

## Water level in reservoirs rises

V.S. Palaniappan

*Monsoon strengthens in district*



**Pleasant sight:A view of the Aliyar reservoir in Pollachi on Friday.**

COIMBATORE: The monsoon that has just revived after a short break has led to considerable improvement in the storage in various reservoirs across the district, including the Parambikulam–Aliyar Project (PAP).

The highest of 106 mm rainfall was recorded at Upper Nirar and the lowest of .5 mm was recorded at Thirumurthy. Rainfall level in mm on Friday is as follows: Lower Nirar 45, Upper Aliyar 4.5, Sholayar 42, Parambikulam 88, Aliyar 6.2, Kadamparai 5, Pollachi 14, Valparai 48, Vettaikaranpudur 4, Manacadavu 16.7, Navamalai 6, Sircarpathy 14, Siruvani dam 50, Siruvani foothills 28 and rainfall continued in Pilloor.

The storage in reservoirs in ft is as follows – Full Reservoir Level in brackets: Sholayar 89.82 ft (160 ft) inflow 1,660 cusecs and outflow nil, Parambikulam 57.67 (72) inflow 1140 and outflow 55, Aliyar 99.15 (120) inflow 370 and outflow 300, Thirumurthy 35.80 (70), inflow 2 and outflow 19, Amaravathy 46 (90) and inflow was 635 and outflow is 11. Siruvani had a storage of 20.3 mt as against the FRL of 50 mt. Pillor had a storage of 75 ft as against the 100 ft. Official said the continuing rain and the steady inflow into the reservoirs are expected to add to the storage further.

PAP officials said the ongoing work for renovation of the Contour canal (49.4 km from Sircarpathy to Thirumurthy) is progressing at a faster pace. Authorities plan to complete the first phase by July so as to enable the release of water from the reservoirs in the upper reaches to take the water to Thirumurthy for meeting the irrigation needs of four lakh acres by releasing water for four zones on a rotation basis.

Works will be taken up again next year after the exit of the monsoon and will be carried out till the on set of the monsoon next year. Authorities plan to complete the works in phases over the period of next three years. Once the works are stopped in July for enabling the water release from Sircarpathy it would also help in generation of 30 mw power.

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## **Turmeric cultivation begins in Erode**

S. Ramesh

ERODE: Erode will soon blush with the golden glow of turmeric, as farmers in most parts of the district have begun the cultivation of turmeric crop for the current session. While a few farmers had already started sowing seeds, many others are done preparing their land for the cultivation. The public works department would release the water from the Kalingarayan ayacut from June 19.

Water would also be released in the Lower Bhavani Project shortly, enabling the farmers to take up cultivation activities. "The sowing will continue till the first week of August. But we expect the

farmers in the district to complete the sowing by the end of July,” horticulture officials here said. Erode is one of the largest turmeric producing districts in the country.

The normal area under the turmeric crop in the district is around 6,000 hectares.

But in the year 2010, farmers had covered more than 10,000 hectares under the turmeric crop, as the prices of the yellow spice registered a sharp increase.

The prices had crossed Rs. 17,000 a quintal last year, making many turmeric farmers in the district richer. The bullish market had encouraged the farmers to double the acreage under turmeric cultivation in the district in 2010. But the prices had come down during the fiscal and was around Rs. 8,000– 8,500 a quintal currently.

“Even the current price of the yellow spice is remunerative for the farmers. There is an expectation among the farmers that the prices of turmeric will go up in the coming months. This will prompt them to take up the crop in more areas this year too,” traders here say. “We expect the acreage under turmeric to cross 10000 hectares this year too,” horticulture officials said.

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### **Seminar on paddy cultivation**

Staff Reporter

NAGAPATTINAM: Judicious use of water, seeds and fertilisers can go a long way in ensuring improved agricultural practices, said Collector T.Munusamy, here at a seminar on improved practices in paddy cultivation organised at the Krishi Vigyan Kendran (KVK) in Sikkal recently.

The seminar organised under the aegis of KVK, and All India Radio, Tiruchi, sought to orient farmers on techniques of paddy farming. It assumes significance with the onset of samba cultivation.

The Collector said that with the release of Mettur water in advance, farmers had the opportunity to commence works before time.

The SRI (System of Rice Intensification) method of paddy cultivation enables better productivity with limited resources, hence farmers should take to SRI farming in a big way, Mr.Munusamy said.

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## **'Resolve problems of tea growers'**

Special Correspondent

Udhagamandalam: The Nilgiris District Congress Committee has urged the Tourism Minister M. Buddhichandran who represents the Udhagamandalam constituency to tackle problems confronting small tea growers in various parts of the Nilgiris.

In a memorandum to the Minister, its general secretary, R. Ravikumar, pointed out that due to favourable weather the yield in the tea gardens had increased considerably.

The tea processing units in the private and cooperative sectors are adopting a system by which only a part of the tea leaves supplied by the growers is being accepted.

Owing to this, the growers are losing heavily. Some of the Industrial Cooperative (INDCO) tea factories have not procured leaves for days together. Agents of private factories have also stopped accepting leaves.

This has added to the burden of the growers as they have to incur expenditure on getting rid of the useless coarse leaves.

Moreover, the situation is threatening to affect the image of the Nilgiris tea.

