

## Strategies for monsoon session being prepared

Neena Vyas

*Opposition aiming to target government on corruption*

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*UPA to make effort to get women's reservation bill passed by the Lok Sabha Lokpal Bill as a Constitutional amendment needs Opposition support for passage*

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NEW DELHI: The stage is set for the start of the monsoon session of Parliament on August 1 and already the Opposition and ruling parties are drawing up their strategies to further their larger political plans.

With its anti-corruption theme song, the Opposition is certainly hoping to further erode the government's confidence in the coming session. Recently, the Bharatiya Janata Party demanded the resignation of Home Minister P. Chidambaram for his alleged role as the former Finance Minister in the Krishna-Godavari gas basin matter, on which the Comptroller and Auditor General has sent a draft report to the Petroleum Ministry seeking its response. And, of course, the police action at the Ramlila grounds on yoga guru Baba Ramdev's followers is also bound to be raised.

The ruling coalition is equally determined to try and regain some measure of public support through some path-breaking legislation. The Lokpal Bill, as promised, is bound to come up and there is an indication that an effort would be made to get the Women's Reservation Bill go through the Lok Sabha. There is also the bill to prevent all forms of violence targeting minorities — linguistic, religious or caste — and the government could well be hoping to use this to divide

the Opposition. The Left is likely to support it, while the BJP has already criticised it and will certainly oppose it.

Ahead of the monsoon session — the Cabinet Committee on Parliamentary Affairs headed by Leader of the Lok Sabha Pranab Mukherjee on Tuesday decided to recommend a session from August 1 to September 8 — the Speaker of the Lok Sabha Meira Kumar has called a meeting of leaders of all parties on Wednesday to once again try to evolve consensus on the women's reservation Bill that the Rajya Sabha passed more than a year ago. The Bill is yet to be taken up in the Lok Sabha. It continues to face open opposition from the Samajwadi Party, the Rashtriya Janata Dal and partially from the Janata Dal (United).

Parliamentary Affairs Minister Pawan Kumar Bansal on Tuesday said the seriousness of the government was self-evident in that it piloted the Bill safely through the Upper House and it “also took a little unpleasant [political] dose to see that it is passed.”

#### Consultations

The negotiations between the government and civil society members on the Lokpal Bill were over on Tuesday. But already the government has indicated the next step in the process would begin in the form of consultation with all parties.

This Bill, like the Women's Reservation Bill, would be a Constitutional amendment and the Opposition support is necessary as a two-thirds majority is needed.

With several of the accused in the 2G spectrum and Commonwealth Games scandals already in jail, the government is certainly hoping to retrieve some of its lost prestige through historic legislation. But, precisely because of this, it may not be easy as the Opposition could find ways to scuttle the ruling party's effort and keep the heat on the United Progressive Alliance by demanding a discussion or even a joint parliamentary committee on the KG basin matter, especially if the final CAG report on this subject is ready by then.

## Centre opens cotton export registration

Special Correspondent

*Government warns of strict action in case of default*

NEW DELHI: Even as the government opened registration for allowing export of additional 10 lakh bales, it issued a veiled threat to cotton exporters warning that those who fail to ship the quantity allocated to them within the stipulated period will be debarred from future allocations.

The Directorate General of Foreign Trade (DGFT), under the Ministry of Commerce and Industry, warned it would be forced to initiate penal action against the defaulting exporters. While initially the quota allocation was 55 lakh bales (170 kg each), the same has been increased to 65 lakh bales after additional 10 lakh bales of cotton were allowed by the government on June 8 for the current season ending September. "The exporter shall be liable to a penalty of not less than Rs.10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more," the DGFT stated.

Allocation will be made to those exporters who must have exported cotton in either of the two previous cotton years.

The data released by the Agriculture Ministry has indicated that India produced a record 33.9 million bales in 2010-11 against 24.2 million bales in the previous year. However, the Cotton Advisory Board has lowered the cotton output to 312 lakh bales in April from 329 lakh bales, mainly due to unseasonal rains in Tamil Nadu, Andhra Pradesh and Maharashtra in December last.

The DGFT has started registrations of additional quantity of 10 lakh bales of cotton exports for the current season and will accept applications till June 25.

The applications for registrations will be processed till July 5 and the quota will be allocated on July 6, the DGFT said. The exporters will be given nine days time to submit their documents starting July 7, while shipments will be completed by September 15, it said.

The allocation will be made on a pro-rata basis.

However, the DGFT tightened the norms by putting a ceiling on the application quantity of a maximum 25,000 bales.

**Date:**22/06/2011 **URL:** <http://www.thehindu.com/2011/06/22/stories/2011062265361000.htm>

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### **AEPC to conduct seminar on June 23**

Tirupur: The Apparel Export Promotion Council (AEPC) will conduct a seminar on fashion trends in Japanese market at TEA hall on June 23. AEPC senior director D.G. Reddy told reporters that Hiroki Ishijima, a fashion designer, and Y. Kamiyama, a representative of Japan Textile Importers Association, would be interacting with the textile exporters from Tirupur cluster.

#### **Opportunities**

He said that opportunities in Japan market was immense for textile exporters here as the Government of India had recently signed a Comprehensive Economic Partnership Agreement with Japan facilitating import garments from India at zero duty. The participation in the seminar would be free.

