

Farmers' federation calls for farm revolution

Staff Reporter

COIMBATORE: The Federation of Tamil Nadu Agriculturalists' Association has called for a revolution in the agriculture sector.

The People's Model Election Manifesto, released in view of the coming Assembly elections, states that as agriculture is the backbone of the country, agricultural products that can be grown in the country should not be imported and only gadgets that cannot be manufactured should be imported.

The manifesto calls for nationalisation of rivers, as over 70 per cent of the water resources are unutilised and flow into the sea. Only by linking the rivers can water scarcity be solved and people be assured of adequate safe drinking water. The manifesto calls for the production of bio-diesel in the country.

The manifesto says that toddy tapping and consuming is a constitutional right for every citizen and opposing it amounts to opposing the Constitution. Instead, the government should stop the sale of Indian Made Foreign Liquor (IMFL) that "ruins health." It should promote the consumption of toddy, which is good for health.

The manifesto says industrial pollution should be controlled, centralised pricing for agricultural products should be introduced and changes made to the 45-year-old Sugarcane Control Act. It urges the government to distribute grants and help in the survival of agriculture.

The manifesto urges the government to waive the outstanding loans of the farmers and come out with new agriculture policy that would simplify the procedures for obtaining agriculture loans.

The manifesto came down heavily on the crop insurance scheme and distribution of pump sets and called for drastic change in improving the power supply to agriculture sector. The manifesto wanted a separate agricultural budget, special economic zone for farm products, compulsory agriculture education and extension of computer application to the farm sector.

The manifesto called for providing safe drinking water for all people , cutting down the cost of government expenditure to 25 per cent and increasing the public welfare spending to 75 per cent and curtailing corruption practises.

The People's Model Election Manifesto has called for implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme in agriculture-related activities.

Date:24/03/2011 URL: <http://www.thehindu.com/2011/03/24/stories/2011032451130200.htm>

'Preserve forests for posterity'

Special Correspondent



President of Indian Chamber of Commerce and Industry (Coimbatore) M. Krishnan; Registrar of Tamil Nadu Agricultural University P. Subbian; Conservator of Forests (Coimbatore Circle) V.T. Kandasamy; and president of OSAI K. Kalidasan; at the World Forest Day celebrations held at TNAU.

Coimbatore: Forests provided food and water for the human beings and it was essential that they be protected for the well being of future generations too, said V.T. Kandasamy, Conservator of Forests – Coimbatore circle, here on Monday.

He was speaking at the World Forest Day celebrations marking the International Year of Forests 2011 organised by Osai (an NGO for nature conservation) and NSS unit of Tamil Nadu Agricultural University.

Mr. Kandasamy said that human beings that came into existence just 5,000 years ago was posing threat to even earth that came into existence 4 billion years ago. "Our forests produce food, air and medicine, which are freely available to all, but human beings fail to understand the value of it."

Failure to conserve the bio-diversity would endanger food, environment and water security.

Of the 21 bio-diversity hotspots of the world, three were in India – Western Ghats, Eastern Ghats and Himalayas.

Of the 45,000 species of vegetations, 20 are used for food and four of them were important. He pointed out that non-Governmental organisations, institutions and people coming forward to celebrate Forest Day was a welcome change.

Registrar of Tamil Nadu Agricultural University P. Subbian said that a healthy forest could ensure a wealthy nation.

He asked students to grow trees to enhance the green cover to make living a pleasant experience for human beings.

President of Indian Chamber of Commerce and Industry M. Krishnan took part in the celebrations. A film on "Truth about Tigers" was screened for students, which was followed by an interactive session.

Date:24/03/2011 **URL:** <http://www.thehindu.com/2011/03/24/stories/2011032463920200.htm>

Need for sustainable construction practices stressed

CHENNAI: With India going through a phase of rapid infrastructure expansion, the country must adopt environmentally sustainable practices to build its roads, bridges and housing, said Pascal Casanova, Director of Lafarge Research Centre, on Wednesday.

To encourage this shift, Lafarge, one of the world's largest building materials producers, will expand its research and development base in the country and work towards "improving building standards regulation in India," he added.

Speaking at the inauguration of a research facility on long-term performance concrete at IIT-Madras, supported and funded by Lafarge, Mr. Casanova said that India's building codes need to change to encourage environmentally sustainable building practices.

Stressing that new innovations such as thermally efficient concrete are extremely important to the Indian context in a scenario of global warming, Mr. Casanova said that one of the first tests that would be conducted at IIT-Madras would address the issue of durability of concrete. Lack of energy-efficient buildings and the process of manufacturing building materials account for nearly 40 per cent of global carbon-dioxide emissions. "Our aim is to improve the performance of concrete to address sustainable construction and global warming challenges," he said. V.G. Idichandy, director-in-charge, IIT-M, said that the collaboration is likely to broaden the understanding of sustainable construction materials and technologies.

Date:24/03/2011 **URL:**

<http://www.thehindu.com/thehindu/seta/2011/03/24/stories/2011032450021500.htm>

Global climate change effects need study

K. Ananthan



Global warming is affecting plants and animals, but we should not try to tease apart the specific contribution of greenhouse gas driven change to extinctions or declines of species at local scales, biologists advise.

Date:24/03/2011 **URL:**

<http://www.thehindu.com/thehindu/seta/2011/03/24/stories/2011032450121500.htm>

How silica helps plants grow, flourish

“Maati hi Odan, Maati Bichavan Maati ka Tan Ban Jaayega”

So wrote the Hindi poet Bharat Vyas, in a different context. But it is relevant to us here. A typical man of 70 kg is made up of 43 kg oxygen, 16 kg carbon and just 1 gram of silicon.

Yet he cannot do without this little gram. Without it, his skin would suffer, his bones lose strength. He needs to take in anywhere between 5-20 milligrams of silicon per day, and most, if not all, of it comes through diet.