Mr. Ravikumar regretted that since payments have been delayed many small and tiny growers are finding it difficult to make ends meet and pay their children's school or college fees.

He expressed the hope that the Minister will accord high priority to the woes of the tea growers. The economy of the district is also suffering.

## Long wait for seed, fertilizer continues

Staff Reporter

*Farmers stage 'rasta roko' on the National Highway at Zaheerabad*

– Thakur Ajay Pal Singh



**In anticipation: Farmers waiting for permit letters to purchase cotton seed at Manakondur police station in Karimnagar district on Friday.**

SANGAREDDY: Despite the repeated assurances by the district administration, farmers have already pressed the panic button for seed and fertilizer.

Long queues were formed since early in the morning at many places where seed and fertilizer shops are located.

Demanding the government to supply soya-bean and other seed, more than 100 farmers held 'rasta roko' on the National Highway at Zaheerabad for more than an hour on Friday stalling the traffic.

Later, they held dharna before mandal office with the same demand. The agriculture officials assured to meet their demand shortly. Farmers are not confident on the administration making these commodities available.

According to M.R.V. Hanumantha Reddy, president of the Farmers' Federation, cotton seed is not available at many places and this situation is continuing for the past few days.

'Situation may worsen'

"The shop owners are stating that the stock is not available. Even after a wait for long hours, the cotton packet is being sold between Rs. 1,500 and Rs. 2,000. This is the reality," said Mr. Hanumantha Reddy adding that the situation may worsen in the next few weeks.

The situation on availability of fertilizer was also not different from that of cotton seed. While farmers are demanding DAP and Gromor, these stocks are not made available. Farmers are being forced to purchase nutrition supplements if they want to purchase fertilizer. "Unless farmer purchases one bag of supplement, they are not being supplied with two bags of fertilizer," he said, adding that the situation may go out of control if the rainy season sets in. Farmers are demanding the government to maintain strict vigil on the stock available in the market and force the sellers to exhibit the stock on a board.

Permit letters

Karimnagar Staff Reporter writes

It was a rare scene at a police station in Karimnagar district on Friday.

The farmers, who are otherwise busy in their fields, were forced to form serpentine queues at Manakondur police station to collect permit letters to purchase their choicest cotton seed.

Farmers of various villages of Manakondur mandal came in large numbers to collect their permit letters for the purchase of cotton seed at the police station since early hours.

However, it was surprising to note that there were no disturbances during the distribution of permit letters for the cotton seed and the queue lines passed off peacefully without any untoward incident.

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## 78 lakh tonnes of paddy procured

Staff Reporter

HYDERABAD: Commissioner of Civil Supplies Harpreet Singh on Friday said that 78,09,214 tonnes of paddy had been procured from farmers so far, including 20,37,533 tonnes by government agencies.

He said that the procurement was being made by 1,236 the Civil Supplies Corporation and IKP centres, and 168 FCI centres besides rice millers. Last year, 50,60,178 tonnes was procured during the same period.

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## Tenant farmers to get loan eligibility cards

Staff Reporter

*Arrangements apace for the exercise from July 8 to 15*

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*Application forms to be issued between June 21 and 25 Process of scrutiny to begin on June 26*

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GUNTUR: The district administration is making arrangements for issuing Loan Eligibility Cards (LEC) to tenant farmers under the AP Land Licensed Cultivators Act 2011 from July 8 to 15. It will be preceded by supply of application forms to beneficiaries between June 21 and 25 and their scrutiny at village meetings from June 26 to July 5.

Addressing a meeting on the subject, in-charge Collector A. Sarath said the Act was aimed at safeguarding the interests of tenant farmers by facilitating easy access to institutional credit and insurance facilities while protecting the interest of land owners.

The Act provides licensed cultivators access to public financial institutions for loan, crop insurance, input subsidy, and agricultural inputs among other facilities normally available to land owners.

Stress on coordination

MLC K.S. Lakshman Rao said there was a need for the Revenue and Agriculture Departments to work in perfect coordination and it was desirable to involve self-help groups in the exercise.

Farmer M. Lakshminarayana and others suggested to the officials to take 60,000 to 70,000 farmers cultivating the land belonging to the Endowments Department also into consideration. The district has about two lakh tenant farmers.

MLA Sk. Mastan Vali, DRO M. Venkateswarlu, RDOs -- S. Dhilli Rao (Guntur), K. Srinivasulu (Narasaraopet), and Sk. Ismail (Tenali), former MP Yalamanchili Sivaji, Joint Director of Agriculture Y. Pulla Reddy and others spoke.

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## **Farmers agitated over shortage of seed**

Staff Reporter

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*With the onset of monsoon farmers are keen to sow Additional supply is likely to arrive soon, says official*

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— Photo: basheer



**Matter of concern: Farmers awaiting their turn at a seed outlet in Srikakulam on Friday.**

**SRIKAKULAM:** Shortage of seed has become a major concern for farmers of Srikakulam district. Hundreds of villagers queued up before the seed counters across the district to purchase seeds to meet kharif season requirements. The district needs around one lakh quintal of seed but the availability is only 33,000 quintals. The district officials are trying in vain to convince the Andhra Pradesh State Seed Development Corporation to send more seed to the district.

With the anticipation of good monsoon this year, farmers are keen on agricultural activity but they are worried about availability of seed. BJP Kisan Morcha State vice-president Pudi Tirupati Rao alleged that the farmers in the district would be forced to depend on private seed dealers as the government failed to ensure proper supply in the district.

