THE HINDU

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:14 IST NEW DELHI, July 29, 2011

Fall in food inflation to 7.33 % brings no cheer

Food inflation eased to 7.33 per cent for the week ended July 16 from 7.58 per cent in the previous week mainly driven by a fall in the prices of pulses even as other edibles such as fruits, vegetables, milk and protein-rich items continued to rule dearer.

Predictably, even as the WPI (Wholesale Price Index) based food inflation slipped to its lowest level in 20 months and appeared heartening on paper, the decline brought no cheer either for the government or the consumers at large. For, the prime reason for the decline is the statistical effect of a high base as food inflation during the like period last year was at a high of 18.56 per cent.

In the event, it is understandable that despite the marked moderation, it rendered no great comfort to Finance Minister Pranab Mukherjee owing to persisting inflationary pressures and the absence of a firm downward trend. "… there is still inflationary pressure [in the economy] … These weekly figures fluctuate mainly on the base [effect]. Therefore, they do not show any definitive trend...," Mr. Mukherjee said while commenting on the WPI data.

During the week, although pulses were cheaper by 8 per cent on an annual basis, almost all other food articles turned more expensive. Onion prices surged 22.66 per cent while vegetables were dearer by 7.59 per cent. Alongside, prices of milk went up by 9.96 per cent, fruits by 13.90 per cent and potatoes by 10.55 per cent.

Headline inflation stood at 9.44 per cent in June, having remained above the 9 per cent mark since December last year.

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:13 IST CHENNAI, July 29, 2011

Special Purpose Vehicle to study food grain storage, handling

Rs. 2,000 crore for improving warehousing capacity: Union Minister

Emerging field: (From left to right) Mark Drabenstott, Secretary General, Global Coalition for Efficient Logistics; K.V. Thomas, Minister of State of Consumer Affairs, Food and Public Distribution; R. Dinesh, Event Chairman; and Mike Nithavrianakis, British Deputy High Commissioner, at a seminar in Chennai on Thursday. — Photo: S.R. Raghunathan

The Centre would create a Special Purpose Vehicle (SPV) to undertake studies of food grain storage, handling and transportation mainly through Railways, said K.V. Thomas, Union Minister of State for Food, Consumer Affairs and Public Distribution on Thursday.

Delivering the inaugural address at the two-day conference on ‘Building Warehousing competitiveness' organised by the CII Institute of Logistics (CIL), he said that the warehouses would be constructed with modern temperature control.

The pilot project had already commenced. Besides, the Planning Commission has constituted a committee to undertake a comprehensive study to suggest measures for creation of modern food grain storage infrastructure facility in the country. “With the modernisation of the food storage centres by State governments, we are hoping to increase the country's annual production of food grains from the present 55 million tonnes to 60 million tonnes. The objectives of the department are to ensure remunerative rates for our farmers and supply of food grains at reasonable prices to the consumers through the public distribution system,” he said.

Mentioning that 83 per cent of the warehousing facilities were in the public sector and the balance in private sector, he said that the efficiency of private sector should be combined with the fundamentals of public sector to get good results.

Mr. Thomas said that through Public Private Partnership, 16.6 million tonnes of storage capacity was being created by Food Corporation of India under the Public Enterprises Guarantee Scheme in 19 States. Out of this, 1.6 million tonnes are to be constructed by Central Warehousing Corporation, State Warehousing Corporation and the remaining through private entrepreneurs.

To increase the warehousing capacity, the centre has set aside funds through the corpus of Rural Infrastructure Development Fund and Rs.2,000 crore was available.

On the Food Security Bill, he said that the draft has been sent to the Law Ministry for vetting. Efforts would be made to introduce it in the Parliament in the forthcoming session and it should become operational next year.

Mark Drabenstott, Secretary General of Global Coalition for Efficient Logistics said that they would soon launch Shipment Efficiency Assessment (SEA) in India to span the entire shipment flow to understand the strengths and bottlenecks of country's logistics pipeline.

HumaWealth programme

“This would be followed up with the launch of Asia development of HumaWealth connecting India and Asia that would provide the tools and road map to build the world's first digital trade platform to address the inefficiencies of the global logistics industry. We will train all the people in the logistics sector.

HumaWealth programme consists of digital ‘soft infrastructure' with open source technology platform, a global network of trusted companies and deployment of programmes to decrease the cost of trade and increase overall trade growth,” he said.

British Deputy High Commissioner, Mike Nithavrianakis, presented the insights on the warehousing competitiveness in the U.K. and said that commercial opportunities were enormous and both countries should address the significant opportunities for mutual benefit.

Event Chairman, R. Dinesh said warehousing in India accounted for about 20 per cent of the Indian Logistics market and was expected to grow at a rate of 35 to 40 per cent annually, displaying high potential for growth over the next few years. “It now becomes imperative for the warehousing sector to not only modernise, but also adopt best practices to achieve a world class infrastructure platform," he said.

The occasion was marked by the release of PWC study on 'Building Warehousing Competitiveness.'

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:08 IST NEW DELHI, July 29, 2011

Delhi to plant 10 lakh saplings

The Delhi Government's Environment Department will plant 10 lakh plants of various species during this monsoon season.

The Government has made available the plants at about 100 places in the Capital for the public, who can take them free of cost and plant them near their homes.

To sensitise people about the campaign, "Delhi plants a million tree this monsoon" was launched earlier this month. Details are available at *www.greenleapdelhi.org.in*

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:09 IST COIMBATORE, July 29, 2011

Free training in 'desi' chicken rearing

The Veterinary University Training and Research Centre, Coimbatore, of the Tamil Nadu Veterinary and Animal Sciences University, will organise a free on-campus training in 'desi' chicken rearing on August 9 and 10. According to a release, the programme is for farmers and rural women.

Those interested can contact the centre on 0422-2669965 for registration; or visit the centre at Kalapatti Pirivu, Saravanampatty, Coimbatore – 641035, the release adds.

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:09 IST THANJAVUR, July 29, 2011

Green technology for agriculture emphasised

Technology can effect fundamental changes in the ground rules of economic competitiveness and environment and result in sustainable development, said A. Sivathanu Pillai, Chief Controller and Chief Executive Officer, Brahmos, Research and Development, Defence Research and Development Organisation (DRDO) here on Wednesday.

