THE HINDU

Published: July 9, 2011 00:00 IST | Updated: July 9, 2011 04:11 IST PUDUKOTTAI, July 9, 2011

Research station comes to rescue of black gram farmers

The National Pulses Research Station in Vamban village near here will introduce the use of mechanical harvesters on black gram fields in and around Tirukattupalli, bordering Thanjavur and Pudukottai districts on July 13.

A large extent of area has been brought under black gram cultivation in this region. Due to acute shortage in labour, farmers have been using paddy harvesters for black gram, resulting in a huge loss of the produce.

Realising their difficulty, the station has come to their rescue by providing its exclusive harvester for pulses to the farmers of the Tirukattupalli region, says S. Geetha, its Professor and Head. Talking to *The Hindu* here on Friday, Ms.Geetha said that the station had been utilising the harvester in its research fields. This was the first time the equipment was being taken outside.

The rental tariff would be Rs. 900 per hour. T. Jeyaraj, Dean of TNAU-Tamil Nadu Rice Research Institute, Aduthurai, would inaugurate the harvester at Tirukattupalli at 10 a.m., she said.

Ms. Geetha said that the station has taken up special research programmes on developing a short duration variety of red gram. Pod borer has been posing a challenge to red gram, and the current variety would be a resistant to it. The Station has also taken up a research on cowpea variety, “VCP 10001”.

Published: July 9, 2011 00:00 IST | Updated: July 9, 2011 04:11 IST KOCHI, July 9, 2011

Agricultural intervention programme in Alangand block

In an innovative intervention in the agriculture sector, Alangad block panchayat has come up with a comprehensive programme that will focus on food security and implement it through the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

The programme, sanctioned by the district planning committee of the district panchyat for 2011-12, would provide 54,600 saplings of coconut trees, 54,600 of banana trees, 97,500 of jackfruit, gooseberry and tamarind trees, and 31,200 mango saplings to be grown in the 78 wards of four panchayats — Alangad, Kadungallur, Karumalloor and Varapuzha.

All the 27,300 houses in these wards will participate in this programme and workers under the MGNREGS will plant the saplings in association with the house owners.

A house will be provided two coconut saplings, two banana saplings and one sapling each of other fruit trees. Workers will not only plant the saplings, but also take care of them.

Addressing a press meet in this regard here on Friday, the block panchayat president, Rani Mathai, said that workers who were employed for cutting grass off the road and other small works will be employed in this comprehensive programme that will be inaugurated on Saturday by Chief Minister Oommen Chandy at Padinjare Kadungallur Government High School at 3.30 p.m.

The package involves a cost of Rs. 1.01 crore.

K. V. Thomas, Union Minister of State for Food and Consumer Affairs, V. K. Ibrahim Kunju, Minister for Public Works and other dignitaries will participate in the inaugural function.

Alangad block had already spent Rs. 2.52 crore on agriculture in 2010-11 in which paddy cultivation was also taken up in Karumalloor and Kadungallur in about 350 acres, said Ms. Mathai.

She said that pokkali cultivation of paddy is being taken up this year in Varapuzha in 28 acres.

Published: July 9, 2011 00:00 IST | Updated: July 9, 2011 04:11 IST KOCHI, July 9, 2011

Training in coconut climbing, harvesting

The Coconut Development Board is receiving good response to its ‘Friends of Coconut Tree' programme, launched in June to train 5,000 unemployed or underemployed youth in coconut harvesting and caring for coconut trees.

A spokesman for the board said here recently that the objective of the board was to form a pool of trained personnel across 10 coconut-growing districts of the State.

The selected young people will be trained in coconut climbing, coconut harvesting, crown cleaning and pest control operations. They will also be taught pollination and hybridisation techniques, and identification of tender, mature and seed coconuts.

Unemployed people between the age of 18 and 40, who have passed at least Class VII examinations, will be considered for the training programme. The board spokesman observed that a scarcity of coconut climbers had disrupted harvest cycles. In most cases, the gap between harvests had gone even up to 120 days from the earlier 45 days.

Despite several contraptions being developed to make coconut tree climbing easier and safe, there was an acute shortage of people to harvest coconuts, the board spokesman said.

The training for the programme will be done in batches of a minimum of 20 for six days. It will be a residential programme and will include technical, managerial and practical sessions. The training programme is expected to begin in the second half of August.

Published: July 9, 2011 00:00 IST | Updated: July 9, 2011 04:11 IST THIRUVANANTHAPURAM, July 9, 2011

Tax on organic pesticides goes

Stamp duty on partition deeds cut

Finance Minister K.M. Mani announced reduction of stamp duty on partition deeds and gift deeds in his revised Budget for the current year presented to the Assembly on Friday.

Accordingly, gift deeds by parents to their children and partition and other deeds entered into by family members would require a stamp duty of only 1,000. Currently, this is one per cent of the fair value of land.

The Minister announced withdrawal of tax on organic pesticides and bio-fertilizers, milking machines, and machines used for climbing coconuts. The presumptive tax payable by traders with annual turnover of less than Rs.20 lakh would be reduced from Rs.3,000 to Rs.2,000.

Mobile alert

Mr. Mani told the House that a mobile alerting system would be introduced to check misuse of the TIN/PIN of dealers by other dealers. Under the system, the dealers would get an SMS message when goods pass through the checkpoints against their number. Joint inspection of vehicles by Commercial Taxes, Excise, Motor Vehicles and Animal Husbandry Departments would be introduced on a pilot basis at the Wayalar checkpoint to avoid delays.

