunisia operated at lower levels. Upcountry buyers were active on whole leaf and fannings along with exporters. HUL was not active.

Good liquoring teas were barely steady at the CTC leaf auction and sometimes quoted lower. Fannings which sold at last week's levels was dearer. Bulk of the CTC leaf offerings was absorbed by upcountry buyers. Small CTC grades witnessed enquiry from exporters. HUL did not operate at the CTC leaf counter.

Injipara SRD fetched the top price at the dust auction at Rs 125 followed by Pasuparai SFD at Rs 122, Manjolai SFD at Rs 121 and Injipara RD at Rs 121. At the leaf auction Pascoe's green tea fetched the top price at Rs 304 followed by Havukal BOPF at Rs 213, Chamraj OP at Rs 197 and Chamraj FOP at Rs 188.

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