Research published ten years ago in the West showed that man takes in 30-33 milligrams per day, while a typical woman takes in a bit less, 24-25 mg per day.

Where does this intake come from? Beer, bananas, string beans and cereals. Banana packs in 14 mg per 250 g of the fruit, high grain cereals 10 mg/100 g and green beans 6 mg/250 g. Brown rice has 4 mg/200 g while white rice has 2.5 mg/200g (Gandhiji was right – eat brown rice and high grain cereals. And I like the idea of beer as a silicon supplier).

Plants happen to be the major source of silicon for our needs. But why did they start taking in this element in the first place?

And how do they do it? After all sand, which is silicon dioxide (called silica, to differentiate this compound or molecule from its parent element silicon), is not soluble in water.

The roots of plants must have a mechanism to take silica in the soluble form and transport it to the stem, leaves and other parts.

Strength to stalk

We now know that silica offers strength to the stalk and stem, keeping them from wilting, and to toughen and widen the leaves open so that they may capture light and photosynthesize efficiently. Silica prevents leaves from lodging or falling over, and the husk that covers the seeds has silica.

And the silicon helps warding off invading pests such as the yellow stem borer by killing off their larvae.

Of all plants, rice is the best one to capture silica from the ground and use it for its health. Silica is present to the extent of 10-15 per cent in all parts of the rice plant.

Transported in the soluble form through the roots, it is sent to various parts and processed to diverse morphological forms. In some parts, it is made into tough sheets and in others more granular. Through these specific forms, silica offers protection to the plant from stresses (heat, drought) and attack by pests and fungi, promotes better harvesting of sunlight for fast growth and in packaging the seeds.

We now know that silica is first converted to the soluble silicic acid, in the presence of moisture and the right acidity conditions in the soil. This silicic acid is then transported in plants using proteins called Lsi1 and Lsi2, which belong to what biologists call as the aquaporin family.

The challenge

However, excessive use of fertilizers, insufficient amounts of water, increasing incidence of pests and microbes, and the depletion of soil silicon have all led to a decline in rice production.

It has therefore become important to find ways of enhancing the uptake of available silicon using novel methods.

It is this challenge that Professor S. Ranganathan of the Indian Institute of Chemical Technology, Hyderabad has taken up to address and solve.

A creative organic chemist who successfully practices and propagates the “art of organic synthesis”, he argued that if one can hook on a water-soluble small molecule to the hydroxyl

arm of silicic acid, one should be able to enhance the transport of silicon from the soil to the plant via the root.

He had known that people had used a polymer-based molecule to dissolve fine silica from the lungs of affected people.

He then wondered: why not strip the polymer down to its basic active unit (pyridine-N-oxide) and use it to transport silica? He did so and found this simpler version successful in attaching to the silicic acid (J. Chem. Sci., 2004, Biologia Plantarum, 2006).

Yet, he was not satisfied, because pyridine N-oxides might lead to soil residual effects. He wanted to try more easily available and naturally occurring small molecules, which do not have ill effects on soil microbial organisms that are beneficial to the plant.

Extensive research

After extensive search, he found simple amino acids like glycine, glutamine, histidine, and even imidazole to enhance silica uptake three times better. And these are natural environment-friendly and easily available (Crop Protection, 2008, and in the journal called P, S, Si and the Related Elements, 2009, 2010).

The next step was to go from lab to land. Collaborating with the plant physiologist Dr. Voleti Sitapathi Rao of the Directorate of Rice Research (ICMR), Hyderabad, Professor Ranganathan tried his method on rice plants in the green house, field and in normal farmlands.

Not only does silica uptake go up (by 18 per cent in the stalk and 11 per cent in leaves) when imidazole is added, but it also cuts down the damage caused by the pest yellow stem borer by over 50 per cent in three different varieties (Rasi, Kasturi, Krishna hamsa) and reduces fungal damage (blast) remarkably.

Drs. Ranganathan and Sitapathi Rao are now asking that their method be field-tried on a more extensive scale, and I am sure it will be done soon. Here then is a promising example of translational research — sand to lab to land.

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Date:24/03/2011 URL:

<http://www.thehindu.com/thehindu/seta/2011/03/24/stories/2011032450251600.htm>

FARMER'S NOTEBOOK

Besides the wellknown benefits, honeybees provide manure

M.J. PRABU

A beehive produces about 45-50 kg of bee dung a year

Photo: M.J. Prabu



Optimum use:Swaminathan with his bee hive.

Growing food is not the job of just farmers.

“The earthworms and millions of small microscopic creatures under the soil lend a helping hand in making the soil fertile. Above the ground, the climate, birds, and bees play their part of collecting and transferring pollen from one flower to another.

“Especially for vegetable and fruit crops, pollination is very essential. An experienced farmer knows the value of pollination, and that growing fruits and vegetables are all about reproduction

— bees being an essential part of the food chain, says Mr. N. Swaminathan, an avid apiculturist from Chennai.

Two varieties

Mr. Swaminathan's passion for rearing honey bees started early from childhood. Today he rears two different bee species - the Indian and Italian ones in different boxes specifically bought from different parts of the country.

“Getting the boxes made is a daunting task as many of the local carpenters refuse to make it. For them, it is commercially not viable and the Government supplied boxes are so sub standard. They don't last for even one season. Especially after a heavy rain, the boxes become somewhat brittle and start breaking,” he says.

Many bee keepers face this problem, according to him, and he also underwent the same. So he worked on an alternative.

“I built a box using cuddapah stones (the ones used in the kitchen). The boxes are heavy and cannot be moved from one place to another but they last a lifetime,” he says.

Is it practical and commercially feasible to rear bees in metros?