**Date:**22/06/2011 **URL:** <http://www.thehindu.com/2011/06/22/stories/2011062264000500.htm>

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### **No shortage of fertilizers: Katti**

Hubli: Agriculture Minister Umesh Katti has said the State has adequate quantity of seeds and fertilizers and that the farmers should not heed to rumours about shortage.

Speaking to presspersons here on Tuesday after laying the foundation stone for a modern cold chain and export packing house at APMC yard, Amaragol in Hubli, Mr. Katti asked the farmers

to be patient and cooperate with the administration during the distribution of the seeds and fertilizers.

The minister said that the State had taken steps to ensure a stock of 4.70 lakh tonnes of fertilizers in the month of May itself, he said.

Date:22/06/2011 URL: <http://www.thehindu.com/2011/06/22/stories/2011062261320200.htm>

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### **'Hike procurement price for paddy'**

Special Correspondent

THANJAVUR: The Tamil Nadu Vivasayigal Sangam affiliated to the Communist Party of India (Marxist) has appealed to the State government to announce a procurement price of Rs.1, 500 per quintal for paddy. P.Shanmugham, State secretary of the association, told presspersons here that the price should be announced now without delaying it till the time of harvest.

Demand by farmers for fixing a price of Rs.1,500 per quintal is justified if the increase in input costs are taken into consideration, which has increased the cultivation expenditure. Besides good procurement price, credit and inputs like seeds and fertilisers should be made available to the farmers on time to increase production.

Date:22/06/2011 URL: <http://www.thehindu.com/2011/06/22/stories/2011062263350400.htm>

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### **Delhi bans use of calcium carbide for ripening fruits**

Staff Reporter

NEW DELHI: The Delhi Government has banned the use of calcium carbide in the Capital for ripening of fruits.

Health Minister Dr. A. K. Walia held a meeting on Tuesday to discuss the issue and alternative techniques for ripening of fruits. It was attended by Principal Secretary (Health) Anshu Prakash and other senior officials.

“Use of calcium carbide for artificially ripening fruits is banned in Delhi under the Prevention of Food Adulteration Act and ethylene gas can be used as an alternative technique, which is not harmful. Fruits ripened with ethylene have more acceptable colour than naturally ripened fruits and have more shelf-life than fruits ripened with calcium carbide,” said Dr. Walia.

Date:22/06/2011 URL: <http://www.thehindu.com/2011/06/22/stories/2011062250700200.htm>

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## Free seeds for tribals in Rajasthan

Special Correspondent

JAIPUR: The Rajasthan Government's Agriculture Department has decided to distribute certified seeds and fertilizers free of cost to Below Poverty Line (BPL) farmers in the Tribal Sub-Plan region of the State for sowing of kharif crops. A similar supply of seeds last year had led to a three-fold increase in crop productivity.

State Principal Agriculture Secretary R. K. Meena said in Udaipur over the weekend that the Rajasthan State Cooperative Marketing Federation, Rajasthan State Seeds Corporation and the fertilizer companies had been asked to supply certified seeds of maize, soybeans, jowar, urad, arhar, etc, to village panchayats.

Mr. Meena said committees had been appointed at the panchayat level to ensure hassle-free distribution of the material. Each BPL tribal farmer family would get 5 kg of seeds as well as urea and di-ammonium phosphate fertilizers free of cost.

Farmers in the tribal-dominated Udaipur, Banswara, Dungarpur, Sirohi and Pratapgarh districts will benefit. Mr. Meena also asked the Collectors of the five districts to establish two to three model wells in their areas to provide a permanent source of water.

The Principal Secretary said the Agriculture Department would provide an assistance of Rs.50,000 for permanent construction of each model well. Udaipur Divisional Commissioner

Aparna Arora and senior officers of the Agriculture and Cooperative departments attended the meeting.

Date:22/06/2011 URL: <http://www.thehindu.com/2011/06/22/stories/2011062251670300.htm>

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## **Water released from KRP Dam**

Staff Reporter

KRISHNAGIRI: Water from the Krishnagiri Reservoir Project (KRP) Dam was released for the first crop from the right and left main canals on Sunday.

Minister for Municipal Administration and Rural Development K.P. Munusamy opened the sluice gates of the canals. Collector C.N. Maheshwaran was present.

Mr. Munusamy told reporters that a total of 9,012 acres of agriculture land in 16 villages would benefit for the next 150 days from June 19 through 26 irrigation tanks on the course of the canals.

He said that this was the first time the water from the dam was released ahead of schedule in the last 28 years. Good rain was expected this season and that would improve the storage of water bodies.

Hence, water for the second crop would also be released ahead of the schedule.

A total of 4,287 acres in the ayacut of right main canal and the small lakes on the way and 4,725 acres in the ayacut of left main canal and the lakes on its way would be irrigated.

Periyamuthur, Sundekuppam, Thimmapuram, Soutaalli, Thalialli, Kalvealli, Kundalapatti, Mittaalli, Erraalli, Penneswaramadam, Kaveripattinam, Balekuli, Marichettihalli, Nagojanaalli, Janapparuralli and Paiyur would benefit from the dam water.

Water would be released for 150 days.

