

## Kuruvai cultivation area expected to go up in Tiruchi district

S.Ganesan

*Farmers enthused by announcement to open Mettur dam*

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*Agriculture Department to provide seeds for about 17 per cent of the area to be covered*

*The short-term ADT 43 and ADT 36 are preferred varieties by farmers*

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TIRUCHI: With the State government announcing its decision to open the Mettur reservoir for irrigation on June 6, the area under kuruvai paddy cultivation in Tiruchi district is expected to go up this year.

Though samba is the major crop for the district, the prospect of assured water supply for irrigation has enthused farmers to gear for kuruvai paddy cultivation this year. Agriculture Department officials told The Hindu that they expected a substantial increase in the area under kuruvai over the normal coverage of about 6,500 hectares in the district.

“We expect about 7,500 to 8,000 hectares to be covered under kuruvai this year,” said a senior officer in the department. Of this, about 6,000 hectares would be in the filter point and delta areas of the district, mostly in the Lalgudi belt. Another 2,000 hectares would be covered under kuruvai paddy in the non-delta areas in Uppiliyapuram and Thuraiyur blocks. Last year, about 4,750 hectares were covered under kuruvai in the district, a large portion of it in the filter point areas. The year before that, kuruvai was raised in about 4,200 hectares.

Farmers' representatives too echoed the confidence of the Agriculture Department officials. "It is a good decision to open the Mettur reservoir on June 6. We are hopeful of good coverage and yield as the conditions are conducive this year," said G.Kanagasabai, president, District Cauvery Delta Farmers Welfare Association. Congratulating Chief Minister Jayalalithaa on the "bold decision" to open the dam ahead of the scheduled date, P.Ayyakannu, state vice president, Bharathiya Kisan Sangh, observed that the release of water would be timely for farmers to raise the kuruvai crop. "By raising the crop in time, we can avoid damages by monsoon rain. Besides, pest attack will also be minimised. We expect a good yield during the kuruvai and farmers are gearing up for the season," he said.

Agriculture Department would provide seeds for about 17 per cent of the area to be covered in the district. Officials said adequate quantity of seeds, amounting to about 80 tonnes, were available for distribution to the farmers. The short-term ADT 43 and ADT 36 are preferred varieties of the farmers in the district. Similarly, adequate stocks of fertilizers, including urea, potash and DAP, and bio-fertilizers were available, the officials said. The department was also targeting to promote the system of rice intensification technique in about 50 per cent of the area covered under kuruvai.

Date:25/05/2011 URL: <http://www.thehindu.com/2011/05/25/stories/2011052565440600.htm>

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## Farmers lost Rs. 3,000 cr. worth paddy, says Naidu

Special Correspondent

— PTI Photo



**Seeking intervention: TDP president N. Chandrababu Naidu along with party MPs meeting Union Agriculture Minister Sharad Pawar at Krishi Bhavan in New Delhi on Tuesday.**

HYDERABAD: Telugu Desam Party president N. Chandrababu Naidu on Tuesday charged the State government with causing a whopping Rs. 3,000 crore loss to the paddy farmers by delaying procurement and failing to provide adequate godown space and gunny bags in time.

He told media persons after submitting a memorandum to the Union Agriculture Minister Sharad Pawar in Delhi that the procurement was so poor that farmers had to wait with their paddy for days together in market yards for a good price. By delaying the process, the government was indirectly helping rice millers and middlemen who would then step in to buy paddy stocks at throwaway prices. The State government was in such a pitiable condition that it was unable to ensure sufficient storing space and supply gunny bags, with the result paddy stocks were left to elements of nature causing further loss to the farmers. Its indifference was reflected in the way it was storing liquor in godowns meant for foodgrains.

He said he had narrated to Mr. Pawar the plight of the farmers in the State he had observed during his recent tour of four districts and appealed to him to go their rescue.

This could be done by enhancing the Minimum Support Price which was fixed three years ago and allowing exports. Mr. Naidu also charged Prime Minister Manmohan Singh with showing indifference to paddy growers as seen in the way he had denied appointment to him and his party colleagues. Telugu Desam Parliamentary Party leader Nama Nageswara Rao and other MPs accompanied Mr. Naidu.

**Date:**25/05/2011 **URL:** <http://www.thehindu.com/2011/05/25/stories/2011052560710300.htm>

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## **Bt cotton seed price hike burdens farmers: TRS**

Staff Reporter

ADILABAD: The Telangana Rashtra Samiti (TRS) on Tuesday demanded the government to shoulder the burden of cotton farmers accruing due to increase in price of Bt cotton seed. The party suspected the Government to have played foul by going in for a hike in the price of Bt seeds despite severe opposition from the agriculture community. At a press conference here

TRS leaders B. Goverdhan Reddy and others said the increase in price of seed amounts to about Rs. 160 crore burden on farmers in the State. It is only logical for the government to shoulder this burden as it has contended that the price was hiked to curb black marketing of the seed in neighbouring States. They said the government had changed its stand within one week of commitment to no hike in the price of seeds. This has given rise to suspicion that extraneous reasons influenced the government's decision, they charged.

**Date:25/05/2011 URL:**

**<http://www.thehindu.com/2011/05/25/stories/2011052561070300.htm>**

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### **Bt cotton seed distribution streamlined**

Staff Correspondent

HUBLI: The distribution of Bt cotton seeds to farmers of Hubli taluk went on smoothly here on Tuesday after the taluk administration and the Agriculture Department officials initiated measures to streamline the process.

On Monday there was commotion and tension for some time at a fertilizer shop near Basava Vana here where the distribution of seeds had been arranged. The police had to intervene to bring the situation under control.

New venue

The tahsildar had also visited the spot on Monday, and after holding a discussion with officials of the Agriculture and Police departments, the taluk administration decided to distribute seeds at the auditorium of the merchants' association at New Cotton Market.

