THE HINDU

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:13 IST COIMBATORE, July 26, 2011

TNAU buildings inaugurated

Jayalalithaa lays foundation for a few other buildings through videoconferencing

Chief Minister Jayalalithaa inaugurating buildings and laying foundation for new ones of Tamil Nadu Agricultural University through videoconferencing from Chennai on Monday. This was viewed on a giant screen on the university premises in Coimbatore. — PHOTO: S.SIVA SARAVANAN

Tamil Nadu Chief Minister Jayalalithaa on Monday inaugurated buildings worth Rs. 348 lakh and laid foundation for a few others worth Rs. 289 lakh of the Tamil Nadu Agricultural University through video conferencing from Chennai.

The videoconferencing was set up on the university premises in the Anna Auditorium.

The new buildings included infrastructure on the campuses of the university in Aruppukottai, Pudukottai, Thanjavur, Veppanthattai, Kovilpatti, and Coimbatore.

The foundation was laid for new buildings to come up at Coimbatore, Aliyarnagar, and Yethapur. Ms. Jayalalithaa unveiled the plaques for the works by remote control in the presence of Agriculture Minister K.A. Sengottaiyan, Animal Husbandry Minister M.R. Sivapathy, and Industries Minister S.P. Velumani.

Agricultural Production Commissioner and Principal Secretary K. Arulmozhi listed the various works – administrative building, farmers' hostel, and poultry and goat demonstration unit at Aruppukottai, administrative building at Pudukottai, staff quarters and office building at Thanjavur, godown and vehicle shed at Veppanthattai, women's hostel at Kovilpatti, solid waste management and vermi-composting technology knowledge centre, laboratory buildings for seed technology, and farm office and godown for miller breeding station at TNAU premises.

The new buildings to come up in Coimbatore will be an office complex for the Department of Vegetable Crops, non-teaching staff quarters, bio-fuel workshop building, and extension of press building. A staff quarters in Yethapur, and a seed storage godown will come up at Aliyarnagar. Member of Legislative Assembly of Coimbatore North constituency T. Malaravan, and Coimbatore Collector M. Karunakaran, addressed the Chief Minister through video conferencing from the university.

Ms. Jayalalithaa also inaugurated the Horticultural College and Research Institute for Women, a constituent college of TNAU, at Tiruchi, which is offering courses from the academic year 2011. “The college had been planned to be established in Tiruchi to augment not only horticultural development, but also the development of girls, especially from the rural areas, for them to use the opportunities to achieve great heights in life,” the Chief Minister said.

District Collector of Tiruchi Jayashree Muralidharan, via videoconferencing from Tiruchi, assured the Chief Minister that the college would contribute towards the intended Second Green Revolution.

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:13 IST CHENNAI, July 26, 2011

Women's college for horticulture

Chief Minister Jayalalithaa on Monday, through video conferencing, declared open a women's college for horticulture and a research station in Srirangam, the constituency that she represents in the Assembly.

She also inaugurated a host of buildings constructed by the Tamil Nadu Agriculture University in different parts of the State including Aruppukottai, Thanjavur and Pudukottai at a cost of Rs.3.48 crore.

Ms. Jayalalithaa also declared open constituent arts and science colleges in Papireddipatti of Dharmapuri District and Nannilam of Thiruvarur District.

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Ecofest at TNAU

Students of B. Tech. Energy and Environmental Engineering of Tamil Nadu Agricultural University will organise a national-level symposium ‘Ecofest ‘11' on ‘Energy and Environment' here on July 27.

According to Dean of Agricultural Engineering S. Santhana Bosu, the event will be held to commemorate the World Nature Conservation Day. Vice-Chancellor of the university P. Murugesa Boopathi will inaugurate the ‘Ecofest'.

Managing Director of Hunter Douglas India Private Limited P.K. Sundaramoorthy will deliver a lecture on ‘Energy Management and Green Buildings'.

Competitions will be held for college and school students. More than 300 students are expected to attend.

Those interested can contact K. Karthikeyan on 99440-41369; or visit www.ecofest.co.in.

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:08 IST COIMBATORE, July 26, 2011

Forest Department to increase green cover

Go green: The Forest Department will provide saplings to increase green cover. - File Photo: K. Ananthan

The Forest Department, Coimbatore Circle, will accord top priority for implementation of the Tamil Nadu Natural Resources Management (TNNRM) and Tree Cultivation in Private Lands (TCPL) Project.

Objective

Conservator of Forests V.T. Kandasamy told *The Hindu* that the department had plans to plant three lakh tree saplings on private lands in Coimbatore Circle. The objective was to increase green cover in the plains and on private lands and not in forest areas alone, Mr. Kandasamy said.

The circle has four divisions namely, Coimbatore, Nilgiris North, Nilgiris South and Gudalur, comprising 28 ranges spread over 2,340 sq km. The target is the highest compared to that in the past.

The trees would also help farmers economically and they would be involved in the TNNRM project, he said.

The project, to be implemented with community participation, would have an outlay of Rs. 400 crore for a five-year period, Mr. Kandasamy said. It would get funds from Japan International Co-operation Agency. The agency had earlier funded the Tamil Nadu Afforestation Project I and II in 1997 and 2005 with Rs. 688 crore and Rs. 400 crore respectively. An external evaluator of the agency expressed satisfaction at the implementation of TAP I and II and hence it had now decided to fund the next project as well.

Focus

The core focus of the project would be afforestation, infrastructure development, water harvesting and community development. Conflict resolution, including habitat improvement and motivating farmers to change cropping pattern along the forest boundaries, would also be taken up under the project.

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:15 IST NEW DELHI, July 26, 2011

NFIW against cash transfers in lieu of foodgrains

NFIW criticises the approach for targeted PDS and cash transfers

The National Federation of Indian Women (NFIW) fears that the government plans to do away with the public distribution system (PDS) and move to cash transfers in lieu of foodgrains to the poor through the proposed National Food Security Bill.