Delivering the plenary session lecture at the International Conference on Emerging Green Technology at Periyar Maniammai University, Mr. Pillai said what is to be sustained is earth, biodiversity, ecosystem, ecosystem services, resources, environment, cultures, groups and places. What is to be developed is life expectancy, education, equal opportunity, wealth, productive sectors, consumption, institutions and social capital.

Green technology for agriculture, natural gas, power from municipal solid waste, solar and ocean energy, plastic tar road, e-waste management, green computing, liquid waste management, can be applied to initiate sustainable development. The second green revolution envisages soil characterisation, matching the seed, fertiliser management, water management, cultivation, post harvesting technologies, food processing, grain production and marketing.

They include development of high yielding varieties, enhanced nutrition management, using manure and organic wastes, and use of new farm vehicles and farm equipments with 100 per cent bio-fuels or electricity.

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:14 IST TIRUNELVELI, July 29, 2011

Horticulture pays off

ATTRACTIVE SUBSIDIES

- National Horticulture Mission Scheme was introduced in the district during 2005-06
- Area expansion programme covers fruit crops such as banana, amla, mango, and lime
- Between 2005-06 and 2007-08, farm ponds with geo-membrane, were excavated

Farmers of the district are now reaping the benefits of National Horticulture Mission (NHM) Scheme, being implemented here since 2005-2006, as the subsidy and other assistances being rendered under this programme have improved the living and economic conditions of even small farmers

After NHM was launched in the district during 2005-06, vast stretches of cultivable waste lands were brought under the cultivation of horticultural crops, especially fruit crops. On realising that amla and mango cultivation will be lucrative exercises, farmers were interested in establishing new orchards under NHM which guarantees an attractive subsidy. Under NHM, area expansion is one of the components, wherein the farmers are getting subsidy for a maximum eligibility of four hectares per farmer. Area expansion programme covers fruit crops such as banana, amla (Rs.17,500 as subsidy per hectare), mango (Rs.16,500), lime and plantation crops such as cashew (Rs.20,000), spices crops such as chilly and flowers.

In the initial stage of implementation of NHM, i.e. between 2005-06 and 2007-08, farm ponds with geo-membrane, were excavated at places that required the facility more to feed the crops on 10 hectares by each pond.

One such farm pond was constructed at Vellalankulam in Melaneelithanallur block in the district, benefitting about 25 farmers, who have grown amla, cashew, and mango to some extent.

Assessing the field-level benefits and the advantages of the pond, S. Raja Mohamed, Assistant Director of Horticulture, Meleneelithanallur block, in the amla field of M. Gurusamy of Vellalankulam, said the ponds dug under this programme had immensely benefited the farmers. Mr. Gurusamy started getting revenue from the third year onwards.

“We'll soon conduct a survey on ascertaining the impact of the NHM on the living standards of the hitherto BPL farmers,” said E. Rajan Ravichandran, Deputy Director of Horticulture..

Published: July 29, 2011 00:00 IST | Updated: July 29, 2011 04:14 IST VANIYAMBADI, July 29, 2011

Micro irrigation method pays off

Several farmers in Tirupattur and Vaniyambadi taluks have been reaping the benefits of micro irrigation method of cultivation. The method, which was launched during 2005-2006 in Vellore district, has been receiving good patronage among farmers for cultivating both horticulture and non-horticulture crops.

About 300 farmers have taken up micro irrigation method of cultivation for both horticulture and non-horticulture crops in Tirupattur and Vaniyambadi taluks. Approximately, 250 hectares have been covered under the method in these two taluks, according to Deputy Director of Horticulture S. Radhakrishnan.

“ There is a 20 per cent increase in the number of farmers opting for the method.

So far, 1975 hectares have been covered under the micro irrigation scheme in the district and 1,400 farmers have benefited in both horticulture and non-horticulture crops including cash crops such as sugarcane and coconut in the district,” he said.

The Department of Horticulture and Plantation Crops has been conducting training programmes to make farmers aware of the maintenance of micro irrigation system. .

“Micro irrigation paves way for judicious use of water. It follows drip and sprinkler system. The farmers can save electricity through this method.”

Vegetables such as brinjal, hybrid tomato and lady's fingers, followed by sugarcane and mangoes were the crops which were mostly cultivated under micro irrigation method across the district, he noted.

This year, the department has planned to cover 800 hectares under horticulture crops.

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Reuters

New Delhi, July 28, 2011

First Published: 12:16 IST(28/7/2011)

Last Updated: 13:04 IST(28/7/2011)

Food inflation at 20-month low of 7.33%

Food inflation fell to its lowest level in 20 months at 7.33% for the week ended July 16 on the back of cheaper pulses, even as other items grew more expensive.

Food inflation, as measured by Wholesale Price Index (WPI), stood at 7.58% in the previous week.

The decline could also be attributed to the high inflation figure of 18.56% for the corresponding year-ago period, a phenomenon dubbed the 'high base effect' in economic parlance.

The latest figure is the lowest since separate data for food inflation was first released in November, 2009.

During the week under review, prices of pulses fell by 8% year-on-year. However, prices of other items went up.

Onions became more expensive by 22.66% and fruits became 13.90% dearer on an annual basis.

Potatoes became 10.55% costlier, while milk was up 9.96%. Vegetable prices were up by 7.59% year-on-year.

Overall, primary articles recorded inflation of 10.49% for the week ended July 16, down from 11.13% in the previous week. Primary articles have a share of over 20% in the WPI.

However, inflation of non-food articles went up to 16.05% from 15.50% in the previous week.

Furthermore, fibres became more expensive by over 28% and oil seeds were up 13.72%. Minerals became dearer by 23.12% year-on-year.

Meanwhile, the index for fuel and power stood at 12.12%.

The moderation in food inflation is expected to come as a relief for the government and the Reserve Bank, who have adopted a series of measures for battling inflationary pressure.

Headline inflation stood at 9.44% in June. The RBI has already hiked interest rates 11 times since March, 2010, to tame demand and curb inflation.

In its quarterly review earlier this week, the RBI raised its overall inflation projection for March, 2012, to 7% from 6% estimated earlier, "in view of the domestic demand-supply balance, global trends in commodity prices and the likely demand scenario."

http://www.hindustantimes.com/StoryPage/Print/726494.aspx

Chennai, July 28, 2011
First Published: 16:40 IST(28/7/2011)
Last Updated: 16:41 IST(28/7/2011)

Food bill likely to be tabled in Parliament in December: Thomas

The proposed National Food Security bill for providing subsidised foodgrains to the poor is likely to be introduced in Parliament by December in 2011, minister of state for consumer affairs and food KV Thomas said on Thursday.