“The farmers' problems are completely ignored. The government failed to release the meagre compensation that was announced long ago for the crop damage in November, 2011. There is no guarantee for fresh loans and seed supply. We will continue to organise more agitations throughout the State if the government fails to resolve farmers' problems,” he added.

In charge joint director of agricultural department S. Muralikrishna Rao hoped that the government would send more seed as the district administration had already sent proposals. “Additional supply is likely to come to the district in a couple of days. So, the farmers in the district need not worry about supply of seed at subsidized price,” he added.

## Water for kharif from June 25

Staff Reporter

*Workshop to discuss Krishna delta modernisation works*

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*Water for KEB canal will be released from July 3 Some modernisation works still pending on the canal*

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— PHOTO: CH. VIJAYA BHASKAR



**Lending an ear: Machilipatnam MLA Perni Venkataramaiah (right) having a word with Secondary Education Minister K. Parthasarathy (left) at the IAB meeting in Vijayawada on Friday. District Collector S.A.M. Rizvi is seen.**

VIJAYAWADA: The Irrigation Advisory Board (IAB) has decided to release water into all canals except Krishna Eastern Bank (KEB) canal for kharif season from June 25. The water for KEB will be released from July 3.

Secondary Education Minister K. Parthasarathy, who chaired the IAB meeting on Friday, said that some modernisation works were pending on the KEB canal. The irrigation officials were asked to complete them by month-end and release water by July 3.

The distributory committees (DCs) expressed the view that the de-weeding works should be vested with them. The government would be appraised of the steps to be taken in that direction if the DCs were ready to accept the rules mentioned in the tender notices, he said.

#### Deweeding

The farmers were not happy with the deweeding though the DCs had been executing it for last several years. The government, with a view to making the canals weed-free, had planned to award the works to contractors. Now, the successful bidders would have to be available round the clock for de-weeding works.

Last year, Rs. 3.3 crore was spent on maintenance, now Rs. 4.5 crore was earmarked, as the successful bidders would have to take up de-weeding thrice in a year and be available on phone call from the farmers, he explained.

And, following a request from the public representatives, a workshop would be organised for a threadbare discussion on Krishna delta modernisation works.

The public representatives expressed apprehensions over inclusion of double lane and single lane bridges in modernisation works. The proposed workshop was aimed at discussing these issues and take feedback from public representatives, the Minister said.

DC president A. Ramakrishna later told the media that the Minister had agreed to conduct a workshop for Nagarjunasagar project works in the district.

Krishna ZP Chairman K. Nageswara Rao, MLCs Ilapuram Venkaiah, Jelli Wilson, Chigurupati Varaprasad, Mylavaram MLA and TDP district president Devineni Umamaheswara Rao, MLAs Jogi Ramesh, Perni Venkataramaiah (Nani), Dasari Balavardhana Rao, Ambati Brahmanaiah, Malladi Vishnu, Irrigation CE Sambaiah, SE PMSMS Sai, Deputy SE Ramakrishna, and DC presidents Sudheer and Satyanarayana Reddy were present.

## Farmers full of beans as price shoots up

Staff Reporter

*Heavy rain and fungal attack affect harvest on city's periphery*

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*The price is around Rs. 50 and Rs. 60 a kg Quantity, quality of beans arriving in the market has come down*

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— FILE PHOTO



**GOOD TIMES:**Beans that were sown in April were not affected, and these farmers were lucky to get a good price.

**BANGALORE:** A steep rise in the cost of French beans in recent weeks may have dampened the spirits of homemakers, but it surely has cheered some sections of farmers around the city.

The declining arrival of this versatile vegetable to the market here has pushed up its price, which is now hovering between Rs. 50 and Rs. 60 a kg. While crops were partially damaged

due to rainfall in May, fungal disease following rainfall added to the declining output. Usually, a kilogram of beans costs between Rs. 15 and Rs. 20.

#### Farm gate prices

The demand in Bangalore is largely met by farms in Anekal, Devanahalli, Sarjapur, Hoskote and Nelamangala. Farm gate prices alone are now over Rs. 30 a kg.

#### Low quality

According to an official in Horticultural Producers Cooperative Marketing and Processing Society (HOPCOMS), one of the largest vegetable chains in the city, both quantity and quality of beans arriving in the market had come down in the last one week.

“We are getting just about 50 per cent of what we were getting around the same time last year,” the official said.

HOPCOMS, on an average, procures about 3 tonnes daily, which may sometimes go up to 5. However, the official pointed out, the society was getting just about 1.5 tonnes now. “The average price of beans in June last year was Rs. 30 a kg.”

#### Rainfall

Explaining this, a senior Horticulture Department official said the area under beans cultivation usually comes down in summer. Moreover, part of the crop cultivated this summer was damaged by rainfall in the second and third week of May.

“The rainfall was accompanied by strong winds, which affected the crop. Fungal disease has also reduced the output,” the official said. But not all farmers who cultivated beans were affected by the rain.

“Beans that were sown in April were not affected, and these farmers were lucky to get a good price. There are very few instances when farmers get a good price,” the official said.

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## 'Resolve problems of tea growers'

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Owing to this, the growers are losing heavily. Some of the Industrial Cooperative (INDCO) tea factories have not procured leaves for days together. Agents of private factories have also stopped accepting leaves.