Mr. Munusamy appealed to the farmers to use water judiciously so that the tail-end farmers would also get water.

Water level

Water level in the KRP Dam stood at 49.50 ft as against its full height of 52 ft.

Water released through both the canals was 150 cft per second.

The Minister also released water from the right and left main canals of Barur big lake for first crop to irrigate 4729.25 acres.

**Date:22/06/2011 URL: <http://www.thehindu.com/2011/06/22/stories/2011062253390500.htm>**

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### **All India Mango Exhibition begins today**

Staff Reporter

KRISHNAGIRI: Agriculture Minister K.A. Sengottaiyan will inaugurate the 19th All India Mango Exhibition at the Government Boys Higher Secondary School ground in Krishnagiri on June 22 (Wednesday).

The annual event will be held upto July 15.

130 stalls

Collector C.N. Maheshwaran, after inspecting the arrangements on Monday, told reporters that as many as 130 stalls will be put up at the exhibition.

Minister for Municipal Administration and Rural Development K.P. Munusamy will preside over the function. The Ministers will also distribute welfare assistance during the inaugural function.

Cultural programmes will also be held during the exhibition.



Date:22/06/2011 URL:

<http://www.thehindu.com/2011/06/22/stories/2011062252290300.htm>

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### **Departments asked to brace up for flooding**

PUDUKOTTAI: Collector B.Maheswari has instructed all government departments to take precautionary measures to prevent flooding during the south-west monsoon.

At a consultative meeting to discuss the measures to be taken ahead of the monsoon, Ms.Maheswari told the officials to keep cyclone shelters, school and marriage halls ready to accommodate people. All amenities such as drinking water supply should be given at these places.

She instructed the officials to clear storm water drains and irrigation channels. Adequate sand bags should be kept ready to prevent breaches in rivers and tanks. The Fire and Rescue Service should keep ready rubber boats, life jackets and other necessary equipment so that they could act swiftly in coordination with coastal security agencies and the Fisheries Department in case of floods.

The District Supplies Office should keep in readiness adequate stocks of food grains, kerosene and gunny bags. Residents of the district could call the toll free number 1077 at the Collectorate to convey any information relating to monsoon damage, she said.

K.S.Ramadasu, District Revenue Officer, S.S.Kumar, Project Director, District Rural Development Agency, and other officials attended the meeting.

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## Weather

Chennai - INDIA

### Today's Weather



Partly Cloudy

Wednesday, Jun 22

Max Min

39.2° | 27.2°

Rain: 00 mm in 24hrs

Sunrise: 5:43

Humidity: 71%

Sunset: 18:37

Wind: Normal

Barometer: 1002.0

### Tomorrow's Forecast



Partly Cloudy

Thursday, Jun 23

Max Min

39° | 28°

### Extended Forecast for a week

Friday

Saturday

Sunday

Monday

Tuesday

Jun 24

Jun 25

Jun 26

Jun 27

Jun 28



35° | 29°

35° | 29°

36° | 28°

36° | 29°

35° | 29°

Rainy

Rainy

Rainy

Rainy

Rainy

# Business Standard

Wednesday, Jun 22, 2011

## Food EGoM to meet tomorrow to decide on sugar exports

Saubhadra Chatterji & Sanjeeb Mukherjee / New Delhi June 22, 2011, 0:52 IST

At the behest of Agriculture Minister Sharad Pawar, the Empowered Group of Ministers (EGoM) on food has decided to meet on June 23 to take a call on allowing the export of more sugar. Although Pawar will not be present at the meeting, as he is travelling, he wants the EGoM to meet and allow additional exports of at least one million tonnes of sugar.

Pawar's absence has forced the government to defer meeting of the EGoM on oil prices at least twice during the past few weeks. The oil EGoM is expected to decide on the issue of an increase in diesel, kerosene and LPG prices. But for the food EGoM, Pawar has been proactive: Today, he sent a two-page note to the Prime Minister's Office, finance ministry and the Cabinet Secretariat. While elaborating his stand of the issue of sugar exports, Pawar has urged the government to hold the meeting, even in his absence, and decide on the issue.

As the agriculture minister has expressed his stand in the note, the Cabinet Secretariat has asked the finance ministry to convene a meeting of the EGoM.

The meeting was also expected to discuss other issues, sources indicated.

Food Minister K V Thomas, however, is opposed to any immediate relaxation in the volume of sugar to be exported. While Pawar is known to be in favour of further exports, Thomas recently said no further export of sugar should be allowed before Diwali.

India's sugar mills have sought permission from the government to allow additional sugar export as output is expected to rise in the next season from October, Abinash Verma, head of Indian Sugar Mills Association, said.

In April this year, the government had allowed 500,000 tonnes of sugar to be exported under the Open General Licence (OGL), which means the movement of shipments without any restriction. Of this, 50,000 tonnes has to be exported through government agencies.

Sugar production in India, the world's second-largest producer and the biggest consumer of the commodity, is estimated at 24.2 million tonnes in 2010-11 season, compared to 18.8 million tonnes in the previous season. In the 2011-12 season, the production is estimated to be at 26-26.5 million tonnes.