The empowered group of ministers (EGoM) has approved the draft bill, which is now before the law ministry, he told reporters in Chennai.

"Once that is done, it has to go to the Cabinet. We will also discuss with the chief ministers, because they are the implementing agency... then it has to go to Parliament," Thomas, here to inaugurate a CII conference, said.

"What I propose is to introduce the bill by this December so that it can be implemented from next year," he said.

The draft bill, the UPA-II's flagship project aimed at making provision of food support to people facing hunger a duty of the state, was earlier approved by the National Advisory Council headed by coalition chairperson Sonia Gandhi.

Earlier, addressing the conference, "Building Warehousing Competitiveness - The key to logistics success", Thomas said the government plans to create a special purpose vehicle to undertake studies on foodgrain storage handling and transportation.

"The Special Purpose Vehicle is for two purposes - one for the construction of godown and warehouses with modern temperature control and the other is for the movement of vehicles from the producing states to the consuming states," Thomas said.He said that the Planning Commission was also undertaking a comprehensive study to suggest measures for creation of modern foodgrain storage infrastructure facility in the country.With the modernisation of the food storage centres by state governments, they were also looking to increase the country's annual production of foodgrains from the present 55 million tonnes to 60 million tonnes.

He said that the ministry was also looking at increasing the food subsidy from the present Rs 60,000 crore to Rs 1 lakh crore.

http://www.hindustantimes.com/StoryPage/Print/726596.aspx

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Friday, Jul 29

Max		Min
34.8°	|	23°

Rain: 15.0 mm in 24hrs
Humidity: 56%
Wind: Normal

Sunrise: 5:53
Sunset: 18:37
Barometer: 1003

Tomorrow's Forecast

Rainy

Saturday, Jul 30

Max		Min
34°	|	25°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jul 31	**Aug 1**	**Aug 2**	**Aug 3**	**Aug 4**
29° | 26°	29° | 26°	31° | 26°	31° | 26°	31° | 26°
Rainy	Rainy	Rainy	Rainy	Rainy

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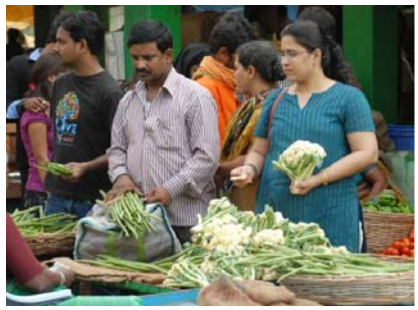
Published on *Deccan Chronicle* (http://www.deccanchronicle.com)

Food inflation falls to 7.33 per cent



India's food inflation dropped to 7.33 per cent for the week ended July 16, the lowest in over two years, as the rise in prices of fruits, eggs, meat and milk moderated and pulses became cheaper, according to official data released Thursday. Food inflation has declined sharply for the second consecutive week, offering much needed relief to consumers and the policy makers who have been struggling for over one-and-a-half years to control stubbornly high inflation. Food inflation had declined to 7.58 per cent for the week ended July 9 from 8.31 per cent in the previous week. The primary articles index also fell to sharply to 10.49 per cent for the week under review as compared to 11.13 per cent in the previous week, according to data released by the ministry of commerce and industry. The prices of fruits rose at a slower 13.90 per cent year-on-year compared to 15.84 per cent in the previous week. Eggs, meat and fish prices also grew at a slower 6.36 per cent as compared to 7.97 per cent in the previous week. The index for fuels and power, which has a 14.91 percent weight in the wholesale price index, also declined to 10.49 per cent during the week under review from 11.13 per cent in the previous week. The following are the yearly rise and fall in prices of some main commodities that form the sub-index for food articles: Onions: 22.66 per cent; Vegetables: 7.59 per cent; Fruits: 13.90 per cent; Potatoes: 10.55 per cent; Eggs, meat, fish: 6.36 per cent; Cereals: 4.82 per cent; Rice: 1.80 per cent; Wheat: 1.84 per cent; Pulses: (-) 8.01 per cent.

Source URL: http://www.deccanchronicle.com/channels/business/news/food-inflation-falls-733-cent-555

Food prices to pinch Indians during festive season

Consumers are likely to feel the pinch of rising food prices in the upcoming festive season, as erratic rainfall in growing areas and thin stocks coupled with high demand could push up prices further. Higher food prices during festivals may also create fresh problems for the government, which has been struggling over the past several months to contain inflation. India's food price index rose 7.33 percent in the year to July 16, government data on Thursday showed. The unexpectedly sharp hike in key rates by the RBI on Tuesday will also add to consumers woes. "Festivals are there from next month. They will boost demand. We may see further rise in prices of edible oil and pulses," said Badruddin Khan, associate vice-president, research, at Angel Commodities Broking. Patchy rainfall in central and southern India at the beginning of monsoon season and heavy rainfall in July in few areas delayed sowing and affected growth of some crops, lifting prices ahead of the festive season. Muslims in India will celebrate the holy month of Ramadan in August, while the 10-day long Hindu Ganesh festival falls in September. October will ring in the Durga festival and also Diwali, the biggest festival for Hindus. "Every year during festivals sugar demand goes up. Stockists have raised purchases in the past few days. Demand will remain robust," said Ashok Jain, president, Bombay Sugar Merchants Association. Record high sugar prices in the world market and the government's decision to allow exports of additional 500,000 tonnes also contributed to the price rise in domestic market. Rising vegetable prices are also disrupting household budgets. Average onion price at the country's largest wholesale onion trading hub in Lasalgaon, in Maharashtra, has jumped 55 percent in two months on depleting stockpiles from last year's winter-sown crop and plantation delay this year. Onion is a key ingredient in most Indian dishes. Soaring prices of the vegetable have helped dislodge Indian state governments in the past, and rising food costs often spark street protests. Traders said vegetable supplies have been disrupted due to erratic rainfall and are unlikely to improve before September. Spot prices of chana, or, chickpea, the most consumed pulse in India, have also risen 24 percent in the past two months, while chana futures are now close to their highest level in nearly five years. Prices of other pulses like tur, urad and moong have also risen over 10 percent during the period while sugar and soyoil prices are up over 4 percent. "Lower area under groundnut and firmness in international market are supporting upside in edible oils," Khan said. India meets nearly half of its edible oil requirement through imports, mainly of palm oil from Indonesia and Malaysia. In 2009 higher prices of pulses, especially tur, had made headlines in the country. This year chana is likely to pinch consumers. "Carry-forward stocks (of chana) have depleted, but stockists' demand is rising due to festivals. In next two-three months chana may rise by another 10 percent," said Nitin Kalantri, a dal miller based in Latur, Maharashtra. Industry officials also attributed the rise in chana prices to the lower area under under kharif, or, summer-sown pulses. "Sowing of kharif has been lagging due to poor rainfall. It has been hardening pulses segment," said Ashwini Bansod, a senior analyst at MF Global Commodities India. As on July 22, acreage under summer-sown pulses in India stood at 4.54 million hectares against 4.96 million hectares a year ago, the farm ministry data showed last week. A 8 percent rise in support price of rice and permission to export 1 million tonnes of the grain allowed rice prices to gain over 4 percent in the past one month, while wheat was largely steady due to ample stocks.