Demanding that the proposed Bill provide for universal entitlements, decentralised production and procurement, the NFIW has criticised the approach for targeted PDS and cash transfers.

Referring to reported lack of funds with the Food Corporation of India (FCI) for procurement of grains, NFIW general secretary Anne Raja said it was nothing but a “calculated move” by the government to create a situation of non-availability of foodgrains to facilitate cash transfers.

Already pilot programmes on cash transfers for distribution of foodgrains were on in parts of Delhi.

Ms. Raja views the government's move to ask the Unique Identification Authority of India to examine the prospect of direct transfer of food subsidies as a step towards cash transfers.

“By introducing such provisions in the proposed bill, the UPA was clearing the way for cash transfers, instead of assuring foodgrains and other essential commodities to people through the PDS,” she said.

Meanwhile, the Food Ministry on Monday clarified that the Centre would provide all financial support to the FCI. “There is no financial crisis at the FCI,” it said in a release.

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:15 IST TIRUCHI, July 26, 2011

Mettur level

The water level in the Mettur dam stood at 84.76 feet on Monday against its full level of 120 feet. The inflow was 13,400 cusecs and the discharge, 14,997 cusecs.

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:14 IST Karwar, July 26, 2011

Land set aside for organic farming college

Nearly 100 acres of land has been earmarked for the first-ever College of Organic Farming at Yellapur, said Anant Kumar Hegde, Kanara MP.

He was speaking at a meeting of officials of various departments at Karwar on Monday.

He said that Yellapur had a rich background in terms of organic farming. The land would be handed over to the University of Agricultural Sciences, Dharwad, after the mandatory survey by the district administration, he said.

A national-level workshop would be held on September 15 and 16 on improving the life of farmers and fishermen. The workshop would deal with the overall development of the district. Scientists from CMFRI and ICL and other prestigious research institutions would participate in the workshop and deliver speeches on pisciculture in salt and sweet water, dairy farming, agriculture, and horticulture, he said. He asked various departments to prepare a work plan for the success of the workshop.

R.R. Hanchinal, Vice-Chancellor of UAS, Dharwad, said an agriculture science centre would be set up in Kumta to help farmers of the coastal district. He appealed to the department to hand over 80 acres of land where an agricultural school was housed, to the university.

Published: July 26, 2011 00:00 IST | Updated: July 26, 2011 04:16 IST HYDERABAD, July 26, 2011

Know your rights, farm labour told

Activists working with the landless poor for years, on Monday asked the latter to improve their awareness levels about their rights under the National Rural Employment Guarantee Act and fully access the benefits of the employment guarantee scheme.

At a State-level interface meeting between group leaders (called mates) of farm labour associations and voluntary activists, Principal Secretary, Rural Development, R. Subramanyam said the scheme was not be viewed as a mere wage employment programme but as one that contributed to national development.

Federations

The associations needed to form themselves into village and mandal-level federations and assured them of all policy support from government. Disciplinary and accountability systems would be in place soon, he added.

Korivi Vinay Kumar of the Dalit Bahujan Front that put together the meeting here said it was important for members of the SSS groups to be made fully aware of their rights.

Also important was for them to be united and thus bring pressure on officials responsible for implementation of the scheme, he said.

Grab the opportunity

Narinder Bedi, president of the Young India Project, an organisation based in Penukonda of Anantapur district, said it was time for the farm labour to understand that their progress was neither in the hands of voluntary agencies nor with the government. “It's for you to be together and grab the opportunity,” Mr. Bedi said.

Published: July 26, 2011 00:32 IST | Updated: July 26, 2011 02:24 IST July 26, 2011

Pakistan: water on the boil again

The Hindu A view of the Baglihar hydroelectric power project built on the river Chenab near Chanderkot in Doda district of Jammu and Kashmir. File Photo

Water has the potential of becoming a new ‘core issue' of even greater prominence than Kashmir, and calls for urgent attention.

The ‘water issue' between India and Pakistan, which has been relatively quiescent for a while, is becoming prominent once again. A year ago, one could have said that there is no water issue because water-sharing on the Indus stands settled by the Indus Treaty 1960, but that argument does not work now. Water has become an ‘issue' because Pakistan has made it one. This article will not speculate on why and how this has come about. The important point is that water has the potential of becoming a new ‘core issue' of even greater prominence than Kashmir, and calls for urgent attention.

The points that are repeatedly made in Pakistan are the following:

(1) India is storing or diverting waters to the detriment of Pakistan. (In stronger language this becomes: “India is stealing Pakistan's water”.)

(2) The water scarcity in Pakistan is caused (or partly caused) by Indian action.

(3) The flows in the western rivers have diminished over the years, and India, as the upper riparian, must bear the responsibility for this.

(4) India is misusing the provisions of the Indus Treaty. Every Indian project on the western rivers is a violation of the Indus Treaty.

(5) The Neutral Expert in the Baglihar case misinterpreted the Treaty and weakened the protection that Pakistan had under the Treaty.

(6) As if this were not enough, India deliberately caused harm to Pakistan in the initial filling of the Baglihar reservoir by the timing of the filling and by failing to maintain the prescribed minimum flow at Merala.

(7) Even if each project conforms to the provisions of the Treaty, the cumulative impact of the large number of projects that India proposes to construct will be huge and will cause great harm to Pakistan.

(8) Environmental concerns did not figure at all in the Indus Treaty but must now be taken into account.

(9) A wholly new development is climate change and the impact that it will have on water. This needs to be discussed between the two countries.

It is easy enough to dismiss most of the points listed above, barring the last two, as errors or misperceptions. However, that kind of summary dismissal of Pakistani concerns is not enough; something more needs to be said on those points.

(i) *Storage/Diversion*: So far as one knows, India has not built any storage, not even the 3.6 MAF permitted by the Treaty, nor does it intend to cause harm to Pakistan by diverting Indus waters. In any case, there is such a thing as the Permanent Indus Commission. How can India store or divert waters to the detriment of Pakistan under the watchful eyes of the Indus Commissioner for Pakistan?