Grievance cell

A grievance redress bureau for trade, commerce, and industry would be set up under the Taxes Department. Besides facilitation centres would be opened in all airports, important railway stations, and ports for helping the traders in movement of goods. E-filing of declarations would be introduced for convenience of the traders.

He said the time granted for completion of assessments under the Sales Tax Act, Value Added Tax Act, and Luxury Tax Act would be extended by a year. The amnesty scheme announced earlier would be extended up to September 30. The Luxury Tax Act, Agriculture Income Tax, and Money Lenders Act would be amended to facilitate e-filing and e-payment.

Published: July 9, 2011 00:00 IST | Updated: July 9, 2011 04:12 IST SANGAREDDY, July 9, 2011

Over 6,000 tenant farmers to get loans

The district administration has identified as many 6,415 tenant farmers in the district and they would be issued eligibility cards and loans on July 13, 14 and 15.

Disclosing these details at a meeting here on Friday, Collector S. Suresh Kumar has suggested the Tahasildars to coordinate with bankers, agriculture officers and IKP officials to extend loans to tenant farmers in addition to issuing them eligibility cards. He said that around 220 bank branches in the district have to commence zero-based accounts for these farmers to extend loans.

Stating that each branch has to issue loans to at least 10 farmers, the Collector said that the amount should be disbursed on the same day of loan sanctioning.

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For that perfect silkworm seed

A view of mulberry plantations (left); silkworms feeding on mulberry leaves.— Photos: M.A. SRIRAM

Karnataka is the leading State in the country in terms of silk production. The laying of foundation stone for the establishment of a silkworm seed preservation centre (cold storage plant) at the Vidyaranyapuram Farm of the Silk Board in Mysore last month comes as a welcome step, especially in view of the demand for silkworm eggs in the recent times. The demand for bivoltine silkworm hybrid eggs and elite CSR hybrid and double hybrids is expected to cross more than one crore disease-free eggs annually, according to information from the Central Silk Board.

The main objectives and activities of the silkworm preservation centre are to ensure scientific methods of preservation and maintenance of silkworm bivoltine parental stock races and elite CSR hybrids under different hibernation schedules. Other activities are systematic method of intermediate care followed by optimum incubation and ‘blacking boxing' at the right embryonic stage to get uniform hatching, and timely release and supply of P3, P2 and P1 basic stock races to silk farms, adopted seed rearers, quality sericulture clubs and departments of sericulture across the State. Supply of incubated silkworm eggs under various programmes such as cluster promotion programmes, institute-village linkage programmes, franchisee rearing centres, departments of sericulture and other approved agencies, are also envisaged.

The National Silkworm Seed Organisation (NSSO) has not made any commitment to meet the increased demands in the recent times, sources say. The Central Silk Board, functioning under the Ministry of Textiles, is the apex organisation shouldering responsibility of developing the sericulture industry across the country. Sensing the pivotal role of silkworm seed, the Board established the Silkworm Seed Technology Laboratory (SSTL) and National Silkworm Seed Organisation (NSSO) at Kodathi, near Bangalore, to tackle production problems. The R & D support provided by SSTL for qualitative and quantitative improvement of silkworm seed is highly appreciated and well acknowledged by the sericulture industry, sources said.

Crop losses

Crop losses due to incidence of silkworm disease are common in the State every year. Improper disinfection and unhygienic rearing conditions have resulted in widespread contamination. Bed disinfectants were being used to prevent the contamination of pathogen and spread of the diseases in silkworm rearing. “Rakshak”, a new silkworm bed disinfectant, was unveiled by the Member-Secretary of the Central Silk Board, M. Sathiyavathi, at a function last month. The disinfectant was formulated at the SSTL and NSSO, Kodathi, under joint collaboration with Shri Durga Biotech, Bangalore.

This new product was evaluated in more than 200 farms. The State wanted to emulate Uttarkhand and West Bengal which had reaped higher yield by controlling silkworm diseases, thanks to the use of disinfectants. Rakshak is said to be very effective in preventing all types of diseases in silkworm crops as it does not emit any pungent smell and could be applied conveniently. It is also a user-friendly and environment-friendly disinfectant, sources said.

S.M.H. Qadri, Director of the Central Sericulture Research and Training Institute, lays emphasis on the use of silkworm bed disinfectants. The Board had introduced ‘Ankush'previously and ‘Rakshak' was the second such product to hit the market. Sericulturists should make good use of the product. Silkworms were very sensitive to the chemicals. In view of this, use of disinfectant should be done judiciously, Mr. Qadri stated.

Cultivation in non-traditional areas

Ms. Sathiyavathi said the Board would take steps to expand sericulture in the non-traditional areas of the State such as Bagalkot, Bellary, Chitradurga and Bidar in the 12th Plan period. Thanks to the process of urbanisation and industrialisation, a lot of land had been lost in the traditional sericulture areas of the State, she said. Sericulture was already being taken up in Bagalkot and Bellary districts. Karnataka accounted for 47 per cent of the total silk production in the country and hence the expansion plans.

There was shortage to the extent of 30 per cent in silk production in the country currently, she said. Against a demand of 30,000 tonnes per year, about 21,000 tonnes was being produced. This comes against the threat of Chinese silk that is being imported by private parties. On asked about the import of Chinese silk, Ms. Sathiyavathi had said that the Government did not import silk from any country, but private organisations did. Powerlooms in India preferred Chinese silk as Indian silk was not suitable. As long as this trend continued in the country, stopping the import could become a difficult proposition. The extent of silk cultivation in the country stood at 1.8 lakh hectares and it was expected to go up to two lakh hectares (mulberry) in the 12th Plan period. In view of this, additional cold storage facilities too were required.