“The few trees and plant species inside the cities don't contain pesticides or toxic residues unlike crops in the fields. The atmosphere might be polluted, but this does not affect the insects unlike the toxic residues from chemical sprayed crops.

Not for personal income

“On the personal front I don't rear bees for money — only to study them. I find that the insects thrive well in cities, especially in the second floor of any multi-storeyed building. Usually people fear the sting of the bees. But the insects after some years become very friendly, like any other pet,” he says.

“They crawl on the hands but seldom sting. In fact some western studies also suggest that bees can be very good in reciprocating certain feelings,” he adds.

In India, many people think of the bees as just insects producing honey. “But without them decline in food supply is certain in the near future. Not just humans, farm animals will also suffer as some of the feed like alfa alfa grass they feed on is pollinated by the bees,” seems to be his conviction.

Global ranking

India ranks second to China in the global map in vegetable production and researchers say that abundance of pollinators and good productivity are interlinked. A decline in the pollinators results in reduced yields.

Apart from some birds and animals, bees are the nature's way of increasing crop productivity and acreage.

The loss of natural service can create a long term impact on the farming sector, according to Mr. Swaminathan.

“If you go through the website of the United Nations Food and Agricultural organisation (FAO) you can read a report that mentions that in more than 100 crops that provide 90 per cent of food supplies for 140 countries, 71 are bee pollinated (others being pollinated by different sources),” he adds.. Honeybees can fly 3-5 kilometres from their hives in the morning and return in the evening at the same time. The insects visit flowers and collect pollen and nectar. This pollen and nectar is then processed in the hive into food.

Excretion

The digested pollen needs to be excreted. Bee excretion means releasing a few drops of pale yellow coloured fluid resembling a water drop. It is referred to as bee dung

“The bees normally use an area within a radius of 10-30 meters of the beehive as a toilet zone. It is estimated that an average beehive produces as much as 45-50 kg of bee dung a year, neatly deposited around the beehive as high nitrogenous manure.

“When it rains, this pollen dung gets washed into the soil, breaks down and provides an excellent natural fertilizer.

“Hence, to a farmer rearing bees in a field to pollinate the crop, he gets an additional bonus in the form of manure,” he explains.

Renting out the hives

“Already I am getting calls from several farmers to rent out my beehives to them. In fact, across the country hiring beehives is fast becoming a practice for those desirous of increasing their yield.

“My suggestion to farmers is they must come forward and set up at least 3-4 boxes in their fields and backyard, and personally experience the gain the insects deliver to them,” he adds.

For more details contact Mr. Swaminathan at email: swaminathan9@gmail.com, mobile: 9487887800.

Date:24/03/2011 URL:

<http://www.thehindu.com/thehindu/seta/2011/03/24/stories/2011032450231600.htm>

Global agri-business incubation for agri-preneurs

Attracted over 170 participants

A two-day global agri-business incubation conference was hosted by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) – Patancheru.

Attended by over 170 participants from India and other countries, the conference helped strengthen the capacities of agri-business incubators by networking with policymakers and funding agencies for policy and financial support.

Aim of the meet

Co-sponsored by the National Agricultural Innovation Project (NAIP) of the Indian Council for Agricultural Research (ICAR) and ICRISAT, the meet aimed to create global awareness, build competencies on agribusiness incubation among entrepreneurs, and establish global partnerships.

ICRISAT Director General William Dar in his inaugural address expressed the urgent need to address major challenges currently facing agriculture.

Perfect storm

According to him, climate change, shrinking farm holdings, rising production costs, and political turmoil in oil-producing countries are converging to create a 'perfect storm,' which is once again putting the world on the verge of crisis with the surge of food prices.

Dr S. Ayyappan, Director General of ICAR, touched on various issues facing agriculture, and called for "bringing a 'profit-prestige partnership' model to farming through innovation and entrepreneurship to encourage the youth to venture into agriculture."

Commemoration

In commemoration of the 100th International Women's Day, a special interactive session for women agripreneurs was also held. The session focused on success stories and entrepreneurial opportunities for women in agriculture and allied sectors.

Speaking at the valedictory session, the Honourable

The Business Planning and Development (BPD) unit of the Tamil Nadu Agricultural University (TNAU-BPD) was awarded the Best Agribusiness incubator award for successfully facilitating a research program with Bio seed Research India Pvt. Ltd.

The best agribusiness incubatee award was given to Mr. Rajkumar of M/S Emral Tune Line Systems for developing a mobile-based irrigation system.

This invention enables the user to operate irrigation pump using mobile phone from any part of the country.

Date:24/03/2011 URL:

<http://www.thehindu.com/thehindu/seta/2011/03/24/stories/2011032450241600.htm>

FARM QUERY

E-portal address

Can you kindly give me the website address of the Tamil Nadu Agricultural University's e-portal address?

R. Balaraman, Tamil Nadu

You can contact the e-Extension Centre, Directorate of Extension Education Tamil Nadu Agricultural University, Coimbatore - 641 003, Ph: 0422-6611383, Fax: 0422-2450595, email: info@tnau.ac.in, web: www.agritech.tnau.ac.in for all your details. The eportal deals with everything a farmer needs regarding crop growing, selling, availability of seeds, weather forecasts etc.

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Indo-Asian News Service

New Delhi, March 22, 2011

First Published: 19:46 IST(22/3/2011)

Last Updated: 19:48 IST(22/3/2011)

Middle East events may push oil prices, inflation: Mukherjee

Finance minister Pranab Mukherjee on Tuesday warned of a spike in global fuel prices and domestic inflation as a result of the political uncertainties in the Middle East but said the fallout of the crisis in Japan was too early to assess.

"Growing political uncertainty in the Middle East and Libya has profound implications for the global oil markets and for the fuel-oil costs and inflation in our economy," Mukherjee told the lower house of parliament during a debate on the Finance Bill.

