THE HINDU

COIMBATORE, April 11, 2012

Plant quarantine laboratory at TNAU

It will be used by officials and research scholars pursuing PG diploma course

Tamil Nadu Agricultural University has established a plant quarantine laboratory to offer postgraduate diploma course in Plant Quarantine.

The laboratory, inaugurated by Vice-Chancellor P. Murugesa Boopathi, will be used by officials and research scholars pursuing the course. Established at a cost of Rs. 20 lakh with external financial support, the laboratory has been equipped with four compound microscopes, 10 stereo zoom microscopes, seed sieves, boerner divider, illuminator, micro-centrifuge and an autoclave.

There are many risks involved in the import of planting materials. Without adequate safeguards, pests and diseases gain entry while the plants are imported. Plant quarantine can provide safeguards, as it aims at providing protection to the agriculture of a country against the likely ravages of alien pests and pathogens that find their way and get established.

“This is of particular importance to countries like India, whose economy is largely based on agriculture. Quarantine not only helps ward off the threats of exotic pests, but also enables to eliminate and prevent further spread of pests and pathogens within the country," the Vice-Chancellor said.

From time to time, new pests and pathogens had devastated crops and even led to famine in different parts of the world. In India too, several pests and diseases got introduced.

V. Valluvaparidasan, Director, Open and Distance Learning, TNAU, said the existing plant quarantine regulation in India included a valid import permit issued by the Central Government. Without this, no consignment could be imported without a phytosanitary certificate.

Also, plant quarantine regulations promulgated by Governments of different countries were designed to regulate the introduction and movement of plants, planting materials, plant products, etc., with a view to prevent the introduction of associated pests, pathogens and weeds that were exotic to a country, but harmful to its agriculture.

He stressed the need for trained scientific and technical manpower on plant quarantine, which was essential for an agriculture-based country like India.

For details, contact 0422-6611229 / 94421-11048; or e-mail to odl@tnau.ac.in.

- *There are many risks involved in import of planting materials*
- *Plant quarantine can provide safeguards*

Published: April 11, 2012 00:00 IST | Updated: April 11, 2012 04:22 IST

Private sugar mills' gain is cane growers' loss

M.Balaganessin

Employees of cooperative, public sector factories on strike

a bitter lot:Perambalur public sector sugar mill has diverted about 165 trucks (each with 12 tonnes of cane) to private sugar mills for crushing.

The indefinite strike by the employees of the cooperative and public sector sugarcane factories across the state has affected the cane growers who have to incur an additional expenditure for getting their produce crushed.

The workers resorted to the strike on April 3 in support of their decades-long demand for pay scale on par with the government employees, forcing the factory authorities to divert the sugarcane to private sector mills.

The Perambalur public sector sugar mill at Eraiyur on the outskirts of the town, with a daily crushing capacity of about 3,000 tonnes, has diverted about 165 trucks (each with 12 tonnes of cane) to a few private sugar mills.

R. Raja Chidambaram, state secretary of Tamizhaga Vivasayigal Sangam, said the employees' demand was pending for about two decades and the cooperative and public sector employees resorted to the strike, coinciding with every crushing season, thereby exerting pressure on the State government to get it redressed, but in vain all these years.

“The strike is withdrawn every time based on some assurance or other by the Sugar Commission," says N. T. Anbhazhagan, district president of sugarcane producers association.

G. Srinivasan, district president of Paatali sugarcane growers association, and T.K. Ramalingam, president of public sector sugar mill share holders association, say the strike, apart from affecting sugarcane farmers, causes a setback in the profitability of the sugar mills.

It often comes advantageous for the private mills.

Referring to the talks to be held with the representatives of employees in Chennai on Wednesday, P. Manickam, district president of the Tamizhaga Vivasayigal Sangam, said that the state government should immediately resolve the issue with a permanent solution.

Mr. Raja Chidambaram says the cooperative factories adopted ‘duel scale of pay' - one for higher officials of the factory on par with government scale of pay, and another for employees recommended by the Sugar Commission.