Ms. Sathiyavathi said that the Board expected a production of 32,000 tonnes at the end of the 12th Plan period. The current level of production stood at 21,000 tonnes and was expected to reach 23,000 tonnes by the end of the 11th Plan period. The cold storage facility for which foundation stone was laid would become functional by March next year. Proposal to increase cold storage facilities too would have to be looked into in view of the demand, she had said. Assistance such as subsidies for rearing, incentives for bivoltine cocoons, disease control programmes, training and study tours involving farmers and demonstration farms provided by the State have encouraged silk production in Karnataka. The news of higher goals in terms of production and cultivation areas, particularly the non-traditional areas, should come as good news for silk farmers in the State.

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THE ECONOMIC TIMES
Mon, Jul 9, 2011 | Updated 09.38AM IST

8 Jul, 2011, 01.51PM IST, Bhargav Trivedi,ET Bureau

Wait for better prices proves costly for retail investors, cotton traders

AHMEDABAD: In January 2008, when Indian markets were at their lifetime peaks, 73-year-old Vinay Shah held 5,000 shares of Reliance Industries . The share was ruling at Rs 3,200 a piece and would have fetched Shah Rs 1.5 crore.

However, the seasoned investor, as he calls himself, held on to his 25-year investments. Nine months later, the share crashed to Rs 950, retaining just 30% in the aftermath of a historic global financial crisis. It was too late before the retired Ahmedabad Municipal Corporation official realised the price he paid for his greed.

Three years later, cotton farmer Jitubhai Patel underwent a similar trauma. Patel who owned 60 bhigas in Jabal Village of Savarkundla Taluka in Gujarat's Amreli district produced 30,000 kg cotton.

Cotton prices were hovering around Rs 1,450 per 20 kg lot in March and Patel would have been richer by Rs 22 lakh. A helpless Patel watched the prices slide to Rs 850 per 20 kg lot. "After prices plunged to Rs 850, we realised the blunder we committed," said Patel. His produce is now worth Rs 13 lakh.

Spread across two asset classes, stock market investors and commodity traders have suffered huge losses. Sensex lost 60% over 10 months between Janaury and October 2008 while cotton prices crashed 40% between March and May 2011.

"With Laxmi (Goddess of wealth) knocking at our doors, we turned greedy. We thought prices would rise further, says Patel. Unfortunately for Patel and Shah, markets went against their expectations.

The emergence of commodity cult did not prove too beneficial for Patel. It forced him to don two hats - that of a producer and a trader, and experts say that is where the problem lay.

An Ahmedabad-based commodity analyst views such trend suicidal for farmers. "The rule of the game is that producers should never involve themselves in trading," says Biren Vakil.

"Farmers have to focus on their core domain by opting for quality inputs like seeds and adopting new technologies as well as better cropping practices. Instead of trading, farmers should use hedging tools to maximise their earnings," he added.

"Post globalisation, Indian market has become more sensitive to global trends and farmers should know that their competitors (global hedge funds and institutions) are far more superior in every aspects," said Mr Vakil.

Patel's woes did not end with the crash in cotton prices. His decision to trade landed him into further trouble. "I would buy 1,000-2,000 kg of raw cotton everyday and earn Rs 2-5 per kg as prices would fluctuate every day.

Trading seemed simple as I just needed a three-wheeler to transport sold goods to trader at a nearby centre," said Jitubhai, who repents after being trapped in trading.

When prices fell sharply, he could not sell 7,000 kg of cotton bought at a higher rate and is now suffering a loss of Rs 1.6 lakh.

As there is huge gap between the purchase price and current price, he chose to store this stock and borrowed Rs 2 lakh from village-based group. He is paying Rs 4,000 interest since four months (at a rate of 2% per month). Besides, he has just spent Rs 60,000 to build a warehouse

at his field as new arrivals from the current sowing need storage space.
He has chosen to sow cotton on his entire land holding, without sparing any piece of land for his traditional groundnut crop.
"Farmers in Saurashtra have gained prosperity during last six years. Their family income have risen significantly and hence their crop hoarding capacity has increased. Some of them have entered into trading also as they have good liquidity in their hands," said V K Dhorajiya, a deputy agriculture directorate at Junagadha.
"Going by the trend, cotton prices remained firm during June-July and so people preferred to hoard their produce. The Centre also added fuel to the fire by banning cotton exports which again boosted confidence level. It seemed only India had cotton and that all buyers would flock to the country," added Mr Dhorajiya.
Farmers in north Gujarat districts also followed their Saurashtra counterparts. "I sold off 10,000 kg of initial picking in October but then I did not sell a single quantity of my crop," said Bharat Patel of Idar taluka of Sabarkantha district in Gujarat. He still holds 50% of his total crop. "I have decided to hold it for another three months and once new crops arrives, I will sell old crop," Patel added, who owns 20 acre of irrigated land.

Business Standard

Monday, Jul 9, 2011

Mentha oil price set to rise on demand

Sharleen D'Souza / Mumbai July 09, 2011, 0:30 IST

Commodity traders' interest in mentha oil has increased substantially and open interest (OI) has gone up significantly in the last week, as the prices are seen to be going up due to an increase in demand. On the Multi Commodity Exchange (MCX), the OI in the commodity has risen 26.7 per cent from 2,030 tonnes to 2,573 tonnes in a week.

Mentha oil prices are expected to rise in the coming weeks on the back of a strong demand from pharmaceutical companies, besides export demand, analysts say.

Since June 1, the commodity on the Chandausi spot market has gained 15 per cent, despite higher production this year, but the carryover stocks still remain limited for the commodity.

