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No cotton shortage feared

Special Correspondent

Production to exceed demand by three million tonnes



Ray Butler

COIMBATORE: There will be no shortage of cotton in the next season as production is expected to be higher than consumption in 2011-12, according to International Cotton Association (ICA) President Ray Butler.

He was speaking at a seminar, organised by the Southern India Mills' Association and the South India Cotton Association here on Monday.

Mr. Butler told presspersons that production was expected to be 27.65 million tonnes in 2011-12 (August-July), nearly three million tonnes more than the output in 2010-11. Consumption was expected to be 26.4 million tonnes in the next season.

There should be no shortage of cotton in the next season, provided there were no natural disasters. Brazil, Australia and the U.S. were expected to see increased production. The new season would commence with low stocks. The prices were expected to be higher than what they were in the middle of last decade, Mr. Butler said.

In the current season, the price level and lack of adequate supply had an impact on consumption. "There is a 'demand destruction' taking place now."

However, the high prices were motivating production. The total area under cotton was expected to be 10 per cent higher in 2011-12. The prices would not come down until the new crop arrived, said ICA first Vice-President Antonio Esteve. Speaking at the seminar, the ICA delegates, including its Managing Director Kai Hughes, said the international organisation was prepared to offer training programmes in India on contract rules.

It was important that every one had a good understanding of the rules when they signed contracts.

At present, there were four Indians who were arbitrators. The ICA was also working on a scheme for accreditation of laboratories across countries for testing cotton.

It was also looking at ways to reduce the cost of arbitration. This year, it would introduce a case management system. Anyone would be able to access their case online.

"We are working with all sections of industry. We want to work closely with other associations such as the SIMA and SICA," Mr. Butler said.

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Ryots up in arms against seed processing unit

G. Nagaraja

KOPPAKA (WEST GODAVARI DIST): The week-long protest launched by a group of around 100 cotton farmers from Prakasam, Krishna, Khammam, East and West Godavari districts to expose the 'deceptive' promises of a seed company with regard to the yield at a processing

plant of the company in the village on the Krishna-West Godavari district borders brings to the fore their grit and determination.

They are all staying put at the processing plant day and night, cooking and eating food there itself all through the week. The little or no response from the company management and from the official machinery failed to dampen their fighting spirit. The functioning of the processing plant came to a grinding halt as the protesters closed the main gates of the plant and disallowed the workers to take up any work inside the plant. As a result, around 30 workers, who remained idle without work, are deprived of wages during this period. When a clash of interests between the plant workers and the farmers ensued on Monday, the peasant leaders promised to compensate the loss the workers suffered on account of agitation as and when the company paid compensation to the growers.

The farmers in the five districts received the foundation seed of five varieties in cotton from the seed company and raised the crop under the latter's seed multiplication programme in an area of 1,000 acres. At the end of the day, they all reportedly incurred heavy losses on account of the alleged mismatch between the company's promise with regard to the yield and the ground realities. The four-member family of Pallapu Yedukondalu from Singaravipalem in East Godavari district is in deep debts after it allegedly raised the cotton with the foundation seed of the company in 22 acres. "We borrowed Rs 20 lakh – Rs 4 lakh from the seed company and the remaining amount from private lenders at Rs 3 interest," Yedukondalu said. Yedukondalu's case replicates the plight of almost all the seed farmers. Andhra Pradesh Rytu Sangham leader B. Balaram, who is spearheading the protest, said the company held out a promise that its foundation seed would help the growers get a yield of 4 to 5 quintals with a buyback facility.

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India's cotton consumption on the rise

Special Correspondent

'There are three major cotton producing zones in the country'

Photo: M. Periasamy



Sharing views:President of the International Cotton Association Ray Butler speaking at a seminar on cotton organised by Southern India Mills' Association and South India Cotton Association in Coimbatore on Monday. —

COIMBATORE: The cotton requirements of India's textile industry are growing rapidly, according to textile industry representatives.

Speaking at a cotton seminar organised here on Monday by the Southern India Mills' Association (SIMA) and the South India Cotton Association (SICA) with delegates of the International Cotton Association, SIMA chairman J. Thulasidharan said that while cotton production was growing at about 5 per cent, yarn production was increasing at more than 10 per cent. There was a mismatch in availability of extra long staple cotton.

The spinning mills in the country were incurring 5 to 11 per cent loss at the current cotton prices. India was a major cotton producer, consumer and exporter.

The Indian textile industry was targeting a 7 per cent share in the global textile trade in another five years. The industry was making large-scale investments in technology and was moving away from its fragmented structure. About 34 per cent of the investments made by the textile industry in the country during the last 10 years were in the spinning sector.

President of the International Cotton Association Ray Butler elaborated on the global level cotton scenario.

Joint Secretary of the South India Cotton Association A. Ramani said that cotton consumption in the country was expected to increase to 43 million bales in 2014 - 2015 and production was likely to go up to 45 million bales.

“India can turn out to be a major importer of cotton even next year,” he said. From 15.8 million bales of cotton production in 2001-2002, India now produces 31.2 million bales.

The consumption was 17.18 million bales in 2001-2002 and it was 27.5 million bales now.

There were three major cotton producing zones in the country.

The arrivals, so far, for this season were 24.54 million bales, he said.

Vice-President of SICA V. Ravichandran said cotton prices had doubled in the last few months. Secretary of SICA K.N. Viswanathan proposed a vote of thanks.

Date:22/03/2011 **URL:** <http://www.thehindu.com/2011/03/22/stories/2011032260800200.htm>

Farmers asked to use new technology

Special Correspondent

JAIPUR: Rajasthan Agriculture Minister Harjiram Burdak on Monday called upon the farmers to modify and adapt their irrigation methods in accordance with the changing technologies which, he said, would increase their crop yield and augment income. He said the State Government would promote technology for the benefit of agriculturists.

Addressing a Kisan Mela organised by the Agricultural Technology Management Agency at Ladnu in Nagaur district, Mr. Burdak said while proper application of technology would help the farmers, weather-based crop insurance scheme would take care of losses suffered by them.

“The State Government has already disbursed Rs.800 crore under the crop insurance scheme. New dimensions are being achieved in the agriculture and animal husbandry sectors,” said Mr. Burdak.

According to an official release here, the Minister laid emphasis on evolving techniques for irrigation by consuming less water and pointed out that subsidy up to 90 per cent was being given for adopting water-saving irrigation methods: "Farmers should themselves find out appropriate seeds and crops to suit specific climate."

Mr. Burdak said the release of Rs.300 crore by the Union Government recently for development of wastelands would benefit a large number of farmers in the State. He also gave away cheques of subsidies under various schemes to a large number of beneficiaries.

Date:22/03/2011 URL:

<http://www.thehindu.com/2011/03/22/stories/2011032252630300.htm>

State seeks control over seeds

Roy Mathew

Registration and licensing of seeds and fixing of prices

State's response to revised draft of seeds Bill

Seeks full powers on compensation issues

THIRUVANANTHAPURAM: The Kerala government has sought control for the State governments over registration and licensing of seeds and fixing of their prices under the proposed seeds Bill.

The government made this demand in its response to the revised draft of the Bill (2010) sought by the Union government. The Centre had shelved an earlier draft released in 2004 following protests from farmers.