### **Groundnut oil prices hit record high**

**Vimukt Dave / Mumbai/ Rajkot June 22, 2011, 0:18 IST**

Groundnut oil prices have surged to a record high of Rs 1,590 per 15 kg tin amid high demand and lower availability of ground nut for crushing.

Considering the prevailing demand-supply gap, industry insiders see no respite from the soaring prices of the edible oil any time soon.

"The gap between demand and supply has increased as millers are not getting enough groundnuts for crushing activity. Most of the groundnut stock has been consumed in the form of peanuts and its products," said Samir Shah, managing director of Rajmoti Oil Industry from Rajkot.

"It is a fact that groundnut production has increased this year, but millers do not have the benefit of it. The lack of raw material may further increase groundnut oil prices in coming days," he added.

According to the oil milling industry sources, the demand for groundnut oil is estimated to be about 200 tonnes per day, while the production currently is merely 80-100 tonnes per day.

Groundnut oil 'lose' traded at Rs 970-975 for 10 kg in Rajkot market, while groundnut oil new tin hovered at Rs 1580-1590 per 15 kg, which was up by Rs 160 per tin from Rs 1420-1430 per tin during the month of June.

Groundnut bold price remained at Rs 675-760 per 20 kg in Rajkot markets, while in Junagadh the price stood at Rs 550-868 per 20 kg. Meanwhile, groundnut small was priced at Rs 575-800 per 20 kg in Rajkot and Rs .600-834 per 20 kg in Junagadh.

The arrivals have also declined during the month from about 100,000 bags (1 bag = 50 kg) arrived in Saurashtra and Gujarat to currently 60,000-65,000 bags.

Echoing similar sentiments, Vikram Duvani of Rachana Seeds Industries from Junagadh maintained that export demand for groundnut had been rising.

"The export demand is rising from all key export destinations. China is also in a queue to buy groundnut from India. Moreover, groundnut is also used as a replacement of cashew in various products like chocolate, butter as value addition," said Duvani.

"Summer groundnut production is defiantly high but against it, direct consumption and demand of peanuts for export is also high and most of the stocks are being consumed in it. As a result of it, a scarcity of groundnut is felt for the crushing activity," said B V Mehta, executive director of Solvent Extractors' Association of India (SEA). Kharif groundnut production is predicted to be higher by around 1.8 - 2.0 million tonnes.

### **Cotton yarn exports dip, post-monsoon revival seen**

**Dilip Kumar Jha / Mumbai June 22, 2011, 0:14 IST**



India's cotton yarn exports declined 33 per cent in the first two months of the current financial year, due to low demand. The directorate-general of foreign trade (DGFT) registered 134.55 million kg for export in April and May and the actual shipment is estimated at 100-110 million kg, as against 150-160 million kg in the corresponding period last year.

"Actual shipment runs generally with a lag of 15 days and, hence, we do not think, total export quantity could have surpassed 110 million kg," said D K Nair, secretary-general of the Confederation of Indian Textile Industry.

Demand abroad for both cotton and cotton yarn has declined steeply, partly due to the government's policies. Last year, it imposed an upper export limit of 720 million kg, which

ginners executed in the first 10 months, anticipating an extension of the quota. But, the government did not do so. Hence, there was close to zero shipment in the last two months, February and March. Importers from Bangladesh and China, the two main destinations for India's cotton yarn, opted for synthetic yarn.

Cotton yarn prices have dived 60 per cent in the past two months. The benchmark 42-count is traded at Rs 170 per kg on Tuesday. It is the same abroad; in Bangladesh, the benchmark 30S category yarn is below \$5 a kg from \$7 a kg in February-March. Powerlooms in Bhiwandi, a hub of cotton yarn manufacturing units near Mumbai, are operating at 40 per cent of capacity to avoid further stockpiling. When prices were over Rs 240 a kg early this year, lots of stockists built inventories in anticipation of further price rise. They are now releasing stocks and supply has gone up substantially in the past two months surpassing demand by a wide margin, said Bharat Malkan, promoter of IB Yarn Agency, a Mumbai-based trader.

Ginners are optimistic that demand from both domestic and foreign textile mills would revive after the monsoon, for which inquiries and orders should start soon. Says Malkan: "Despite the markets looking dull, we are keeping our fingers crossed for an early revival in cotton yarn demand."

A dramatic fall in cotton prices is also supporting the downward trend in the yarn market. Cotton was Rs 63,000 per candy (1 candy = 356 kg) only a quarter earlier. It is now below Rs 40,000 a candy.

## **US blues for black pepper traders**

**George Joseph / Kochi June 22, 2011, 0:13 IST**

Black pepper exporters across the world are facing serious trouble in dealing with US importers, including those in India.



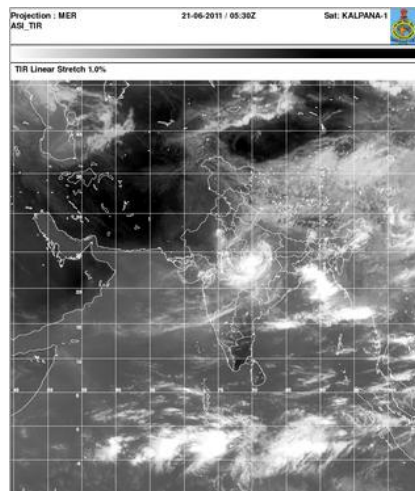
The issue is of light berry (immature berry) content, they say. If the content in every lot of pepper is above two per cent, the exporter has to pay one per cent as tolerance allowance to the buyer. If more than three per cent, the lot is rejected, as failing the American Spice Trade Association (Asta) standard.