(ii) *Water scarcity in Pakistan*: It is clear enough from (i) above that India has nothing to do with this.

(iii) *Reduced flows in the western rivers*: Assuming that this is the case, it does not follow that the responsibility for it can be laid on India. What needs to be done is to institute a joint study by

Pakistani and Indian experts to establish that there is a declining trend in flows and to ascertain the factors responsible.

(iv) *Violations of the provisions of the Indus Treaty by India; every Indian project a violation of the Treaty:* This is simply not true. The Treaty envisages and permits Indian projects on the western rivers, and so the projects in themselves cannot be violations of the Treaty. They can be violations of the Treaty if they deviate from certain restrictive provisions, but that will be questioned by the Indus Commissioner for Pakistan. The questions may be resolved within the Commission, or become differences and get referred to a Neutral Expert (as happened in the Baglihar case), or may be in the nature of disputes to be referred to a Court of Arbitration (as has now happened in the Kishenganga case). Where then is the question of violation of the Treaty?

(v) *Misuse of the Treaty*: A recent article in the Pakistani media is headed 'Misusing the Indus Treaty.' India might argue that it is only using and not misusing the Treaty, and that it is Pakistan that is misusing the Treaty to block every Indian project on the western rivers. Leaving that aside, the point is that Pakistan is fundamentally unreconciled to the permissive provisions of the Treaty that enable India to construct hydroelectric projects on the western rivers. However, the Treaty exists and both India and Pakistan are signatories to it. Pakistan has accepted the permissive provisions and India has accepted the restrictive provisions.

(vi) *Baglihar; Neutral Expert blamed*: The NE is accused of 're-interpreting' the Treaty and weakening the protection to Pakistan. When Pakistan talks about 'reinterpretation' it has three things in mind. First, the NE took the view that the 1960 Treaty does not bind India to 1960 technology and that India could use state-of-the-art technology; it is difficult to see how that view can be questioned. Secondly, he gave importance to techno-economic soundness and satisfactory operation; again, it is difficult to see how this can be objected to, and moreover, the Treaty itself repeatedly qualifies its conditions by the proviso "consistent with sound and economical design and satisfactory construction and operation"; those words cannot be ignored. Thirdly, the NE stressed the importance of periodical flushing of the reservoir to get rid of sediment. This is what has caused the greatest anxiety to Pakistan because it seemed to weaken the protection against possible flooding. It is difficult to see how an expert engineer could have held that flushing was not necessary and that rapid silting-up must be accepted.

However, there is no need to discuss this as the issue has been raised before the Court of Arbitration in the Kishenganga case.

(vii) *Initial filling of the Baglihar reservoir*: The myth that India deliberately filled the Baglihar reservoir in such a manner as to cause maximum harm to Pakistan refuses to die down despite repeated explanations. The filling was completed well within the prescribed period; there was no deviation in that respect. The shortfall with reference to the prescribed minimum flow at Merala (of which there are different estimates by India and Pakistan, and no jointly observed figure) was only for a few hours — less than a day — and could not possibly have caused serious harm. There was indeed a lapse but a minor one, and definitely not a planned one. However, this became a major issue, and even though it has been closed by the Indus Commissioners, it continues to figure in articles in the media.

(viii) *Cumulative impact of many projects*: Opinion is divided on the question whether the cumulative impact of a number of projects, each conforming to the provisions of the Treaty, could be greater than the sum of the impacts of individual projects. This is a concern that needs to be taken seriously and should be jointly studied.

(ix) *Environmental concerns, Climate Change*: These are post-Treaty developments and call for urgent inter-country consultations, not only at the governmental level but also at academic and expert levels.

The above analysis shows that while a number of misperceptions need to be dispelled, joint studies are needed on (a) the reported reduction of flows in the western rivers and the factors responsible, and (b) the cumulative impact of a large number of projects on the western rivers. Inter-country consultations and research are also called for on environmental concerns and on the impacts of climate change.

However, that is not enough. Right or wrong, certain misperceptions on water persist and are widespread in Pakistan. This has serious implications for India-Pakistan relations and for peace on the subcontinent. Persistent efforts are needed at both official and non-official levels to remove misperceptions and to reassure the people of Pakistan that their anxieties are uncalled for.

hindustantimes
Tue,26 Jul 2011

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Tuesday, Jul 26

Max	Min
35.8°	24.8°

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

Sunrise: 5:52
Sunset: 18:38
Barometer: 1002

Tomorrow's Forecast

Rainy

Wednesday, Jul 27

Max	Min
35°	25°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Jul 28	Jul 29	Jul 30	Jul 31	Aug 1
32° | 28°	30° | 27°	30° | 26°	30° | 27°	29° | 25°
Rainy	Rainy	Rainy	Rainy	Rainy

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the pioneer

Farmers opt for transplantation, water harvesting this season

July 25, 2011 11:29:19 PM

After a long break from continuous and torrential rainfall this year, dependency on adopting transplantation methods for sowing the kharif crops has become an essentiality for farmers in the State. Suffering from two successive drought years, the incessant rains in June have raised the hopes of farmers, who are hoping for a bumper harvest.

Despite to this the weakened monsoons in the second part of the month of July has not only given a jolt to their hopes but have let them turn faces down to adopt transplantation methodology in case of paddy and other kharif crops including variety of pulses grown in Jharkhand. Mentioning the statistics of the rains received by the State, the Director of the Regional Meteorological Department, GK Mohanty stated that the rains received during the period from June to July till date is over 460 mm, which is above the normal range.

Besides, a bountiful rain amount that the State has received, the uneven distribution of the rains over several parts of Jharkhand has left the farmers to rethink on the irrigation part for the standing crop.

As per the IMD statistics, the rainfall recorded from the beginning of the monsoon in June to July 20, is 4 per cent more than the normal rainfall expected. “The system though has weakened over the time as part of the monsoon phenomena; scattered rainfall at isolated places is expected. Widespread rainfall though is must for sowing of crops, which the farmers are longing for, may arrive in the latter part of August,” said Dr A Wadood, weather agricultural scientist at Birsa Agricultural University (BAU).