About 1.5 lakh acres had been brought under sugarcane this season.

The areas covered are Sendurai taluk in Ariyalur district, and Veppur and part of Arumbavur in the district.

The farmers submitted a memorandum to Gandhi, chief accountant of the factory at Eraiyur on Tuesday in support of the demand.

They also wanted expeditious execution of the cogeneration plant on the factory campus to cater to the internal energy demand of the factory.

Published: April 11, 2012 00:00 IST | Updated: April 11, 2012 04:32 IST

Tribal farmers to be given aid to take up horticulture

Staff Reporter

ITDA has earmarked one hectare each for selected tribal farmers in 7 mandals of Rampachodavaram Agency area for development of horticulture. The State Horticulture Commission and the Rastriya Krishi Vignan Yojana will extend assistance to tribal farmers to purchase agriculture tools such as sprinklers, sprayers, electric motors, drip irrigation materials and oil engines.

Addressing a meeting of all revenue, IKP, DWMA and Horticulture officials here on Tuesday, ITDA project officer C. Nagarani said tribal should be given orientation and guidance in developing cashew farming, mango, ginger, banana, turmeric, and other horticulture products. She also suggested officials, particularly agriculture department to encourage tribal in growing vegetables, which are having more demand in urban areas. She said revenue officials should identify 1500 acres of assigned and ROF lands to develop cashew, mango, and other orchids for the sustainability of tribals in those mandals. The PO said they had identified 3,000 acres from January this year and asked the officials of all concerned to develop horticulture in these areas. RDO G. Ganesh Kumar, tehsildar G. Bimarao, and MPDO D.V.L.N. Sastry participated.

Published: April 11, 2012 00:00 IST | Updated: April 11, 2012 04:22 IST

250 get free milch animals

Collector B. Maheswari distributed free milch animals to about 250 beneficiaries at a function held here on Tuesday. In all, 984 milch animals were distributed. V.C. Ramaiah, district panchayat chairman; V.R.Karthick Thondaiman, municipal chairman, were present.

Published: April 11, 2012 00:00 IST | Updated: April 11, 2012 04:35 IST

Farmers' grievance day meet on April 20

Staff Reporter

The farmers' grievance day meet for this month will be held at Tenkasi on April 20 due to administrative reasons. According to Collector R. Selvaraj, the meet will be held at Tenkasi panchayat union office from 10.30 a.m. instead of being conducted usually at the Collectorate. Hence the farmers should come to Tenkasi on this day to participate in the meeting, Dr. Selvaraj said.

HENNAI, April 11, 2012

Farmers' festival to give a boost to agriculture

It will pave way for second green revolution: Jayalalithaa

After restoring the tradition of celebrating the Tamil New year on the first of Chithirai, the AIADMK government is now planning a massive farmers' festival this year to give a boost to agriculture.

The previous DMK regime celebrated the Tamil New Year on the first day of the month of Thai. The present government scrapped the law in this regard.

Making a suo motu statement in the Assembly on Tuesday, Chief Minister Jayalalithaa said that beginning April 13, the Tamil New Year's Day, the government would organise Farmers' Grand Festival in all 16,564 revenue villages. A feast would mark the occasion.

“While providing exposure to farmers on the challenges of modern agriculture, the festival will prepare them to become experts in their field. Thus, it will pave the way for a second green revolution in the State,” she said, amid the thumping of desk by the treasury benches.

Ms. Jayalalithaa said that the festival would be organised in the form of awareness camps where information on the work of all departments and benefits of all schemes would be made available to farmers.

The Agriculture Department had created a software on Information Technology-dependent crop management scheme to ensure that new crop varieties and technology reached farmers without delay.

Besides officials from the departments of agriculture, horticulture, agricultural marketing, agricultural engineering, animal husbandry, fisheries and dairy development, scientists from Tamil Nadu Agricultural University, Tamil Nadu Veterinary and Animal Husbandry University and representatives of primary agricultural cooperative banks and other service banks would be involved in the camps. It would follow the approach of a mobile extension centre.