Top exporters told Business Standard every time an export sample to the US is tested in the laboratories of the Export Inspection Agency (EIA) here, in those of the Spices Board or private ones, the light berry content is normally 1.1-1.2 per cent. But a section of US importers complain that when it is tested in the leading labs there, the content is usually above two per cent and sometimes more than three per cent.

All consignments from India to the US or Canada carry a test tag from the EIA, as it is mandatory there. Other destinations, including the European Union, do not insist on this as India's MG1 grade is well accepted, as a top-quality product. Exporters from other major producers such as Brazil, Indonesia and Vietnam are also facing this problem. A fifth of all global exports go to the US. "Maybe the methodology adopted by labs there (USA) makes the difference. But there are no issues with other importing countries, including Canada, about the light berry content. This long-pending issue should be resolved, otherwise exports to the US will be affected very badly," said a top exporter.

## THE HINDU Business Line

### Second stage monsoon long-range forecast later today



THIRUVANANTHAPURAM, JUNE 21:

India Meteorological Department (IMD) will come out with its second stage long-range forecast of the prevailing monsoon, which has run up an overall surplus almost 25 days into the season despite some deficit towards the east.

The first stage forecast was given out on April 19, which gave a 'normal' seasonal outlook. The second stage deals with the outlook for the crucial sowing month of July and the rest of the four-month season.

Global models have been indicating a certain amount of continued vulnerability to east and northeast India, being carried forward from the two preceding years. This is a worrying trend.

As of June 20, seven out of the nine deficit-reporting Met sub-divisions were from the east and northeast. The situation must have been drastically altered since then thanks to the pulsating tenure of the depression-turned-deep depression in east India but not in the northeast.

Meanwhile, the prevailing monsoon depression has not shown any signs of weakening this (Tuesday) morning after being air borne and in constant churn over east and adjoining east-central India for an extended period.

It could, however, run into some resistance after being forced to share available moisture feed with a weather system brewing far across to the east over northwest Pacific.

By that time, it would have heralded monsoon into the 'blanked out' parts of north and western Maharashtra, Madhya Pradesh and Gujarat while taking time off to establish itself over east India. These also include madhya Maharashtra and Marathawada.

Additionally, it would also cover west Uttar Pradesh and east Rajasthan, and with some assistance from a prevailing upper air cyclonic circulation, most parts of northwest India excluding possibly west Rajasthan during this run.

Global model forecasts indicate a fresh wave of rains from along the west coast by the weekend. Associated southwesterlies might go on to meet with monsoon easterlies from the Bay over the Indo-Gangetic plains to push rains further into northwest.

Meanwhile, India Meteorological Department (IMD) said in an update this (Tuesday) morning that the monsoon depression located over southeast Uttar Pradesh and adjoining east Madhya Pradesh, Chhattisgarh and Jharkhand the previous night had moved northwestwards and lay centred over east Madhya Pradesh and adjoining East Uttar Pradesh and Chhattisgarh, about 100 km southwest of Varanasi and 120 km east of Rewa.



The system is likely to move west-northwestwards direction and weaken gradually.

The upper air cyclonic circulation over northwest Rajasthan and neighbourhood persists. The feeble western disturbance over Jammu and Kashmir and adjoining north Pakistan too persists.

Satellite pictures showed the presence of convective clouds over parts of east Uttar Pradesh, east Madhya Pradesh, Vidarbha, Chhattisgarh, Telangana, the Northeastern States and northeast and adjoining east-central Bay of Bengal.

A weather warning issued by the IMD said that heavy to very heavy rainfall would occur at isolated places over north Chhattisgarh, east Madhya Pradesh and east Uttar Pradesh until Wednesday.

Heavy rainfall may occur at isolated places over west Madhya Pradesh and Vidarbha until Thursday. Isolated thunder squalls could rip through Punjab, Haryana, Delhi, Rajasthan and Uttar Pradesh.

### **Treading the traditional path**



Business Line A farmer harvests sesame at Illahipur in Hooghly district.

June 21, 2011:

West Bengal's Hooghly district as they still sow, harvest, thresh and store sesame crop in the traditional way. As a result, they have to immediately sell after harvest rather than hold back their produce as do some of their counterparts elsewhere in the country.

## **Spot rubber rules static**

Kottayam, June 21:

Spot rubber finished almost unchanged on Tuesday. The market was dull following a weak closing in domestic and international futures but it managed to limit losses and closed steady on supply concerns. The trend was partially mixed as ISNR 20 slipped further on buyer resistance and the overall sentiments still appeared bearish as the major consuming industries continued to remain inactive on RSS 4.