The monsoon in the State has remained above normal but the scattered nature of the rains is not much helpful and sufficient for a bumper crop this kharif season, added Wadood advocating rain water harvesting as an alternative for the farmers.

As informed by agriculture experts from BAU, the situation for standing crop for this crop-season is not yet alarming, but with the same conditions prevailing for more 5-10 days can pose a serious threat to the crop-produce. Irrigation facilities need facilitation by trained and well-informed farmers for handling the situation by conserving water before-hand.

Jharkhand is in need of more than 50 tonnes of crop per year for consumption by the total population of Jharkhand, while the State in good rainfall year produces just 20-30 tonnes of crop-produce, which further goes down to 15-16 tonnes in bad rainfall years. To avoid low cropyield and meet the requirements of the State, rainwater-storage and transplantation of seedlings in farms are the two options left out to be implemented by the farmers for overcoming the scanty and uneven rains this monsoon.

BMC takes action against illegal cultivators of water chestnuts

July 26, 2011 12:14:52 AM

Staff Reporter | Bhopal

To protect the upper lake, the Bhopal Municipal Corporation (BMC) took action against the illegal cultivators of Singhara (Indian water chestnut) on Monday.

The BMC removed the crop of Singhara from the lake near in Khanugaon, Shaheed Nagar and boat club and seized 45 nets from the cultivators.

In charge of Lake Conservation Cell, Udit Garg has raided these areas with BMC squad on Sunday.

The Pioneer in its June 21, 2011 issue had raised the issue prominently.

Notably, the illegal activity commences as the monsoon begins and goes on until winter, when the fruit is fully-grown.

Conservationists target the authorities for adopting lax attitude toward stopping the illegal cultivation of Singhara, in the State capital's Upper Lake rechristened as the Bhoj Tal.

They clog waterways, crowd out vegetable food for wildlife and encourage mosquitoes to breed. This causes problems not only for the native vegetation but also for the wildlife that lives in and around the lake that have to adapt to a new species that completely takes over.

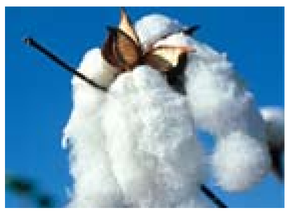
Further, the chestnuts can do more damage to the environment by decreasing the overall diversity. A decrease to overall diversity decreases the environments ability to react and adapt to perturbations making it less stable and resilient. Since water chestnuts deplete available oxygen in the water, which can cause fish kills. They trap organic matter creating silt, which increases sediment levels and breeding spots for mosquitoes.

Business Standard

Tuesday, Jul 26, 2011

Another bumper cotton year likely

Dilip Kumar Jha / Mumbai July 26, 2011, 0:03 IST



India is heading for yet another bumper output in the coming cotton year (October 2011-September 2012) on the back of a gradual ramp-up in sowing area, following the progress of monsoon rainfall this season.

Total output in the coming season might surpass last year's revised record estimate of 32.5 million bales (1 bale = 170 kg), textiles commissioner A B Joshi on Monday said on the sideline of a Cotton Advisory Board (CAB) meeting here. Rainfall has covered almost all major crop-growing areas in the last fortnight, raising hopes for a recovery in acreage this year. "We believe the sowing area will also surpass last year's figures of 11.14 million hectares (ha), since farmers had been incentivised immensely by record high cotton prices early this year," Joshi added. In 2009-10, the total area under cotton was reported at 10.31 million ha.

Cotton prices surged to Rs 63,000 a candy (Shankar 6) early in the pre-sowing season this year. Although the commodity is trading at around Rs 34,000 a candy now, farmers are encouraged to bring more area under cotton. Oilseeds like castorseed, sunflower and groundnut are reported to have lost some area to cotton. The actual sowing scenario, however, is yet to become clear. "We can see cotton prices moderating in coming weeks."

As on July 24, area under cotton reported a marginal decline of 3.45 per cent at 9.35 million ha, as against 9.70 million ha around the same time last year.

CAB, under the chairmanship of the textile commissioner, raised its own February estimates of output from 31.2 million bales to 32.5 million bales. The total output of the cash crop was recorded at 29.5 million bales in 2009-10.

With this, the total availability has shot up to 37.50 million bales, considering the opening stock of 4.05 million bales and imports of 500,000 bales. During the last season, however, the total availability was recorded at 37.35 million bales. CAB maintained this level in its meeting on Monday.

Factoring the ongoing demand slowdown across the world, CAB revised domestic mill consumption amid expectations that textile mills have huge inventory piled. The consumption market is currently slowing, with the ongoing economic uncertainty in Europe and the US — India’s largest consumer markets. Consumption from domestic markets have also been looking down. CAB has, therefore, cut overall mill consumption estimates from 25.8 million bales earlier to 23.6 million bales. As a result, total demand in the country is estimated to fall to 31.8 million bales from the earlier estimate of 33 million bales.

Allow another 1mt export, sugar millers urge govt

Ajay Modi & Sanjeeb Mukherjee / New Delhi July 26, 2011, 0:21 IST

With an eye on a nearly 25 per cent higher realisation from export and a downward revision in Brazilian sugar output, Indian sugar millers are pushing for allowing export of another million tonnes of the sweetener by October.

Indian Sugar Mills Association (Isma), in a letter to the food ministry on Friday, made a case for allowing export of one million tonnes over and above the million tonnes allowed by the government earlier this year.

Sugar mills are realising Rs 600-700 per quintal more on exports compared to the domestic realisation of around Rs 2,600 for Maharashtra mills and Rs 2,900 per qtl for mills in Uttar Pradesh.

Of the permitted export quantity of a million tonnes, domestic millers have already shipped around 700,000 tonnes. The country has also exported 1.1 mt under the advance licence scheme. In April, the government first allowed export of around 500,000 tonnes and a similar quantity was allowed again in June.