All well

On Tuesday, hundreds of farmers lined up at the venue along with the seed permit they had been issued by the village accountant. The distribution went on smoothly till stocks got over.

Ballot ink was used to prevent farmers from taking more than their share while police

personnel kept vigil.

Officials of the Agriculture Department have appealed to the farmers to purchase Bt cotton varieties from other companies too as they were equally good. They clarified that there was enough stock of Bt cotton varieties in the district.

The main reason for Monday's commotion was the demand for 'Kanaka' variety of Bt cotton seeds.

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**hindustantimes**

Wed, 25 May 2011

## Weather

Chennai - INDIA

### Today's Weather



Clear

**Wednesday, May 25**

Max    Min  
39.4° | 28.2°

Rain: 00 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 5:42

Sunset: 18:29

Barometer: 1004.0

### Tomorrow's Forecast



Cloudy

**Thursday, May 26**

Max    Min  
37° | 27°

### Extended Forecast for a week

Friday

**May 27**



Saturday

**May 28**



Sunday

**May 29**



Monday

**May 30**



Tuesday

**May 31**



36° | 29°  
Partly Cloudy

36° | 28°  
Partly Cloudy

37° | 28°  
Partly Cloudy

38° | 29°  
Rainy

39° | 29°  
Rainy

# THE ECONOMIC TIMES

Wed, May 25, 2011 | Updated 09.37AM IST

24 May, 2011, 12.27PM IST,PTI

## Cardamom rises in futures trade on better spot demand

NEW DELHI: Cardamom extended gains in futures trading today and its prices moved up by Rs 16.30 to Rs 885 per kg as traders enlarged their commitments, triggered by pick-up in strong export and domestic demand.

Low arrivals from producing regions in the spot market too influenced the cardamom prices at futures market here.

At the Multi Commodity Exchange , cardamom for August delivery rose by Rs 16.30, or 1.87 per cent to Rs 885 per kg, with a business volume of 49 lots.

Cardamom prices for delivery in June gained Rs 12.20, or 1.44 per cent to Rs 859 per kg, with trade volume of 219 lots.

The spice for delivery in July rose by Rs 11.40, or 1.31 per cent to Rs 879.90 per kg, with an open interest 209 lots.

Market analysts said apart from good demand, short-covering by speculators also attributed to the rise in cardamom prices at futures market.

24 May, 2011, 11.52PM IST,Reuters

### **Markets pare gains as dollar recovers; grains slide**

NEW YORK: Commodities pared gains on Tuesday as the dollar recovered from some of its weakness to whittle away at prices that had surged in early trading on a bullish oil forecast from Goldman Sachs.

The choppy trading a day after a broad sell-off in commodities highlighted the volatility in the sector since the start of May.

The 19-commodities Reuters-Jefferies CRB index was up about half a percent by 1 p.m. EDT (1700 GMT) after rising as much as 1.2 percent earlier.

Oil and copper gave back about half of their gains. Some markets such as soybeans and wheat fell into the negative, losing more than 2 percent, after posting a rise earlier.

For the month, the CRB was down about 8 percent, heading for its largest loss since November 2008, after falling in 11 of the past 16 sessions.

Since market fundamentals haven't changed much from the end of April, some analysts say investors are selling out of commodities because of a turn in the fiscal cycle, with the U.S. Federal Reserve's quantitative easing programme ending in June, while rates are already on the rise in China and Europe.

"The forthcoming end of QE (quantitative easing) is taking some froth out of the commodity markets and there are some economic clouds around," said Simon Wardell, oil analyst at Global Insight.

"I see prices trading sideways for the next two to three months before jumping again in Q4," he

added.

Oil prices initially rose by more than \$2 per barrel after Goldman Sachs raised its price forecast for the North Sea Brent crude traded in London, citing strong fuel demand growth.

Brent hovered around \$111 a barrel after hitting a session high of nearly \$113.

U.S. crude oil traded just above \$98 a barrel after touching an intraday peak above \$100.

Goldman raised its year-end target for Brent to \$120 per barrel from \$105, and its 2012 forecast to \$140 from \$120.

Goldman, the No. 1 investment banker in the United States, is one of the most influential institutions in the global oil market. Its trading recommendations are closely followed by its many thousands of clients as well as other investors.

Goldman's rival Morgan Stanley, also made a bullish call on Brent crude on Tuesday, raising its 2011 forecast for the crude grade to \$120 a barrel, from \$100 previously. For 2012, Morgan Stanley put a target of \$130 on Brent, from \$105 previously.

In copper, the benchmark three-month contract on the London Metal Exchange closed up \$65 at \$8,860 a tonne after rising to \$8,956. It settled down 3 percent on Monday, hitting a one-week low.

Corn and wheat turned down on technical selling and profit-taking after each commodity had soared over 10 percent last week, in a rebound from the broad-based sell-off of commodities that had hit prices through the first half of May.

"Funds were liquidating July corn and also liquidating some of the July/December spread," a



trader said.

Corn for July delivery on the Chicago Board of Trade fell more than 20 cents to a session bottom below \$7.27 a bushel.

CBOT wheat for July was also down about 20 cents to an intraday low of \$7.78.



### **Cabinet approval to bio-farm policy**

May 25, 2011 10:57:47 AM

#### **Staff Reporter | Bhopal**

The Cabinet at its meeting on Tuesday endorsed the State's bio-farming policy. The policy envisages improving soil health, reducing cost of agriculture and making agriculture profitable by ensuring remunerative returns to the farmers.

The excessive and unbalanced use of chemicals in agriculture has reduced the fertility of soil over the years, which has led to inconsistency in production and increase in the cost of farming. The policy provides for constitution of a State Bio-Mission that would draw up an action plan, in coordination with the different departments related to agriculture.