“Officials and scientists will visit every revenue village along with input distributors and inform the farmers about crops suited to their village, technology and integrated farming methods including cattle rearing, sericulture, agro-forestry and fisheries. Solutions to the problems related to the local farms will be found in the camps,” she said.

The government would provide information to the farmers through cultural events such as therukoothu, drama, folk song and dance during the festival. Besides organising small exhibitions and demonstrations and distributing technological guides and booklets and inputs, meetings with experts, agricultural inputs distributors would also be arranged.

The Chief Minister said as agriculture was facing manpower crisis owing to the migration of farm labourers from villages to urban areas, her government had introduced the mechanisation of farm activities in a big way.

“We have given Rs.80 crore as grant to 400 primary agricultural cooperative societies (Rs.20 lakh each) for purchase of machines. Farmers can hire these machines at a nominal rate and produce more food even in small areas.”

The government is providing 100 per cent subsidy to small and medium farmers utilising micro-irrigation and 75 per cent subsidy to others. “The government has also ordered construction of godowns so that farmers can keep their produce till they get a better price.”

“It will be organised in the form of awareness camps”

JAIPUR, April 11, 2012

Traders flock to Jaipur for national spice fair

The ongoing national cooperative trade and spices fair at Dussehra Maidan here has so far conducted business worth Rs.75 lakh by selling items ranging from utensils, readymade garments and edible items to cosmetics, condiments and footwear.

The fair started on April 4 with the participation of cooperative societies from different States.

Registrar of Cooperative Societies P. S. Mehra said here on Tuesday that the event's popularity had been proved by the large number of people visiting the fair and making purchases.

National platform

The fair has provided a national platform to the spice and *namkeen* makers of Bikaner, Mathania, Bhinmal and Bhusawar towns in Rajasthan to showcase their items, said Mr. Mehra.

The Rajasthan State Cooperative Consumer Federation has put up 15 stalls at the venue.

An added attraction at the fair is the presentation of colourful cultural events everyday and draw of lots to select winners of attractive prizes from among the visitors.

hindustantimes

Wed,11 Apr 2012

weather

Delhi - INDIA

Today's Weather	
	Wednesday, Apr 11
	Max Min
Cloudy	37.5° | 22.3°
Rain: 00 mm in 24hrs	**Sunrise:** 7:14
Humidity: 65%	**Sunset:** 17:48
Wind: Normal	**Barometer:** 1005

Tomorrow's Forecast	
	Thursday, Apr 12
	Max Min
Cloudy	37° | 23°

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Apr 13	Apr 14	Apr 15	Apr 16	Apr 17
37° | 23°	38° | 22°	39° | 22°	39° | 23°	40° | 24°
Rainy	Rainy	Rainy	Sunny	Sunny

THE ECONOMIC TIMES

11 APR, 2012, 01.27AM IST, REUTERS

Cotton prices seen steady, government buying balances low demand

MUMBAI: Cotton prices in India are likely to remain steady this week after rising for two straight weeks as low demand from yarn and textile-makers is seen offsetting higher buying by government agencies.

"Despite government intervention, prices are unlikely to rise due to low demand from textile makers, though it could prevent prices from falling," said Arunbhai Dalal, a trader based in Gujarat.

India has decided to build cotton reserves of 2.5 million bales of 170 kg each to meet the needs of the domestic textile industry and the state-run Cotton Corporation of India (CCI) has been directed to intervene in the market to ensure stability of prices.

Prices could rise next month as textile-makers are likely to start buying to meet festival demand requirements during October-November period, Dalal said. On Tuesday, the prices of the most traded Shankar-6 variety were unchanged at Rs 34,000 per candy of 356 kg each, data from Cotton Association of India showed.

10 APR, 2012, 12.41PM IST, PTI

FMC slashes position limits in 4 farm items

NEW DELHI: To curb excessive price volatility, the Forward Markets Commission (FMC) has reduced open position limits - a restriction on the quantity of commodities that can be traded in the futures market - on four farm items, effective from today.