Sugar output projection in the world's biggest producing nation, Brazil, has been revised downwards by 6.4 per cent since March on account of crop damage and dry weather. Against a projection of 34.59 mt in March, Brazil is now expected to produce 32.38 mt sugar, thereby creating a gap of 2.21 mt in the global market. International sugar prices have been on a roll since then, with sugar futures gaining around 50 per cent since early May.

India is the second biggest producing nation and Isma, the apex body for private sugar mills, says our surplus stock means India can take advantage of the lower Brazilian output.

"India can fill the world sugar market gap. With the availability of 29.4 mt in the current October-September season and estimated consumption and export of 21 and 2.1 mt, respectively, we will be left with an opening stock of about 6.3 mt as on October 1," said Abinash Verma, director general, Isma.Verma pointed out that the stock of 6.3 mt is high, considering the average consumption in October-December for the past four years has not been more than 5.4 mt. And, in spite of the opening of sugar exports, retail prices have not increased.

According to the department of consumer affairs, the retail sugar price in Delhi is now Rs 32.50 per kg, compared to Rs 33 six months earlier.

The industry is anticipating another bumper crop in the new season beginning October. Sugar output in the current season is projected at about 24.2 mt.

THE HINDU Business Line

Bulk buyers add colour to turmeric

Erode, July 25:

Spot turmeric prices gained on Monday with bulk buyers returning to the market.

“Bulk buyers planed orders for hybrid variety turmeric, quoting higher price. Consequently, it was sold Rs 350 a quintal higher than last week,” said a trading source.

Other varieties rose by Rs 200 a quintal. The spice fetched Rs 150 a quintal more than last week at the Gobichettipalayam Agricultural Cooperative Marketing Society as only 145 bags arrived. All the bags were sold. High demand at the Regulated Marketing Committee and Erode Cooperative Marketing Society lifted spot turmeric by Rs 250 a quintal. Arrivals were poor compared with last week. Of the 8,000-odd bags that arrived on Monday, only half were sold.

However, the finger variety fell below Rs 7,000 a quintal to Rs 6,989 a quintal at Erode Turmeric Merchants Association, down Rs 100 a quintal.

In the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 5,289-6,989 a quintal and the root variety at Rs 5,166-6,166 a quintal.

Salem Crop: The finger variety was sold at Rs 6,709-7,889 a quintal and the root variety Rs 6,146-6,616 a quintal. Only 398 out of the 1,739 bags that arrived were sold.

At the Gobichettipalayam Cooperative Marketing Society, the finger variety was sold at Rs 6,168-7,438 a quintal and the root variety at Rs 5,006-6,738 a quintal. All the 145 bags that arrived were sold. At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 6,769-7,604 a quintal and the root variety at Rs 6,298-6,631 a quintal. All the 391 bags that arrived were sold. At the Regulated Marketing Committee, the finger variety fetched Rs 6,819-7,289 a quintal and the root variety Rs 6,089-6,660 a quintal. Out of the 686 bags that arrived, 670 were sold.

(This article was published in the Business Line print edition dated July 26, 2011)

Dairy majors want milk items kept out of trade pact with New Zealand

Suggest hiking import tariff rate quota by 15,000 tonnes

New Delhi, July 25:

The domestic dairy industry has opposed inclusion of milk products within the ambit of the proposed India-New Zealand Free Trade Agreement (FTA).

“We want Chapter 4 (of the Customs Tariff dealing with dairy produce) to be kept out of the FTA. Any plan to grant New Zealand preferential access to the Indian dairy market in exchange for a more liberal visa and employment regime for our professionals is totally unacceptable,” said Mr R.S. Sodhi, Managing Director, Gujarat Cooperative Milk Marketing Federation (Amul).

New Zealand's population of 43 lakh, he noted, is less than Ahmedabad's and its 12,000-odd dairy farmers are a fraction of the 15 crore small, marginal and landless milk producers in India. “It is not desirable that the Government barters the interests of millions of poor milk producers to gain visa access for a handful of professionals”, Mr Sodhi added.

New Zealand, which exports 95 per cent of its milk production, today controls over 35 per cent of the global trade in dairy products. Opening up the Indian market for Fonterra, New Zealand's dairy monopoly and the world's top exporter, is said to have figured prominently in discussions over a bilateral FTA during the Prime Minister, Mr John Key's five-day India visit late last month.

TRQ limit

Dairy imports into India are currently governed by a tariff rate quota (TRQ) mechanism. Under it, up to 30,000 tonnes of milk powder and 15,000 tonnes of butter oil/milk fat are importable at zero duty. Imports beyond these quotas attract higher basic customs duty – 60 per cent for powder and 30 per cent in the case of butter oil/milk fat.

One of the suggestions apparently being mooted now is to raise the TRQ limit by an additional 15,000 tonnes in respect of milk powder, which will make possible imports of up to 45,000 tonnes at zero duty.

Need for imports?

“It is one thing to import for meeting temporary supply shortfalls and quite another to become permanently import-dependent, which is what an FTA may result in. There is enough milk in the country. What we require is not imports, but organised efforts at procuring and marketing this milk”, noted Mr R.G. Chandramogan, Managing Director of Hatsun Agro Product Ltd, the country's largest private sector milk handler.

His counterpart at the Delhi-based Sterling Agro Industries Ltd, Mr Kuldeep Saluja, claimed there is no need to import any quantity beyond the existing TRQ levels. During 2010-11, India imported 30,000 tonnes of powder, as against which it exported 70,000 tonnes (28,000 tonnes of powder and 15,000 tonnes of casein equivalent to 42,000 tonnes of powder).

“In all, we were a net exporter to the tune of 40,000 tonnes. For this fiscal, however, the Government has banned all exports of powder and casein, which means we will be a net importer of 30,000 tonnes. The case for any additional imports arises only if exports are allowed again,” he pointed out.

According to Mr Saluja, the landed price of imported skimmed milk powder from New Zealand would currently be around $ 3400 a tonne or Rs 151 a kg. After adding port handling and other charges, it would cost Rs 165, which is below the Rs 180 price for domestically manufactured powder.