Kerala said that besides control over commerce in seeds, the State should have full powers to determine matters connected to payment of compensation to farmers in case of

any loss or problems caused by the commercially marked seeds. It called for mandatory testing for registration and random pre-testing.

The State suggested that registering and licensing of seeds suitable for the State, based on agronomic trials and data, and fixing of prices should be a State function. The State should have the power to register and issue license for seeds suitable for it based on data from agronomic trials and the prices.

It said that import of seeds meant for commercial purposes should be subject to registration as may be granted on the basis of information furnished by the importer on the results of multi-location trials conducted in such a manner and for such a period as may be prescribed to establish performance in agro-ecological areas of India.

In case of any problem arising from such imported seeds, such as pest, disease and weed invasion or genetic contamination, both the importer and the exporter should be held responsible. Import of seeds should be based on a pest-risk analysis and any exporter whose claims turned out to be incorrect should be held liable. The exporters should compensate the loss and clean up any contamination.

The government suggested that the Bill specify a fine in proportion to the damage caused, quality of seeds supplied or stocked covering the real and potential loss to farmers, besides fines of not less than Rs.2 lakh and imprisonment. Moreover, a company convicted may be banned from any seed-related activity.

It said that since farmers and informal seed-handlers and users are excluded from the purview of the Bill, it should be titled 'Commercial Seed (Regulation) Bill.

The Bill focussed exclusively on the commercial production, sale and distribution of quality seeds by seed companies and public sector agencies.

Only a few States have so far responded to the Bill. Bihar Chief Minister Nitish Kumar has expressed concern about the proposed law permitting unrestricted commercialisation of seed varieties in the public domain and has said that it will jeopardise the lives of millions of peasants and put agriculture under the mercy of multinational agri-businesses.

Weather

Delhi - INDIA

Today's Weather



Clear

Tuesday, Mar 22

Max Min

29.3° | 17.6°

Rain: 00 mm in 24hrs

Humidity: 34%

Wind: Normal

Sunrise: 6:24

Sunset: 18:32

Barometer: 1008.0

Tomorrow's Forecast



Sunny

Wednesday, Mar 23

Max Min

33° | 16°

Extended Forecast for a week

Thursday

Mar 24



35° | 15°

Sunny

Friday

Mar 25



36° | 16°

Sunny

Saturday

Mar 26



36° | 17°

Sunny

Sunday

Mar 27



37° | 18°

Sunny

Monday

Mar 28



38° | 19°

Sunny

Poll heat hikes chicken price



Chicken prices have gone up by Rs.30 to Rs.40 per kg in the last two weeks with the onset of summer. The price hike is also because of the elections, which are around the corner, as political parties have started distributing chicken biryani parcels to encourage the cadres involved in campaign work. “The prices of chicken are much higher than what it was three weeks ago. I was selling chicken for Rs.120 per kilo, but for the past few weeks, I have been forced to sell it for Rs.150, owing to the increase in wholesale rates,” said trader Subramani from Ambal Nagar. He said the onset of the summer was the main cause for the increase in prices as the heat kills the broilers (live chicks). “That’s why wholesale merchants increase the prices during summer,” he added. A poultry expert said, “In summer mortalities are high.” He also pointed out that 80 per cent of the cost of production at poultry farms goes towards feed. “A broiler would yield only 1.5 or 1.75 kg meat in summer, whereas the same would be 2.5 kg in winter,” said a trader from Perambur. But elections might have also partially caused the price rise. A hotelier from Ayanavaram said, “The sale of chicken biryani at our restaurant, parcels in particular, has gone up significantly in the last one week.” It may be noted that election officials had seized 400 packets of chicken biryani that was kept for distribution to the party workers in Tiruvannamalai recently.

Source URL: <http://www.deccanchronicle.com/channels/cities/chennai/poll-heat-hikes-chicken-price-776>

22 Mar, 2011, 02.17AM IST, PK Krishnakumar,ET Bureau

Coir to help prevent Japan soil erosion

KOCHI: The versatile Indian coconut will help rebuild Japan. Coconut fibre or coir is used to produce geotextiles or permeable fabrics, which are a smart and popular way to prevent soil erosion, build roads and stabilise slopes due to the fabric's substantial mechanical strength. The local coir industry believes export orders will swell in the next few weeks as Japan gets back on its feet.

The Coir Board is planning to write to the Indian Embassy in Japan and UN agencies to include Indian geotextiles made from coir for the reconstruction of roads and the strengthening of road and rail embankments when Japan begins to rebuild the tsunami-ravaged regions.

"Japan is fast becoming a strong buyer of Indian coir products. We are expecting increased enquiries for coir geotextiles from the country," Coir Board marketing director Kumaraswamy Pillai said. Exporters share this optimism as geotextiles is the only 100% coir product that has shown an increase in export in the last five years. "Every year, the geotextile export is showing a growth of around 15% in both quantity and value," said coir exporter Ponnambalam. The biggest buyer of the product is the US.

22 Mar, 2011, 02.15AM IST, S Sanandakumar,ET Bureau

Pepper prices high on export demand

KOCHI: Farmers are selling a good portion of this year's black pepper harvest. But the sudden rush of supply has not cooled local prices as the market is driven by what customers overseas are willing to pay.

As top producer Vietnam has not yet started exporting pepper in the current season, India is the only major supplier to the world right now.

The black pepper supply position has eased for the first time in the current marketing season in a year that saw traders lowering production forecasts by almost 7%. Supplies to the market have increased to 35-40 tonne per day as compared to 10-15 tonne per day during the earlier weeks.

"A close vigil at the various sales tax check points by the state government at the end of the financial year has led to more quantity coming into the markets," said Kishor Shamji, a Kochi-based exporter and the former president of India Pepper and Spice Traders Association.

The poor supplies in the beginning of the year prompted traders to scale down production estimate from 48,000 tonne to 45,000 tonne. Though the supplies have improved in the past few weeks, prices have not seen any significant decline. In fact, prices fell from Rs 227 per kg on March 1 to Rs 224 per kg on March 8 and increased to Rs 227 per kg on March 19.

Futures prices have also been moving in a narrow range of Rs 227.40 per kg on March 1 and Rs 234.54 per kg on March 19.

"The market is bullish as there are better export prospects in March and April," said KJ Samson, managing director, JRG Wealth Management .

The production in Vietnam could be anywhere between 1 lakh tonne and 1.20 lakh tonne, traders said. Vietnam is currently offering the American Spice Trade Association grade pepper at \$5,200 per tonne. But the Indian offer is at around \$5,150 per tonne. "Vietnam's pepper could be slow to hit the market as farmers have already got a good price for other crops," Samson said.

Crops from Indonesia and Brazil will take a few more months to reach the market. Till then, India is the only supplier to the international market.

Exporters, in the meanwhile, confirmed that the demand from the US and Europe has remained high in the recent past.

22 Mar, 2011, 02.11AM IST, Madhvi Sally, Sutanuka Ghosal & Jayashree Bhosale,ET Bureau

Onion prices hit bottom; potato to follow suit

AHMEDABAD | CALCUTTA | PUNE: Potatoes, India's favourite vegetable, are rapidly becoming expensive in grocery stores as production season comes to an end. But it is little reason for consumers to worry with an expected bumper production.