This has added to the burden of the growers as they have to incur expenditure on getting rid of the useless coarse leaves. Moreover, the situation is threatening to affect the image of the Nilgiris tea. Mr. Ravikumar regretted that since payments have been delayed many small and tiny growers are finding it difficult to make ends meet and pay their children's school or college fees. He expressed the hope that the Minister will accord high priority to the woes of the tea growers. The economy of the district is also suffering.

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## **Edible oils remain weak on sluggish demand, weak global cues**

NEW DELHI: Edible oils continued their slide on the wholesale oils and oilseeds market for the second straight week largely in line with a weak global trend amid a subdued demand from millers as well local parties.

A few oils in the non-edible segment, also showed weakness due to reduced offtake by consuming industries.

Trading sentiments in edible oils remained weak as palm oil plunged in global markets, after palm oil declined to the lowest level in six weeks on speculation that inventories in Malaysia, the second-largest grower, may expand from the highest level in 16 months as production accelerates.

Also, slackened demand from millers as well as local parties at spot market too dampened the sentiment, traders said.

Meanwhile, palm oil futures during the week declined by 2.1 per cent to USD 1,034 a metric tonne , the lowest closing level since May 6 on the Malaysia Derivatives Exchange .

In the edible section, mustard expeller oil (Dadri) remained under pressure for the major part of the week, to close Rs 70 down at Rs 5,730 per quintal.

Mustard pakki and kachi ghani oils followed suit and declined by Rs 5 each to Rs 755-910 and Rs 910-1,010 per tin of 15 litres, respectively.

17 Jun, 2011, 11.25PM IST, Prabha,ET Bureau

### **Foodgrain Allocation vs offtake under TPDS**

NEW DELHI: A foodgrain overstocked Centre is likely to be stuck for longer with high holding costs for excess wheat and grain, with states refusing to pick up stocks put up for sale through the Open Market Sale Scheme (OMSS), despite "attractive prices."

That could spell a headache for the government which is still mulling on needs for the coming right to food law and holding off opening up exports despite rising rice prices in the international market. According to senior food ministry officials, less than half a lakh tonnes of wheat out of 10lt put up for OMSS sale had been picked up up to June 7 and an abysmal 9100 tonnes out of 10lt of rice had been picked up. Politically, that could also undermine the Centre's prolonged attempts to ramp up publicity and credit to itself for the right to food law.

The reluctance of state governments to pick up the grain is notwithstanding the Centre selling at below FCI's economic cost and well below open market prices. In fact, several sectoral experts including CACP chief Ashok Gulati have reportedly advised the Centre to open up the FCI's stocks at attractive prices to any buyer, allowing reduction in huge stocks which are over twice the buffer. Food minister K V Thomas acknowledged " The response from states is poor despite the attractive rates although grain offtake under the PDS has increased over the years."

The food ministry has estimated a maximum need of 80mt yearly for PDS, food law and welfare programmes but this year, even if the law gets passed, it is likely to be implemented only for a few months. The food ministry also projected a less than 100% offtake under the food law, making it that much more imperative to offload overstocked grain.

Most importantly, the huge stocks available with the country's largest buyer is pressuring down producer price to below MSP in several mandis across the state despite a good harvest. Worse for them, this year promises to be a good monsoon with better production as well.



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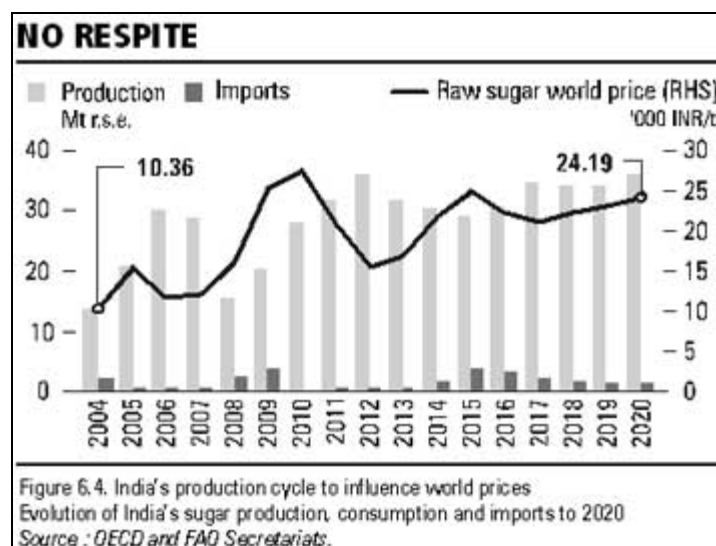
Higher food prices are here to stay: OECD-FAO report

M Saraswathy / New Delhi June 18, 2011, 0:47 IST

The world will not get respite from high food prices and volatility in commodity markets soon, according to an OECD-FAO report that says India may play a major role in sugar price fluctuations.

The report by the Organisation for Economic Cooperation and Development (OECD) and the United Nations' Food and Agriculture Organisation (FAO) also projected rising population and income to sustain strong demand for commodities in India.

It also projected that in the coming decade, real prices for cereals could average as much as 20 per cent higher and those for meat as much as 30 per cent higher, compared to 2001-10.



Increase in food prices however will prompt the real GDP to move from projected 8.4 per cent in 2011 to five per cent in 2020, according to the report on Agriculture Outlook for 2011-20.