"The consequences of the tragedy for the Japanese economy and the implications for the global markets are yet to be fully assessed," he said, while initiating the debate on the bill that he tabled last month.

"Even as we plan and prepare for the uncertainties in a globalised world, I want to emphasise that there will always be events that one cannot anticipate or plan for," Mukherjee said referring to the devastating earthquake and tsunami in Japan.

As a result, he said, it was imperative for the government to keep some headroom in policy to address the issues. Accordingly, fiscal consolidation without affecting the growth momentum was one of the guiding principles in the budget.

"We need to do more when the going is good."

Mukherjee said that the government had outlined a major legislative agenda for financial sector reforms, and in this regard mentioned bills on banking and pension, as also to amend the Constitution for a uniform goods and services tax.

"I would like to emphasise the importance of staying our course on the tax reforms, the enactment of the direct tax code and the constitutional amendment to facilitate the implementation of goods and services tax from the next fiscal," he said.

"Half-measures in these reforms, by insisting on concessions and exemptions, will only add to the complexity and distortions of the tax regime, which will compromise the intended benefits from these measures."

<http://www.hindustantimes.com/StoryPage/Print/676357.aspx>

Weather

Chennai - INDIA

Today's Weather



Clear

Thursday, Mar 24

Max Min

31° | 24.2°

Rain: 00 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 6:11

Sunset: 18:20

Barometer: 1007.0

Tomorrow's Forecast



Cloudy

Friday, Mar 25

Max Min

34° | 24°

Extended Forecast for a week

Saturday

Mar 26



32° | 22°

Cloudy

Sunday

Mar 27



32° | 24°

Partly Cloudy

Monday

Mar 28



31° | 23°

Cloudy

Tuesday

Mar 29



32° | 23°

Partly Cloudy

Wednesday

Mar 30



32° | 25°

Partly Cloudy

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THE ECONOMIC TIMES

Thu, Mar 24, 2011 | Updated 07.18AM IST

24 Mar, 2011, 07.08AM IST, Rishi Shah,ET Bureau

India's overflowing grain bins may lead to crisis, warns key farm panel

NEW DELHI: A key government panel has warned that the country's overflowing grain bins will lead to a crisis if the government did not come up with a plan to dispose of the stored grain .

The Commission for Agricultural Costs and Prices (CACP) painted the grim picture in a presentation to Prime Minister Manmohan Singh last week.

It said the Centre, which is the biggest buyer of grain in the country, was sitting over huge grain inventories and that the problem will compound further when the wheat procurement begins in a few days. India's wheat production is expected to touch a record 81.47 million tonnes (mt) this year.

"There's going to be huge storage crisis unless we make grain availability data transparent, release the excess in the market and open it to timely exports," an agriculture ministry official said, adding "At present, we have locked up in our stores the potential of extra foodgrain worth 40,000 crore."

The disclosure is indicative of an increasing concern in the government on the subject and comes barely a year after the country faced an acute grain supply strain, which resulted in double-digit inflation and spiraling food prices.

"The agriculture situation is a very dynamic one and there is urgent need to come up with a policy that will deal with the fast changing exigencies of over stocking one season and under supply the next," the official said.

Efficient foodgrain management has been a subject of intense concern since last year's food price spiral, primarily in the open market, although the government had record level of grain in its stored.

The CACP computed the cost to the government on the storage of additional grain based on current economic cost of around 20 per kg for rice and 16 for a kg of wheat.

The CACP's presentation was part of an exercise to link all commodity markets in the country

electronically and make grain availability and stocks transparent.

Representatives of one of the top commodity exchanges, the NCDEX, are likely to make a detailed presentation on a time-bound completion of this to senior farm ministry officials later in the week.

According to government estimates, foodgrain harvest in 2010-11 would be to the tune of 232mt, second highest of all time.

The government has set a procurement target of 26.3mt, but storage is woefully inadequate and incentive schemes for the private sector slow and unattractive.

The government had sanctioned 150 lakh tonne of additional storage facility, but less than 1% of it has been constructed so far.

Last year, archaic distribution rules forced release of only a small amount of grain despite high inflation. This led to wastage of about 50,000 tonnes of wheat.

24 Mar, 2011, 02.14AM IST, Madhvi Sally,ET Bureau

Isabgol prices increase sharply on fall in acreage

AHMEDABAD: Pharma majors such as Organon, Abbott, Dabur, Elder, Glaxo, Lupin and top buyer by volume, Proctor & Gamble, are preparing this year's procurement strategy for psyllium, whose water-soluble husk - isabgol - is an important remedy for treating constipation and heart disease both in India and overseas.

A fall in acreage has led to an increase in prices by 26% in the past one year. India is the world's top producer of isabgol, with most of the crop planted in northern Gujarat and western

Rajasthan.

"The prices of the raw material are increasing but there will be no major impact on the pricing and procurement strategy," said Elder Pharmaceuticals director Alok Saxena. The company is a prominent player in the export segment and sells its products to Singapore, Malaysia and African countries.

Currently, isabgol prices in the Unjha mandi of Gujarat was being quoted at Rs 1,050 to Rs 1,150 per 20 kg. In February, the prices had touched Rs 1,250 per 20 kg owing to a fall in supply and an increase in demand from industries and exporters. In the beginning of the harvesting season in April 2010, prices were at Rs 850 per 20 kg.

"Acreage has fallen by more than 25% in Rajasthan and Gujarat with farmers sowing remunerative crops like cumin, castor and sauf this year. We expect market to be bullish from June when export picks up and an immediate increase in prices by 10% when new crop arrives at the mandi," said Satnam Psyllium Industries managing director Chirag Patel. The company exports 70% of its 2,000-tonne annual production to Proctor & Gamble, Reckitt Benckiser and others. Patel added that the export orders were increasing down the year.