On the NCDEX June future prices have corrected by 4%. India is the world's biggest potato producer.

However, onion prices are down in the dumps as there are no takers overseas at India's current minimum export price. While Indian exporters cannot sell below \$275 per tonne, other countries are selling onions for \$150 to \$200. With no sales abroad, local onion prices are down to Rs 3.5/kg to Rs 5.5/kg, a far cry from the Rs 70 per kg a few months ago.

Potato prices have appreciated in retail markets in West Bengal. While price of Jyoti is hovering around Rs 7 per kg in retail markets, Chandramukhi is fetching Rs 10-11 per kg. Patitpaban Dey, a leading potato producer, said: "The price has jacked up all over India, anticipating that a large volume of potatoes will be shipped to Russia and China. Spot price in wholesale market has doubled to Rs 440 per quintal compared to Rs 220 in the same period last year."

In potato seed belt of Punjab , arrivals are expected to continue for the next 15-20 days. "Spot prices in Jalandhar mandi on Monday for Pukhraj variety was ruling at Rs 4 a kg, Rs 5 a kg for

Jyoti variety, and Rs 6 for the Chandramukhi variety," said Jalandhar-based trader Vijay Chaudhary.

Market expectation is that prices will further go up in May when cold storage potatoes will be released in the market. "Potato traders will automatically pass on the cold storage cost to retail consumers," said Sanatan Santra, president of West Bengal Progressive Potato Traders Association .

Interestingly, the price hike is happening at a time when the country is poised for a 12% increase in potato production. The indication of a bumper crop has, however, dampened potato prices at futures.

Vijay Kumar, chief business officer at NCDEX, said: "Crop condition this year is good and it has affected future prices." At the NCDEX, potato for delivery in May declined 3.7% to Rs 520 per quintal, whereas potato for delivery in June shed 4% to Rs 523.40.

While potato prices have appreciated, onion prices have crashed in the past few weeks. Traders feel that Indian onion is not competitive in the international market at the present MEP of \$275 a quintal. "Countries like China and Egypt are selling onion at \$150-\$175 freight-on-board (f.o.b) while Pakistan onion is sold for \$200-\$225 per quintal f.o.b. As our MEP is not the f.o.b. price, one has to add \$30 to \$50 to it to arrive at the actual export price, which makes the effective MEP to be \$305 to \$325 per quintal," said Danish Shah, partner of Pune-based Sanghar Exports.

ATMA scheme: 15,717 farmers get training

March 22, 2011 11:07:01

Staff Reporter | Bhopal

A total of 15,717 farmers were imparted training under the Agriculture Technology Management Agency (ATMA) scheme initiated as a part of agriculture reforms, till February of current financial year 2010-11 in the State.

Besides, 47 science fairs were also organised with taking 8,168 farmers on inter-district visits and 1300 farm schools were conducted. Similarly, 4,569 crops were exhibited.

It may be mentioned here that ATMA scheme is being conducted in Madhya Pradesh with the Centre Government contributing 90 per cent and ten percent being shared by the state government. Under the scheme, many activities for agricultural improvement are being executed in the State.

Under the scheme, training to farmers at district level, training to farmers at village level, crop exhibition, scientific approach to farmers, inter-district farmers' visit, inter-State farmers' visit, Agriculture interest group, women groups, farmers' organisation, organisations based on genes and constitution of farmers' cooperative organisation are included.

Apart from above, to facilitate excellent agriculture group, to hold district level agriculture fair/exhibition, district level debate, to set up block level information and consultancy centres are part of the scheme. The Central Government has signed MoUs with eight partners under Public

Private Partnership (PPP) mode for expanding agriculture related activities like farm school exhibition, farmers' visit and so on.

Wheat procurement gains momentum

March 22, 2011 11:07:09

Staff Reporter | Bhopal

Purchasing wheat on support price has gained momentum in Madhya Pradesh. A total of 52,986 metric tonne wheat has been purchased since March 15. In order to provide facilities to the farmers, purchase centres have been increased this year. Wheat procurement is being monitored at the State level.

A minimum target of 35 lakh metric tonne has been fixed this year. The core objective of the Government is to benefit the farmers in large numbers. The State Government is all set to provide maximum help to the farmers without any hassle. Therefore, the ground level official machinery has been put on alert.

A control room has been set up in Bhopal to lend an ear to the grievances of the farmers. The Food and Consumer Protection Commissioner is monitoring the complaints and information regarding irregularities.

A total of 2,734 purchasing centres are being opened for the farmers this year, while during the last two years only 1,250 purchase centres were being operated. Madhya Pradesh State Civil Supplies Corporation has made 1,859 centres, while 875 were opened by the State Cooperative Marketing Federation.

The Civil Supplies Corporation has purchased 23,165 metric tonne from 30 districts while

29,821 metric tonne wheat was procured in 27 districts by the Marketing Federation.

Minister of State for Food and Civil Supplies Paraschand Jain has appealed to the farmers to vend their agro products without any hesitation and fear at purchase centres on support price.

If any middleman or person tries to misguide then it should immediately be informed to the District Food Officer and Control Room Bhopal.

He has informed that wheat of good quality is being purchased on support price of Rs 1,220 per quintal, including bonus amount of Rs 100 by the State Government.

Bonsai exhibition from March 25

March 22, 2011 11:07:19

Staff Reporter | Bhopal

The Lake City Bonsai Association will organise a three-day bonsai exhibition from March 25. Forest Minister Sartaj Singh will inaugurate the Bonsai Show 2011 on March 25 in the Park No.- 1 located at Link road. He will reward the excellent trees presented at the exhibition.

The editor of Horticulture World Mumbai Magazine and International Bonsai Expert Sneh Prasar will be the special guest at the programme.

The chairperson of the Lake City Bonsai Association, Arundhati Tiwari told mediapersons on Monday that this exhibition will run from 9am till 9pm. A training workshop has also been organised for the people who are interested in bonsai art, she added.

On March 26, Sneh Prasar, and on March 27, specialist from Hyderabad Madhusudan Reddy and the President of Lake City Bonsai Association, Bhopal, JS Bindra will impart training.

Bonsai Club president JS Bindra further informed that this association targets those who are living in urban settings and with bonsai art they could develop their interest towards greenery and nature. The specialist of Indonesia Sukidi has given training to the members of the club in Bhopal and have introduced them to new innovations in this mode, she added.

Bindra had participated as an expert in the workshops in Mumbai, Delhi, Ahmedabad and the likes. The association members got the chance to know the specifics of bonsai art from internationally-acclaimed experts in the field. These members have also participated at international-level bonsai conventions.

Business Standard

Tuesday, Mar 22, 2011

Bt cotton seed firms seek price hike

BS Reporter / Chennai/ Hyderabad March 22, 2011, 0:46 IST

Bt cotton seed companies have sought an increase in the prices of both single and double gene technologies from the Andhra Pradesh government.

At a meeting convened by state agriculture minister Y S Vivekananda Reddy here, they said if the prices were not enhanced, the supply-demand gap would widen next kharif besides bleeding the companies.