“While higher prices are generally good news for farmers, the impact on the poor in developing countries, who spend a high proportion of their income on food, can be devastating,” said OECD Secretary-General Angel Gurría.

The report said the economic growth outside OECD would be dominated by China and India. Per capita income growth in these two countries will be 7.4 per cent and 5.5 per cent respectively for 2011-12.

FAO Director General Jacques Diouf said: “In the current market context, price volatility could remain a feature of agricultural markets, and coherent policies are required to both reduce volatility and limit its negative impacts.”

The key solution to the problem, he said will be boosting investment in agriculture and reinforcing rural development in developing countries, where 98 per cent of the hungry people live on Friday and where population is expected to increase by 47 per cent over the next decades.

India’s role in increasing world commodity price is highest in rice (30 per cent), followed by vegetable oil (four per cent), while it will have a marginal role in refined sugar, corn and soybean (one per cent each).

The Indian sugar market has been discussed in detail in the report, which states that India is the second-largest global producer and leading consumer of sugar. The report indicated an increased refined sugar production to about 50 per cent higher than in 2009-10 or 32 million tonnes (mt) of sugar per year, on average, in the coming decade.

Stating that sugar demand has been growing at four per cent every year in the last 10 years in India, it said, “With the sugar production cycle in India, domestic demand can account for a large share of the global exports (seven per cent of total world exports in 2009-10) with subsequent large additional supplies coming to world markets in surplus years, contributing to volatility in international sugar markets.”

He added that any production disruptions in India and Brazil could radically change the market outlook in the near term, igniting further bouts of high volatility and prolonging the period of high world sugar prices.

The report stated that there is a cyclical nature of production in the sugar market of India where two-three years of surplus are followed by two-three years of deficit. "In recent years, there have been larger swings in production and trade. After an increase to 30.1 mt in 2006-07, 33 per cent increase over the 2002-03 crop, sugar output declined to 15.2 mt in 2008-09 and is estimated at 28.1 mt in 2010-11. Trade followed a similar trend with import exceeding 2 mt during the deficit phase replaced by high exports during the surplus phase," it further explained.

The report also criticised the sugar pricing policy of India.

It said that in spite of policies like FRP (Fair and Remunerative Pricing), sugar levy on factories and restrictions on sugar quantities to be sold in the market, the farmers are ridden with debt as fixed sugarcane prices are disconnected from market-based sugar prices.

The report called for a market driven relationship between sugar and sugarcane prices, apart from using sugarcane by-products like ethanol, electric power as a cushion against low sugar prices. It stated that Brazil, India and China should account for 85 per cent of the ethanol production in the developing world by 2020.

## THE HINDU Business Line

### **New chief for global rubber body**

Kottayam, June 17:

Dr Kamarul Baharain Bin Basir will assume the office of Secretary-General of the Association of Natural Rubber Producing Countries (ANRPC) for a three-year term commencing July 1 this year. The appointment follows the decision taken by the 33rd Session of the ANRPC's Assembly at Kochi in October last year. ANRPC follows a system of rotation among member governments for appointing its chief executive officer. Dr. Kamarul, a nominee of Malaysia, succeeds Indonesia's Prof. Djoko S. Damardjati. Dr. Kamarul Baharain, former Director-General of the Malaysian Rubber Board, brings to the ANRPC over 34 years of diverse experiences gained in developing the Malaysian rubber industry through research and development,

legislation and enforcement, supporting services, marketing and training. He had served the Malaysian Rubber Board in various capacities from 1976 onwards until elevated to become the Director-General in 2006, a position which he held until 2010.

### **Tea Board launches survey to profile gardens**

Kolkata, June 17:

Tea Board has launched a base-line survey to capture the total profile of all tea gardens of 10.12 hectares and above. The number of such gardens, spread across both North and South India as well as registered with the Board will be about 1,600 – 900 in the North and 700 in the South.

Tea Board sources point out that at present there is a considerable information gap with the age profile of many of these gardens, the types of tea produced, the productivity and nature of land holdings, lease pattern, the profile of the human resources, workers and the management, training requirements, available facilities and various other parameters. The findings of the survey, it is felt, will not only help the Board assess the future growth potential of the organised tea sector but also benefit all the stakeholders of the tea industry.

The survey is expected to provide authentic primary data for the preparation of the Approach Paper for the development of tea industry during the 12th Plan (2012-2017), covering formulation of need-based development schemes, preparation and publication of a tea directory with ownership and contact details of the gardens, upgradation of tea statistics, digital mapping of tea areas by ISRO under the ongoing Tea Area Development and Management Using Remote Sensing and GIS, the consolidation of applications submitted by gardens under the 11th Plan schemes and the subsidy claims that are pending with Tea Board.

There is a feeling that the scope for some sort of gradation scheme for subsidy depending on the strength of the gardens (“the weak gardens may have a stronger case for claiming subsidy”) should be explored.

The survey, currently in progress, is being undertaken by the Board's own officials and is expected to be over by July, according to Board sources.

## **Uptrend continues in tur; chana gains**

Indore, June 17:

The uptrend in tur continued on lower arrival and higher demand from millers in North India. A hold up of imported tur in Mumbai also led to the rise local *mandis* here. Tur (Maharashtra) increased Rs 50-75 to Rs 3,150-3,175 a quintal, while tur (Nimari) perked up to Rs 2,300-2,600 a quintal. Tur dal (full) ruled at Rs 5,300-5,400 and tur dal (sawa no.) at Rs 4,400-4,450 a quintal.