Uttar Pradesh produces 90 per cent of the oil production, used in pharmaceutical and cosmetics.

Total arrivals of mentha oil in all the major mandis in Uttar Pradesh have fallen to 710 drums a day (360 litres a drum), against 800 drums a day around a fortnight ago.

The total sowing in the state was about 190,000 lakh hectares (ha), higher by around 60,000 ha from the previous year.

The total production is likely to be 42,000 tonnes this year, 20 per cent higher than 35,000 tonnes last year.

"Factoring in the arrivals condition, weather forecast and demand for mentha, the bull run is set to continue next week and may go as high as Rs 1,140-1,160 a kg on the higher side, while support is seen at Rs 1,050 per kg on the lower side," said Ajay Kedia of Kedia Commodites.

Oilmeal exports jump 58% in June on rising global demand

BS Reporter / Mumbai July 08, 2011, 0:59 IST

Oilmeal exports rose 58 per cent in June, due to increased availability from domestic crushers and higher overseas demand.

Exports during June were 250,335 tonnes as compared to 158,750 tonnes in the corresponding month last year. The export of oilmeal during April-June doubled to 1.07 million tonnes as compared to 536,700 tonnes during the same period of the previous year.

B V Mehta, executive director of the apex trade body, the Solvent Extractors' Association, attributed three major factors for the spurt in oilmeal exports. Sharp increase in oilseeds production to 30.25 million tonnes in the current year as compared to 24.88 million tonnes in the previous year and increased availability of oilseeds led to higher crushing and production of oil and meals for domestic use and export, and good crushing parity due to high price of oils and higher export demand.

Oilmeal is used primarily as animal feed. Rising exports indicate individual spending on animal feed is rising, a positive sign for overall recovery in the the global economy. Oilmeal exports declined when global economy was passing through a slowdown between September 2008 and June 2009.

Oilmeal import by Japan from India during April-June more than doubled to 240,808 tonnes as compared to 91,389 tonnes last year, consisting of 235,405 tonnes of soybean meal and 5,403 tonnes of rapeseed meal.

Vietnam has imported 137,010 tonnes of oilmeal so far this year, as compared to 69,939 tonnes in the same period last year consisting of 110,693 tonnes of soybean meal, 10,197 tonnes of rapeseed meal and remaining quantity being rice bran extraction.

China imported 162,060 tonnes as compared to 125,745 tonnes, comprising 156,354 tonnes of rapeseed meal, 2,288 tonnes of groundnut meal and 3,418 tonnes of soybean meal.

South Korea imported 173,064 tonnes as compared to 98,712 tonnes last year, consisting of 76,668 tonnes of castorseed meal, 94,050 tonnes of rapeseed meal and 2,346 tonnes of soybean meal.

Europe imported 43,774 tonnes compared to 738 tonnes last year.

Total shipment from Kandla was reported at 518,573 tonnes (48 per cent), followed by Mumbai including JNPT, handling 230,326 tonnes (21 per cent). Mundra handled 208,521 tonnes (19 per cent), Bedi handled 77,755 tonnes (7 per cent), Vizag handled 17,100 tonnes (2 per cent) and Kolkata handled 16,120 tonnes (1.5 per cent).

The Soybean Processors’ Association reported soybean meal exports during June to be 117,596 tonnes as compared to 95,778 tonnes in the same month of the previous year, rising 22. 8 per cent over the last year.

During current oil year, (October-September), exports during Octob

Coconut oil prices decline 15.3% on low demand

George Joseph / Kochi July 08, 2011, 0:58 IST

Coconut oil prices declined 15.3 per cent in a month on strong selling pressure, coupled with low buying support from the fast moving consumer goods (FMCG) sector. Coconut oil was today quoted at Rs 8,800 a quintal. It was Rs 10,400 a quintal in May.

According to Thalath Mehamood, president, Cochin Oil Merchants Association, the market is in a bearish mode because of the increase in production and high supply in Tamil Nadu.

As the price is falling every day, FMCG majors withdrew from the market, thus affecting the demand. About 60 per cent of all coconut oil produced is used by FMCG companies.

Mehamood said the price might drop further and stabilise around Rs 8,000 a quintal, as supply from Tamil Nadu had increased sharply. Interestingly, Kerala is not having much stock of copra and coconut oil, as production was halted due to heavy rain.

During April-May, overseas demand, especially from Sri Lanka, was on the rise which helped prices to cross Rs 10,000 a quintal. A serious drop in the price of palm oil, the major substitute for coconut oil, also influenced the current price drop.

The current wholesale market price of palm oil is Rs 6,000 a quintal. A majority of household consumers, especially in Kerala, had shifted to palm oil when the coconut oil price rose.

The rise in the price, for the last five-six months, led to an increase in production in Tamil Nadu, the major supplier of the oil in India and this caused a supply-demand imbalance in the market.

In Tamil Nadu, the wholesale price of coconut oil dropped to Rs 7,000 a quintal and copra declined to Rs 4,700 a quintal.

THE HINDU Business Line

NSL Sugars buys Jay Mahesh's Maharashtra plant

Hyderabad, July 8:

NSL Sugars, an arm of NSL Group, has acquired the integrated sugar plant of Jay Mahesh Sugar Industries in Beed district of Maharashtra with a capacity of 5,000 tonnes of cane crushing per day or TCD, taking the company's total capacity to 25,000 tcd.

Though the company has not indicated the value of the deal, it put the total value of Jay Mahesh assets at Rs 300 crore. NSL has bought the entire stake owned by the Chandigarh-based Spray Engineering Devices Limited (SEDL).