The bio-farming policy covers food grains, vegetables, fruits, spices, forest produce and medicinal crops. Bio product institutions would be developed and proper coordination between bio producer institutions and market would be ensured. The schemes of different departments would be converged and consumer awareness programmes would be implemented. The use of bio inputs like fertilisers, bio pesticides, bio plant protection material would be encouraged.

The policy provides for encouraging research and development on bovine family and animal husbandry besides dry dairy management. The use of biogas would also be encouraged in the

State. Bio input enterprises would be launched to provide employment to the youths. The State Bio Certification Institute would be strengthened and the group itself would make the arrangements for certification of the bio products.

A bio farming centre would be set up in the agricultural universities and veterinary university. Selected Government and other farms would be developed as model farms in the State. A website of the State Bio Mission would be developed.

Long-term, mid-term and short-term goals have been fixed under the policy. The long-term goals are to ensure ecology management. Under the mid-term goal efforts would be made for value addition, marketing and branding while under short-term goals the cost of agriculture would be reduced and income would be increased, besides developing human resources. Time limits have been set for achieving the different goals under the policy.

### **'Banks should protect farmers' interest'**

May 25, 2011 10:58:20 AM

#### **Pioneer News Service | Balasore**

The cooperative banks should strive to bring growth in agro-based economy. Unless the banks set their priority for protection of the interest of small and marginal farmers, the very purpose of the cooperative bank would be defeated, observed Minister of Cooperation Prafulla Samal while inaugurating the new computerised building of the Balasore-Bhadrak Central Cooperative Bank.

Samal opined that fund meant under anti-poverty and welfare scheme should be routed through the cooperative bank. Minister Raghunath Mohanty stressed on transparency and appropriate investment.

The bank which was in loss in the past due to ill deeds, could regain its position and further register profit because of transparency, he maintained.

MLA Jiban Pradip Dash and DRCS Manoranjan Nayak, among others, mentioned about the achievement of the bank being rated as number one bank of the State for its contribution in empowering women. About 10 customers were felicitated on the occasion.

# Business Standard

Wednesday, May 25, 2011

## Pre-monsoon showers to boost kharif acreage

Dilip Kumar Jha / Mumbai May 25, 2011, 0:51 IST

Acreage under kharif crops is expected to rise by 10-15 per cent

Boosted by a favourable climate, with well spread pre-monsoon showers, acreage under the kharif crop is likely to rise by 10-15 per cent this year.



The India Meteorological Department had earlier forecast a near-normal monsoon, well supported by even distribution of pre-monsoon showers in almost all states, which enthused farmers on sowing. Paddy, soybean, guarseed, sugarcane and cotton are the main crops grown during the monsoon season.

"Pre-monsoon showers allow farmers to prepare the fields for cultivation and then wait for the monsoons to undertake sowing. It is when these showers are not followed by adequate rain that the problem begins," said Tanushree Mazumdar, vice-president, National Commodity & Derivatives Exchange (NCDEX).

Last year, the area under kharif crops was reported at 101.76 million ha by the first week of October, 6.5 m ha higher than the previous year. It was also a million ha more than in 2008, which was a record production year.

The Second Advance Estimate for 2010-11 from the Union ministry of agriculture shows kharif foodgrain production at 117.2 million tonnes, a million tonnes lower than the record year of 2008-09. Kharif rice output at 80.2 mt will be 4.75 mt more than that achieved in 2008-09, while the current estimate for rabi output is slightly lower.

Preliminary reports suggest a higher acreage area under the kharif crop so far this year. The data shows a nearly 10 per cent increase in sugarcane area at 4.9 million ha till Friday, as compared to 4.56 m ha around the same time last year. It showed cotton sown in 722,000 ha, up almost 11 per cent from last year. Jute was sown in 774,000 ha, up from 625,000 ha during the same period last year. A higher area was also reported in soybean and pulses.

"The climate is behaving irrationally. Hence, it is too early to predict the change in acreage area with pre-monsoon rainfall," said D K Joshi, chief economist (agri commodities), of rating agency Crisil.

Even if the monsoon remains normal in June, much would depend upon the overall rainfall in July, which is the plant's germination stage, he added.

This also underlines the need for more irrigation, says Mmazumdar of NCDEX. The net irrigated area is around 40 per cent of the land, which is inadequate, as important kharif crops like cotton, pulses like tur, urad and moong and oilseeds like groundnut and soybean and even some vegetables and fruits depend on good monsoons. "Having said that, I think it is better to wait for the Met department for further guidance. Its first long-range forecast and the onset date for monsoons in Kerala suggests that we are likely to have normal monsoons this year," she added.

## **Oil spill helps Indian seafood sector in US**

**George Joseph / Kochi May 25, 2011, 0:48 IST**

A sharp decline in the catch from the Gulf of Mexico, coupled with a drop in the global supply of seafood, helped the Indian seafood sector to perform better in the US market.

During 2010-11, export of frozen shrimp from India to the US had increased 83 per cent in volume and 140 per cent in dollar value, a sharp U-turn in the exports to the US market since 2004.

During 2004 -2009, Indian exports to the US, especially, frozen shrimp faced a serious set back due to the heavy anti-dumping duty imposed.

Exports to the US during 2010-11 increased to 61,089 tonnes, as against 33,382 tones in 2009-10. Total export earnings from the US market increased sharply to \$ 506 million from \$ 211 million in 2009-10.

According to a leading Kochi-based exporters, the huge increase in exports to the US was due to short supply in the world market. Traditionally, the US market depends on the catch from the Gulf of Mexico, but the oil slick has affected the supply badly.