Sheet rubber closed flat at Rs 222.50 a kg, according to dealers. The grade slipped to Rs 222.50 (223.00) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

The July series weakened to Rs. 219.31 (221.94) August to Rs. 221.21 (223.87), September to Rs. 220.00 (221.98), October to Rs.220.00 (220.65) and December to Rs. 221.50 (223.40), while the November series improved to Rs. 223.50 (221.50) per kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs. 226.06 (227.72) a kg at Bangkok. The June futures moved down to ¥ 400.7 (Rs. 224.17) from ¥ 405.0 per kg during the day session and then to ¥ 400.0 (Rs. 223.81) in the night session on Tokyo Commodity Exchange.

Physical rates (Rs/kg) were: RSS-4: 222.50 (222.50); RSS-5: 220 (220); Ungraded: 218 (218); ISNR 20: 219 (221); and latex 60%: 139 (139).

## **Groundnut oil jumps to record on low supplies**

Rajkot, June 21:

On lower availability of raw material for crushing and high demand, groundnut oil surged to a record high of Rs 1,590 for a 15 kg new tin. According to market sources, the price will not drop for the next couple of weeks as demand and supply are still wide apart.

Groundnut oil "loose" is traded on Rs 970-975 for 10 kg in Rajkot, while groundnut oil new tin ruled at Rs 1,580-1,590 for 15 kg. During June, groundnut oil tin has increased by Rs 160. The price of groundnut bold is Rs 675-760 in Rajkot and Rs 550-868 for a *maund* of 20 kg in

Junagadh. Prices of groundnut (small) at Rajkot is Rs 575-800 and in Junagadh it is Rs 600-834. Arrivals also declined during the month. At the beginning of June about 1 lakh bags arrived in Saurashtra and Gujarat, which has come down to 60,000-65,000 bags (of 50 kg each). According to edible oil traders, demand from branded companies is strong, keeping prices firm.

“The gap between demand and supply has increased as millers are not getting enough groundnut for crushing. Most of the groundnut stock are consumed in peanut and its products,” said Mr Samir Shah, managing director of Rajmoti Oil Industry from Rajkot.

### **Export demand props up orthodox tea market**

Coonoor, June 21:

Export demand is helping the orthodox tea market remain buoyant at the country's auction centres.

“This week, buyers for Germany, the CIS, Japan and Iran bought most of the tippy orthodox teas at Kolkata auctions. We expect Iran's demand to increase for good density second flush brokens. We also anticipate better overall export demand at least for the next five weeks,” Mr Subodh Paul, Director, Contemporary Brokers Pvt Ltd, told *Business Line*.

“From the next week, almost 95 per cent of the orthodox teas coming for sale would have been harvested in the first week of May. They have good character of quality second flush teas. West Asia prefers clean long whole leaf teas,” he detailed.

This week, the best of orthodox teas from North India fetched Rs 200-250 a kg while the low-end fannings, Rs 85-95.

### **Amul's turnover up at Rs 9,774 cr**

Anand (Gujarat), June 21:

The Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets the Amul brand of milk and dairy products, has achieved the turnover of Rs 9,774 crore (\$2.17 billion) during 2010-11, the federation said on Tuesday.

“The Taste of India” marketer is now aiming at a turnover of Rs 12,000 crore next year, and Rs 30,000 crore by 2020,” Mr R S Sodhi, Managing Director, GCMMF, told *Business Line*.

The turnover of Rs 9,774 crore this year does not include the turnover of major cooperative dairies such as those at Vadodara and Surat which also market their products under the same Amul brand through an arrangement with GCMMF. Together with these dairies, the Amul brand's total turnover would be about Rs 13,000 crore in 2010-11, Mr Sodhi said.

Interestingly, while Amul milk is the “milch cow” for GCMMF, with a 40 per cent contribution to its turnover, Amulspray, in the infant milk product category, is now the second most saleable product of the cooperative, with revenues of Rs 1,000 crore. Amul butter comes third, with Rs 900-crore turnover.

This year, Amul will be launching a fruit yoghurt as well.

Amul achieved a growth of 22.1 per cent during the previous fiscal, Mr Parthibhai G Bhatol, Chairman, informed the 37th Annual General Meeting of GCMMF at Anand on Tuesday.

GCMMF had achieved the \$1-billion mark four years ago, in the 33rd year of its formation in 1964. GCMMF's turnover registered a CAGR (compounded annual growth rate) of 23 per cent during these last four years. In 2010-11, it paid Rs 8,345 crore to its 30 lakh farmer-members. Payout to farmers also registered a 23 per cent CAGR in the last four years.

While sales of Amul butter increased 26 per cent in 2010-11, that of Amul milk in pouches went up by 34 per cent, and processed cheese by 29 per cent. Amul beverage range including flavoured milk, buttermilk and lassi have shown a growth of 28 per cent and that of Masti curd 39 per cent.

With enhanced focus on fresh and fermented products, GCMMF had recently launched Amul probiotic lassi in ready-to-drink cups, probiotic buttermilk, and also flavoured yoghurt under the brand name of Amul Flaavyo.

## Cardamom market heads north on export demand



Kochi, June 21:

The cardamom market headed north last week on good export demand and domestic buying at the auctions held in Kerala and Tamil Nadu.

An estimated 80 tonnes of the commodity were bought by exporters. The buyers are enthused by the quality of the material and the current prices, trade sources said. The bold capsules are from the October-November picking and hence in good colour while the prices are moderate and below what prevailed for the same material last year, they said.