Source URL: http://www.deccanchronicle.com/channels/business/news/food-prices-pinch-indians-during-festive-season-741

THE TIMES OF INDIA

Overall food inflation down; fruits, milk still dear

PTI | Jul 28, 2011, 10.40PM IST

NEW DELHI: Cheaper pulses pulled down food inflation to its lowest in 20 months at 7.33 per cent for the week ended July 16 even as prices of potatoes, onions, fruits and milk hit the household budgets.

Food inflation, as measured by Wholesale Price Index, had stood at 7.58 per cent in the previous week.

The decline could also be attributed to the high inflation figure of 18.56 per cent for the corresponding year-ago period, a phenomenon dubbed 'high base effect' in economic parlance.

"These weekly figures fluctuate mainly on the base (effect). Therefore, they do not show any definitive trend... there is still inflationary pressure (in the economy)," Finance Minister Pranab

Mukherjee said.

Headline inflation stood at 9.44 per cent in June. It has been above 9 per cent since December 2011.

During the week under review, prices of pulses fell by 8 per cent year-on-year. However, prices of onion went up 22.66 per cent, while milk (9.96 per cent), fruits (13.90 per cent) and potatoes (10.55 per cent) also showed a rise.

Overall vegetables became expensive by 7.59 per cent on an annual basis.

The latest figure is the lowest since separate weekly data for food inflation was first released in November, 2009.

However, the pressure is evident in primary articles which recorded inflation of 10.49 per cent for the week ended July 16, though down from 11.13 per cent in the previous week.

Prices of non-food articles like fibres, oil seeds and metals went up sharply to 16.05 per cent from 15.50 per cent in the previous week.

Meanwhile, the index for fuel and power stood at 12.12 per cent.

Food inflation at 20-month low of 7.33% for week ended July 16

PTI | Jul 28, 2011, 03.02PM IST

NEW DELHI: Food inflation fell to its lowest level in 20 months at 7.33 per cent for the week ended July 16 on the back of cheaper pulses, even as other items grew more expensive.

Food inflation, as measured by Wholesale Price Index (WPI), stood at 7.58 per cent in the previous week.

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During the week under review, prices of pulses fell by 8 per cent year-on-year. However, prices of other items went up.

Onions became more expensive by 22.66 per cent and fruits became 13.90 per cent dearer on an annual basis.

Potatoes became 10.55 per cent costlier, while milk was up 9.96 per cent. Vegetable prices were up by 7.59 per cent year-on-year.

Overall, primary articles recorded inflation of 10.49 per cent for the week ended July 16, down from 11.13 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

However, inflation of non-food articles went up to 16.05 per cent from 15.50 per cent in the previous week.

Furthermore, fibres became more expensive by over 28 per cent and oil seeds were up 13.72 per cent. Minerals became dearer by 23.12 per cent year-on-year.

Meanwhile, the index for fuel and power stood at 12.12 per cent.

the pioneer

Food inflation at 20-month low

July 28, 2011 1:16:52 PM

PTI | New Delhi

Food inflation fell to its lowest level in 20 months at 7.33 per cent for the week ended July 16 on the back of cheaper pulses, even as other items grew more expensive.

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Furthermore, fibres became more expensive by over 28 per cent and oil seeds were up 13.72 per cent. Minerals became dearer by 23.12 per cent year-on-year.

Meanwhile, the index for fuel and power stood at 12.12 per cent.

The moderation in food inflation is expected to come as a relief for the government and the Reserve Bank, who have adopted a series of measures for battling inflationary pressure.

Headline inflation stood at 9.44 per cent in June. The RBI has already hiked interest rates 11 times since March, 2010, to tame demand and curb inflation.

In its quarterly review earlier this week, the RBI raised its overall inflation projection for March, 2012, to 7 per cent from 6 per cent estimated earlier, "in view of the domestic demand-supply balance, global trends in commodity prices and the likely demand scenario."

Farmers gherao agriculture office over fertiliser blackmarketing

July 28, 2011 10:56:19 PM

PNS | Dhenkanal

Hundreds of farmers under the leadership of Krishak Sangharsh Samiti (KSS) convener Debashish Hota on Thursday gheraoed the Kamakhyanagar District Agriculture Office after taking out a procession in the town.

The farmers demanded prevention of fertiliser black-marketing, sending the tainted officers to jail and implementation by Collector Girish SN of the decisions taken at the June 4 meeting between Hota and top officials after Hota's eight day long hunger strike.

The gherao ended after the Kamakhyanagar District Agriculture Officer received the three-point charter of demands and assured of immediate action.

If the demands are not met immediately, the agitation would be intensified, Hota threatened. "We'll not tolerate the disturbances created by the administration; if needed, we'll not hesitate to take law into our hands, district level KSS leaders Niranjan Sahu, Ranjan Lenka, Annada Behera, Sribatsa Biswal, Braja Sethy, Susant Lenka, Pitambar Jena, Pravakar Poi, Kuna Naik, Bijay Pradhan, Basant Jena and Pramod Sethy warned at the gherao site.

Maize, sugarcane processing units promised for N'rangpur

July 28, 2011   10:14:26 PM

PNS | Nabarangpur

State Agriculture Minister Pradeep Maharathy, along with Director of Agriculture RS Gopalan and Principal Secretary to Government, Agriculture Department, Rangalal Jamuda, visited Nabarangpur district on Tuesday and inaugurated the district development photo exhibition at Shastri Bhawan and the newly constructed Deputy Director Office building.