"The Commission after examining the excess volatility observed in the prices of soyabean, mustard seed, chana and refined Soya oil contracts and also keeping in view the revised production data of the aforesaid commodities, has decided to revise the open position limits in the said contracts," FMC said in a note to commodity exchanges.

In chana futures, a broker (member) will be restricted to trade up to 75,000 tonnes instead of 1,00,000 tonnes earlier. An individual trader (client) will be allowed to trade up to 15,000 tonnes as against 20,000 tonnes.

Whereas in a near month contract, a broker will be allowed to trade up to 15,000 tonnes of chana and a client can trade 3,000 tonnes.

In soyabean futures, a broker will be allowed to trade up to 1,00,000 tonnes from April 10, as against 1,50,000 tonnes. Similarly, a client will be restricted to trade up to 20,000 tonnes.

In case of refined soya oil, position limit on broker will be reduced to 85,000 tonnes from earlier

1,25,000 tonnes. A client will be allowed to trade up to 17,000 tonnes, instead of 25,000 tonnes.

Similarly in mustard seed futures, position limit on broker will be reduced to 75,000 tonnes from earlier 1,25,000 tonnes. The limits on client would be 15,000 tonnes instead of 25,000 tonnes.

In near month contracts too, the quantity of soyabean, refined soya oil and mustard seed that a trader can trade will be reduced.

These four commodities have come under the regulatory lens as their prices have risen sharply in last few months and industry bodies have sought the Consumer Affairs Ministry for a probe into price speculation.

Recently, the FMC had also raised the margin amount that a trader has to deposit with the exchange to participate in futures trading of chana, mustard, soyabean, potato, pepper and cardamom.

Experts said that higher margins and lower position limits are tools used to protect futures market from excessive speculation.

The Indian EXPRESS
JOURNALISM OF COURAGE

Asia gauges inflation via rear-view mirror

Agencies Posted online: Tue Apr 10 2012, 10:51 hrs

SINGAPORE : Depending on where you look, Asia's inflation is either benign or stubbornly hot.

China's March inflation rate stayed below Beijing's 4 percent target and appeared to be on a softening trajectory, and South Korea's dropped to a 20-month low. But other figures show price pressures actually picked up last month, and factories paid more for raw materials.

The disconnect stems from the way inflation is measured. The primary indicator in many Asian economies compares prices against a year earlier, not the prior month as is common in the United States and Europe.

That can be misleading.

Asia's inflation looks tame now largely because prices were high a year ago, when oil spiked because fighting in Libya threatened supplies, and shortages of pork and other food drove up costs. Economists call that the base effect.

Central bankers trying to calibrate interest rates need to know where prices are headed, not where they've been. Otherwise, they risk missing the warning signs of a build-up in inflation that will only become harder to contain.

The month-on-month data gives you a better gauge of the inflation pulse, what's happening right now, said Rob Subbaraman, chief Asia economist for Nomura in Hong Kong. I'm a little bit sceptical of looking too closely into the year-on-year numbers now.

Each data set has its limitations.

Few of the statistics agencies in Asia adjust data for seasonal factors, such as the Lunar New Year which distorts month-on-month readings in China and some neighbouring economies every January and February.

Comparing year to year solves that problem, but introduces another set of concerns over base effect and timeliness.

Seasonal adjustment is notoriously difficult to get right. Some economists think the US government mismeasured seasonal shifts in the labour market this past winter, reporting an abnormally sharp drop in the jobless rate.

Nomura's Subbaraman said he thinks inflation will become a bigger problem for Asia later this year. Rising commodity prices, easy monetary policy and tight labour markets suggest that as demand picks up, inflation will quickly follow.

The Bank of Korea and Bank Indonesia both hold policy-setting meetings this week, and are expected to keep rates steady, mindful of the inflation threat even though price pressures are currently subdued.