### **Cane crushing in Gujarat to rise by 1mn tonne this year**

**Rutam Vora / Mumbai/ Ahmedabad May 25, 2011, 0:45 IST**

Farmers may get lower returns due to reduced recovery percentage

Sugarcane crushing in Gujarat is pegged at around 12.6 million tonne this year, up by nearly one million tonne from the last year, industry sources informed. However, the recovery from the sugarcane is believed to remain lower this year over last year, mainly on account of the poor quality of cane and longer duration of the crushing season.

"The cane crushing by the state cooperative societies will see a rise this year, but the recovery from cane crushing may fall below 10 per cent this year. This is mainly because of the poor quality of cane and extended crushing season," said Mansinh Patel, president, Federation of Gujarat State Cooperative Sugar Factories (FGSCSF).

As per the government data, recovery percentage from sugarcane crushing was 10.4 per cent in 2008-09. For the year 2009-10 the recovery was estimated at around 10.8 per cent.

"The sugarcane crushing by the 18 cooperative sugar societies in Gujarat in the current year is estimated to be around 12.6 million tonne, which has jumped by one million tonne over last year. However, the recovery will remain lower this year," said Dilip Bhakta, chairman of Madhi Sugar Cooperative adding that the extended crushing season caused a reduction in the recovery.

Usually, the crushing season ends by April, depending upon the cane output. But with uneven weather this year, the crushing activity continued till May end. The area under sugarcane cultivation is believed to be around 2.5 lakh hectares in Gujarat.

"Even as the cane production has remained robust this year, the reduced recovery from crushing has lowered the returns for farmers. This year cane farmers may get returns in the range of Rs 1,900 to Rs 2,200 per tonne of sugarcane against Rs 2,400 to Rs 2,500 per tonne last year. However, final figure is yet to be announced as the crushing at some mills is still on," Bhakta informed.

Meanwhile, sugar production in the state is estimated to remain stable as compared to last year at around 1.2 million tonne, while molasses production is expected to be around 500,000 tonne in the current year.

In Gujarat 100 per cent sugar supply comes from cooperative societies. The cooperative sector controls nearly 60 per cent of the total sugar supplies in the country. Apart from Gujarat, Karnataka, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu are among the leading states having active sugar cooperative societies sector.

### **Jump in milk powder prices stymies demand**

**Ajay Modi / New Delhi May 25, 2011, 0:43 IST**

Skimmed milk powder prices have increased from Rs 180 to Rs 200 a kg this summer.

A 10-12 per cent jump in skimmed milk powder (SMP) prices to record levels of around Rs 200 a kg has made demand almost negligible this summer. Producers apprehend they will have to cut price in the next two weeks, as they cannot carry stocks for long. This summer, SMP prices have increased from Rs 180 to Rs 200 per kg.

In December, prices were ruling at Rs 165 per kg. Export is banned and cooperatives (one of the main customers of SMP) have imported the product. A price cut of around Rs 10 per kg is likely soon.

"Usually, the demand for SMP is strong in summer. However, this year, demand is weak. The market is not ready to buy at the current price levels. In a fortnight, prices will come down since

we cannot carry stocks for long," said Jitendra Agarwal, director, Bhole Baba Dairy Industries that sells SMP under Krishna brand name.

While the domestic demand is lacklustre, a ban on SMP export imposed in February has closed avenues these as well. Along with the SMP, ban on casein export was also imposed. In the last financial year, the country exported SMP and casein worth Rs 500 crore. After imposing an export ban, the government in March allowed the dairy industry to import 30,000 tonnes milk powder at nil duty.

In a pre-emptive move, the government banned export to control milk prices. In spite of this, milk prices have continued to increase. Since April, Amul and Mother Dairy had raised prices by Rs 2 a litre. In the past one year, the milk prices have jumped 20-25 per cent. Amul and Mother Dairy attribute the rise to rising cost of inputs, especially cattle feed.

Agarwal said South Indian states are having a flush milk season and their demand for SMP is also low. The SMP is used by milk processors to make full-cream milk.

Rajeev Kumar, managing director, Param Dairy said the combined impact of export ban and lean domestic demand has led to lower sales of milk power. The company sells SMP under the Param Premium brand.

### **Board urges traders to up tobacco price**

**D Gopi / Chennai/ Guntur May 25, 2011, 0:19 IST**

The Tobacco Board had requested the traders to increase the price by Rs 15 as farmers were incurring heavy losses. The board met the representatives of the Indian Tobacco Association (ITA) and urged them to buy the product at Rs 120 a kg.

The board took this initiative following complaints from tobacco growers of Guntur, Prakasam and Krishna districts on the lowest price being offered to them at auction platforms. The growers, as a result, have stopped bringing the product to the auction centres at Ongole in Prakasam district and Keesara in Krishna district.

The season's highest price of Rs 128.54 a kg was offered at Devarapalli auction platform in West Godavari district, while the lowest of Rs 94.34 a kg was at Keesara platform.

In Karnataka, where auctions for the season closed on May 15, the highest price was Rs 98.26 a kg at Pariyapatnam and the lowest of Rs 87.02 a kg at HD Kote platform, both in Mysore district.

In all, the auction at Karnataka stood at 127,505,906.36 kg for the season, against the permitted quantity of 97.95 million kg at an average price of Rs 92.49 a kg.

In Andhra Pradesh, it was 405,59,530.01 kg as on May 21, 2011, against the permitted 158.97 million kg at an average price of Rs 113.79 a kg.

As auctions continue to take place in Andhra Pradesh, board chairman G Kamalavardhana Rao has requested the traders to increase the price to at least Rs 120 a kg and help the growers.

However, the ITA representatives are unwilling to offer the price suggested by the board on the ground that the prices in the international market were on the lower side.

“We can offer the board’s suggestive price if only we get better price in the global market. Otherwise, it would be difficult for us to give such a high price,” a senior member of the ITA said.

### **Cotton mills to slash production**

**T E Narasimhan / Chennai May 25, 2011, 0:11 IST**

With cotton yarn prices declining steeply than raw cotton, around 3,700 spinning mills in the country have decided to bring down production by 32 per cent from today.