Industry sources said companies might absorb the price rise and not pass it on to the consumer in the immediate future. Dabur India head (procurement) Somit Mukherjee said, "There are no immediate plans to rework pricing strategies. Pricing is always driven by market conditions. Dabur usually goes in for a longer view on prices and thereby procurement of raw materials. The new season updates are still awaited." New export orders were being quoted at \$4.5-\$5 per kg compared to \$3.75-\$4 per kg in the previous year. A few exporters have not even taken new orders with a hope that prices will reach Rs 1,400 to Rs 1,500 per 20 kg in the next two months.

24 Mar, 2011, 02.00AM IST, Sutanuka Ghosal,ET Bureau

Guar gum export increases 75%

KOLKATA: Uttar Pradesh and Rajasthan farmers are raising a cheer each time a global oil major announces exploration plans.

Guar gum, grown in north India and used as an important lubricant in the drilling of oil wells across the world, has seen a 75% jump in export as the largest producer, India, is currently the only supplier to the world market. This rise in global demand, coupled with tighter supplies this year, has led to bumper profits for local producers.

A closer look at the movement of guar gum price shows that it has appreciated by a whopping 72% in March this year vis-a-vis same period previous year. Currently, the guar gum price is hovering around Rs 85,000 per tonne compared to Rs 49,500 per tonne in the corresponding period of 2010.

Exports of guar gum from India in FY11 is likely to be in the range of 260,000 tonne to 270,000 tonne as against 220,000 tonne in FY10. US, China and Europe are the major importers of guar gum. Rajasthan, Gujarat and Haryana are the biggest manufacturers in the country. The projected export earnings in FY11 is likely to be Rs 1,405.93 crore.

Talking to ET, PK Hissaria, MD of Sunita Hydrocolloids, said: "There is a good demand for guar gum in the oil drilling sector, which has pushed up the prices. However, we also feel that the steep rise in price has also happened due to a lot of speculation in the market. But overall, it is good for the guar gum exporters."

Analysts feel that a rise in crude oil prices had a bullish impact on the guar prices as export demand for guar gum has surged. The demand for guar gum has risen in the US and China from oil well-drilling sector.

Sudhir A. Merchant, director of Encore Natural Polymers , said: "The demand for guar gum has increased with the increase in shale gas exploration." Reports of increased demand for the by-products -churi and korma - too supported the market sentiments.

The coming month could witness further rise in guar rates as traders expect exports to rise further. The rise could be supported by expected rise in crude oil prices, which would enhance the exports from here. "The stock has dwindled significantly and the arrivals now are hovering around 20,000 - 30,000 bags," said Hissaria.

Guar is sown after the first rains in July and harvested in October. It is short duration crop and is harvested within 3-4 months of its plantation.

Business Standard

Thursday, Mar 24, 2011

High prices may cut spinning mills' margins by 2.5%

BS Reporter / Mumbai March 24, 2011, 0:15 IST

Rising cotton prices are expected to reduce operating margins of spinning companies by 2.5 per cent in 2010-11, Crisil research said in a report.

Cotton prices have surged almost 80 per cent in the last one year and by 65 per cent between October and February as exporters had a deadline till February.

Cotton procurement cost for spinning mills is also expected to move up by 30-35 per cent. Textile manufacturers, however, say their margins are protected as they are in a position to pass on the increasing cost.

“We have procured cotton at low prices and charge our customers according to the current raw material rate. This will, thus, not increase our procurement costs,” said CFO of a leading textile company.

Cotton prices on domestic and international markets are expected to ease taking cues from a fall in global prices of the commodity. Cotton yarn prices may not move up drastically, the report said.

“So far, strong demand growth has enabled spinning companies to pass on the rise in cotton prices to buyers. Cash accruals for players have, therefore, jumped by more than 65 per cent year-on-year in 2010-11. Spinners, however, will not be able to increase prices significantly in the coming months, as downstream fabric and garment companies would find it difficult to get similar increases from their consumers. This would affect profitability,” said Sridhar C, head, Crisil Research.

Cotton farmers hold stocks, expecting further price rise

Dilip Kumar Jha / Mumbai March 24, 2011, 0:12 IST

Due to hoarding, spot market prices hit all-time high.

As cotton prices get corrected, farmers and stockists are holding residual stocks of the current year crop, anticipating that the global deficit in output this season may push the commodity to a newer height.

Cotton futures for delivery in April on the National Commodity & Derivatives Exchange (NCDEX) fell 2.4 per cent so far this month to trade at Rs 1,168.50 per 20 kg yesterday, as compared to Rs 1,197.80 per 20 kg in the beginning of this month. Due to hoarding, prices in the spot market have risen, to hit an all-time high of Rs 61,360 per candy (356 kg) on Wednesday, it is yet to reflect in the futures market.

M B Lal, a veteran Mumbai-based cotton trader, has estimated an inventory of nearly five million bales (a bale is 170 kg) with large farmers and stockists, equivalent to two months of mills consumption in India. A similar quantity has been held over by ginners and textile mills for hedging the future price risk. Lal estimates the current all-time high prices in the physical market will not encourage farmers and stockists to release the entire quantity immediately. In

anticipation of a further spurt, they may hold a reasonable amount for release in the lean June-September season, he said.

According to reliable sources, an estimated 25.8 million bales, 83 per cent of the total forecasted output of 31.2 million bales, had arrived into the market till on Wednesday, as compared to 25.1 million bales, 76 per cent of the last season's output of 33.9 million bales that hit the mandis around the same time last year. This means an estimated 5.3 million bales, 17 per cent of the year's output, is left with farmers and stockists.