The same is the case in butter oil, where the imported material would cost $ 4700 a tonne or Rs 255 a kg after adding all expenses. This is as compared with the ruling Rs 265-plus price of ghee here.

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Cloves re-export top 700 tonnes; firm trend seen in domestic market

Kochi, July 25:

Exports of cloves, probably for the first time from the country that is net importer, exceeded 700 tonnes in the first quarter of the current fical. Almost the entire quantity went to Indonesia via Malaysia/Singapore traders between $12,000 a tonne for Brazilian material and $17,000 a tonne for dry red Indonesian cargo, according to trade sources.

“On Friday, dry Madagascar cargo was exported from there for $17,000”, they told *Business Line*. Importers who are holding stocks resorted to shipping it out at nearly double the price at which they bought because of demand from overseas, they said.

Severe shortage of the material is felt in the world market following crop failure in India — the crop is claimed to be only two per cent of the total crop this year, they said.

In India, buying for the ensuing festival season has started and “on Saturday the price quoted for cloves in Zanzibar is Rs 1,010 a kg, and in Colombo it is at Rs 890 a kg, and soon it will be Rs 1,200 and Rs 1,000 respectively”, they claimed..

The price has, of late, multiplied nearly four-fold on short supply as the last crop is less than 50 per cent of the normal output estimated at 2,500 tonnes. Indian demand is estimated at between 13,000 and 15,000 tonnes, market sources said.

India, despite being a net importer, is feeling the pinch of this shortage as sizeable quantities of cloves are being exported from here, following the sharp rise in prices in the world market in recent weeks, they said.

Production drops

The production has dropped sharply in Indonesia following crop damage due to disease and it is expected to take 3- 4 years to return to normal.

As a result, “cloves prices will remain high till 2014, new crops take nearly four years to grow and fruit, while on the other side, the Indian and the world market demand is growing,” they said.

“The latest development is that China is now buying huge cloves cargoes, pushing the prices further,” trade sources in Bangalore told *Business Line*.

The annual world cloves crop is 1,41,000 tonnes with Indonesia topping with a production of 1,10,000 tonnes, and at the same time, consumption is around 1,20,000 tonnes, they claimed. “This year, the Indonesian crop is said to be below 10 per cent, that is, 10,000 tonnes while the output of all others put together comes to 28,000 tonnes.

Thus, the total world cloves crop is estimated at 38,000 tonnes. Given this huge deficit, cloves' prices are at $21,000 a tonne now and it may climb to $30,000 a tonne soon,” they claimed.

The new crops in Comoros, Zanzibar, Brazil, Madagascar “are also small and are getting booked in forward sales. Importers are wondering while Indonesian cigar companies are buying all crops. . It is a good time for traders to buy cloves and keep it,” a market source said.

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Cotton tumbles on wilting demand

Rajkot, July 25:

Cotton tumbled to Rs 30,000 a candy of 356 kg on Monday as demand remained low. However, traders are hopeful that the price might have bottomed out.

The *Sankar*-6 variety fetched Rs 29,000-30,000 a candy for A-grade and Rs 24,000-25,000 a candy for the lower grade. *Kalyan* variety sold at Rs 17,000-20,000 a candy.

Raw cotton fetched Rs 600-881 for a *maund* of 20 kg in Gujarat. While about 1,500 bales arrived in Gujarat, 4,000 bales arrived in the rest of the country.

Good rains have increased sowing area in Saurashtra and Kutch to 14.23 lakh hectares so far. Experts believe sowing will rise by 10-15 per cent year-on-year in the region.

Court direction

The Bombay High Court has directed the Directorate General of Foreign Trade to consider the plea of ginners in Maharashtra to export more cotton. They were earlier denied to export from the sanctioned additional quota of a million bales of 170 kg each.

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Cardamom gains as offtake matches arrivals

Kochi, July 25:

Cardamom gained a little on demand from other States even as arrivals increased because of an early crop at auctions.

Most of the 19 tonnes that arrived at Cardamom Planters' Association's auction in Bodinayakannur on Monday was sold, and the maximum price fetched was Rs 770 a kg. Poor quality of the produce pulled down the auction average to Rs 677.18 a kg, below the Sunday auction's average.

Arrivals zoomed to 70 tonnes compared with 20 tonnes year-on-year at the auction on Sunday at Kerala Cardamom Processing And Marketing Company Ltd (KCPMC), Mr P.C. Punnoose, General Manager, KCPMC, told *Business Line*.

Good supplies

While exporters bought an estimated 100 tonnes of good capsules, or pods of cardamom, in Kumily and Bodinayakannur, up-country buyers covered for the ensuing festival season, traders said.

However, picking is in full swing and given favourable weather so far this year, the crop, they said, is expected to be “very good”.

Though arrivals so far indicate good supplies compared with the year-ago period, demand, too, has grown correspondingly of late.

At the Sunday auction conducted by KCPMC, arrivals stood at 70 tonnes, all of which was sold, as against 60 tonnes last Sunday.

The maximum price fetched was Rs 1,037.50 a kg and the minimum Rs 533.50 a kg. Individual auction average moved up to Rs 693 a kg from Rs 690.60 a kg, Mr Punnoose said.

Three-fourths of the arrivals at the auctions held last week were new crop, and the rest from the previous crop.

Eight-millimetre bold good-colour fetched Rs 1,050-1,100 a kg Monday in Bodinayakannur, trade sources said.

Arrivals during the current season from August 1 to July 24 stood at 12,973 tonnes. Of this, 12,658 tonnes were sold.

Arrivals and sales in the same period of the previous season were at 9,803 tonnes and 9,597 tonnes.

Weighted average price as on July 24 was Rs 977.27 per kg, as against Rs 875.20 a kg on the same day past year.

Prices were up at Kumily and Bodinayakannur on Monday. Prices for graded varieties in Kumily (in Rs a kg) were as follows: AGEB Rs 975-985; AGB 755-765; AGS 725-735; and AGS-1 675-685.