Representatives and members of both the National Seed Association and the Seedsmen Association of Andhra Pradesh sought an increase in Bt 1 and Bt 2 cotton seed price to a minimum of Rs 825 and Rs 1,050 per packet (450 gm) from the present Rs 650 and Rs 750 respectively.

The companies asked the minister to formulate a pricing mechanism that takes into account the increase in cost of production and other factors before deciding on the price, each year.

The present prices were fixed in 2008 by the government under a special enactment made earlier for this purpose. The companies argued that the procurement price alone had increased 58 per cent in the last four years to Rs 419 per packet in 2010 from Rs Rs in 2006 and they could not sustain on the present MRP. Agreeing with the contention that a long-term policy in this regard was imminent, the minister said the government would come out with a reasonable proposal on the price revision for next kharif by next week.

National impact

Any price revision by the AP government will have a national impact on cotton seed operations as other governments have been following the AP pricing as a benchmark in their respective states.

Union Minister Sharad Pawar wrote a letter to chief minister N Kiran Kumar Reddy yesterday advising the latter to lift the control on pricing as the move was hurting the agriculture sector and also companies, according to the representatives.

Bt cotton seed companies in Andhra Pradesh account for 50 per cent of the total seed production in the country. It was in 2006, when the state government first intervened, fixing the price at Rs 750, which was ruling around Rs 1,800, owing to higher royalty being paid at that time to technology provider Monsanto.

When the Bt-2 variety was introduced in the country in 2007, the state government allowed a price of Rs 925 while keeping the Bt 1 price unchanged.

However, the state government again reduced the price of Bt 1 and Bt 2 to Rs 650 and Rs 850 respectively in the following year.

Governments of several states followed suit asking companies to reduce the prices, thus impacting the cotton seed operations across the country.

Bt cotton seed production stands at 28 million packets apart from a carryover stock of 6-7 million packets as against the projected demand of a minimum of 42 million packets in the next kharif, according to P Sateesh Kumar, secretary of the state association of seed companies.

He said as companies were unable to pay a higher procurement price on account of a cap on their selling price, seed producing farmers were being discouraged from taking up cultivation leading to a large-scale dip.

National Seed Association secretary Harish Reddy said the government should take into account the increase in minimum wages of the labour that accounts for 60 per cent of the production cost of the seeds apart from linking the pricing to the inflation index. Punjab and Haryana governments have already increased the price of Bt 1 and Bt 2 to Rs 825 and Rs 1,000 respectively, he pointed out.

After the introduction of Bt technology in 2002, country's cotton production reached 503 million bales in 2010 from 302 million bales in the first year.

Exports to Japan hit, but temporarily

Dilip Kumar Jhax / Mumbai/ Bangalore March 22, 2011, 0:19 IST

Trade in items like iron ore, gems, spices, coffee expected to recover over the next month or two.

When India's Union minister of commerce and industry, Anand Sharma, signed the ambitious Comprehensive Economic Partnership Agreement with Japanese foreign minister Seiji Maehara last month, industrialists and leaders were enthusiastic on taking bilateral trade to a newer height.

The Indian export target was \$25 billion by 2014 from \$15 billion in 2010, just one per cent of Japan's global trade. This month's earthquake and tsunami have, for the time being, blocked those hopes, albeit temporarily. Our major exports to Japan, such as iron ore, oil cake, jewellery, spices, tea and coffee are likely to be hit in the short term. However, demand is expected to resume in a month or two.

"The natural calamity will create a global shortage of auto and electronic parts, of which the affected area in Japan is the major producer. While the impact on consumer products, including industrial commodities, could not be assessed immediately, it is expected to be minimal," said Dilip Dandekar, chairman of Indian Merchants' Chamber, the industry body most India's exporters are registered with.

“The effect of the tsunami in Japan on commodity prices will be negative in the short run as demand declines owing to a halt in Japan’s growth. However, once the reconstruction activity begins, there will be an increase in demand for all metals in particular, which will drive up prices,” said Madan Sabnavis, chief economist, Credit Analysis and Research (CARE), a rating agency.

The data released recently by the Department of Policy and Promotion (DIPP) shows that Japan ranked seventh in terms of cumulative foreign direct investment (FDI) in India, accounting for \$3,714 million between April 2000 and March 2010, of which \$1,183 million came in during April 2009-March 2010. With the huge growth potential in sight, Japanese investors are now preferring India over China which is evident from increasing number of firms set their feet here. According to the Japanese External Trade Organisation (Jetro), the number of Japanese companies has trebled in the last four years from approximately 100 companies in 2006-07 to 300 in 2009-10.

India is looking at import of organic chemicals, iron and steel, nuclear reactors, photographic or cinematographic goods.

Gems and jewellery

Japan took \$300 million, mainly of high end diamond jewellery items, of India’s overall gems and jewellery sales of \$28.4 billion in 2009-10. Indian jewellers are yet to get momentum there due to various trade restrictions. Although it is too early to assess the impact, exports here are likely to be hit for a short time, said Rajiv Jain, Chairman of the Gems & Jewellery Export Promotion Council. However, these will recover by the middle of next month, he predicted.

Oil cake

The Rs 1,500-crore Indian oil cake market in Japan has been hit severely. The average monthly consumption of oil cake, mostly soybean meal, was 75,000 tonnes and this has almost stopped. Constituting 15-18 per cent of India’s oil cake exports, Japan has temporarily diverted orders to other need-based areas, says B V Mehta, executive director of the Solvent Extractors’ Association, the apex trade body with 800 registered members. However, he says, the Japanese will not cancel orders, as they require Indian meal for bird and animal feed. According to Satyanarayan Agarwal, chairman of the Central Organisation for Oil Industry & Trade, the Japanese market will regain momentum in three months.

Iron ore

Japan constitutes less than five per cent of India's total iron ore exports. Last year, Japan imported 5.32 million tonnes of ore from various miners, mainly lumps of over 63 per cent of iron content, of India's total shipment of 117.6 mt. This has been severely hit. However, "it will have a negligible impact on overall iron ore exports from India", said R K Sharma, secretary general, Federation of Indian Mineral Industries. Demand should pick up gradually, but the process should take at least a month, he added.

Consumables

Last year, India exported 20 tonnes of mangoes to Japan, at Rs 500 a kg. This is the only item in the fruit and vegetable category sent to Japan, so the impact of the quake would be negligible, said S Dave, Director of the Agricultural and Processed Food Products Export Development Authority.

The earthquake has slowed export of spices in general and turmeric in particular; the latter's price has since softened in the domestic market. However, demand from other European nations is intact, as the availability of turmeric on the international market is limited.

India is expected to export 50-55,000 tonnes of turmeric in 2011-11. A fifth of this goes to Japan. Says Manubhai Shah, an exporter based at Navi Mumbai: "Exports to Japan might get delayed, but orders that are on hold for the past 10 days might start coming up (again) in the next one or two months."

Coffee exports to the Japanese market from India may be affected in the medium term, due to a fall in consumption, said Suresh Babu, a Hyderabad-based coffee trader.

India exported 1,079 tonnes of coffee in 2009-10 to Japan, worth Rs 1,421 crore. In this financial year to January, around 900 tonnes had been exported, worth Rs 1280 crore. Japan is the third largest coffee consumer in the world.