Therefore, export purchases and despatching could continue till July-end as the current prices are viable for exporters, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line*.

The upcountry buyers were also active. Consequently the market improved last week, he said.

According to traders in Bodinayakannur, the trend in export and domestic buying gives the impression that the market is likely to move up further marginally.

“At this point of time there is no threat from the lone competitor Guatemala as its crop would be available by September-October,” market sources claimed.

Upcountry buyers were buying small quantities, as a result of which the entire quantity of 67.8 tonnes of cardamom that arrived at the Sunday auction was sold out. The maximum price

fetches was Rs 999.50 a kg and minimum Rs 465 a kg. The auction average improved to Rs 766.12 a kg, Mr Punnoose said. Total arrivals during last week increased to over 300 tonnes from 257 tonnes the week before. Total arrivals during the current season from August 1 to June 19 stood at 11,156 tonnes. Of this, 10,886 tonnes were sold. Arrivals and sales in the same period of the previous season were 10,450 tonnes and 10,155 tonnes respectively. Weighted average price as on June 19, was around Rs 1,038.50 a kg, as against about Rs 832 a kg on the same day last year. Exporters are said to be holding orders in hand and are expected to buy good quantity to meet their overseas Ramzan requirement, a major dealer in Bodi told *Business Line* on Monday. Prices of 8mm bold good colour in Bodi today were at Rs 1,150 – Rs 1,200 a kg, he said.

Prices in the open market Bodinayakannur in rupees per kg were: AGEB (7mm) 950 -1,000; AGB (6mm) 750 -800; AGS (5mm – 6mm) 700 - 750 and AGS 1: 675. Good bulk was fetching Rs 750 – Rs 800 a kg. The growing areas are receiving good rains with occasional sun shine and the overall weather condition is favourable so far for the plants and hence the next crop is likely to be good and expected to hit the market late this month, growers in Kumily said.

### **Wheat rules flat on lack of buying**



Karnal, June 21:

Despite low arrivals, dara wheat prices remained unchanged, while *desi* wheat witnessed a mixed trend on account of low buying on Tuesday.

Following sluggish demand, arrivals have dropped. About 100 tonnes of dara variety only arrived from Uttar Pradesh and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,175, while it traded at Rs 1,180 at the retail market.

To maintain prices, traders are placing orders based on the demand, said Mr Sewa Ram, a wheat trader. There is no bulk buying in the market, demand is very low and the market may continue to rule around current levels for the next few days, he added. Traders expect the market to witness an uptrend in July.

Desi wheat varieties, on the other hand, witnessed a mixed trend on account of low arrivals and sluggish domestic demand. Around 800 quintals of different varieties of *desi* wheat arrived from Madhya Pradesh.

Tohfa variety remained unchanged and quoted at Rs 2,250 a quintal. Maruti dropped by Rs 40 and ruled at Rs 1,850, Lal Quila went up by Rs 15 and was at Rs 1,950, while A-1 variety dropped further, decreasing by Rs 50 and was at Rs 2,100 a quintal.

### **Flour Prices**

Flour prices continued to witness a downtrend, decreasing by Rs 25 to quote at Rs 1,210 for a 90 kg bag against Rs 1,235 last weekend. Chokar, however, witnessed a steady trend and was at Rs 580 for a 49-kg bag.

### **Punjab to set up four cattle mandis**

Chandigarh, June 21:

The Punjab government today said it has decided to establish four ultra modern cattle mandis in Amritsar, Jagraon (Ludhiana) and Subhanpur (Kapurthala) on the pattern of France.

The Punjab Animal Husbandry, Dairy Development, Fisheries and Welfare of Scheduled Caste & Backward Classes Minister, Mr Gulzar Singh Ranike, said these mandis would provide modern facilities including veterinary hospital, provision of stay of cattle owners, parking and sheds.

### **Funds for saffron development**

Jammu, June 21:

The Jammu and Kashmir government has earmarked Rs 3.23 crore for economic revival of saffron in mountainous Kishtwar district in Jammu region during the current financial year, the Agriculture Minister, Mr G.H. Mir, said.

Mr Mir, who conducted a tour to Kishtwar's saffron-growing areas, including the saffron development farm at Berwar and Poochal, said an area of 20 hectares is envisaged for rejuvenation through provision of quality planting material.

He said the Saffron Development Farm at Berwar is proposed to be covered to the extent of eight hectares.

### **Haryana tubewell connections**

Chandigarh, June 21:

The Haryana Chief Minister, Mr Bhupinder Singh Hooda, on Tuesday announced immediate release of tubewell connections against all applications received up to December last year.

He has ordered issuance of demand notices against over 46,000 pending applications for tubewell connections in Haryana immediately.

This was announced by the Chief Minister while reviewing the activities of the Haryana power utilities at Chandigarh.

### **Coir Board to hold training programme for exporters**

Kochi, June 21:

The Chairman of Coir Board, Mr V. S. Vijayaraghavan, is to inaugurate a three-day Management Development Programme for exporters and executives at Alapuzha on Wednesday. The programme is intended to develop the trade skills and professional competency of the participants, and enable them keep pace with the emerging global challenges, a press releases issued here said.