A trader said the existing stock was enough to run mills until May. After that, textile mills will have to come forward to buy cotton at higher prices. Farmers are awaiting that, he said. Since the government has allowed tax-free import of cotton, many mills may prefer import of quality cotton as well, he added.

In India, the price of the benchmark Shankar-6 variety rose by Rs 300 to touch a fresh high of Rs 60,200 per candy yesterday. US cotton futures for delivery in May on the International Cotton Exchange, in contrast, which rose to a record high of \$2.27 per lb last month, were lower by 0.16 cents at \$1.9735 per lb.

NR prices rise 23% in a week

George Joseph / Kochi March 24, 2011, 0:17 IST

Natural rubber (NR) prices, both in domestic and international markets, are in a come back mode after the damage last week due to an earthquake in Japan.

The domestic market quoted Rs 228 a kg for benchmark grade RSS-4 which had plummeted to Rs 185 a kg on March 14, the lowest this year.

In Tokyo, TOCOM yesterday quoted ¥411 a kg for RSS-4, up ¥29 from the closing rate on Monday. It had dropped to ¥375 a kg on March 16. Likewise, Bangkok market on Wednesday quoted Rs 251 a kg, up by Rs 50 from the Rs 201 on March 15. A bunch of other allied factors also indicate a fundamentally strong market for the next 10-12 weeks.

The market foresees a bullish mode as there would be a decline in production in the coming months due to heat and supplies would be low till the next monsoon. The lean season in the

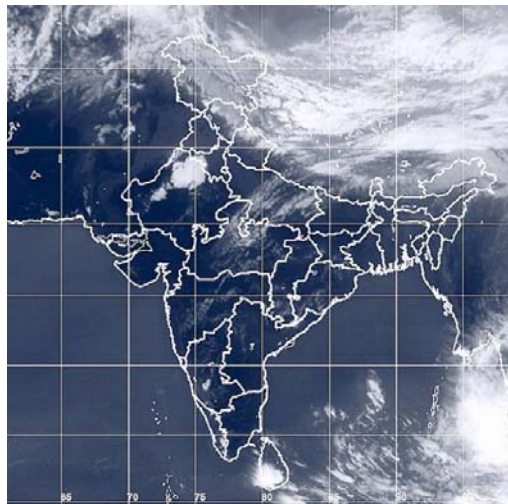
rubber production is March to May. So, according to experts, the global NR prices are now rising after declining sharply last week.

The total domestic production in March-May 2010 was 160,550 tonnes while it was 109,000 tonnes in December alone. The average monthly production in India is 70,000 tonnes while this was reduced to 53,500 tonnes in March-May. The heat during these months reduces the output.

Rubber price jumped after Thailand, the largest producer, asked exporters to halt shipments and as tyre plants in Japan resumed production after the earthquake.

THE HINDU Business Line

Busier weather events may unravel by week-end



India Meteorological Dept satellite picture at 16-00 hrs

Thiruvananthapuram, March 23:

The week-end may unravel fresh but significant weather events even as Assam and neighbourhood might sustain the “melting pot” marked by intense convective activity and unprecedentedly heavy and violently localised precipitation.

A weather warning issued by India Meteorological Department (IMD) said on Wednesday that ongoing isolated heavy rainfall could persist over Arunachal Pradesh, Assam and Meghalaya until Friday morning.

An IMD outlook has also mounted a watch for a fresh western disturbance over the western Himalayas from Saturday.

This will be matched only by the return to heat wave conditions over central India and the build-up of an untimely low-pressure area in southeast Bay of Bengal almost simultaneously.

The European Centre for Medium-Range Weather Forecasts saw the weak low-pressure area being tossed up by a prevailing easterly wave and heading towards southwest Bay of Bengal. The ECMWF graphic showed the system dropping anchor east of Sri Lanka and south-southeast of the Tamil Nadu coast by April 2.

Other global trackers have initially given a thumbs-down to the building 'low,' which they expected to keep move north-northwest to east-central Bay.

While doing so, it would also have just strayed into relatively cooler waters, which would slow it down. Some rains are there for the asking, but most of which could fall down over western Thailand and adjoining southwest Myanmar.

On Tuesday, maximum temperatures rose by 4 to 5 deg Celsius over Delhi and 2 to 3 deg Celsius over many parts of Haryana and some parts of Punjab and north Rajasthan.

They were above normal by 2 to 3 deg Celsius over some parts of Punjab, Haryana, north Rajasthan, Madhya Pradesh, north Chhattisgarh, Jharkhand and interior Orissa. But the highest maximum temperature of 40.5 deg Celsius was recorded at Gulbarga in Karnataka.

Thus, there have not been oppressively hot conditions reported from anywhere in the country on a day when isolated rains broke out over Assam, Kerala and Andaman and Nicobar Islands. But

maximum and minimum temperatures may rise by 2 to 4 deg Celsius over west and central India before evolving into full-scale heat wave conditions.

Satellite pictures showed the presence of convective clouds over parts of southeast Bay of Bengal and south Andaman Sea. The weather-maker upper air cyclonic circulation over Assam and neighbourhood persisted in the lower levels of the atmosphere.

Its power of endurance has broken open a north-to-south upper air trough from Bihar to north coastal Andhra Pradesh, exposing this region also to some volatile weather. An upper air cyclonic circulation lies over Kerala and neighbourhood in lower levels.

THUNDERSHOWERS

A short-term forecast by the IMD said that scattered rain or thundershowers would occur over the Northeastern States and Kerala until Saturday.

Scattered rain or thundershowers may break over the Andaman and Nicobar Islands until Thursday morning and increase thereafter.

'Flavour of India' tag for Vizag coffee

Visakhapatnam, March 23:

The coffee cultivated in the agency (tribal) tracts of Visakhapatnam district has bagged a prestigious award. The Minumuluru coffee estate has bagged the Flavour of India - the Fine Cup Award in the cupping competition-2010.