He also interacted with farmers and input dealers of the district. IT Minister Ramesh Chandra Majhi told Maharathy that in Nabarangpur the prime occupation of people is agriculture as more than 80 per cent of people depend on it.

The Agriculture Minister was told that due to weak monsoon, drought like situation has prevailed in the district as the district has received even less than 50 per cent of the average rainfall in the last two months. Minister Majhi demanded that Nabarangpur should be declared a drought-affected district.

MP, Pradeep Majhi, demanded irrigation facility in the district and immediate steps for irrigation of down stream of the Indravati project, and construction of tail dam at Chandahandi Sati Jhar Dam at Jharigam.

The local rural farmers conveyed their grievance to the Minister that there has been an artificial scarcity of DAP and potash in the district and requested him to look into the matter. The farmers also demanded supply of modern agriculture equipment with financial support, establishment of soil testing laboratory, seed processing unit, maize and sugarcane processing unit in the district.

Maharathi assured to look into the problems and announced that a soil testing laboratory and a seed processing unit will be established at Umerkote. He said that the Chief Minister Naveen Patnaik and MP Pyari Mohapatra will visit the district for the laying foundation stone of the maize processing unit at Semala under Papadahandi block, and sugarcane processing unit at Churchanda. Among others, District Collector, Sibabrata Dash, Dabugam MLA, Bhujabala Majhi, Nabarangpur MLA, Mahohar Randhari, Zilla Parisad Chairman, Bhagirathi Nayak, were present.

Business Standard

Friday, Jul 29, 2011

Export of spices declines 26% in first quarter

George Joseph / Kochi July 29, 2011, 0:46 IST

Export of spices and spices products declined 26 per cent in the first quarter (April-June) of the current financial year.

Forex revenue from exports during the period increased 21 per cent, according to the latest data of the Spices Board. A total of 116,900 tonnes of spices and spices products valued at Rs 1,885.2 crore ($421.6 million) were exported during Q1 as against the 157,850 tonnes valued at Rs 1,560.5 crore ($342.3 million) in 2010. In dollar terms, the increase in revenue was 23 per cent. During April-June, export of pepper, cardamom (small), cardamom (large), ginger, turmeric, nutmeg & mace, and other spices like tamarind, asafoetida, etc, increased both in volume and value, compared to same quarter last year.

However, in the case of spice oils and oleoresins, mint products and other seed spices like mustard, ajwainseed etc, exports only increased in terms of value. Export of other spices declined both in volume and value as compared to last year. During the period, 5,750 tonnes of pepper valued at Rs 150.4 crore were exported as against 4,750 tonnes valued at Rs 79.96 crore last year. The unit value of pepper increased from Rs 168.35 a kg in April-June 2010 to Rs 261.52 a kg this year. A total of 590 tonnes of cardamom (small) valued at Rs 58.19 crore were shipped as against 185 tonnes valued at Rs 21.17 crore last year, registering an increase of 219 per cent in quantity and 175 per cent in value. During the periods a total quantity of 140 tonnes of cardamom (large) valued at Rs 11.10 crore were exported as against 55 tonnes valued at Rs 2.89 crore last year, an increase of 155 per cent in quantity and 284 per cent in value.

Case of value-added products, the export of spice oils and oleoresins registered an increase of 46 per cent in value and in the case of mint products there was an increase of 51 per cent in value as compared to last year.

Total 40,500 tonnes of chilli valued at Rs 365.75 crore were shipped in Q1 as against 64,000 tonnes valued at Rs 387.53 crore, registering a fall of 37 per cent in volume and six per cent in value. This is for the first time in the current financial year that chiili exports were facing such a set back. The most serious set back happened in the case of coriander as exports dipped 56 per cent in quantity and 29 per cent in value at 7,500 tonnes valued at Rs 43.50 crore as against 17,000 tonnes valued at Rs 61.30 crore in Q1 of the last financial year.

Exports of garlic were hit badly as the total exports in April-June period were just 900 tonnes compared to 10,800 tonnes in the same period of the last financial year. The receipts from garlic exports dropped to Rs 4.60 crore as against Rs 37.75 crore, registering a drop of 88 per cent. In volume terms, the drop was 92 per cent. Curry powder and paste exports moved steadily on the value front, while in volume terms, they declined two per cent.

Sharp increase was registered in the case of turmeric while ginger exports increased 10 per cent in quantity and 127 per cent in value at 4,300 tonnes valued at Rs 53.52 crore.

Compared to the spices export target of 500,000 tonnes valued at Rs 6,500 crore ($1,450 million) fixed for the financial year 2011-12, the latest achievement is 23 per cent in terms of quantity and 29 per cent in rupee and dollar terms.

Export of spices registered an all-time high in volume and value during FY11 with export earnings crossing $1.5 billion. Total exports during FY11 were up 28 per cent in dollar terms, 23 per cent in rupee value and five per cent in volume. A total of 525,750 tonnes of spices and spice-based value added products valued at Rs 6,840.71 crore ($1,502.9 million) had been shipped as against 502,750 tonnes valued at Rs 5,560.5 crore ($1,173.8 million) in 2009-10.

DGFT to approach SC over cotton export quota

Anindita Dey / Mumbai July 28, 2011, 0:40 IST

The controversy over the Directorate General of Foreign Trade (DGFT) criteria for allocation of cotton export quota will now reach the Supreme Court, with DGFT proposing to appeal soon.

This follows the judgement of the Bombay High Court, which had ordered DGFT to extend the quota allocation process to August 8, which otherwise got over on July 15.

The high court had also struck down the eligibility criteria set by DGFT for getting additional export quota. The controversy relates to the registration and allocation of an additional million bales of cotton by DGFT on June 9, over and above the earlier 5.5 million bales.

DGFT has set a criteria that those exporters could get additional quota if the exporter has exported cotton in either of the two previous cotton years (October 1 to September 30) 2008-09 and 2009-10. Thereafter, allocation was done on a pro-rata basis with a ceiling of 4,250 tonnes (equal to 25,000 bales) and floor of 100 tonnes. An applicant can apply for a quantity which is the higher of its export of cotton in the two previous cotton years (2008-09 and 2009-10), subject to a quantity ceiling of 4,250 tonnes.

While striking down the criteria, the HC also ordered DGFT should receive, consider and process all applications between June 25 and July 6, while the deadline for application was set by DGFT at June 25. Those who have been allotted 100 tonnes quota will also not be allowed to process the quota till fresh allocation is done to all applicants. Officials said, by considering the applications beyond June 25, it will be unfair both to the sanctity of the deadline set by DGFT and to those who'd completed formalities by June 25.