The training would be imparted by officials of the Indian Institute of Foreign Trade (IIFT), New Delhi. The training programme, which is to be held at the Hotel Royale Park, Alapuzha, is part of the Coir Board's objective to develop an integrated approach among the coir manufacturers and exporters and enrich export management skills. It would also seek to empower these stakeholders to deal with the growing demand and changing tastes of the customers, both in the domestic and overseas markets.

The IIFT, which is an international business school and Deemed University functioning under the administrative control of the Union Ministry of Commerce and Industry, has trained about 40,000 business professionals across 30 countries in various facets of international business and trade policy through Management Development Programmes.

### **Natural rubber production up 6% in May**



A file photo of a rubber plantation.

New Delhi, June 21:

India's natural rubber production increased by almost 6 per cent in May this year to 59,700 tonnes, while consumption rose more than 2 per cent to 81,000 tonnes.

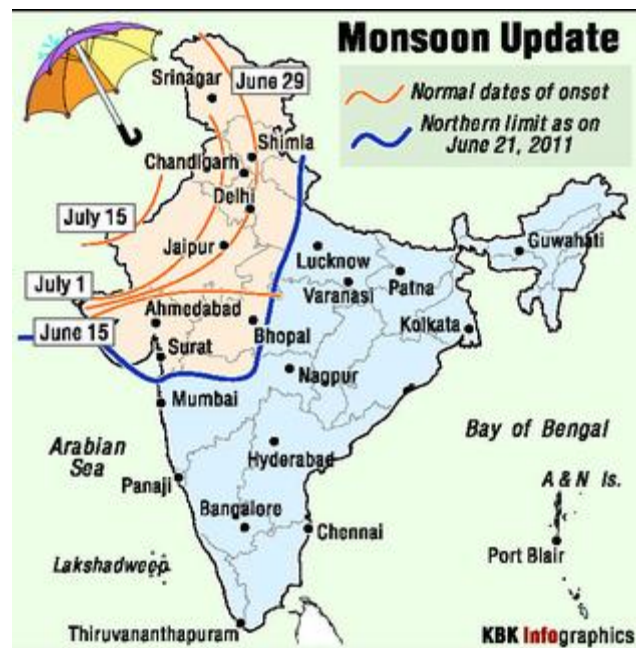
According to Rubber Board data, production and consumption in the year-ago period stood at 56,400 tonnes and 79,150 tonnes, respectively.

However, the demand for natural rubber on a month-on-month basis declined by almost 2 per cent in May to 81,000 tonnes from 82,500 tonnes in April.

Exports increased by almost 18 per cent in May 2011 to 1,742 tonnes from 1,478 tonnes in the same period of the previous year. Likewise, imports increased by 6 per cent to 16,293 tonnes from 15,372 tonnes, the data shows.

Natural rubber stocks rose almost 33 per cent in May this year to 2,49,470 tonnes (1,87,750 tonnes).

### IMD scales down monsoon forecast to 'below normal'



Dry July may spell trouble for farmers; revival seen in second half of season

New Delhi, June 21:

The India Meteorological Department (IMD) expects rainfall during the current South-West monsoon to be 'below normal', marking a downgrade from its earlier 'normal' forecast issued on April 19.

The country as a whole will receive only 95 per cent of its long period average (LPA) rainfall of 887.5 millimeter (mm) over the four-month monsoon season from June to September. That makes it a 'below normal' monsoon, which corresponds to rainfall ranging between 90 to 96 per cent of LPA.

The latest forecast update from the IMD (subject to a plus or minus four per cent model error) is less optimistic compared with its first-stage long range prediction that had pegged overall monsoon rainfall at 98 per cent of LPA. Technically, it translated into a 'normal' monsoon, defined in terms of aggregate rainfall between 96 to 104 per cent of LPA.

The IMD's forecast downgrade is reflected in its probability projections for various scenarios. There is a 19 per cent chance now of the monsoon even turning out to be 'deficient' – meaning rainfall below 90 per cent of LPA. That possibility was only six per cent in the April 19 forecast. The likelihood of a normal-to-excess monsoon rainfall has, likewise, been reduced from 64 per cent to 44 per cent (see Table).

The IMD has also released monsoon forecast for the country's four broad geographical regions, and also separately for July and August. While rainfall during the entire season is likely to be 97 per cent of the LPA of 615 mm for North-West India, these are placed at 95 per cent each for East and North-East (LPA of 1,438.3 mm) and Central India (975.5 mm), and 94 per cent for the Southern Peninsula (715.5 mm).

The IMD, moreover, sees rainfall in July for the country as a whole to be only 93 per cent of the LPA, while being 94 per cent in August.

This is significant because the current month so far has recorded cumulative rainfall of over 111 per cent (relative to the LPA for this period), with these at 118 per cent for the Southern Peninsula, 126 per cent for Central India, 134 per cent for North-West India and 89 per cent for East & North-East India.

What this suggests is a weakening of monsoon activity after a great start to the season. "The first half of July could witness a weak phase, though such breaks are normal. Also, we foresee a revival from the second half," said the IMD Director-General, Dr Ajit Tyagi.

July normally receives 289.2 mm or nearly a third of the season's total rainfall, making it also the month when the bulk of sowing for the kharif season happens. A dry July — and also August — may not be the best news for farmers.