The Beed plant also housed a 100 kilolitres per day (KLPD) distillation facility and 30 MW cogeneration plant.

“The acquisition marks our entry into Maharashtra,” Mr M. Prabhakar Rao, Chairman of NSL Group, said here in a statement. NSL Sugars runs four plants operating in Karnataka and Andhra Pradesh. “The new plant we acquired has superior technology.

It will allow us better recovery of sugar at 11.50 per cent as against the average of 10 per cent in other sugar mills. We are hoping that the addition of cogeneration and distillation capacities will be executed by next two sugar crushing seasons,” Mr Hari Vallurupalli, Joint Managing Director of NSL Sugars Limited, said.Jay Mahesh cane catchment area comprises 108 villages with an area of 83,460 hectares.

Kharif sowing of cash crops lags; rice area up

Groundnut, cotton coverage down on deficient rainfall

MIXED PROGRESS*

(in lakh hectares)

Crop	This year	Last year
Rice	74.31	67.81
Coarse cereals	52.03	49.68
Pulses	22.59	29.74
Sugarcane	51.38	49
Cotton	44.62	65.83
Oilseeds	54.36	58.62
Of this		
Soyabean	36.84	34.24
Groundnut	13.70	19.64

Source: Ministry of Agriculture

New Delhi, July 8:

Coverage of cash crops, barring sugarcane, trails in the current kharif sowing season but the area under rice and coarse cereals is up, according to the Agriculture Ministry's data.

Among cash crops, cotton coverage is the worst-hit as monsoon has been delayed in key-growing States of Gujarat, Maharashtra and Andhra Pradesh. So far, 44.63 lakh hectares (lh) have been brought under the natural fibre against 65.83 lh during the corresponding period a year ago. In Gujarat, only 18 per cent of the area that had come under the crop last year has been covered so far.

The area under oilseeds is also down at 54.36 lh against 58.62 lh but the loss stems mainly from poor groundnut coverage. In fact, soyabean acreage has increased to 36.84 lh against 34.24, while groundnut sowing is down at 13.70 lh (19.64 lh). The lower groundnut acreage is mainly due to scanty rainfall in Gujarat.

Area under pulses is down at 22.59 lh against 29.74 lh a year ago. The drop is not surprising given the fact that prices of pulses are lower compared with the same period a year ago. Prices of pulses have dropped in the last one year on higher production.

The coverage of sugarcane is up at 51.38 lh against 49 lh during the corresponding period a year ago. Higher sowing has been reported from Uttar Pradesh, Maharashtra and Karnataka.

Despite growers in some parts of Andhra Pradesh declaring a holiday, the area under rice has increased. This is mainly due to beneficial rains in States such as Tamil Nadu, Orissa and West Bengal. According to data from States, the coverage is higher in Chhattisgarh, Madhya

Pradesh, Punjab and Uttar Pradesh, too. So far, 74.31 lh have come under the grain against 67.81 lh a year ago.

Meanwhile, the water storage level in the 81 major reservoirs in the country is 95 per cent higher than the same period a year ago.

According to the Central Water Commission, the storage level has increased to 44.305 billion cubic metres (BCM). During the same time last year, the level of 22.715 BCM. If the last 10 years average is taken into account, then the level is 48 per cent higher.

However, the level is only 29 per cent of the full level of 151.77 BCM.

Though rainfall was 25 per cent below normal last week, the storage level improved eight per cent.

With rain lashing Maharashtra, Gujarat and Rajasthan, sowing activity is likely to gather momentum. Much of deficit is likely to covered in the next week to 10 days.

South Indian tea production falls 2.56%

Coonoor, July 8:

South Indian tea production dropped 2.56 per cent in the first five months of current calendar over the same period of last year, reveals an analysis of the latest production data available with the Tea Board.

Between January and May, South India produced 96.87 million kg (mkg) against 99.43 mkg last year. This fall of 2.55 mkg marked a decline of 2.56 per cent.

Production fell in all the three states in the South. Tamil Nadu lost 1.14 mkg to produce 67.85 mkg. Kerala's output fell 1.09 mkg to total 26.69 mkg. Karnataka produced 2.33 mkg against 2.65 mkg.

North Indian production, on the other hand, increased by 8.30 per cent. The output rose to 146.74 mkg from 135.50 mkg. This rise of 11.24 mkg marked a growth of 8.30 per cent.

Assam's production increased by 8.21 mkg to reach 95.18 mkg. There was a marginal decline in Cachar's output.

West Bengal produced 2.93 mkg more to reach 50.49 mkg. There was a marginal decline in Darjeeling output in May but because of increased production in earlier months.

Pulses sluggish on weak demand, rain

Indore, July 8:

Pulses continued to rule sluggish on weak demand. A fresh bout of monsoon rain in the State added to bearish sentiment. At Indore *mandis*, chana, masoor and tur witnessed downtrend for the second consecutive day on poor buying support from the millers.

Bullishness in chana appears to have subsided with speculators apparently losing their grip in the spot market after rain lashed parts of the State.

Chana prices, which have been ruling high a few days back, have started declining. In the spot, chana on Friday further declined by Rs 25-50 at Rs 2,675-2,700 a quintal, while chana (desi) ruled at Rs 2,650.

Traders, however, feel that a further decline in chana appears unlikely. Weak support to spot chana also dragged chana dal by Rs 25 with chana dal (bold) in the spot being quoted at Rs 3,425-50, chana dal (medium) at Rs 3,325-50 and chana dal (average) quoted at Rs 3,200-3,225 a quintal.