The rich aromatic coffee grown in the Araku Valley in the eastern ghats, was adjudged the 'Best Arabica coffee' from the region by an international jury from the United States. The award was presented to the AP Forest Development Corporation by the Coffee Board at a ceremony held recently in Bangalore.

Coffee grown at Pedabayalu and Anantagiri estates in the Araku Valley region had bagged awards continuously from 2003 from the Coffee Board. Minumuluru Coffee Estate near Paderu bagged the international recognition for the first time.

The award was received by the APFDC Chief General Manager, Mr D. Sudhakar, and the General Manager, Mr A.N. Gurumurthy. Coffee is grown on 4,000 hectares by APFDC in Visakhapatnam and East Godavari. It received revenue of Rs 10 crore last year, which is expected to grow by Rs 5-6 crore by this year-end. In all, coffee is grown in an area of 47,000 hectares in the State, mainly to benefit tribal farmers.

Cloves head north as demand soars



The hindu business line+SEP+BUSINESS LINE Cloves heaped at a shop in Kerala. (File Photo)

Crop hit by erratic weather in India, other producing nations

Kochi, March 23:

Buying frenzy by importers in Delhi, Mumbai from the local markets, of late, lifted cloves prices in the country while its prices in all producing countries shot up as the demand outweighed supply.

The prices in the domestic market have almost doubled in less than two months, according to the trade.

Prices in the world market surged to \$10,000-11,000 a tonne “making it wise to cover currently from the domestic market,” a dealer told *Business Line*.

Also, many cargoes have been defaulted while uncertainty hovers over shipments. The customs said to have fixed the valuation at \$8,000 a tonne at all ports and at this rate the price in the domestic market would come to around Rs 600 a kg, the trade claimed.

Prices, at present, in the domestic market for good quality cloves of India and Colombo ranged between Rs 525 and Rs 600 a kg. Given the current trend and as the peak demand is to begin from next month the prices are likely to rise to somewhere between Rs 600 and Rs 800 a kg, they claimed.

Erratic weather conditions had reduced the Indian crop to around 20 per cent of the previous crop and a similar situation is reportedly prevalent in other origins such as Indonesia, Sri Lanka, Zanzibar and Madagascar, traders said.

According to them, cigar companies were buying for buffer stocks which in turn will squeeze supply further. At the same time, the 2011 and 2012 crop is also likely to be less, they claimed.

Dealers in Kochi told *Business Line* today that indigenous cloves were traded here at Rs 550-570 a kg. They said that cloves in India were grown only in few pockets in Kerala and Tamil Nadu and the production is negligible compared with the country's huge annual demand. Hence a good chunk of our requirement is met by imports, they said.

Squeeze in availability had pushed up the prices by around Rs 250 a kg in about a couple of months, they said adding inventories are very thin due to poor Indian crop this year.

The traders here deal mainly in the indigenous produce, they said.

Meanwhile, growers in Nagercoil of Tamil Nadu said as the prices started moving up the traders there alleged to have formed cartel so as to dictate a uniform price to the growers.

Traders quoting overseas reports said cloves prices are going up daily as there is acute shortages in world markets. Prices quoted in different origins per tonne were \$11,000 (Colombo) and \$9,000 (Zanzibar, Indonesia and Madagascar).

Indian requirement for the coming four months is estimated at 4,000 tonnes and as against this the stock held is very small, trade sources claimed.

Usually, they said, “there is a crop failure or short crops in every 5-6 year cycle and then it used to take two years to get the normal crop as gestation period is high in cloves trees”, they said.

Import duty on Colombo cloves is at 4 per cent while that on other origins is at 25-35 per and this has stopped fraud imports, they claimed.

Rubber Board invites suggestions for 12th Plan



The Hindu Ms Sheela Thomas, Chairperson of Rubber Board
Kottayam, March 23:

Ms Sheela Thomas, Rubber Board Chairperson, has invited suggestions from all the stakeholders for formulating the Board's schemes for the 12th Five Year Plan to be implemented from the year 2012-13.

The development schemes of the Board are part of Five Year Plans implemented by the Government of India. The current schemes in the 11th Plan are ending in 2011-12. Ms Sheela Thomas said that an evaluation of these schemes would be conducted so as to generate inputs for the formulation of 12th Plan schemes. Internationally renowned agricultural scientist and Member of Parliament Dr MS Swaminathan would chair the National Committee which has been constituted for the evaluation. The committee comprising experts from different disciplines would critically look into all the schemes being implemented in the fields of production, processing and marketing of NR and also research in rubber.

In order to give an opportunity for all sections of the public to have their say in plan formulation, the Board has scheduled a series of consultations with various segments of rubber industry stakeholders, she said. The first such meeting would be conducted at Kottayam soon.

Simultaneously, stakeholders can give online observations on the current schemes and suggestions for the 12th Plan, by logging on to the Board's Web site www.rubberboard.org.in. They could either key in their proposals in the suggestion box or attach a file. Details of the 11th Plan schemes of the Board are made available on the site, for ready reference.

She said that the observations and suggestions received from the stakeholders would be considered seriously while formulating the 12th Plan proposals of the Board, subject to the guidelines and priorities set up by Government of India and Planning Commission.

Buyer resistance tests rubber

Kottayam, March 23:

The physical rubber prices showed a mixed trend on Wednesday. The market opened steady but lost ground on buyer resistance following the early declines on the NMCE. A late recovery in domestic futures failed to strengthen the prices though the international markets ended on a positive note. Meanwhile ISNR 20 improved on better demand but the volumes were comparatively low.

Among other reports, Indonesia, the world's second-largest rubber producer, would increase its output by more than 20 per cent to 3.6 million tonnes by 2015, to meet rising domestic and Chinese demand in fast-growing economies.