Farmers feel the heat of soaring pesticide prices

Rutam Vora / Ahmedabad July 28, 2011, 0:38 IST

Though the south-west monsoon has been normal in many parts of the country, barring a few, farmers have raised concerns about high prices of pesticides and agro-chemicals, which may rise further.

Prices of key insecticides and pesticides have increased 5-15 per cent over the past year and experts see prices rising further due to short supply. There is 10-15 per cent shortage in the total demand for select molecules.

The industry also attributes the rise in prices to an increase in the production cost, followed by the rise in crude oil prices. Farmers are facing a tough time due to a steep rise in the overall cost of production.

According to an estimate, the farm production cost has increased significantly and a rise in the pesticides and agro-chemicals is believed to have put additional burden on farmers. “It is getting difficult to continue farming activities, as the input costs are rising sharply. The pesticides and other agro-chemical prices have soared in the recent months. This year, the monsoon has already been late and high input costs are hurting farmers,” said Maganbhai Patel, president-Gujarat state, Bhartiya Kisan Sangh .

However, the industry argues that while agri commodity prices have increased, giving better returns to farmers for their produce, the increased pesticide prices would not affect farmers.

“The raw material prices have increased substantially. Crude oil prices are also high, making the raw materials for pesticides costlier. Manufacturers are not overpricing the pesticides. They are just passing on the cost burden to consumers and charging normal profits,” said R G Agarwal, group chairman, Dhanuka Agritech Ltd.

Going by the claims of industry sources, the generic agro-chemicals like weedicides, herbicides and pesticides, including cypermethrin, 2, 4-D amine, 2, 4-D ethyl ester and glyphosate are in short supply in the country and the imports from China are becoming costlier. A rise in prices of these generic agro-chemicals would mainly affect paddy and cotton growing farmers.

According to industry experts, prices of pesticides may continue to rise until there is a substantial increase in domestic production. “Pesticide and agro-chemicals demand is growing at about 10-15 per cent annually. The capacities are also growing but there are issues of raw material availability, which is causing prices to rise,” said a senior official from Gujarat State Fertilizer and Chemicals.

India has been importing the key raw material, organophosphorus compounds (OP compounds) from China. But due to short supply of the compound, Chinese suppliers have increased prices, making imports costlier.

“This year, the prices of insecticides and weedicides alone have increased by about 30 per cent over last year. There is no price control in this segment and the multi-national companies are charging at their will. Farmers are left with no choice but to buy costly agro-chemicals,” said Jaipal Reddy, secretary, Confederation of Kisan Organisations.

India’s agro-chemicals and pesticides consumption is low in comparison with the developed world. While the US and Europe consume 2.5-3 kg of pesticides per hectare and Japan consumes 11 kg per hectare, India's is about 500 gms per hectare.

THE HINDU Business Line

Spices export turns cold as chilli shipments drop

But value up on higher realisation in pepper

Kochi, July 28:

Even as the volume of spices exports fell by 26 per cent during the first quarter of the current fiscal, foreign exchange realisations inched up by 21 per cent during the period. The fall in volume was due mainly to an over 30 per cent drop in the quantum of chilli exports, which account for almost one-third of spices export basket.

While some items in the spices export basket have been showing rapid growth in volume and value, declines were witnessed in the export performance of some others, trade sources said. A strong price rally was seen in the case of pepper, ginger, nutmeg and nut mace, mint and mint products, spice oils and oleoresins in the international markets.

In fact, the total realisation from pepper exports almost doubled during April-June 2011 against the corresponding period a year ago. The rally in pepper prices was long overdue since they have been languishing for the past several years, some growers said.

While there was a marked uptrend in the price of ginger during the quarter, a sharp fall was witnessed in the price of small cardamom. The sharp increase in value realisation from spice oils, oleoresins and mint products, which together account for over 30 per cent of the total value of spice exports, have helped buttress the fall in other individual spices.

A total of 1,16,900 tonnes of spices and spice products valued at Rs 1,885.24 crore ($421.55 million) was exported during the first three months of the current fiscal as against 1,57,850 tonnes valued at Rs 1,560.47 crore ($342.28 million) reported last year.

The spike in value realisation was achieved mainly by mint and mint products as well as spice oils and oleoresins. The unit value realisation in the case of mint and mint products almost doubled to Rs 1,180 a kg (Rs 688 a kg), while it increased by almost 50 per cent in the case of spice oils and oleoresins to Rs 1,653 (Rs 1,117).

(This article was published in the Business Line print edition dated July 29, 2011)

Tracking futures, spot sugar falls

Mumbai, July 28:

Sugar prices on the Vashi wholesale market declined by Rs 30-40 a quintal on Thursday, tracking the previous day's sharp fall of Rs 85-90 in future markets.

In ready and naka delivery business, prices fell by Rs 20-40 a quintal due to limited demand. At mill level, prices declined by Rs 30-40 a quintal despite fewer tenders from mills. Uncertainty over quota quantity dampened fresh business sentiment, traders said.

Mr Mukesh Kuwadia, Secretary of Bombay Sugar Merchants' Association, said Thursday's sudden decline was the result of the previous day's sharp fall in futures market. Mills and re-sellers have sold sugar at lower rates, affecting sentiment in the physical market. Sugar futures on Thursday saw a steady trend with marginal rise, but the mood was bearish in the spot market due to poor month-end demand.

The market is expected to move along the lines of the free-sale quota announcement for August. The current sentiment was steady but volatile due to quota rumours, he said.

A leading wholesaler said only a few mills offered tenders on Wednesday, and most seem to have sold their allotted quota for the current month, which is reflected in their offering up to August 5-8. All are waiting for the announcement of next month's quota and anticipating sufficient quantity to meet the demand during the festival season ahead (August onwards).

On Wednesday, four-five mills offered tenders and sold about 5,000-6,000 bags (100 kg each) in the range of Rs 2,660-2,700 (Rs 2,690-2,740) for S-grade and Rs 2,750-2,810 (Rs 2,750-2,830) for M-grade. Arrival in the Vashi market stood at 48-50 truckloads (100 bags each) and there were 47-48 truckloads of local despatches.

Bombay Sugar Merchants' Association's spot rates: Spot: S-grade Rs 2,771-2,822 (Rs 2,801-2,846); and M-grade Rs 2,841-2,951 (Rs 2,856-2,991).