CONFLICTING SIGNALS

China's inflation numbers on Monday were a case study in how confusing the data can be. The consumer price index rose 3.6 percent year on year, more than economists polled by Reuters had expected. But a measure of producer prices pointed the other way, dropping 0.3 percent from a year earlier.

That suggests little inflationary pressure in the pipeline because manufacturers would feel the effects of rising costs before consumers do.

Yet the month-on-month figure showed the producer price index rose 0.3 percent between February and March, which indicates price pressures may indeed be building.

Because China does not seasonally adjust the data, it is hard to read too much into changes between February and March. The lunar new year fell in January this year, so prices for food and other holiday-related items spiked that month and then eased somewhat in February. The pickup in March may have had more to do with the fact that prices had subsided in February.

Food was the primary driver behind the unexpected pickup in the March CPI, although unlike a year ago the main culprits were fruits and vegetables, not pork.

Vishnu Varathan, an Asia economist with Mizuho in Singapore, said he was watchful of signs that inflation was re-emerging as a threat, but saw little to fear in Monday's data. High pork prices persisted last year, but it takes longer to rear a pig than to grow a cabbage.

What we know about food inflation tells us there's no reason to get distressed, he said. What we know about fuel inflation tells us there may be a problem but it hasn't come home to roost yet.

Varathan said he would be more worried about Asia's inflation threat if conflict in the Middle East sent oil prices back up to 2008's record high near $150 per barrel.

WHAT'S EATING ASIA

Food and energy account for about 40 percent of the consumer price index basket in most Asian economies outside of Japan, so watching commodities provides the clearest window into where inflation is heading.

Commodity price moves also explain why the yearly inflation data clashes with the month-on-month figures.

The Thomson Reuters-Jefferies CRB index, a broad measure of commodity prices, fell by as much as 15 percent from mid-March 2011 to mid-March 2012. But it was up 1.5 percent from mid-February to mid-March this year.

Even more worrisome to some inflation watchers is how rising commodity prices seem to be filtering through the economy and ultimately into higher wages. The big worry is a wage-price spiral, where pricier goods lead to higher wage demands, which in turn feeds back into higher prices.

China has been at the forefront of raising wages. Its latest five-year economic plan calls for an average annual minimum wage increase of 15 percent through 2015. Rival exporting economies may follow their lead, knowing that they too can boost wages without losing their competitive edge.

Rahul Bajoria, an economist with Barclays in Singapore, points out that wage hikes have been implemented or planned in Thailand, Malaysia and parts of Indonesia, bolstering his view that inflation pressures are building.

The trough in inflation is going to be a lot shallower than what we were earlier expecting, Bajoria said. You have to look beyond the headline (inflation rate) and understand that the price dynamics are turning a bit more unfavourable.

Business Standard

Wednesday, Apr 11, 2012

Jeera prices drop 20% amid record arrivals

Arrivals touch 50,000 bags on Monday, buying remains weak

Rutam Vora / Mumbai/ Ahmedabad April 11, 2012, 0:11 IST

Heavy arrivals and weak demand has brought down Jeera (cumin seed) prices by more than 20 per cent since December 2011. At the spot market in Unjha, jeera prices hovered in the range of Rs 11,000-11,500 per quintal on Monday with arrivals touching 50,000 bags (each of 55 kg).

According to trader sources, jeera acreage has almost doubled during 2011, which resulted in a bumper crop.

"In Gujarat, Jeera was sown on more than 265,000 hectares of land, which was about 130,000 hectares previous year. However, there were some climatic fluctuations after Diwali, which was feared to hamper the crop. But now, the situation has changed and markets are flush with jeera and prices are declining constantly," said a jeera trader and exporter from Unjha.

In December 2011, jeera was quoted at Rs 13,500 to Rs 14,000 per quintal at Unjha market. The prices have come down by more than 20 per cent in past three months to trade in the range of Rs 11,000-11,500 per quintal in the spot market. In the international market, jeera prices remained firm at US $ 2500 per tonne, while that of Syria's remained higher at $ 3300 per tonne.