Sluggish demand also dragged masur with masur (bold) in the spot being quoted at Rs 2,825-50, down Rs 50-75 a quintal, while masur (medium) quoted at Rs 2,550. Weak buying support in masur also declined masur dal with masur dal (bold) being quoted at Rs 3,475-3,500, masur dal (medium) at Rs 3,375-3,400 and masur dal (average) at Rs 3,300-3,325 a quintal.

Tur also declined on poor queries with tur (Maharashtra) being quoted at Rs 3,050- 3,100, down Rs 50 and tur (Nimari) at Rs 2,500-2,700 a quintal.

Tur dal, on the other hand, remained firm with tur marka ruling at Rs 6,100, tur dal (full) at Rs 5,500-5,550 and tur dal (sawa no.) at Rs 4,500-4,600 a quintal.

Moong and urad remained steady on subdued demand. Moong (bold) was quoted at Rs 4100-4,300 and moong (medium) at Rs 3,800-4,000. Moong dal also ruled steady with moong mongar ruling at Rs 5,700-5,800, moong dal (bold) at Rs 5,600-5,650 and moong dal (average) at Rs 5,200-5,250 a quintal.

Spot rubber rules steady

Kottayam, July 8:

Spot rubber finished unchanged on Friday. The market lost its charm in the absence of quantity buyers and sellers as there were no trend setting factors either in the domestic or international scene. Volumes were dull.

According to traders, sheet rubber closed steady at Rs 215.50 a kg amidst scattered transactions. The grade closed flat at Rs 216 a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

In futures, the July series slipped to Rs 214.75 (214.77) while the August series improved to Rs 217.60 (216.11), September to Rs 216.01 (215.05), October to Rs 216.50 (214.50), November to Rs 219.70 (218.05) and December to Rs 223 (219.88) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 inched up to Rs 212.47 (212.11) a kg at Bangkok. The July futures firmed up marginally to ¥389.6 (Rs 212.15) from ¥389.3 a kg during the day session and then remained inactive in the night session on the Tokyo Commodity Exchange.Spot rates were (Rs/kg): RSS-4: 215.50 (215.50); RSS-5: 213 (213); ungraded: 210 (210); ISNR 20: 214 (214) and latex 60 per cent: 138 (138).

Seafood exports slip in April-May

Kochi July 8:

Seafood exports slipped during the first two months of the current fiscal. The slippage was across all fronts — rupee and dollar earnings — as well as in the total quantum of exports.

“We had an unusually good first two months last year and that is one of the prime reasons for the current fall,” Mr Anwar Hashim, President of the Seafood Exporters Association of India (SEAI), said. Stating that the fall was not alarming, he said that it could also be due to climatic factors such as the timing and the onset of rains, and fluctuations in stocking or shipping delays.

DEPB facility

Coming as it were just before the revocation of the DEPB facility, some seafood exporters were more perturbed. They pointed out that the industry has been moving from one crisis to the next — anti-dumping duty imposed on shrimp exports to the US, followed by import curbs by the EU on account of the use of certain antibiotics.

Seafood exports faltered further as economic crisis gripped some of the major importing countries, arresting consumption of high-value seafood by the rich developed world.

The revocation of DEPB scheme for exporters could be the last straw for the industry .

What is of further concern to the industry has been the fact that April and May, for which figures are available at the moment, are productive months for the east coast, although relatively lean export season for the west coast. June and July invariably show a decline in exports on account of the trawling ban along the coast of some States. By the time exports pick up in August-September, the DEPB facility would be withdrawn for seafood exporters.

Mr Hashim said the withdrawal of DEPB was the real concern as the exporters could pass on some of the benefits to the farmer and the fishermen. He said most of the fishing boats now use Chinese engines that provide increased power and speed, although with reduced life span. The fishermen have to change the engines every 3-5 years, which is where the DPEB facility is useful.

MEET WITH DGFT

Given the difficult times that seafood exporters have been confronting, SEAI is proposing to meet the Director-General of Foreign Trade next week to explore if the DEPB facility could be extended till the end of the current fiscal.

From 54,929 tonnes in April last year, seafood exports slipped to 53,458 tonnes in April and further to 44,879 tonnes in May this year.

Realisations have slipped from Rs 798 crore in April last year to Rs 758 crore in April this year, and further to Rs 657 crore in May. Dollar earnings, meanwhile, slipped from $178 million in April last year to $170 million in April this year, and further to $146 million in May.

Monsoon returns to Gujarat after a gap

Thiruvananthapuram, July 8:

An India Meteorological Department (IMD) update on Friday evening has said that the northern limit of the South-West monsoon, stuck for long over Porbandar in Gujarat, has made a decisive lunge forward.

While doing so, it has brought badly needed rains into Gujarat and more parts of Rajasthan. The northern limit now passes through Jawal Dam, Ajmer, Pilani, and Ganganagar.

A weather warning valid for the next two days said that isolated heavy rainfall would break out over Himachal Pradesh, Uttarakhand, Konkan, Goa and Gujarat.

Isolated heavy rainfall would also occur over east Rajasthan and west Madhya Pradesh on Saturday.

The weather system responsible for the ongoing rains in this part is the upper air cyclonic circulation (remnant of the erstwhile land-based ‘low') that hangs over northwest Madhya Pradesh and east Rajasthan.

A counterpart circulation has been persisting over northwest Rajasthan and adjoining central Pakistan. The parent western disturbance, though feeble, is showing up straggled across north Pakistan and adjoining Jammu and Kashmir.

Another potent weather system helping the cause of the rains is the offshore trough running down parallel to the west coast from the Konkan coast to Kerala coast.

The IMD too seemed to agree with global forecasts for an enhanced monsoon play over the peninsula and central India commencing after Sunday, and more specifically from Wednesday next.