Naka delivery rates: S-grade Rs 2,710-2,760 (Rs 2,740-2,780); and M-grade Rs 2,770-2,900 (Rs 2,800-2,940).

(This article was published in the Business Line print edition dated July 29, 2011)

Higher inflow piles pressure on jeera

Rajkot, July 28:

Jeera fell more than 3 per cent in spot and futures markets as higher arrivals in the past few days have put pressure on it.It dropped by Rs 60-70 to Rs 2,000-3,150 for a *maund* of 20 kg at the Agricultural Produce Marketing Committee (APMC) yard in Unjha, where 13,000-14,000 bags arrived. The spice fell by Rs 50-55 to Rs 2,121-2,829 for 20 kg at the APMC in Rajkot, where 2,000 bags (1,400 bags) arrived.

The August contract for jeera on the National Commodity and Derivatives Exchange declined by Rs 525, or 3.22 per cent, to Rs 15,776 a quintal, with an open interest of 16,269 lots. September contract was down by Rs 533 to Rs 16,225, with an open interest of 17,799 lots.

Arrivals increased on rising prices in the past few days, but that may pull down prices in the coming days, said Ashvinbhai Patel, A Rajkot-based broker.

Exports dipped 46 per cent to 5,750 tonnes while their value slid 36 per cent to Rs 7,560 lakh during April-June 2011.

Spot jeera prices increased as offtake decline a little and futures slipped as investors booked profits, said a report from Angel commodities. However, reports of new enquires from overseas buyers may support prices as Turkey has not left with enough quality crop because rains in the last week of May damaged the standing crop, the report added.

(This article was published in the Business Line print edition dated July 29, 2011)

Spices Board to launch insurance scheme for cardamom growers, workers

Kochi, July 28:

Thousands of cardamom growers and workers in the country will soon come under the ambit of personal insurance cover which will be introduced by the Spices Board.

The Spices Board Chairman, Dr A Jayathilak, will launch the scheme by releasing the first five policies to cardamom growers at a function to be held at the Indian Cardamom Research Institute in Idukki District, on Friday.

The personal accident insurance scheme has been initiated by the Ministry of Commerce, as a social security scheme for workers and growers of plantation crops under the Price Stabilisation Fund Trust Scheme (PSFT). The insurance scheme which will be run by the Cholamandalam MS General Insurance Company will cover growers in the age group of 5-80 years and workers in the age group of 14-80 years, a press release from the Spices Board said.

Similar schemes will soon be launched for other spices such as chillies, pepper, turmeric and ginger, sources in the Spices Board said.

Under the present scheme, a grower will get enrolled as members of the PSFT by paying a registration fee of Rs 100. The workers will not be required to pay any membership fee and will have to pay only their share of the annual premium. The insurance coverage works out to Rs 1 lakh.

The yearly premium is Rs 22 and each of the grower and worker need to pay only 50 per cent of the premium and remaining Rs 11 will be paid from the PSFT. Growers having plantations up to four hectare will be eligible to enrol in the scheme.

The scheme is expected to benefit cardamom growers and workers who face risks working in forest areas. The Spices Board sought support from estates, growers and other associations in the realm of cardamom cultivation for enrolling the workers/growers.

(This article was published in the Business Line print edition dated July 29, 2011)

Rain deficit 5% as monsoon trough wavers

Thiruvananthapuram, July 28:

The axis of the monsoon trough has returned to its normal position, an India Meteorological Department (IMD) update said on Thursday evening. But it is not expected to stay fixed to this alignment for long and could keep moving north and south of the mean for the next two to three days.

PACIFIC STORM

Monsoon performance too could get impacted in the process, which has lately run into a tropical storm in the South China Sea, remnant of an earlier typhoon of the same name in the Philippine Sea.

And, the overall rain deficit inched up to five per cent on Thursday, unable to march the high July normal.

This is despite widespread rainfall being reported from the east, parts of northwest and the west coast. But not over central and peninsular India, and it made a lot of difference.

An IMD update said that the 24 hours ending Thursday morning saw widespread rainfall has being reported from Uttarakhand, Uttar Pradesh, sub-Himalayan West Bengal, Sikkim, Konkan and Goa.

CLOUD PRESENCE

It was fairly widespread over Himachal Pradesh, Bihar, the north-eastern States, interior Maharashtra and coastal Andhra Pradesh and Telangana.

Scattered rains were reported from Jammu and Kashmir, Haryana, Madhya Pradesh, Gujarat, Karnataka and Kerala while it was isolated over Punjab, Rajasthan, Jharkhand, Gangetic West Bengal, Chhattisgarh, Orissa, Rayalaseema and Tamil Nadu.

WEATHER WARNING

The cloud formations were whipped up in the north by a western disturbance parked over north Pakistan and an offshoot upper air cyclonic circulation over Punjab and neighbourhood.

The monsoon trough running across northwest-southwest of the plains as also a persisting upper air cyclonic circulation over northwest Bay of Bengal too chipped in. And a feeble off shore trough continued to run down from Gujarat coast to Kerala coast.

A weather warning valid for the next two days said that heavy to very heavy rainfall would break out at a few places over Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Uttar Pradesh, Bihar and sub-Himalayan West Bengal and Sikkim.

A short-term outlook until Sunday said that widespread rain or thundershowers would occur over west coast and the Andaman and Nicobar Islands.

Fairly widespread rain or thundershowers would break out over northwest India, Bihar, sub-Himalayan West Bengal, Sikkim, the north-eastern States and Lakshadweep. Scattered rain or thundershowers are likely over the remaining parts of the country except extreme peninsular India .

(This article was published in the Business Line print edition dated July 29, 2011)

Poor local purchase drags imported oils

Mumbai, July 28:

Imported edible oils fell in the domestic market on Thursday in the absence of local demand and tracking a weak trend in the Malaysian market.

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives (BMD) slipped on Thursday as investors booked profits. In Mumbai, soya refined oil dropped by Rs 5, palmolein by Rs 2 and rapeseed oil by Rs 5 for 10 kg each. Groundnut oil, sunflower oil and cotton oil remained unchanged. Volumes were need-based and resellers bought some new stocks at the lower rate. Of the 700-800 tonnes of palmolein that changed hands on Thursday, 400-500 tonnes were sold directly by refiners at Rs 553-555 and 250-300 tonnes were traded by resellers at Rs 551-553. Liberty offered palmolein at Rs 556, soya oil at Rs 641 and sunflower oil at Rs 695. Ruchi quoted palmolein at Rs 555, soya refined oil at Rs 639 and sunflower oil at Rs 695. Allana offered palmolein at Rs 556.