“Yarn prices have come down drastically and as a result around 500 million kg of stock has piled up in the mills, compared with 100-150 million normally,” said J Thulasidharan, chairman, South India Mills Association. These mills employ around 1.2 million people. Of this 50 per cent of the workforce is in Tamil Nadu, which has 2,200 mills.

The state also accounts for half of the total piled up stock. Tirupur used to buy 50 million kg yarn but has now stopped since most of the units have closed following the Madras High Court’s order on a pollution petition.



This resulted in cotton yarn price declining to Rs 215-220 from Rs 285 a kg some 45 days ago. The mills, which had gone on a one-day strike on Monday, stated that the estimated loss due to the strike was Rs 270 crore.

“Such a drastic step is needed to ensure a reasonable price and boost the sagging demand for cotton yarn. It has also been decided that a review meeting of the stakeholders will be called in first week of June to take stock of the price and demand and to chalk out further action,” he said

The present predicament is due to a combination of factors. He said the government abruptly imposed a restriction on export of cotton yarn to 720 million kg for the year 2010-11 based on a complaint made by cotton yarn users alleging high prices and low availability.

Consequently, there was no export from January 15 to March 31, 2011. This led to a huge unsold stock.

Post withdrawal of restrictions from April 1, 2011, exports have been tardy since non-shipment of cotton yarn for over two months had diverted several importers to other sources. Moreover, mills had off loaded the stock at a reduced price internationally.

“Our understanding is that exports during the last five weeks have amounted to less than 50 million kg as against 70-75 million kg per month last year before the restriction,” he said.

# THE HINDU Business Line

## India tea imports in Jan-March decline by 16%



New Delhi, May 24:

India's tea imports in the first quarter of this calendar year declined by almost 16 per cent to 4.23 million kg, according to the Tea Board data. The country had imported 5.02 million kg of tea in the January-March 2010 period.

While imports from Kenya, Argentina, the UK and Nepal increased, in-bound shipments from Vietnam, Malawi, China and the UAE decreased.

Kenya exported 1.47 million kg of tea to India in the first quarter of 2011 as compared to 0.42 million kg in the year-ago period.

Tea exports from Vietnam to India stood at 0.07 million kg as against 1.65 million kg in the review period, as per the data.

India, the second biggest producer of tea in the world, accounts for about 28 per cent of global tea production and 14 per cent of trade. There are about 1,600 tea estates in India.

The industry employs more than 2 million people.

### **Turmeric prices decline due to poor demand**



Erode, May 24:

The turmeric grower-farmers were unhappy over the decrease of spot turmeric prices on Tuesday.

“The farmers were totally dejected over the declining trend of the spot turmeric prices. The prices had decreased heavily due to want of demand,” said traders.

They also said on Tuesday there was a decrease of Rs 1,190 a quintal in the finger variety of Salem crop and Rs 580 a quintal in root variety. Similarly, in the Gobichettipalayam Agricultural Coop Society, the prices decreased by 680 a quintal in finger variety and Rs 980 a quintal in root variety. Because of the sudden fall in prices, many farmers were shocked and some did not accept the price, and even took back the commodity without selling. Similarly, turmeric faced a decrease of Rs 300 a quintal in the Erode Cooperative Marketing Society.

Though bulk buyers attended the market, they did not purchase stocks. Only few traders purchased turmeric with an intention to despatch the goods to Bihar and Madhya Pradesh. The

traders said, "Due to rains in the last week of April, more than 2 lakh bags of turmeric were affected. The rain-affected (slightly soaked turmeric) turmeric is arriving in the market, and is being quoted a low price.

At the Erode Turmeric Merchants Association sales yard, finger variety fetched Rs 6,500-8,089 a quintal, root variety Rs 6,200-7,031 a quintal.

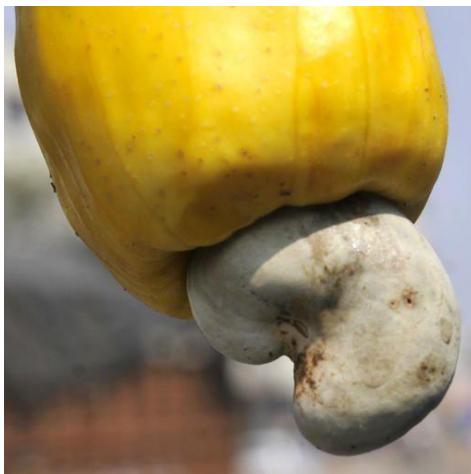
Salem Crop: Finger variety was sold at Rs 7,689-8,469 a quintal, root variety at Rs 6,534-7,369 a quintal. Out of total arrival of 3,983 bags, only 350 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety was sold at Rs 4,527-7,719 a quintal, root variety at Rs 4,110-6,869 a quintal. Out of arrival of 163 bags, 151 bags were sold.

At the Erode Cooperative Society, finger variety was sold at Rs 6,109-7,709 a quintal, root variety at Rs 5,839-7,011 a quintal. Out of arrival of 1,030 bags, 780 bags were sold.

At the Regulated Marketing Society, finger variety was sold at Rs 7,189-7,831 a quintal, root variety at Rs 6,299-7,110 a quintal. 870 bags were kept for sale, 762 bags were sold.

#### **Tight global supply boosts cashew prices**



Kochi, May 24:

Cashew market continued to move up with the prices of almost all grades rising on good demand amid limited supply in the overseas market.

W240 was traded at around \$4.50, W320 was traded from \$4 to \$4.10, W450 at around \$3.95, Splits at around \$3.60, Pieces were sold at around \$3.50 (f.o.b.), and even some processors were able to sell some grades few cents higher, trade sources said.