"We are expecting jeera production to be in the range of 3.2 to 3.3 million bags against 2.8 million bags that were reported in the last year. Domestic demand is weak and arrivals have started mounting from a usual 30,000 bags to about 40,000 bags daily. While on Monday, the arrivals touched 50,000 bags. Prices have come under pressure due to this and may slide below Rs 110 a kg in spot market amid weak domestic off take," said Arvind Patel, an industry analyst and former president of Unjha Vepari Mahamandal - a local merchants association. Gujarat's production is likely to be around 1.2-1.3 million bags while in Rajasthan may contribute about 1 million bags.

According to market sources, jeera arrivals have shot up in past one week from around 35,000 bags to about 50,000 bags on Monday.

On the National Commodity and Derivatives Exchange (NCDEX) April contract of jeera futures, fell by almost Rs 350 per quintal and traded at Rs 11750 per quintal. The April contract ends on 20th of this month."Domestic buyers are not making fresh purchases presently, mainly due to sliding prices. The sentiment is dull and arrivals continue to hit markets. However, we expect exports to do well as Syria and Turkey are not being able to meet international demand," said a jeera exporter and trader from Palanpur.Despite domestic buyers staying away from fresh purchases, market insiders maintained that exports will rise sharply as two leading producers of jeera, Syria and Turkey would not be able to meet the international demand due to low crop there.

"Jeera exports may touch 1.2 million bags this year, up from about 500,000 to 700,000 bags reported last year. This may partly support prices. But looking at the quantum of arrivals hitting the markets, prices may continue to slide at least till the end of this month," added Patel.

Marine exports up 3.5% in April-Jan

George Joseph / Kochi April 11, 2012, 1:16 IST

South East Asia became the top consumer of Indian sea food items with a market share of 39.79 per cent in volume of exports and 25.66 per cent in Re value realisation during April–January period of 2011-12. The South East Asian market which has been showing interest in Indian seafood items for the last 10 years, surpassed European Union.

Tea exports to Pak to double in 3 yrs

BS Reporter / Kolkata April 11, 2012, 0:06 IST

Adding yet another leaf to the story of improving ties between India and Pakistan, the tea associations of the two countries signed a memorandum of understanding (MoU) on Tuesday to double the export of Indian tea to the neighbouring country in the next three years.

According to the MoU, India is set to export about 50 million kg of tea to Pakistan by 2015, which will see a rise of 108 per cent to the current 24 million kg. “This is the fourth delegation from the Pakistan Tea Association (PTA) to India since 1997, when the talks began. The last delegation visit was in 2007, when we agreed to import about 25 million kg to Pakistan. Now, we are confident that in the next three years, we will be able to import 50 million kg from India," said Mohammad Hanif Janoo, chairman of PTA, who led the 13-member delegation delegation, the visit coincided with Pakistan President Asif Ali Zardari's trip and also the meeting of commerce ministers of both countries on Friday."We would like to push the Dooars and Assam CTC to the Pakistani market, currently a big consumer of south Indian tea," said C S Bedi, chairman of the Indian Tea Association (ITA). Pakistan's total tea consumption is about 225 million kg, of which 120 million kg is imports while the rest is through grey route. Pakistan is the world's second-largest importer of tea."Out of the total tea coming into the country (imports as well as grey market), Kenya contributes about 135 million kg and India about 24 million kg. We are pushing the government to bring down the import duty on tea from the current 10 per cent," Janoo added.Sources said the all-inclusive import duty in Pakistan is 37 per cent. India was looking forward to the implementation of the most favoured nation status, which may reduce the duty. India produced about 988 million kg in 2011. The price of Kenyan tea is also a cause of concern for the Pakistani players because the bulk of tea comes from that country. "While the average price of Kenyan tea imported is $3.18 a kg, the average price of Indian tea is around $1.39 a kg. We are looking to increase the share of Indian tea and also that from north India as it forms only a minute share of the total imports," Janoo added.

Bedi said ITA is trying to promote small and medium producers from Dooars, Terai, Assam and Darjeeling to the Pakistani market.