Masoor improved on buying support to Rs 2850 a quintal against Rs 2,790-2,800 on Thursday, masoor (medium) gained Rs 25 at Rs 2,525 a quintal. Masoor dal gained Rs 50 at Rs 3,475-3,500.

Chana gained Rs 25 at Rs 2525 a quintal, while chana (desi) quoted at Rs 2450-2,475. Taking cues from rise in chana, its dal also gained Rs 25 with chana dal (bold) being quoted at Rs 3,150-3,175, chana dal (medium) at Rs 3,050-3,075 and chana dal (average) at Rs 2,950-2,975 respectively.

## **Jute prices may shrink on ample supplies, conducive weather**

Kolkata, June 17:

Having touched a peak of Rs 3,600-3,800 a quintal last year, raw jute prices may drop to the MSP (minimum support price) level this year. Industry insiders suggest that increased availability may soon bring down prices from the existing Rs 2,800 a quintal (ex-Assam TD-5 variety) by over 30 per cent to Rs 1,800-2,000 a quintal.

The prices, which have been softening over the last few months, are likely to remain just above the MSP (minimum support price) riding on good sowing and favourable weather conditions, a senior industry official said. The Government has fixed the MSP for TD-5 Grade of jute ex-Assam at Rs 1,675 a quintal for the jute season this year (Rs 100 a quintal more than that in the previous season).

“Raw jute sowing has been excellent this year, thanks to the availability of seeds and the favourable weather conditions. There has been intermittent rain over the last few days and the monsoon forecast for this year is also good. This has helped bring down prices, which was

ruling at an all time high of Rs 3,600-3,800 a quintal last year,” said a senior official in the jute industry.

The production of raw jute is expected to be about ten per cent higher at 110 lakh bales this year. “Monsoon for 2011-12 has started on a good note and this may be the key factor for raw jute market price determination. It will also result in a good quantum and quality of production during this season,” he said.

The spot price of raw jute is likely to come down further as the price in the forward markets is ruling around Rs 2,400-2,500 a quintal. “Kankinara and Kelvin jute mills are offering Rs 2,800 a quintal for South Bengal TD-4, while some others like Hastings are quoting Rs 2,850 a quintal for the same grade of new crop. Advance booking for August has been made by Dalhousie mill with Rs 2,500 a quintal for TD-4 ex. South Bengal (landed Kolkata) and there is also an offer of Rs 2,400 a quintal for such forward booking of new crop by some other mills. So, further fall in spot price is expected if this trend continues,” the official said. The market may rule at MSP rates during the peak arrival period of September in the principal jute growing districts such as Nadia and Murshidabad. The fall in prices is despite a good demand for jute products this year. “The government has placed order of eight lakh bales so far this year and further demand is likely to come in for the kharif season. However, the market has already discounted this demand, so prices are not likely to rise,” he said.

### No takers for Food Corpn's open-market grains sale

Less than 32,000 tonnes of 20 lakh tonnes allocated lifted so far

FOODGRAIN ALLOCATION VS. OFFTAKE UNDER TPDS						
(Lakh tonnes)						
	BPL*		APL		Total	
	Allocation	Offtake	Allocation	Offtake	Allocation	Offtake
2005-06	272.68	230.85	443.53	80.20	716.22	311.05
2006-07	273.73	229.01	302.83	84.68	576.56	313.69
2007-08	274.62	245.68	118.16	87.22	392.78	332.90
2008-09	276.01	251.80	111.75	94.20	387.76	346.01
2009-10	276.09	263.40	199.94	160.63	476.03	424.03
2010-11	276.78	271.04	198.69	166.16	475.47	437.20

\*Includes under Antyodaya Anna Yojana.

New Delhi, June 17:

The Centre's attempts to liquidate surplus wheat and rice stocks from the Food Corporation of India's (FCI) godowns through the Open Market Sale Scheme (OMSS) has met with little success.

Out of the 10 lakh tonnes (lt) of wheat allocated under OMSS for the January-September period, a mere 22,404 tonnes has been lifted as on June 7. The offtake is lower – at 9,193.05 tonnes out of the 10 lt allocation – in respect of rice.

Under OMSS, the FCI is making available wheat and rice to State Governments over and above their regular targeted public distribution system (TPDS) quotas. The OMSS allocations are being made at rates above the Centre's minimum support prices, but well below the FCI's economic cost and also the ruling open market prices.

For raw rice, the current OMSS prices are Rs 1,541.07 a quintal for common and Rs 1,585.84 a quintal for "Grade A" varieties, while their par-boiled equivalents are being issued at Rs 1,519.12 and Rs 1,563.24 a quintal respectively.

"These rates are way below the Rs 23-24 a kg at which rice is being sold in the open market. Moreover, unlike in the case of TPDS rice or wheat, the States have full pricing freedom and flexibility in selling OMSS grain. Despite this, they are showing no interest in lifting their OMSS quota," noted the Union Food and Consumer Affairs Minister, Prof K.V. Thomas.