Although volume traded was small, several markets participated, mainly for nearbys. However, some business was done up to August/September shipment as well, Mr Pankaj N. Sampat, a mumbai-based dealer told *Business Line*.

Raw Cashew Nut (RCN) prices have also moved up by \$75-\$100 a tonne i.e., equivalent to 15-20 cents per lb of kernels, in the last couple of weeks. Brazil buying target is reported to be 30,000-50,000 tonnes, and it is adding to the usual competition between India and Vietnam for West African RCN.

Availability of good quality RCN is limited. A lot of the Ivory Coast (IVC) RCN will have lower kernel yields and higher percentage of second and third grades because of inadequate post collection handling and delayed shipments, he said. "Shipments spread over a long period (normal March to June - this year May to August/September) means a continued tight pipeline and less pressure on shellers," he added.

### **Global Cashew Task Force**

Meanwhile, according to Mr Pankaj, who is currently attending the World International Nut Council Congress in Budapest, a much awaited annual gathering of handlers of all tree-nuts and dried fruits has mooted the formation of the Global Cashew Task Force. Main objectives are to promote production of cashews, promote food safety in the supply chain, initiate nutritional and health studies, generic promotion of cashews by increasing awareness of health and nutritional benefits.

All stakeholders should support this initiative and help the Task Force in its objective of a healthy and sustained growth of the cashew sector, he told *Business Line* from Budapest.

All cashew stakeholders present at the Budapest Congress agreed that the last 15-18 months have been difficult and challenging for everyone in the cashew supply chain. Tight supply situation, uncertainties about supply and demand, firm market and increasing prices, changes in the buying pattern and pricing power have made it necessary for everyone to re-think their strategies to get through this difficult period, which does not seem to be ending soon, he pointed out.

There is an understanding that the big increase in prices in the last 18 months – almost 50 per cent higher than the five-year average will certainly have impact on usage of cashews in many markets by way of reduced promotions, lower pack size, lower percentage in blends, and so on. At the same time, there is also the realisation that there have been big changes in the market such as higher consumption in spot markets, where price changes are transferred to the consumer fast, higher raw material and processing cost, stagnant production with weather related shortages and steady growth in overall demand, despite reduction in some areas.

Unless the supply-demand balance is restored by big increases in production, there is very little chance of softening of prices “although we will certainly see periodic dips from time to time”. Until this happens, volatility with an upward bias will continue. “Even when the market comes down, there is very little chance of it reaching the lower end of the five-year range – we will probably see it settling around the middle of the last 12-month range. We must remember that almost all nuts – and other food commodities for that matter — have been trending higher in the last few years.”

### **Campaign on scientific rubber tapping**



Kottayam, May 24:

Over 1.5 lakh rubber growers and tappers will participate in 4,000 intensive mass contact programmes to be held in Kerala, Tamil Nadu and Karnataka from June 6 to July 22.

The aim of the programme, organised by the Rubber Board, is to create awareness among the growers about the significance of scientific practices in all spheres of rubber plantation industry, an official statement said on Tuesday .

The programmes would be held with the involvement of Rubber Producer's Societies, Self Help groups, non-governmental organisations and other voluntary organisations.

When the growers were getting fairly good price for natural rubber following increasing demand in the market, the Board is aiming to enhance productivity in the small holdings to the maximum.

The productivity of the holdings mainly depends on tapping methods and high productivity has been noticed in holdings where scientific tapping methods are adopted. In addition to the main theme of rubber tapping, importance of replanting, climate change, significance of scientific planting and maintenance of rubber plantations, rain guarding, use of Jebong knife will also be discussed in the meetings.

**Maharashtra's acreage under foodgrains dip**





Mumbai, May 24:

Maharashtra's area under cultivation of foodgrains, cereals and pulses for the year 2010-11 has dropped by about 15 lakh hectares, said the Chief Minister, Mr Prithviraj Chavan, on Monday, at the State-level meet for reviewing the preparation for Kharif season.

Without attributing reasons for the dip in the area, Mr Chavan said other cash crops such as sugarcane, cotton and soyabean has seen good harvest. He also attributed the growth in these crops to good rains, which were about 119 per cent of the normal rainfall.

“For the year 2009-10 Maharashtra has clocked an agriculture growth of 5.5 per cent, which is double of the national average but low when compared with Gujarat. For the last 10 years the neighbouring State has achieved year on year agriculture growth of 11.5 per cent,” Mr Chavan said. Gujarat has managed this growth by successfully implementing a scheme, which gives incentives to the farmers for creating farm ponds in their fields. Their government has managed to create over six lakh farm ponds and with a yearly budget support of Rs 1,000 crore. In Maharashtra for creating new farm ponds, labourers available under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) would be used, he said.



### **Compensation for spurious seeds**

Mr Chavan said that over the years farmers have been cheated due to sale of spurious seeds in the market and suffer heavy financial losses due to such seeds, "Maharashtra Government would be asking the Centre to make changes in the Seed Act, which will ensure that farmers gets some compensation for their crop losses," he said.

Also speaking on the occasion, the Deputy Chief Minister, Mr Ajit Pawar, said that this year due to higher acreage of sugarcane under cultivation and shortage of labourers attributed to NREGA, sugar cane harvesting machines would be required. The government is looking at way in which these machines could be subsidised for the farmers, he said.

### **AP to seek more funds from RBI for paddy procurement**



Business Line Mobilising funds: Ministers (from left) Ms P. Sabita Indra Reddy (Home and Jails), Ms J. Geeta Reddy (Major Industries and Sugar), Ms Galla Aruna Kumari (Mines and Geology) and Ms V. Sunita Laxma Reddy (Women Development and Child Welfare), emerge out of the Chief Minister's chambers at the Secretariat in Hyderabad on Tuesday after a Cabinet meeting. — Photo: P.V. Sivakumar

Hyderabad, May 24:

The Andhra Pradesh Government will mobilise additional funds from the Reserve Bank of India to help it step up paddy procurement from about 1,248 purchase centres in the State.