"Japan is a consumer of premium coffee and India is giving incentives to exporters to export to this market. As far as the impact of Japan crisis is concerned, we are yet to see any adverse effect on coffee exports," said Jawaid Akhtar, chairman of the Coffee Board.

Second green revolution is the need of the hour

Kunal Bose / Mar 22, 2011, 00:15

The government will certainly not indulge in self congratulation for agriculture recording a growth of 5.4 per cent to 232.07 million tonnes in 2010-11 as this is happening on a low production base of 218.11 million tonnes last year when the country experienced the worst south-west monsoon since 1972. In fact, the major concern of the government is farm sector's niggardly growth of 2.8 per cent in the first four years of the current plan.

That the country will miss the four per cent annual growth for the sector during the eleventh plan by a long margin is not in doubt. There is no way growth could be raised to 8.5 per cent next year to compensate for performance deficit in the earlier years. The crisis in agriculture in the form of virtual stagnation in productivity and difficulty in commissioning new unfarmed land finds expression in a table in the Economic Survey.

The table on compound annual growth rate basis shows that in 10 years to 2009-10, the area under rice shrank 0.03 per cent and production and productivity of the cereal grew 1.59 per cent and 1.61 per cent, respectively. As for wheat, the area gain was 1.21 per cent, while progress in production and productivity was 1.89 per cent and 0.68 per cent, respectively. Productivity gains have plateaued raising concerns about food security. All this goes to show that the country now urgently needs a follow up green revolution to the one of the 1960s which led to major breakthroughs in wheat and rice production. The next green revolution has to happen to chase the twin goals of food security and nutritional diet. Without the second revolution, which can be postponed at the nation's peril, the supply side's response to growing demand for food will be weak leading to disturbing price spikes.

Agriculture's critical limiting factors for India as for many other countries are inelastic supply of arable land and declining water tables – in some parts of Punjab where the first green revolution was heralded the table is down from a couple of metres below the surface to virtually unfathomable depths. The sector also has to contend with erosion of top soil and ill effects of climate change. Better irrigation system and its wider coverage, more efficient and balanced use of fertilisers, making sure subsidies reach the target groups and elimination of crop wastage will no doubt help. But what could usher in the next revolution are breakthroughs in technology through public research to be made possible mainly by liberal government funding.

Finance minister Pranab Mukherjee says agriculture is “central to our growth strategy.” But what he has proposed in the Budget for the sector does not inspire confidence in M S Swaminathan that the country is being readied for the second green revolution. He is distraught by the public policy which does not provide for holding together the farm and non-farm sectors in rural India and inadequate allocation for agriculture. One may not share his scepticism about the future of Indian agriculture, but there is no scope for disagreement about his four conditions for launching another green revolution.

Agriculture certainly cannot be taken to the next stage of development without new technology, better support services, improved marketing of agro products and very importantly making farmers enthused about his work. Like India many other countries are talking about green revolution. The universal challenge is to see that global food production doubles by 2050 when world population is projected to rise to 9.5 billion from the present 6.9 billion. A hard but not insurmountable task in the context, as the Economist points out, of the yields of wheat and rice, the two most important food crops rising for the first time since the 1960s more slowly than global population. It's scary to find one billion people in the world are pathetically undernourished. The per hectare yield of rice in India is stagnating at around 2,150 kg and that for wheat at about 2,830 kg. Before the green revolution, the yield was 1,013 kg for rice and 851 kg for wheat. The revolution that New Delhi has in mind will have a much wider sweep than the first to also include pulses and oilseeds, for which we are import dependent, and fruits and vegetables.

For boosting productivity of farm items, the reliance has to be on biotechnology. Our farmers need smart seeds which will make crops withstand diseases and weeds and not allow them to wilt easily in difficult weather condition. How can we have healthy productivity growth when four-fifths of farmers use farm-saved seeds leading to low seed replacement rate. The government has got to go beyond talking and instead create condition for the revolution to start. Food inflation is unnerving for any government anywhere. This must have reminded our policymakers that hunger could ignite another kind of revolution.

'Higher cotton prices are here to stay'



Mr Ray Butler, President, International Cotton Association, at a seminar on cotton, organised by Southern India Mills Association and South India Cotton Association in Coimbatore on Monday.

— Photo: M. Periasamy

Coimbatore, March 21:

Mr Ray Butler, President, International Cotton Association, Liverpool, today said that cotton prices during the next season would continue to remain exceptionally high in the international market. 'But, it is not an aberration', he added

Speaking at a seminar on cotton, organised jointly by the Southern India Mills' Association (SIMA) and the South India Cotton Association (SICA) with the ICA at the Residency here, he said with the global consumption going up and with production stripping consumption, the period ahead could be very challenging.

"While some think that the prevailing high price is an aberration, I think we have moved away from the last decade in prices. I don't believe it is an aberration. Higher prices are here to stay,' he reiterated.

Crop damage

Recalling the cotton scenario in the recent past, Mr Butler said, "due to rising yarn prices, cotton consumption in many countries slipped by switches to other fibres or lack of cotton availability.

This is due to the demand supply mismatch caused by crop damage in major cotton producing countries such as the US, China, Pakistan etc, coupled with lower stocks, increased consumption and exports. The final mixes are being adjusted in some markets though.”

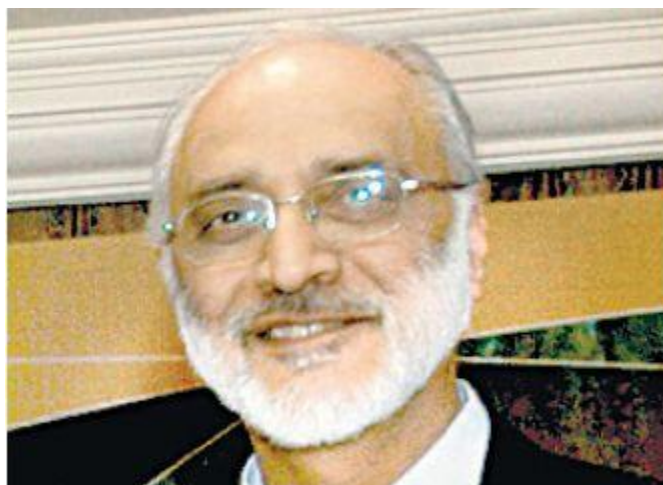
Citing the ICA's revised cotton figures published last week, he said “adjustment though is more towards consumption of cotton, despite declining world stocks. Global utilisation of polyester fibre has increased more than two million tonnes, but cotton producers are looking to take advantage of the price behaviour.”

Supply-demand

Reverting to the supply demand position, he said, “world production in 2007-08 to 2009-10 showed a decline of around 17 per cent. Such reductions were not foreseen, but the weather developments in some countries adversely impacted cotton production.

Global cotton consumption also suffered a setback by over 10 per cent in 2009-10, but it recovered swiftly and consumption went up almost to the pre-financial crisis level. This resulted in a sharp decline in stock position and there was an imbalance of how much the world was producing and consumption volume.” On crop production estimates for 2011-12, he said, “it could be around 27.6 million tonnes, which is roughly 3.5 million tonnes over 2010-11 production. Consumption is expected to go up 4.4 per cent to 26.4 million tonnes.”