In spot, sheet rubber moved down to Rs 228 (229) a kg according to traders. The grade finished unchanged at Rs 228 a kg both at Kottayam and Kochi as per Rubber Board.

The April series closed at Rs 230.20 (230.70), May at Rs 236 (236.38), June at Rs 241.66 (241.28) and July at Rs 242.20 (241.67) a kg for RSS 4 on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) increased to Rs 253.19 (251.76) a kg at Bangkok. The March futures for the grade firmed up further to ¥445 (Rs 246.73) from ¥440 a kg during the day session and then to ¥449 (Rs 248.95) in the night session on the Tokyo Commodity Exchange (TOCOM).

Spot rates were (Rs/kg): RSS-4: 228 (229); RSS-5: 224 (225); ungraded: 221 (222); ISNR 20: 222 (221) and latex 60 per cent: 130 (130).

Coonor tea sale volume drops 69,000 kg

Coonor, March 23:

A volume of 11.26 lakh kg will be offered for Sale No: 12 of the auctions of Coonor Tea Trade Association (CTTA) to be conducted tomorrow and Friday, reveals an analysis of the listing by brokers.

It is 69,000 kg less than last week's offer. But, it is as much as 3.52 lakh kg less than the offer this time last year.

Of the 11.26 lakh kg on offer, 8.01 lakh kg belongs to the leaf grades and 3.25 lakh kg belongs to the dust grades. As much as 10.51 lakh kg belongs to CTC variety and only 0.75 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.40 lakh kg belongs to orthodox while 7.61 lakh kg, CTC. Among the dusts, only 0.35 lakh kg belongs to orthodox while 2.90 lakh kg, CTC.

In the 11.26 lakh kg, fresh tea accounts for 9.79 lakh kg and 1.47 lakh kg comprises teas remaining unsold in previous auctions. Last week, about 33 per cent of the offer remained unsold due to inadequate demand. Shipments to Japan have come to a standstill after tsunami disaster there. Even companies which have entered into direct export agreement are facing difficulty to honour commitments.

This is in addition to the stagnancy faced in shipments to West Asia and North African markets due to internal unrest.

Global wheat output estimated at 676 million ton for 2011: FAO



New Delhi, Mar 23:

Global wheat output is estimated to rise by 3.4 per cent to 676 million tonnes in 2011 as high global prices led to an increase in the area under coverage in many countries, United Nation's body FAO on Wednesday said.

"Food and Agriculture Organisation's (FAO) first forecast for world wheat production in 2011 stands at 676 million tonnes, 3.4 per cent up from 2010," FAO said in a statement on its website. The production in 2011 would still be below the bumper harvests in 2008 and 2009, it added. Besides rise in area, FAO expects that productivity would increase in countries which were affected by drought in 2010. "Wheat plantings in many countries have increased or are expected to increase this year in response to strong prices, while yield recoveries are forecast in areas that were affected by drought in 2010, the Russian Federation in particular," the statement said.

In Asia, good 2011 wheat harvests are forecast in India and Pakistan, FAO said. India's wheat production is estimated at an all-time high of 81.47 million tonnes, according to the second advance estimate released by the Indian government. "In China, the drought situation in the North Plain has been eased by recent precipitation but the outlook for the wheat crop still remains uncertain," FAO pointed out. As the bulk of the world's coarse grains and paddy crops are yet to be planted, it is, however, too early to forecast total cereal production for this year, the statement said.

Sugar mills hope to earn more from exports



New Delhi, Mar 23:

Sugar mills, which were allowed yesterday to export 5 lakh tonnes of sweetener, are expecting sales realisation from overseas sales to be about Rs 200 per quintal higher as compared to domestic rates.

“At present, the global prices are higher by about Rs 150-200 per quintal than the domestic rates. We hope to get about Rs 3,000 per quintal from exports,” Indian Sugar Mills Association (ISMA) Director General Mr Abinash Verma said.

He pointed out that global sugar prices were higher by about Rs 500 per quintal earlier this month, but since then it has fallen to about 700 dollars/tonne from 800 dollars/tonne.

The government had yesterday allowed sugar mills to export up to 5,00,000 tonnes of sugar under Open General Licence (OGL) as output is likely to exceed demand by about 2.5 million tonnes. Earlier, it had allowed mills to meet export obligations of about one million tonnes under Advance Licence Scheme (ALS).

Reacting on the Government’s decision to allow exports, Mr Verma said this would ensure sugar prices do not fall further in the domestic market and help mills in recovering their cost of production.

In the retail market of the national capital, sugar prices have fallen to Rs 30-32 per kg from nearly Rs 50 per kg in January last year.

India’s sugar production is estimated at 24.5 million tonnes in 2010-11 sugar year (October-September) against 18.8 million tonnes in the previous year. The annual demand is pegged at 22 million tonnes.

ISMA feels the country can export 1.5 million tonnes of sugar under OGL after taking into account one million tonnes of sweetener already exported under ALS.

Guarseed futures up on fresh buying

New Delhi, Mar 23:

Guarseed prices rose by Rs 43 to Rs 2,918 per quintal in future trade on Wednesday on fresh buying by traders amid pick-up in demand in physical markets.

Market analysts said rising demand amid restricted supply at domestic markets influenced trading sentiments at futures trade here.

Also, strong demand from guar gum making industries helped the uptrend in the guarseed futures prices, they added.

At the National Commodity and Derivatives Exchange, guarseed price for delivery in April gained Rs 43, or 1.50 per cent, to Rs 2,918 per quintal, with an open interest of 1,75,000 lots.

Similarly, prices for delivery in May moved up by Rs 42, or 1.44 per cent, to Rs 2,965 per quintal, with an open interest of 39,170 lots.

The Hindu Business Line.