The State has already secured cash credit of Rs 500 crore from the RBI for purchase of paddy and it has requested market committees to provide the additional amount of Rs 50 crore.

The State, which has recorded a 32 per cent growth in output this year up from 108 million tonnes to 140 mt, has also requested the Prime Minister, Dr Manmohan Singh, and the Centre to hike the minimum support price and also permit export of rice.

Briefing newsmen here today after the State Cabinet meet held today, the State Information Minister, Ms D.K. Aruna, said that efforts were also being made to arrange for gunny bags that would facilitate in storage of arrival of paddy into godowns.

Indira Kranthi Pathakam (IKP) groups, Civil Supplies Corporation and Food Corporation of India have opened paddy purchase centres to pick up stocks directly from the farmers. The procurement data shows that it is significantly higher this year compared with last year's numbers for the corresponding period. The Government is also making efforts to arrange more rakes from the railways to move it within various parts of the State. About 180-190 rakes will be moved during the month. FCI has also initiated process to place indents for 240 rakes, she said.

The Cabinet today decided to handover 702 acres for the proposed Tirupati International Airport project being taken up by the Airports Authority of India in Renigunta and Yerpadu mandals in Chittoor district. The Government also sanctioned Rs 100 crore towards acquisition of lands and shifting of utilities.

A master plan for upgradation of Tirupati airport was prepared following a joint survey by AAI and the State Government in 2008. According to the proposal, the existing airport located in 312 acre is owned and managed by the AAI. The AAI had come up with a proposal to expand and upgrade the airport to handle increasing flow of passengers. In yet another decision, the Cabinet approved allotment of 283 acres of land to DRDO at Parvada mandal near Visakhapatnam at Rs 12 lakh a acre for it to set up a defence unit and another 14 acres to APIIC for facilitating it to set up an industrial park in Chittoor district. Nizam Sugar factory, which has about 16,900 acres,

in its possession used for sugarcane cultivation, has been allowed to sell about 500 acres to help it mobilise funds.

### **Cardamom prices fall on selling pressure**



Kochi, May 24:

Cardamom prices fell sharply last week on heavy arrivals at auctions held in Kerala and Tamil Nadu as the growers holding stocks started liquidating.

“There was an unusual selling pressure last week,” trade sources said.

Fear of further fall in prices due to prevailing favourable weather conditions and consequent early arrival of new crop is appeared to have led to a panic liquidation by medium growers and dealers of their stocks. As a result, the arrivals last week soared to around 300 tonnes.

At the Sunday auction alone, held by the KCPMC, arrivals stood at 65.9 tonnes. However, the entire quantity was sold out as exporters and upcountry dealers were covering.

Big players are said to had earlier cleared their stocks when the prices were ruling at around Rs 1,000 a kg. However, good buying support from the exporters who have orders in hand for the Ramzan, which is expected early this year, has helped the prices to hold on at the current levels, Mr P.C. Punnoose, General Manager, CPMC told *Business Line*.

According to the trade, an estimated 40 tonnes of cardamom have been bought by exporters last week. More enquiries are said to be pouring in, it said.

Upcountry buyers were also active as they were also of the opinion that high fluctuation in the prices in the coming days might be unlikely.

The individual auction average price dropped to below Rs 700 a kg to Rs 696.03 at the KCPMC auction on Sunday from Rs 785.95 a kg the previous Sunday. The maximum price was at Rs 980 a kg and the minimum was Rs 362.50 a kg, Mr Punnoose said.

Total arrivals during Aug 1 to May 22 stood at 10,072 tonnes. Of this 9,818 tonnes were sold.

Arrivals and sales in the same period of the previous season were 9,575 tonnes and 9,378 tonnes respectively.

Weighted average price as on May 22, was Rs 1,034.50 a kg, as against Rs 832 a kg same day last year.

Open market price in Bodinayakannur on Monday morning for good colour 8 mm bold was at Rs 1,150-1,200 a kg while that for graded varieties dropped and (in Rs/kg) were: AGEB (7mm) 900-950; AGB (6mm) 750-800; AGS (5mm – 6mm) 650-700 and AGS 1 – 650. Good bulk was being sold at Rs 680-710 a kg, market sources in Bodi told *Business Line*.

Overall weather conditions remained suitable for the plants and hence the next crop is likely to be good and expected to hit the market in late June/early July, growers in Kumily said.

**Sugar rises on demand**



Mumbai, May 24:

Sugar prices at Vashi market on Tuesday witnessed an uptrend on the back of fresh local buying and improved inquiry from upcountry buyers.

In the beginning spot price slightly declined by Rs 5 on increase resale selling but later on the price improved, tracking increase in naka and mill tender rates.

Mills have increased their tender rates on seeing demand support. At mill level prices improved by Rs 10 to Rs 15 a quintal and Naka rates also shot up by the same amount. Volume also improved.

Sentiment was firm.

A wholesaler at Vashi APMC market said prices have bottomed out and improvement in demand, price is expected.

Mr Harakhchand Vora of Kavita Trading Co said: "Till now market was ruling weak due to lack of demand. But from today with improvement in local demand and buying inquiry from upcountry, overall sentiment of the market has changed. With an improvement in consumer demand, sugar price may show an upward trend in the coming days."

Prices at mill level, considering high input cost, seems to have bottomed out and are now at less risky level. Traders and stockiest have now started fresh buying. Fresh local demand is also supporting the sentiment, he added.

Market sources said in the current month mills have sold a good amount of sugar; and there is no more pressure for selling, as was witnessed in the previous two-three months. However, there is a quota that mills have to sell before the month-end. With improvement in demand, mills will not face any difficulty in making the sale, they said.