Veg oil refineries in doldrums, want protection

With cheaper edible oil from abroad, imports have surged processors call for upward revision of duties, warn of job losses

Dilip Kumar Jha / Mumbai April 11, 2012, 0:04 IST

An exponential growth in the import of refined edible oil has forced domestic refineries to cut operating capacity by half in recent months, rendering thereby multitudes of daily wagers jobless.

The import of refined oil almost trebled to 304,000 tonnes in February 2012 from 110,000 tonnes in November last year. The share of refined oil in overall import of vegetable (veg) oil rose to 35 per cent in February from 13 per cent in November.

Import of refined oil makes business sense as the government of Indonesia has levied nine per cent export duty on it, as compared to 18 per cent on crude palm oil. The import duty on crude palm in India is nil and on refined oil is nominally 7.5 per cent but given the way it is calculated, it effectively works out to 2.5 per cent. The tariff values were fixed seven years ago, when prices were a third of today's.

"Import of crude palm oil for processing and refining in domestic market offers a negative parity of almost Rs 1,000 a tonne. Hence, domestic refineries are not inclined to import it. They simply import refined oil and re-pack into small sizes and retail it," said Satyanarayan Agarwal, president of the Central Organisation for Oil Industry & Trade (COOIT).

Since, refined edible oil does not require further processing, refineries need not be brought in; these can be packed and sold directly to stockists and retailers. "While a few port-based refineries are operating with a marginal capacity of 15-20 per cent, a majority of others have almost shut shop or are doing packaging jobs," said Laxmi Chandra Agarwal, chairman of COOIT.

According to Siraj Choudhary, chief executive officer (CEO) of Cargill India, "Activities in refineries have taken a hit due to a spurt in refined oil imports. But, the industry also requires a huge labour force for packing jobs."

For Indian importers, procurement of refined edible oil makes sense as the price difference with crude oil narrowed to $30 a tonne in Indonesia in February as compared to $70-80 a tonne earlier. Considering Rs 3,000 a tonne of refining charges locally, the edible oil processed in domestic refineries becomes costlier as compared to imported oil. Hence, direct import of refined oil makes more sense, said an official with one of India's largest refineries.Dorab Mistry, director of London-based Godrej Internati-onal Ltd, has forecast India's veg oil import to set a new record this year, at 9.4 million tonnes, to bridge the widening gap between lower domestic output and rising consumption. India's annual edible oil demand is estimated at 16.5 mt. India has developed 18-20 mt of overall refining capacity across all major ports over the past several years.To promote local refineries, the government of Indonesia had levied 16 per cent and eight per cent export duty on crude palm and RBD (refined, bleached and diodised) oil, later raised to 18 per cent and nine per cent, respectively.

The COOIT chairman said there were two solutions. First, the government must revise the tariff value, the base price for calculating import duty, fixed seven years earlier at $484 a tonne for crude palm oil, and make it market-linked. Since, the crude palm oil price has risen to $1,250 a tonne, the tariff must be revised accordingly. This will raise the price of edible oil marginally but protect the interest of domestic refineries.Second, an increase in customs duty would help. The import duty was fixed at nil on crude palm oil and 7.5 per cent on refined oil some years before, to help check general inflation. Since inflation has come under control and prices of other agri commodities have also risen sharply since, the duty must be raised.“This would not impact consumers at all. The upward revision will only increase the import of crude oil, which will benefit domestic refineries,” said B V Mehta, executive director of the Solvent Extractors’ Association.In case, adequate measures are not taken, lots of permanent workers also would have to opt for alternative means of livelihood, he added.

THE HINDU Business Line

Plant quarantine lab at TNAU

Plant Quarantine Laboratory at the Tamil Nadu Agricultural University in Coimbatore.

Coimbatore, April 10:

A Plant Quarantine Laboratory has been established in Tamil Nadu Agricultural University (TNAU) at an outlay of Rs 20 lakh.