This would happen in tandem with a calibrated decrease in rainfall over northwest India.

East and northeast India is shown as witnessing the good run they have had during the season, and contrary to the best forecasts generated by an array of global models.

The fresh surge in monsoon is being helped in by a weather system (likely typhoon) forming in the northwest Pacific and shown as moving in a westerly-to-northwesterly track from the Philippine Sea.

A westward-to-northwestward track for a Pacific weather system is considered as ideal for the monsoon since it has the added advantage of pushing in a pulse into the Bay of Bengal, with a lag though.

But a system moving in the opposite direction (east-northeast and away from southeast Asia-Indo-China and the subcontinent) has a draining effect on the monsoon flows.

In the instant case, though, the US National Centres for Environmental Prediction sees a flare up in extreme southeast Bay off the Myanmar coast around July 15.

Onion surges on renewed export demand

Chennai, July 8:

Lower arrivals, following rains in Maharashtra and renewed export demand, lifted onion prices in markets near growing centres in the western State and Gujarat.

“Onion prices have begun to stabilise. The growing regions have received a little bit of rains as a result of which arrivals were lower,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd.

Arrivals

Arrivals in most markets ranged between 400 and 600 tonnes throughout this week, though they increased towards the week-end. On Friday, Pune received over 700 tonnes of onions.

Prices at Maharashtra's Lasalgaon Agricultural Produce Marketing Committee yard, Asia's biggest onion market, ruled between Rs 300 and Rs 900 a quintal. The modal price or the rate at which most trades took place was Rs 801.

In Pune, the maximum price touched Rs 1,000 a quintal and the modal price increased to Rs 850.

“There is good demand for export to West Asia, Far-East and, even to some parts of Europe. But farmers are not bringing ample quantities to the market. Besides, monsoon has affected movement of ship,” Mr Jaju said.

Prices are likely to gain further in the fortnight ahead. “Onion may gain Rs 200 a quintal in two weeks time, given the higher demand and lower arrivals,” said Mr Jaju.

Since the beginning of June, onion prices have surged Rs 275 a quintal.

Monsoon hopes keep cotton on leash

Rajkot, July 8:

Rain in parts of Gujarat, including Saurashtra, a major cotton-producing region of the country, kept cotton prices on leash despite lower arrivals on Friday.

According to the India Meteorological Department, monsoon is set to hit Gujarat by Saturday.

According to data provided by the District Agriculture Department, sowing is below normal. Cotton has so far been sown in 3.20 lakh hectares, against 17.60 lakh hectares last year and just 18 per cent area has been covered in Saurashtra.

Best-quality *Sankar*-6 variety sold at Rs 36,000-37,000 a candy of 356 kg. While medium-grade cotton fetched Rs 32,000-33,000 a candy, lower grade remained unchanged at Rs 25,000-30,000 a candy. *Kalyan* variety sold at Rs 20,000-23,000 a candy. While 2,000-2,500 bales arrived in Gujarat, 5,000 arrived in the rest of the country. A *maund* of 20 kg fetched Rs 825-860 in Gujarat.

Demand is tepid, and is expected to remain so, as millers and exporters buy hand to mouth, a Rajkot-based cotton broker said.

Domestic edible oil refineries hike prices

Mumbai, July 8:

Firm trend continued in most edible oils on second day tracking extended gain in Malaysian palm oil on Friday. Malaysian crude palm oil (CPO) futures closed higher, tracking advances in crude and a broad-based rally on the other commodities.

Domestic refineries have increased rates for palmolein and soya oil, tracking foreign market. The trader will seek fresh cues from MPOB's palm oil output, stock and export data due on Monday. In the local market, palmolein and soya oil increased by Rs 4/10 kg each, sunflower up by Rs 5 and rapeseed oil rose by Rs 3 per 10 kg.

Groundnut and cotton oil rule steady. Continuous rain in Mumbai has affected the routine activities of the market as the presence of traders were thin. Disturbance in rail services lead to early close of market with nominal volume during the day. According to a wholesaler, volume was very thin in forward. In forward, need based demand keeps activities limited to about 150-200 tonnes in palmolein, directly with local refinery at Rs 534. In Rajkot - Saurashtra, lack of selling and demand from brand makers keeps groundnut oil price to rule steady at higher level Rs 1,505 (Rs 1,505) for *Telia* tin and loose – 10 kg Rs 975 (Rs 975).

Decrease demand from exporters eased tight supply of groundnuts but due to high crushing parity producers are not keen to sell at lower rates. As a low-cost substitute, demand for cotton oil is expected to rise in coming days.

Malaysian palm oil extended its gains, buoyed by a wide differential between soya oil. In local market, Liberty was quoting palmolein Rs 536-537. Ruchi's rate for palmolein Rs 534, soya refined oil Rs 630 and sunflower oil Rs 683-684.

Allana's Palmolein was Rs 534. Domestic soya oil futures traded higher during the day on firm overseas market but prices could not sustain higher levels on account of higher sowing acreage amid profit-booking.

Malaysia's CPO futures - NBOT futures: Malaysia's CPO August contracts closed at 3,085 (3,067), September at 3,077 (3,055) and October at 3,078 (3,054) MYR a tonne.

Indore, NBOT soya oil July contracts ended at Rs 642.50 (Rs 638.60), August at Rs 642 (Rs 637.50)

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil Rs 960 (Rs 960), Soya refined oil Rs 632 (Rs 628), Sunflower exp. ref. Rs 650 (Rs 645), Sunflower ref. Rs 690 (Rs 685), Rapeseed ref. oil Rs 660 (Rs 657), Rapeseed expeller ref. Rs 630 (Rs 627), Cotton ref. oil Rs 644 (Rs 644) and Palmolein was Rs 537 (Rs 533).