Rope in pvt players for crop procurement: CACP chief



Dr Ashok Gulati

New Delhi, March 21:

The Centre should rope in private corporates to procure grains, pulses and oilseeds on its behalf for more effective implementation of the minimum support price (MSP) mechanism, feels Dr Ashok Gulati, Chairman, Commission for Agricultural Costs and Prices (CACAP).

“You can't simply announce an MSP and forget about it. The Government is morally obliged to ensure farmers get the declared floor price. If it cannot do that on its own, the job could be entrusted to private players on the same terms as offered to the Food Corporation of India (FCI) or Nafed (National Agricultural Cooperative Marketing Federation),” the head of the crop pricing advisory body told *Business Line*.

The Centre has already permitted private participation in warehousing of public foodgrain stocks. In June 2005, Adani Agri Logistics Ltd bagged the first ever tender to build, own and operate bulk silos and related infrastructure for storing 0.55 million tonnes (mt) of FCI-procured grains across seven identified locations.

From storage to procurement

“When you have public private partnership (PPP) in storage, there is no reason why it cannot be extended to procurement and MSP operations. If the aim is to deliver MSP to farmers, does it matter whether it is done through FCI or ITC, Mahindra ShubhLabh and DSCL Hariyali Kisaan Bazaar?,” Dr Gulati pointed out.

He illustrated the case of sunflower, where the Centre, in 2008-09, announced a steep MSP hike from Rs 1,510 to Rs 2,215 a quintal. But with no Government buyers, farmers realised less than Rs 2,000 even in Punjab, where they constitute a strong lobby.

The same story holds for pulses – the MSPs of which have been raised by 20-30 per cent this year – or paddy and wheat sold in eastern Uttar Pradesh (UP) and Bihar, where neither the FCI nor State agencies open purchase centres during the harvesting season.

According to Dr Gulati, once big corporates – for that matter, even cooperatives and producers' companies – are allowed to procure on Government account and guaranteed a minimum

business based on competitive tendering and transparent rules of MSP enforcement, it will set off a virtuous process.

“You would incentivise creation of a back-end infrastructure for marketing of farm produce, especially in crops and regions where MSPs exist only in name,” he noted.

New revenue stream

If the Centre were to heed Dr Gulati's advice, it would open up a new business opportunity for the likes of ITC, Hindustan Unilever and Britannia Industries, which today buy wheat mainly to meet their branded atta or bread requirements. These corporates also undertake exports and domestic trading of farm commodities on their own account.

PPP in MSP operations can potentially generate large revenues by way of commission fees. The Centre annually procures 25-26 mt of wheat and 45-46 mt of paddy. These purchases, at their current MSPs of Rs 11,200 and Rs 10,000 a tonne, are worth around Rs 75,000 crore.

“The system could be tried out first in States that have reformed their Agricultural Produce Marketing Committee laws to enable direct purchases from farmers. Low *mandi* levies and purchase taxes can be an additional inducement for corporates to go to UP and Bihar rather than Punjab and Haryana,” Dr Gulati added.

Relief likely for areca growers



New Delhi, March 21:

Amid steep fall in prices of arecanut in Karnataka, the Centre today promised to bail out arecanut growers in the state through a market intervention scheme (MIS).

“We spoke to the Union Agriculture Minister about arecanut farmers' problems. He has agreed to set up a MIS with the State to procure the commodity,” the Karnataka Chief Minister, Mr B.S. Yeddyurappa, told reporters after meeting the Agriculture Minister, Mr Sharad Pawar.

The finances accruing from the scheme will be borne equally by the Centre and State governments, he said, adding the modalities of the scheme will be worked out tomorrow.

Dairies see milk procurement bouncing back next fiscal



Business Line Members of Women Self-Help Groups (SHGs) engaged in milk procurement and quality testing activities at an ISO-certified Bulk Milk Cooling Unit (BMCU) in Andhra Pradesh. -

(File photo): K. V. Poornachandra Kumar

New Delhi, March 21:

Domestic dairy majors foresee a strong rebound in milk procurement in the coming fiscal, following a “dry” 2010-11 that has seen prices surge both at the producer and consumer end.

“Our unions will record a minimum 10 per cent procurement growth in 2011-12,” says Mr R.S. Sodhi, Managing Director, Gujarat Cooperative Milk Marketing Federation Ltd (GCMMF).

Dairies affiliated to the country's largest milk handler – owner of the “Amul” brand – have

procured an average 93.50 lakh litres per day (LLPD) this fiscal, an increase of hardly 3 per cent over 2009-10.

“Next year, we will easily cross 100 LLPD,” claims Mr Sodhi. His optimism is grounded in two factors. The first is, of course, prices. GCMMF's member unions have paid farmers an average Rs 400 for every kg of milk fat during 2010-11. Adding a likely bonus of Rs 20 after finalisation of accounts, producers will eventually get Rs 420 a kg against Rs 337 in the preceding fiscal.

A Rs 420 rate for buffalo milk, containing 7 per cent fat and 9 per cent solids-not-fat (SNF), translates into a price of Rs 29.40 a kg or Rs 30.28 a litre (one litre=1.03 kg). For full-cream “Amul Gold” milk with 6 per cent fat and 9 per cent SNF – retailing now at Rs 34 a litre in Mumbai and Delhi – the corresponding producer's price comes to Rs 27.95.

Remunerative prices

“The current rates are quite remunerative for producers, made even better by a good monsoon that has improved overall fodder availability and reined in cattle-feed prices. The impact of these will be seen in milk collection during the coming months,” notes Mr Sodhi.

Linked to this is a second factor: Stabilisation of the reproductive-cum-lactation cycle of animals from the drought-induced disruptions of 2009-10. Dairies, interestingly, procure more during drought years, as farmers step up milk sales to make up for lost income from their main crop.

The drought's real effect is felt only in the subsequent year, when fodder deprivation leads to delayed calving of pregnant animals (which were accorded low feeding priority relative to the ones already in-milk or about to lactate). This was, indeed, the case in 2002-02, a drought year that registered a spike in GCMMF's procurement – which was followed by a decline in 2003-04.

Rebound effect

Mr Sodhi did not rule out a repeat of the same phenomenon this time. While procurement rose sharply in 2009-10, it has been flat in 2010-11, which might, however, be the precursor to a jump in the coming fiscal. The process will be further aided by the substantial producer price correction in the last 2-3 years (see Table).

Mr Sodhi's views were echoed by Mr R.G. Chandramogan of Hatsun Agro Product Ltd. "Our average milk procurement this fiscal, at 15 LLPD, is more or less what we managed in 2009-10. But for 2011-12, I expect a 20 per cent increase to 18 LLPD, with peak collection topping 20 LLPD," the Chairman of India's largest private dairy company told *Business Line*.

That should offer some comfort to retail as well industrial consumers of milk. During April-February, the average wholesale price index for milk rose 21.6 per cent over the corresponding 11 months' level of 2009-10, which was, in turn, 18.19 per cent higher than that for April-February 2008-09.

Pepper futures rise on good buying support



Pepper berry

Kochi, March 21:

Pepper futures moved up Monday after witnessing the usual high volatility on good buying support coupled with bullish sentiments.