Prices in the open market at Bodinayakannur (in Rs a kg) were as follows: AGEB (7 mm) 960-970; AGB (6 mm) 735-745; AGS (5 mm-6 mm) 700-710 and AGS-1 660-670.

Good bulk sold at Rs 720-750 a kg in Bodinayakannur.Growing areas received good rains last week with the sky clearing occasionally. Growers in Kumily said weather was favourable for the crop so far.

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Rapeseed oil firms up by Rs 800 a quintal

Mumbai, July 25:

The edible oil market witnessed a weak trend on Monday, tracking sudden decline in Malaysian palm oil due to lower than expected exports during July 1-25 and weak crude oil.

In Mumbai, palmolein and soya oil declined by Re 1 and Rs 4 for 10 kg each.

Cotton oil dropped by Rs 3. Rains in Gujarat kept groundnut and cotton oil under pressure with improved prospects for new crops.

Sunflower and groundnut oil ruled steady. Rapeseed oil rose by Rs 8 (Rs 800 a quintal) on firm reports from producing centres. Bursa Malaysia Derivatives (BMD) crude palm oil (CPO) futures closed lower. Hardly 30-40 tonnes of palmolein were traded in resale in the range of Rs 553-554. Toward the day's close, resellers quoted palmolein at Rs 554. Liberty's rates for Palmolein was Rs 560, soya oil Rs 650. Ruchi quoted palmolein at Rs 556, soya refined oil at Rs 644 and sunflower oil at Rs 697.

Malaysia's BMD CPO August contract closed at MYR3,098 (MYR3,138), September at MYR3,099 (MYR3,141) and October at MYR3,100 (MYR3,140) a tonne. Mumbai Commodity Exchange spot rate (Rs/10 kg): Groundnut oil 970 (970), soya refined oil 645 (649), sunflower exp. ref. 660 (660), sunflower ref. 710 (710), rapeseed ref. oil 700 (692), rapeseed expeller ref. 670 (662), cotton ref. oil 665 (668) and palmolein 555 (556).

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Mixed trend in rice market

Karnal, July 25:

The rice market witnessed a mixed trend with aromatic and non-basmati varieties quoting with marginal variations, while brokens of Pusa-1121 moved further up, on Monday.

The rice market is unlikely to see much alteration in prices this week, said Mr Amit Kumar, a rice trader.

Pusa-1121 (steam) slipped marginally toRs 4,950-5,200 a quintal, Pusa-1121(sela) was ruling around Rs 4,020 while Pusa-1121(raw) quoted at Rs 4,425 a quintal.

Duplicate basmati sold at Rs 3,450 a quintal, down Rs 10 from the previous level. Pure basmati (raw) continued to rule flat and quoted at Rs 5,920 a quintal while basmati (sela) increased by Rs 20 and quoted at Rs 4,000-4,020 a quintal.

Among the brokens of Pusa-1121, Tibar went further up by Rs 20 to Rs 3,100-3,320, Dubar increased by Rs 40 and ruled at Rs 2,650 and Mongra was trading at Rs 1,900-2,130 a quintal, Rs 50 up from its previous level.

Sharbati varieties were ruling almost unchanged, Sharbati (steam) was quoted at Rs 2,900-2,920 while the Sharbati (sela) was at Rs 2,740-2,775a quintal.

After witnessing a good uptrend last weekend, brokens of Sharbati variety remained unchanged, Tibar quoted at Rs 2,350-2,530, Dubar sold at Rs2,100-2,235 while Mongra was trading at Rs 1,750 a quintal.

Permal varieties' prices turned negative; Permal (sela) went down by Rs 25 and quoted at Rs 1,700-1,875 a quintal while Permal (raw) sold at Rs 1,900-2,050 a quintal, Rs 20 down from the previous level.

PR-11 (sela) sold at Rs 2,000-2,120 while PR-11(raw) quoted at Rs 1,930-2,100 a quintal.

Around 1,350 bags of Govinda variety arrived from Uttar Pradesh and sold at Rs 815-830 a quintal.

Advice to rice farmers

With lesser-than-normal rainfall in this region, farmers are advised to irrigate their fields every 4-5 days so that cracks do not develop in the fields, said Dr D.K. Sharma, Director, Central Soil Salinity Research Institute, Karnal.

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Soya oil firm despite weak global cues

Indore, July 25:

Soya oil ruled firm despite weak foreign markets. Soya refined ruled at Rs 634-637 for 10 kg on scattered trading in the spot market, though bulk price was at Rs 635.

However, resellers quoted soya refined at Rs 632-633. Soya solvent also traded low at Rs 600-604 against Rs 604-607 on Saturday.

Undeterred by weak foreign markets, soya oil futures rose. August contract for soya refined, after opening at Rs 665.50, closed marginally higher at Rs 666.20 for 10 kg on the National Board of Trade. Soya oil futures traded marginally higher on the National Commodity and Derivatives Exchange, too, with August and September contracts closing at Rs 665.75 and Rs 662.30 for 10 kg. Soya-oil trading is expected to rise on festive demand.

Soyabean gained marginally as arrivals weakened as compared to Saturday. While soyabean was quoted at Rs 2,250-2,310 a quintal in State ex Indore *mandis* on Monday, it was offered at Rs 2,240-2,280 in Indore *mandis*.

Arrivals were recorded at 35,000 bags in the former against 2,000-2,500 bags in the latter. Soyabean futures traded higher on robust buying with August and September contracts on the NCDEX closing at Rs 2,443.50 and Rs 2,471.50.

Soya de-oiled cake remained unchanged. It was quoted at Rs 18,000 a quintal in Kandla port against Rs 17,000 in the domestic market.

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Cooperative mills want Centre to allow 5 lakh t additional sugar exports

New Delhi, July 25:

Cooperative sugar mills have sought the Centre's nod for export of an additional five lakh tonnes (lt) under open general license during the current 2010-11 season (October-September). This is over and above the already permitted quantity of 10 lt.