Mills are in favour of reducing the inventory. Arrivals and dispatches in Vashi market also improved in line with demand. Inventory in Vashi market was at 70-75 truckloads (each of 100 bags).

About 27 mills have offered tenders and sold 1.25-1.50 lakh bags of sugar (100 kg each) in the improved range of Rs 2,600-Rs 2,650 for S-grade and Rs 2,660-Rs 2,720 for M-grade.

Most mills got good response to their tender offer. Arrival in the market was at 48-50 truckloads (each of 100 bags) and local dispatch was 44-45 truckloads. Freight rates were steady.

Bombay Sugar Merchants Association sugar rates for spot were S-grade Rs 2,720-Rs 2,761 (Rs 2,726-Rs 2,761) and M-grade Rs 2,776-Rs 2,881 (Rs 2,786-Rs 2,881).

Naka delivery rates for S-grade were Rs 2,690-Rs 2,710 (Rs 2,685-Rs 2,720) and M-grade were Rs 2,720-Rs 2,800 (Rs 2,715-Rs 2,795).

**Potato prices at Nilgiris shoot up**



Coimbatore, May 24:

The price of potato at the Mettupalayam market has surged in the last month, from Rs 450-550 a bag of 45 kg to Rs 625-675 a bag currently. Trade sources expect the prices to hover around this level till July.

Taking note of this price movement, the Domestic and Export Market Intelligence Cell (DEMIC) at the Tamil Nadu Agricultural University, has advised Nilgiris' farmers to sow potato in Neerbogam season (February to May, June) and get a price of Rs 14-16/kg this month and the next.

DEMIC sources foresee a drop in the price by Re 1 to Rs 2 a kg in July. "Do not hold the produce. Sell it immediately upon harvest," say farm varsity experts.

The advice is based on an analysis of prices at the Nilgiris Cooperative Marketing Society in Mettupalayam over the last two decades.

Experts say that the potatoes grown in the Nilgiris fetch higher prices compared to those grown in Karnataka, UP, West Bengal and Bihar. These potatoes have longer shelf life, the source said.

In Tamil Nadu, potato is grown in the hilly regions of Dindigul, Nilgiris, Krishnagiri and Erode districts



Fresh potatoes from India are exported to Sri Lanka, UAE, Mauritius, Nepal, Singapore, Maldives and Kuwait.

The area under potato in Tamil Nadu dropped by 200 hectares to 4,600 hectares in 2010 -2011, but production rose to 97,200 tonnes against 80,600 tonnes during the earlier year.

During the lean season (February- April), traders source potato from Agra, Hasanpur in Uttar Pradesh, Indore in Madhya Pradesh and Kolar in Karnataka for markets in Tamil Nadu.

Nilgiris' potato is traded in Chennai, Coimbatore, Madurai, Trichy, Salem and Vellore.

### **Coonoor tea prices decline 21%**



Coonoor, May 24:

Prices at the auctions of Coonoor Tea Trade Association (CTTA) have fallen 20.84 per cent from the peak in February and 14.21 per cent since the beginning of the current calendar, reveals an analysis of the market reports.

Although prices have been ruling more than the levels reached this time last year, they have been tracing a declining trend week after week for the past three months.

Prices are currently averaging Rs 58.50 a kg against Rs 57.11 this time last year.



But, they have traced a sharp decline since the peak of Rs 73.90 posted on February 10. The falling trend has been consistently happening week after week. This means, in the three months, every kilo of tea has been fetching as much as Rs 15.40 less. This accounts for a decline of 20.84 per cent.

The year opened with an average price of Rs 68.19 a kg. So, compared to that, every kg has lost Rs 9.69 in the five months. This accounts for a decline of 14.21 per cent.

In May alone, prices have declined Rs 5 a kg compared to April-end.

Although quality offers fetch more prices than others, even they have lost considerably. This week, 24 marks of orthodox offers and 64 marks of CTC offers fetched Rs 100 and more a kg.

### **Govt may allow addl 1.5 m bales cotton exports**

New Delhi, May 24:

Under pressure to ease quantity restrictions imposed on cotton exports, the Government is likely to allow further shipment of 1.5 million bales in the current season, sources said.

Earlier, the Government had allowed export of only 5.5 million bales of cotton in 2010-11 and the limit has been exhausted by the exporters. The cotton season runs from October to September.

“There are indications that additional exports would be allowed, given the pressure from farmers and ginning industry,” the sources said.

Ceiling on cotton exports was imposed in October last in the wake of a sharp rise in prices hitting the domestic textiles industry. The apparel units had even resorted to partial closures as the raw material prices went up.

However, the situation has taken almost a U-turn since March-end and the prices of the natural fibre have shown a drastic fall.

In the domestic market, cotton prices have declined to below Rs 50,000 per candy (356 kg each) at present from a high of Rs 62,500 per candy two months ago.

The Agriculture Minister, Mr Sharad Pawar, has written several letters to the Prime Minister, Dr Manmohan Singh, seeking more cotton exports.

“Domestic cotton prices are going down. In such a situation, we have to see whether we can export. International market is good and I think we have to take a view at the earliest,” Mr Pawar told reporters here on Monday.

### **Guargum futures extends losses**

New Delhi, May 24:

Guargum prices fell by Rs 113 to Rs 10,148 per quintal at the futures trade today due to renewed selling by speculators in line with a weak domestic and overseas market sentiment.

Market analysts said traders indulged in off-loading their holdings on the back of a weak domestic and global spot market trend.

At the National Commodity and Derivatives Exchange, guargum for delivery in June dipped by Rs 113 or 1.1 per cent to Rs 10,148 per quintal with a trade volume of 14,955 lots.

Similarly, July contract also went down by Rs 114 or 1.09 per cent to Rs 10,375 per quintal with an open interest of 44,275 lots.