Exporters were said to have covered good quantity of farm grade pepper from High Ranges at Rs 225 – Rs 226 a kg and at Rs 222- Rs 223 a kg from Pulpally and Bathery in Wayanad.

Dealers were liquidating because of the financial year closure. If they held back stocks, they would have to seek refund from the Sales Tax Department, which, they said, would be time-consuming and hence, decided to liquidate. And yet, the market steered North on good buying support outweighing supply, trade sources told *Business Line*.

There was good domestic demand also as the masala manufacturing sector has become active after waiting for long for the prices to decline.

Turnover rises

April contract on NCDEX increased by Rs 101 to close at Rs 23,555 a quintal. May and June went up by Rs 63 and Rs 235 respectively to close at Rs 23,818 and Rs 24,176 a quintal.

Total turnover increased by 6,662 tonnes to 10,756 tonnes. Total open interest went up by 389 tonnes to 10,924 tonnes, showing good additional buying.

April open interest moved up by 154 tonnes to 9,198 tonnes while that of May and June increased by 217 tonnes and 16 tonnes respectively to close at 1,431 tonnes and 180 tonnes.

Spot trading

Spot prices on good buying support rose by Rs 200 to close at Rs 22,100 (ungarbled) and Rs 22,900 (MG 1) a quintal.

Indian parity in the international market remained competitive at \$5,275 - \$5,300 a tonne (c&f) as Indonesia was reported to have some problem in shipping out and hence overseas buyers are now looking for March and April supplies from India, export sources said.

Availability of valid pepper from the exchange and as well as some quantity of farm grade pepper from the primary markets, as the trade claimed, would support the overseas demand.

FCI godowns brim with Rabi season harvest



PTI An open FCI godown at Sonepat in Haryana (file photo)

Hyderabad, March 21:

With an estimated 135 lakh tonnes of rice coming in from the Rabi season, the country faces a tough challenge of storing the produce along with other foodgrains.

As on March 1, official figures put the rice stocks in the country at 572 lakh tonnes (lt) against the buffer norm of 118 lt for July 1.

Of the total rice stocks, the Food Corporation of India (FCI) held 287 lt against the buffer stock norm for the day of 142 lt. If one considers wheat stocks, the FCI stocks would touch 460 lt against the buffer stock norm of 212 lt.

“It is expected that Rabi could yield 800 lt of wheat. Stocks have become unmanageable. If you add the stock with farmers and millers, we are going to face a serious problem. Instead of idling the produce, we demand the Government to allow us to export rice,” Mr P. Chengal Reddy, Secretary-General of Consortium of Indian Farmers' Associations (CIFA), told *Business Line* on Sunday.

Huge demand

The farmers argue that there is a huge demand for BPT 5204 (or Sona Masuri) variety abroad. The Indian Diaspora in the US and the Gulf region are willing to pay Rs 120 a kg against sub-Rs 25 a kg in the domestic market. In order to build pressure on the Union Government, CIFA and Federation of Farmers Associations of Andhra Pradesh (FFA) had led an all-party delegation to New Delhi last week to meet Mr Sharad Pawar and Mr Pranab Mukherjee, Union Ministers of Agriculture and Finance, respectively. "We have appealed to them to allow us to export at least 25 lt of Sona Masuri and 25 lt of boiled rice. This will not only ease pressure on our stock capacities but also give us additional revenues to farmers who are lying low because of adverse weather conditions in the kharif season," said Mr Y. Nagendranath, President of FFA. "The Andhra Pradesh Government is not allowing at least inter-State movement of rice. As a result, price in the local market fell down sharply. We expect that Rabi rice arrivals would be to the tune of 65 lt, taking the total availability of rice by the end of season to 120 lt," he said.

Earlier appeals

After two appeals last year, the Government allowed exports of 1.50 lt of Sona Masuri and 25,000 tonnes each of rice varieties from Tamil Nadu and Kerala.

Pawar seeks Centre's nod to permit sugar exports



New Delhi, March 21:

With a glut like situation in sugar resulting in lower prices, the Agriculture Minister, Mr Sharad Pawar, has sought permission to allow sugar exports immediately saying this would help the industry to pay cane growers.

In a letter to the Finance Minister, Mr Pranab Mukherjee, Mr Pawar said: "The estimated sugar production of 24.5 million tonnes (MT) would now be nearly 25 MT, more than the estimated consumption of 22 MT during 2010-11 sugar season.

"Considering the committed exports under the advance licence scheme of 1.2 MT, there is still an exportable surplus of 1.3 MT in the country," he said.

Since the Empowered Group of Ministers (EGoM) on Food is yet to discuss and take a decision on allowing sugar exports under the open general licence (OGL), Mr Pawar has pressed the panic button saying any delay would lead to an increase in cane arrears and a reduction in cane area in the coming years.

He has sought the intervention of the Finance Minister for an early decision on this issue because the window to export sugar from India is available only up to April-end.

At present, the Government has kept on hold export of 0.5 mt of sugar under OGL as the Prime Minister has directed the Food Ministry to refer the matter to the EGoM in view of high inflation. But earlier, it had allowed mills to meet their export obligation (ALS) of nearly 1.2 mt by March 2011.

The Minister said extension of stock holding limit and substantial surplus sugar has depressed domestic prices below the cost of production, thereby leading to mounting cane arrears.

"If sugar prices are not stabilised and cash flow to mills are not improved, I fear that we will end up paying a huge subsidy to clear cane payment arrears of farmers," he noted.

He observed that high cane arrears may lead to a reduction in cane area in the coming years.

In Uttar Pradesh, the cost of sugar production is Rs 2,950 a quintal, while ex-mill price is Rs 2,800 per quintal. Similarly in Maharashtra, the cost of production is Rs 2,750 per quintal, while the ex-mill price is Rs 2,600 per quintal.

Highlighting the need to permit immediate export, Mr Pawar said that Brazilian sugar will be entering the market from May, "after which the price differential between Indian and the global sugar would not be conducive to exports".

According to industry body ISMA, sugarcane arrears till December 2010 stood at about Rs 4,000 crore.

Buying support pushes up cashew prices in overseas markets



Kochi, March 21:

Good buying support pushed up the cashew prices last week and business was conducted for W240 from \$4.35 to \$4.50; W320 from \$3.90 to \$4.05; Splits from \$3.40 to \$3.50 and Pieces from \$3.20 to \$3.30/lb (fob) during the week.

In the last 2-3 weeks there has been a fair amount of activity for second quarter shipments in all major markets. The Indian market has been quiet for some time but activity is expected to pick up in a couple of weeks.

The Raw Cashew Nut (RCN) market remained steady. India and Vietnam local crops were trading above \$2,000 a tonne. For African RCN, a wide range of prices were being reported. For Benin it was \$1,525 to \$1,650, Ghana from \$1,425 to \$1,500, Ivory Coast (IVC) from \$1,350 to \$1,450, Nigeria from \$1,275 to \$1,350 a tonne C&F India/Vietnam.

Except for Nigeria, shipments from other origins have not started.

A clearer picture of RCN prices will be available when actual shipments start from the major origins, trade sources said. “We have to say that speed and timing of movement of IVC RCN will have major impact on RCN pricing and kernel availability in 2011,” they reiterated.