Malaysia's BMD CPO August contract closed MYR3,125 (MYR3,130), September at MYR3,122 (MYR3,133) and October at MYR3,116 (MYR3,130) a tonne.

Mumbai Commodity Exchange spot rates (Rs/10 kg): Groundnut oil 970 (970), soya refined oil 640 (645), sunflower exp. ref. 655 (655), sunflower ref. 705 (705), rapeseed ref. oil 693 (698), rapeseed expeller ref. 663 (668), cotton ref. oil 666 (666) and palmolein 553 (555).

(This article was published in the Business Line print edition dated July 29, 2011)

Low offtake hits soyabean, its oil

Indore, July 28:

Soya oil traded lower on subdued demand even as foreign markets improved.

Soya refined recovered some losses in the evening, with Malasiyan palm oil futures showing an improvement. Soya refined, taking cues from improved global markets, gained marginally at Rs 630-635 for 10 kg.

However, demand for soya refined remained subdued at the current price level. In the resale market, soya refined fetched Rs 627-628. Soya solvent ruled sluggish on scattered buying. In the spot market, it quoted at Rs 597-598, while in the delivery market it fetched Rs 601-602 for 10 kg, down Rs 5-6.

Soya refined declined in Indore *mandis* on Wednesday to Rs 632-635 for 10 kg on falling demand at the higher price and increased selling, and soya solvent at quoted Rs 601-605.

Improved foreign markets and buying in the futures market, on the other hand, perked up soya oil prices on the National Board of Trade, with August contract for soya refined closing higher at Rs 663.70 after opening at Rs 659 in the morning.

Soya oil trader higher on the National Commodity and Derivatives Exchange also, with August and September contracts closing higher at Rs 662.70 and Rs 659.80.

In *mandis* across Madhya Pradesh, soyabean was quoted at Rs 2,250-2,320 against Rs 2,260-2,325 a quintal on Wednesday. Plant deliveries of soyabean were also quoted lower at Rs 2,360-2,380 a quintal.

Soybean futures dropped on weak buying, with its August and September contracts on the NCDEX closing Rs 13 and Rs 7 lower at Rs 2,409 and Rs 2,429 a quintal.

While 36,000 bags of soyabean arrived in State ex Indore *mandis*, 2,500 bags arrived in Indore *mandis*.

(This article was published in the Business Line print edition dated July 29, 2011)

Heavy arrivals pound turmeric

Erode, July 28:

Spot turmeric prices dropped by Rs 100-150 a quintal as arrivals in erode markets surged.

“Arrivals increased due to the increase in price on Wednesday. But on Thursday, prices did not gain as no buyer quoted higher,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “In the last two days, there has been a fall of Rs 300 a quintal in turmeric futures, so bulk buyers are careful in quoting their purchase price. Turmeric farmers — those who have huge stock — are now selling their produce, as they fear that the prices may fall further”.

Meanwhile, more than 13,000 bags of turmeric arrived for sale and only 55 per cent were sold. With the weekend coming up and some farmers showing inclination to sell turmeric at the present price, traders are expecting more arrivals on Friday.

The hybrid variety fetched good sales on Thursday, although other varieties saw reasonable amounts being sold. But in the Regulated Marketing Committee, prices fell by Rs 300 a quintal and only 80 per cent of the stocks that arrived were sold.

At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 5,500-7,429 a quintal, the root variety was sold at Rs 5,319-6,316.

Salem Crop: The finger variety was sold at Rs 7,089-8,141, the root variety at Rs 6,511-7,014. Totally 2,177 bags arrived for sales and 496 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,799-7,639, the root variety at Rs 5,389-6,569. All the 254 bags kept for sale were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 6,399-7,599, the root variety at Rs 6,199-6,739.

(This article was published in the Business Line print edition dated July 29, 2011)

Domestic buying, low stocks boost wheat

Karnal, July 28:

Prices of the Dara wheat variety rose marginally by Rs 5 a quintal to Rs 1,135 on domestic buying even as low stocks boosted prices of *desi* wheat on Thursday. The uptrend in prices of dara variety has continued since the beginning of this week.

New buying lifted prices of dara variety and they may remain at the current level for a few days, Mr Sewa Ram, a wheat trader, told *Business Line*. Stocks of desi wheat fell as traders refrained from new orders because of uncertain weather and poor demand, he added.

About 750 quintals of dara variety that arrived from Uttar Pradesh were directly offloaded at mills. While it was quoted at Rs 1,130-1,135 a quintal at mills, it traded at Rs 1,138-1,140 a quintal at the retail market.

D esi wheat varieties recovered a little after dropping earlier this week. Tohfa variety increased by Rs 20 at Rs 2,125 a quintal, Maruti went up Rs 5 to Rs 1,785 a quintal, and Kangan and A-1 varieties rose by Rs 10 each to Rs 2,010 a quintal.

Flour Prices

Flour prices, which have gone up Rs 40 in the past four days, rose further by Rs 10 to Rs 1,180 for a 90-kg bag. Chokar prices remained unchanged at Rs 490-495 for a 49-kg bag.

(This article was published in the Business Line print edition dated July 29, 2011)

Spot rubber declines on rising output

Kottayam, July 28:

Spot rubber resumed its downward journey on Thursday. According to reports, the downtrend is expected to continue on increasing production, stocks and higher imports.

Meanwhile, the hike in interest rates put further pressure on the prices though limited supplies were expected to extend support at lower levels. Anyhow the widening gap between the domestic and international markets has made Indian rubber more attractive.

Sheet rubber dropped to Rs 206 (209.50) a kg, as reported by the traders. The grade declined to Rs 207 (209.50) a kg both at Kottayam and Kochi, according to the Rubber Board.

Futures slip

The August series slipped to Rs 206.40 (207.50), September to Rs 206.10 (206.91), October to Rs 206 (206.63), November to Rs 206.40 (207.01), December to Rs 207.90 (208.14) and January to Rs 209.01 (209.99) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) closed weak at Rs 214.99 (217.82) a kg at Bangkok. The August futures dropped to ¥382.9 (Rs 217.09) from ¥386.8 a kg during the day session but remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 206 (209); RSS-5: 204 (206); ungraded: 197 (200); ISNR 20: 206 (208) and latex 60 per cent: 136 (136.50).

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