Likewise for wheat, where OMSS prices range from Rs 1,099.28 a quintal in Punjab to Rs 1,217.03 in Maharashtra, Rs 1,266.43 in Karnataka and Rs 1,220.63 in West Bengal. As against this, wheat is now retailing at Rs 15 a kg in Delhi and upwards of Rs 20 in most Southern centres.

"Under the TPDS, we have seen a substantial improvement in offtake percentages, both under the BPL (below poverty line) and above poverty line (APL) segments. But in OMSS, the response is poor even though our rates give ample scope for State Governments to undertake effective market intervention," added Prof Thomas.

The trade attributes the poor OMSS offtake mainly to the State Governments, which have limited infrastructure and wherewithal to lift or distribute grains to the end-consumer. "If the Centre really wants to offload its surplus stocks, it should make available grain directly to us,

instead of trusting the States to do it through their civil supplies corporations and cooperative federations”, said a Karnataka-based miller.

Although FCI is currently making available wheat to roller flour mills, it is charging rates way above the OMSS prices. For example, in Karnataka, the price being charged to millers is Rs 1,406 a quintal ex-FCI godown. After adding local mandi taxes and transport cost, the effective rate at the mill would go up to Rs 1,455 a quintal.

“Why should I take this wheat, when I can source grain from Gujarat and have it delivered at my mill at Rs 1,330 a quintal? Even Lokwan-1 wheat from Rajasthan and Madhya Pradesh can be sourced and delivered at my gate for Rs 1,340-1,360 a quintal,” the miller pointed out.

Meanwhile, procurement of wheat by FCI and State Government agencies for the ongoing 2011-12 rabi marketing season (April-June) has touched an all-time-high of 273.57 lt. Of this total quantity – as against 225.14 lt in the 2010-11 season – Punjab has accounted for 109.44 lt, followed by Haryana (68.85 lt), Madhya Pradesh (48.94 lt), Uttar Pradesh (30.02 lt), Rajasthan (12.40 lt) and Bihar (2.40 lt).

### **No space to store grains**

New Delhi, June 17:

Government agencies are now holding grains in excess of the storage capacities available with them.

The Food Corporation of India (FCI), Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWC) currently have a combined foodgrain storage capacity of 633.63 lakh tonnes (lt). This is below the total stocks of 655.95 lt in the central pool as on June 1, comprising 378.32 lt of wheat and 276.41 lt of rice.

The Union Food and Consumer Affairs Minister, Prof K.V. Thomas, however, is confident about augmenting the FCI's storage capacity through the private entrepreneur guarantee (PEG) scheme. “We have already approved creation of 152.97 lt capacity under PEG, for which we will guarantee full utilisation for six to nine years,” he told presspersons here.



As of now, private investors (including the CWC and SWCs) have been sanctioned a capacity of 83 lt, with tendering in progress for another 83 lt.

Out of the existing 633.63 lt central pool storage capacity, 574.86 lt is in covered godowns. The balance 58.77 lt is in the form of crude covered-and-plinth (CAP) structures.

Also, FCI, CWC and SWCs together own only 373.78 lt capacity, with the remaining 259.85 lt being hired from private parties.

### Lower arrivals lift onion prices



Chennai, June 17:

Lower arrivals amid normal demand lifted onion prices this week in markets closer to producing centres in Maharashtra.

“It is normal for onion prices to rise at this time of the year, especially when monsoon gets active,” said Mr Madan Prakash, Director of Rajathi Group of Companies that exports farm produce including onion.

At Lasalgaon in Maharashtra's Nashik district, the modal price or rate at which most trades took place increased to over Rs 700 a quintal this week. Last week, the modal price averaged Rs 650.

Though arrivals in Lasalgaon topped 1,000 tonnes on Monday, in general they were below 800 tonnes for most part of the week.

“Very few farmers are bringing stocks to the market due to rain. They would prefer to wait as they have the wherewithal to hold back their produce,” said a trading source.

“Demand for onions in the domestic market is normal, particularly in the South. Exports are taking place and the \$200 a tonne minimum support price is in tune with the market trend,” said Mr Prakash.

The trade sees prices around this level for a couple of weeks.

“If monsoon brings in heavy rain and floods, onion prices could tend to rise,” said Mr Prakash.

#### **Cotton drops 10% in a week on poor buying**



Rajkot, June 17:

Cotton prices continued to rule lower even after the Centre allowed additional exports. This is due to dull demand from mills and exporters.

*Sankar-6* variety declined by about Rs 4,000 a candy of 356 kg to Rs 40,000-41,000 from Rs 44,000-45,000 during the week. Low-grade cotton ruled at Rs 28,000-30,000 a candy.

Quality raw cotton or *kapas* was traded at Rs 540-850 for a *maund* of 20 kg and average raw cotton at Rs 575-670 for a *maund*. In Gujarat, 7,000-8,000 bales arrived, and 17,000 bales arrived in the rest of the country.

A Rajkot-based broker said: “Exporters are still uncertain about the allotment of quota, so they avoided the market. Moreover, demand from millers is also absent. Cotton prices may decline in

the coming days.” On the National Commodity and Derivatives Exchange, cotton contracts expiring on February 29 traded at Rs 683 for a *maund*, registering a decline of Rs 25.80.

Traders were expecting prices to rise after the Centre allowed exports of 10 lakh bales more.

A Maharashtra-based trader said quality cotton could drop to Rs 35,000 a candy in the coming days. Price of Maharashtra raw cotton in Gujarat was Rs 600-610 for a *maund*.