There is nothing on the horizon to change the outlook – which continues to be hazy. On the supply side, RCN prices are unlikely to come down until flows are in full swing and shellers have replenished inventory, as most processors in India and Vietnam are working partially in the last few weeks and some may have to shut operations for some time in April till they get shipments from Africa.

A significant improvement in the supply situation is possible only if an efficient alternative route for IVC RCN is found, Mr Pankaj N. Sampat, a major Mumbai-based dealer, told *Business Line*.

On the demand side, he said, there is considerable concern about the impact of high prices on the usage of cashews – especially because prices of other nuts have eased from the peaks of 2010.

If the demand comes down dramatically in the US and Europe, that may have an impact on demand and prices in Asia as well. But if the decline is small, the Asian demand will probably take up the slack because the high prices of the last six months have not had any negative impact on Asian demand, so far.

By June/July, “we will have better idea of actual supply and costs of RCN plus kernel usage trends in the major markets”, he said.

Depending on what happens in the next 3-4 months, “we will see a new price range being established for the next few quarters. The new range might be lower than the current levels, if RCN prices and kernel demand come down in the meantime, but will certainly be higher than the 2010 average”.

Until then, the pattern of regular activity for nearbys will continue, he said. This will support market around current levels unless the buying in the second quarter is very slow.

A slow kernel market may induce some shellers to come out with more offers as they would not like to keep buying RCN without making some kernel sales.

Fresh demand keeps rubber prices firm



Kottayam, March 21:

Spot rubber made yet another firm closing on Monday. The sentiments were led by the sharp gains in Bangkok (spot) and the corresponding improvement in domestic futures. The market moved up on fresh buying and short covering but the gains were limited as major players stayed back keeping a low profile. According to sources most of them preferred to wait till the Japanese markets resume trading on Tuesday after the long weekend holidays.

Sheet rubber increased to Rs 224 (222) a kg according to traders. The grade closed at Rs 223 (222) a kg as quoted by the Rubber Board.

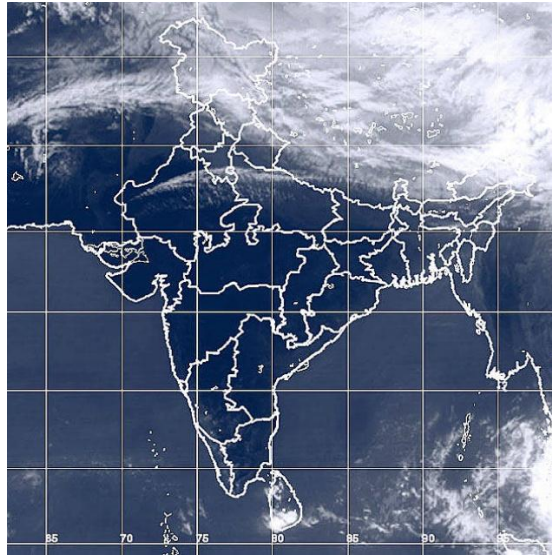
In futures, the April series bounced back to Rs 236.50 (229.13), May to Rs 243 (235.14), June to Rs 247.87 (241.36) and July to Rs 249.98 (243.25) a kg for RSS 4 on the National Multi Commodity Exchange (NMCE).

The volumes totalled 14,900 lots and open interest 7,668 lots. The turnover was Rs 351.22 crore.

RSS 3 (spot) recovered to Rs 241.34 (227.37) a kg at Bangkok. The Tokyo Commodity Exchange (TOCOM) remained closed owing to a substitute holiday for Vernal Equinox Day.

Spot rates were (Rs/kg): RSS-4: 224 (222); RSS-5: 220 (218); ungraded: 217 (215); ISNR 20: 219 (219) and latex 60 per cent: 120 (119).

No respite for Cherrapunji for a third day on trot



India Meteorological dept satellite picture at 15-30 hrs

Thiruvananthapuram, March 21:

The pounding of northeast India by a persisting upper air cyclonic circulation continued overnight on Monday with Cherrapunji (26) recording exceptionally heavy but localised rainfall for a third day on trot.

An India Meteorological Department (IMD) update said that this once rainiest spot on earth witnessed 26 cm of precipitation on Sunday, preceded by the 46 cm and 32 cm on the immediate previous days. Fairly widespread rain or thundershowers occurred over Arunachal Pradesh, scattered over Assam and Meghalaya and isolated over sub-Himalayan West Bengal, Tamil Nadu and Kerala during the 24 hours ending Monday morning.

A weather warning valid until Tuesday said that isolated heavy to very heavy rainfall would occur over Assam, Meghalaya and Arunachal Pradesh.

An extended forecast valid until Friday said that the fairly widespread rain or thundershowers would continue over Andaman and Nicobar Islands while it would be scattered over the Northeastern States.

Meanwhile, scattered light rain or snowfall was reported from Jammu and Kashmir and Uttarakhand and isolated over Himachal Pradesh on Monday.

Heat wave conditions have briefly shifted from the western flanks of the country to east India.

Jharkhand, north Chhattisgarh and isolated pockets of east Madhya Pradesh, interior Orissa and Gangetic West Bengal have been witnessing spikes in mercury level.

The highest maximum temperature of 40.5 deg Celsius on Sunday was recorded at Jamshedpur and Bankura, the IMD report said. Minimum temperatures have in this manner fallen by 2 to 4 deg Celsius over parts of Rajasthan, Haryana, Punjab and Uttar Pradesh and by 1 to 2 deg Celsius C over Gujarat, Madhya Pradesh and interior Maharashtra. The lowest minimum temperature of 10.8 deg Celsius was recorded at Amritsar.

EASTERLY WAVE

Satellite imagery on Monday afternoon showed the presence of convective (rain-bearing) clouds over parts of south Andaman Sea.

While the weather-setting upper air cyclonic circulation persisted over Assam and neighbourhood, an easterly wave is expected to affect Andaman and Nicobar Islands.

Maize development body rues withdrawal of Bt-maize field trials



New Delhi, March 21:

A national body on maize today expressed concern over the government move to withdraw field trials for Bt-maize and said the decision could threaten the crop's overall development and hit small farmers.

“The decision puts at risk the success of small and marginal Indian farmers, particularly maize farmers, who toil to meet the escalating demand of maize in the country,” said the Indian Maize Development Association (IMDA).

“We have achieved higher productivity in maize through introduction of single Cross Hybrid (SCH). The next frontier is transgenic maize that can help reduce cost of cultivation and address problems of maize, eighty per cent of which is grown in rain-fed areas,” an IMDA statement said.

It quoted the IMDA President, Mr Sain Dass, as saying that the halting technology advancement is a matter of “serious concern.”

Following a strong complaint from the Bihar Chief Minister, Mr Nitish Kumar, to the Environment Minister, Mr Jairam Ramesh, last week, the field trial of Bt-maize by US-based Monsanto at the Indian Agriculture Research Institute (IARI) campus in Samastipur district was stopped. Mr Kumar said the company started trials at IARI campus in Pusa on February 21 before receiving a go-ahead letter from the Genetic Engineering Approval Committee (GEAC). He reminded Mr Ramesh of an earlier letter in 2009 in which he had written about the State Government's reservation on the introduction of Bt-brinjal.

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