“We have asked the Food Ministry to allow export of this additional quantity, as the domestic stocks position is comfortable and global prices are also good,” Mr Vinay Kumar, Managing Director of the National Federation of Cooperative Sugar Factories Ltd.

The ongoing sugar season till June has recorded a domestic output of 239.59 lakh tonnes (lt). “I see it ending up at between 242 to 244 lt. The coming 2011-12 season is likely to witness a still higher production of 260 to 265 lt. There is no reason for the Government not allowing more exports, more so when the all-India average ex-factory price of sugar during this season, at Rs 2,655.71 a quintal, has been below the Rs 2,852.53 for 2009-10,” Mr Kumar told presspersons here on Monday.

He reckoned the country would have an exportable surplus of over 20 lt during the 2011-12 season.

Besides permitting more imports, the cooperative body has also sought freeing sugar mills from the obligation to supply 10 per cent of their production as levy at below market prices and phasing out the monthly release mechanism. The latter requires mills to sell a certain quantity of sugar every month, with the Government fixing this so-called free sale quota for every factory.

“This works totally to the advantage of traders who know we have no option but to sell our quota within the month. We have suggested that we move first from a monthly to a quarterly release system, before we abolish it altogether,” Mr Kumar said.

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Sugar market pauses before sale quota announcement

Mumbai, July 25:

Sugar prices on the Vashi wholesale market ruled steady on balanced demand–supply position on Monday. Retail demand was hand-to-mouth due to low month-end volumes.

The free sale quota announcement for the month is due this week, and traders are eagerly awaiting that before entering into any fresh bets. Most market players are expecting a higher quota for August, since it is the festive season. .

In the physical market, spot rates moved Rs 3-5 a quintal up or down based on mills, while in the *naka* business M-grade declined by Rs 8-10 on improved selling by mills. S-grade *naka* rates were unchanged. Mills are selling at steady rates, and keeping tenders open and volumes need-based but active. Stockists, on the other hand, have no choice but to buy .

Mr Mukesh Kuwadia, Secretary, Bombay Sugar Merchants Association said: “In the last one month, sugar price in the domestic market has risen by Rs 150-200 a quintal. If the Government wants to curb food inflation/ (and keep) sugar prices under control during the festival season they must declare a higher free sale quota for the coming months.”

A wholesaler said the market witnessed a steady trend as resellers turned cautious ahead of the quota announcement. Local demand was as usual with regular supply from mills. This week-end's announcement of August month's free sale quota will decide the direction of the market.

On Saturday, about 14-15 mills sold about 35,000-40,000 bags (100 kgs each) to local buyers in the range of Rs 2,700-2,740 (Rs 2,700-2,740) for S-grade and Rs 2,760-2,850 (Rs 2,760-2,850) for M-grade. Arrivals at the Vashi market were 53-54 truckloads (100 bags each) and local dispatches were 52 -53 truckloads.

Bombay Sugar Merchants Association's spot rates : S-grade Rs 2,808-2,862 (Rs 2,816-2,852) and M-grade Rs 2,873-3,006 (Rs 2,861-3,006).

Naka delivery rates: S-grade Rs 2,780-2,800 (Rs 2,780-2,800) and M-grade Rs 2,840-2,960 (Rs 2,850-2,970).

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Lower arrivals perk up spot rubber

Kottayam, July 25:

Physical rubber prices finished almost unchanged on Monday. The market was neutral in all counters except sheet rubber, possibly waiting for the revised quotes from major consuming industries before setting a definite direction. Volumes were low.

Even though import talks, rise in production and higher stocks exerted pressure on prices, limited arrivals owing to heavy rains in major plantation areas cushioned the fall, sources said. The broad trend continued to remain weak.

According to traders, sheet rubber improved marginally to Rs 210.50 (210) a kg amidst scattered transactions. The grade closed steady at Rs 211 a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

The August series concluded the session at Rs 211.45 (210.70), September at Rs 211 (210.70), October at Rs 211 (210.60), November at Rs 211.91 (218.46), December at Rs 217.22 (220.53) and January at Rs 214.50 (212.45) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) closed at Rs 214.47 (214.45) a kg at Bangkok. The July futures increased to ¥375.1 (Rs 213.02) from ¥372 a kg during the day session and then to ¥377 (Rs 214.09) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 210.50 (210); RSS-5: 208 (208); ungraded: 205 (205); ISNR 20: 208 (208) and latex 60 per cent: 138 (138).

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32% leaf, 21% dust unsold at Coonoor tea auction

Coonoor, July 25:

As much as 32 per cent of the 5.38 lakh kg of dust grades and 21 per cent of the 11.33 lakh kg of leaf grades remained unsold this week at the Coonoor Tea Trade Association auctions for want of buyers at the asking price.

Of the six brokers, in the leaf auction, one reported withdrawal of almost 39 per cent of the offer and in the dust auction, one could not sell almost half the offer.

Homedale Estate teas, auctioned by Global Tea Brokers, topped CTC market at Rs 149 a kg. Vigneshwar Estate got Rs 142, Hittakkal Estate Rs 133, Sree Tea Supreme Rs 132 and Shanthi Supreme Rs 130. In all, 62 marks got Rs 100 and more.

Among orthodox teas from the corporate sector, Chamraj got Rs 189, Havukal Rs 166, Kairbetta Rs 161, Curzon Rs 155, Quinshola Clonal Rs 146 and Corsely Rs 140. In all, 23 marks got Rs 100 and more.Among green tea, Wood Bridge Estate's ‘Hyson' grade, auctioned by Paramount Tea Marketing, fetched Rs 210.On the export front, Pakistan bought in wide range – Rs 38-68 a kg, the CIS – Rs 40-66 and European markets – Rs 44-58.

Quotations held by brokers indicated bids ranging Rs 38-40 a kg for plain leaf grades and Rs 80-130 for brighter liquoring sorts. They ranged Rs 39-45 for plain dusts and Rs 85-140 for brighter liquoring dusts.

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