Rice trade may be tepid until Ramzan

Karnal, July 8:

The rice market saw a steady trend with prices of aromatic and non-basmati varieties maintaining their previous levels on Friday.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that the situation was anticipated as demand was not picking up. Traders expect market may witness some good buying in the month of Ramzan, till then it may continue to rule around the current levels, he added.

There was a drop of Rs 10-40 a quintal in both aromatic and non-basmati varieties this week.

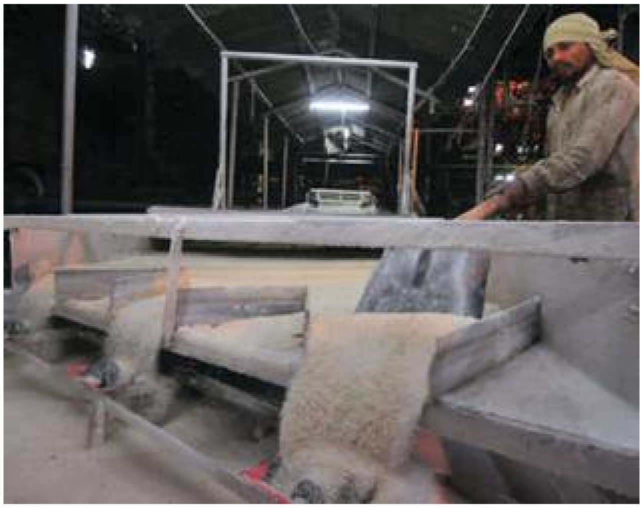
Pusa-1121 (steam) ruled around Rs 4,900 a quintal, Pusa-1121(sela) sold at Rs 3,900-3,920 while Pusa-1121(raw) quoted at Rs 4,400 a quintal.

Duplicate basmati quoted at 3,500-3,530. Pure basmati (raw) sold at around Rs 5,900-6,000 a quintal while Basmati (*sela*) was ruling at Rs 4,000-4,025 a quintal.

Among the brokens of Pusa-1121, Tibar quoted at Rs 3,100-3,270, Dubar ruled around Rs 2,550 and Mongra was trading at Rs 1,900-2,080 a quintal.

Sharbati (steam) ruled at Rs 2,900-2,980 while the Sharbati (*sela*) was at Rs 2,750-2,800 a quintal.

Sugar not dampened by poor demand



Mumbai, July 8:

Sugar prices on the Vashi wholesale market witnessed a steady trend on Friday despite the market routine being affected by rain.

Only a few retail brokers were present and even they bought hand to mouth. Cloudy or rainy weather in producing areas has stopped offloading. Arrivals and dispatches were limited and need-based.

spot market

In the spot market, while lack of new buying support pulled down prices of M-grade by Rs 5 a quintal, S-grade rose by Rs 5 a quintal on retail buying. Naka and mill tender rates were largely unchanged. Market has remained range-bound for two days now after gaining Rs 50-60 a quintal during the week.Traders said local demand has eased. Demand from other States is weak, too. Though demand from States in the East is dull, producers hope of tapping the export market as international prices have shot up again.On Thursday, 22-24 mills offered tenders and sold 65,000-70,000 bags of a quintal each at Rs 2,660-2720 (Rs 2,660-2,720) for S-grade and Rs 2,750-2,830 (Rs 2,750-2,830) for M-grade. Fifty to 52 truckloads of 100 bags each arrived in the market, and local dispatches were at 45-46 truck loads.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,766-2,822 (Rs 2,761-2,822) and M-grade Rs 2,818-2,981 (Rs 2,821-2,986).

Naka delivery rates: S-grade *Rs 2,750-2,790 (Rs 2,750-2,790) and M-grade Rs 2,830-2,960 (Rs 2,830-2,960).*

Turmeric improves despite higher arrivals

Erode, July 8:

Spot turmeric prices improved marginally despite the huge arrival of 12,000 bags on Friday.

“To fulfil the orders received from upcountry merchants, local bulk buyers at Erode, purchased some quality produce paying marginally higher price,” said a few bulk buyers at Erode.

Ttraders said that till the end of March, turmeric was sold at Rs 11,000 a quintal at Erode and sales were very encouraging. But prices suddenly decreased to Rs 9,300 from April 5. Now, it is selling at Rs 7,600-7,900. Farmers are upset over the decline in price and are not willing to sell all their stock, but only a portion, as they require money for their daily transactions. They also expect prices to go up by another Rs 1,000 in August.

At the Erode Cooperative Marketing Society, prices improved by Rs 300 a quintal and because of the arrival of ‘quality' turmeric sales were also very encouraging. In the Regulated Marketing Committee, prices increased by Rs 150 and 80 per cent of the turmeric was sold.

At the Erode Turmeric Merchants Association, the finger variety was sold at Rs 5,106- 7,929 a quintal, the root variety at Rs 5,099-7,096.The finger variety of the Salem crop was sold at Rs 7,511-8,509, the root variety at Rs 6,539-7,425. Of the 2,549 bags that arrived, 541 were sold.At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 6,027-7,839, the root variety at Rs 6,307-7,159. Of the 102 bags that arrived, 78 were sold.

At the Erode Cooperative Marketing Society, the finger variety fetched Rs 6,499-8092, the root variety got Rs 6,010-7,110 and of the 1,246 bags that were up for sale, 1,137 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 7,447- 8,190, the root variety was sold at Rs 7,016- 7344.

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