### **Rice rules flat in thin trade**



Karnal, June 17:

With not much buying taking place in the market, prices of aromatic and non-basmati rice ruled almost unchanged on Friday. The aromatic varieties may witness a fall in the coming days as demand is not picking up, said Mr Praveen Kumar, a rice miller.

The Pusa1121 varieties continued to rule flat — Pusa1121 (steam) quoted at Rs 5,000 a quintal, Pusa-1121 (sela) ruled around Rs 4,000, while Pusa-1121 (raw) was trading at Rs 4,600 a quintal.

Duplicate basmati quoted at Rs 3,500-3,580 a quintal. Pure basmati (raw) ruled at Rs 6,500 a quintal.

Prices of brokens of Pusa 1121, Tibar was quoted at Rs 3,100-3,300, Dubar quoted at Rs 2,500-2,600 and Mongra at Rs 1,900-2,125.

After witnessing a decline earlier this week, non-basmati varieties managed to maintain their previous levels amid slack demand.

Sharbati (steam) quoted at Rs 3,000-3,050, while Sharbati (sela) ruled between Rs 2,800-2,865 a quintal.

PR11 (sela) ruled at Rs 2,000-2,175, while PR-11 (raw) quoted at Rs 1,950-2,130 a quintal.

Permal (sela) ruled between Rs 1,700-1,940 a quintal, while Permal (raw) traded at Rs 1,900-2,095 a quintal.

Brokens of the Sharbati variety, Tibar was quoted at Rs 2,350-2,480, Dubar at 2,100-2,200 and Mongra around Rs 1,750 a quintal.

### **Rice cultivation**

The area under rice cultivation trails by 45,000 hectares this year; the total area would be 12 lakh hectares against 12.45 lakh hectares last year.

### **Hopes of higher exports sweeten sugar**



Mumbai, June 17:

The sugar market rebounded on Friday from lower levels on expectations that the Government would soon give permission to export more. Spot prices at the Vashi terminal market were up by Rs 10-15 a quintal, in line with the increase in *Naka*-Mill tender rates by Rs 15-20 for S-grade and Rs 25-30 for M-grade.

## Volumes improve

Volumes improved on increased retail demand. The sentiment in the market was firm as mills increased the rates for quality sugar. Tender rates ruled firm as mills were not very keen to sell at lower rates, a wholesaler in the Vashi market said.

Mr Jagdish Rawal of B. Bhogilal & Co, said that considering the lower price and improved sentiment, upcountry buyers have started buying.

In the last two days about 27,000 bags (each 100 kg) were sold by mills to neighbouring States. On Thursday, mills sold about 85,000-90,000 bags to local traders at Rs 2,460-2,500 for S-grade and at Rs 2,495-2,590 for M-grade. Freight rates at producing centres ruled steady as the required number of trucks was not available on time, upsetting dispatches. Increased daily volumes this week indicate active buying interest. In the first fortnight of the current month, sugar prices declined by Rs 80-90 a quintal. Since January sugar prices have dropped Rs 350-400 on expectation of higher domestic production and restricted demand. Also, the sharp drop in prices in the export market reduced the possibility of exports for some time. Now, however, the chances of exports are looking brighter.

According to sources, 28-30 mills have sold 1.25-1.50 lakh bags of sugar (100 kg each) at Rs 2,460-2,495 for S-grade and Rs 2,490-2,590 for M-grade. Arrival in the market was 48-49 truckloads (each of 100 bags) and local dispatches were higher at 50-52 truckloads.

**Bombay Sugar Merchants Association rates:** Spot rates: S grade, Rs 2,600-2,651 (Rs 2,582-2,641); and M grade, Rs 2,661-2,801 (Rs 2,646-2,791).

**Naka delivery rates:** S grade, Rs 2,555-2,605 (Rs 2,540-2,580); and M grade, Rs 2,625-2,760 (Rs 2,600-2,660).

## Bulk orders from Bihar lift turmeric



Erode, June 17:

Spot turmeric increased by Rs 400 a quintal on Friday as traders received bulk orders from Bihar. "Turmeric traders of Erode have received orders from Bihar suddenly. So they quoted higher price," said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. He said spot turmeric has increased by Rs 400 a quintal and farmers are willing to sell. On Friday, out of 8,500 bags that arrived for sale, 70 per cent was sold. Traders said they are expecting some more orders from Bihar in the next one week. Traders said that at the Regulated Marketing Committee, prices dipped Rs 200 a quintal, due to quality of the stock. But sales are encouraging. At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 5,609-7,899 a quintal and the root variety Rs 5,366-6,635.

**Salem Crop:** The finger variety was sold at Rs 6,976-8,799 and the root variety at Rs 6,465-7,200. Out of the total arrival of 2,195 bags, 518 sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 6,272-8,199 and the root variety Rs 5,001-6,569. All the 141 bags on sale were sold. At the Erode Cooperative Marketing Society, the finger variety fetched Rs 6,069-8,181 and the root variety Rs 5,868-6,648. Out of arrival of 1,214 bags, 1,164 were sold. At the Regulated Marketing Committee, the finger variety sold at Rs 7,290-Rs 8,009 and the root variety at Rs 6,306-7,012. Out of 719 bags that arrived, 599 were sold.