The Canadian International Development Agency and Distance Education Council, New Delhi, has extended finance support towards the establishment of the lab.

The lab would be utilised for offering PG Diploma in Plant Quarantine to the officials and research scholars of plant quarantine.

Gujarat stock limit order drags groundnut oil

Our Correspondent

Rajkot, April 10:

Groundnut oil declined by Rs 10 for 15-kg tin after the Gujarat Government put a stock limit on millers and groundnut traders.A 15-kg oil tin was down Rs 10 to Rs 2,065-2,070, a 15-kg *telia* tin was at Rs 1,855-1,856 and loose oil was traded at Rs 1,210-1,215 for 10 kg. There was no trading in groundnut oil on Tuesday.

Cotton oil ruled stable here. Cotton oil (wash) was traded at Rs 670-673 for 10 kg and a 15-kg new tin sold at Rs 1,140-1,150. About 200-250 tonnes of cotton oil were traded in Saurashtra.

An edible oil trader said: “With high prices since last two months, demand in groundnut is reducing and at presently demand is almost nil. People are waiting for some price fall.”

Meanwhile to control the rising price of groundnut oil, the Gujarat Government has imposed stock limit for millers and groundnut oil traders with immediate effect.

According to data provided by the Gujarat Agriculture Department 1,77, 000 hectares area have been covered under groundnut crop against 1,14, 000 hectares in 2011 during the same time. Hence, compared with last year summer groundnut sowing in 2012 has increased by 56 per cent.

Futures perk up imported oils

Our Correspondent

Mumbai, April 10:

Imported palmolein and soya refined oil were unchanged in the spot market on Tuesday. In contrast, they scaled higher in the forward delivery as refiners increased prices tracking a firm futures market and higher local demand.

Groundnut oil rose by Rs 5 for 10 kg. Sunflower expeller refined oil increased by Rs 10 and rapeseed oil by Rs 5 for 10 kg. Cotton refined oil fell by Rs 2 for 10 kg, tracking weak reports from producing centres.

Malaysian crude palm oil futures rose on a positive shipment estimates report for April 1-10.

Sources said volume increased as local stockists bet for April-May delivery, expecting higher demand during the marriage season. Resellers sold about 250-300 tonnes of palmolein at Rs 650-653. Liberty quoted palmolein at Rs 660-661, soya refined oil at Rs 730 and sunflower refined oil at Rs 735. Ruchi quoted palmolein at Rs 657, soya refined oil at Rs 725 and sunflower refined oil at Rs 730. Allana offered palmolein was Rs 662. In Saurashtra and Rajkot, groundnut oil was down by Rs 30 to Rs 1,930 for a *telia* tin and by Rs 15 to Rs 1,255 for loose (10 kg).

On the National Board of Trade in Indore, soya refined oil's April contract was up Rs 5.80 to Rs 766 and May by Rs 6.90 to Rs 779.60. **Malaysia's crude palm oil's** May contract closed at MYR 3,619 (MYR 3,590), June at MYR 3,613 (MYR 3,575) and July at MYR 3,589 (MYR 3,556) a tonne.

The Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 1,265 (1,260), soya refined oil 725 (725), sunflower exp. ref. 670 (660), sunflower ref. 730 (730), rapeseed ref. oil 845 (840), rapeseed expeller ref. 815 (810) cotton ref. oil 706 (708) and palmolein 653 (653).

Pepper market rules firm

G. K. Nair
Kochi, April 10:

The pepper market continued its upward swing on Tuesday on good buying interest, amid limited supply coupled with bullish sentiments.

Reported squeeze in availability at a time when those having commitments were trying to cover, has aided the prices to move up despite a negative trend in the total open interest. Activities were limited today as is evident from the turn over which has dropped.

Fundamentally, the material is not available and what is available at present is only on the exchange platform, market sources told *Business Line*.

As of today, the stocks held on the exchange platform are at 1,905 tonnes and of this 456 tonnes will come up for delivery on May 5, while 619 tonnes on June 5, 165 tonnes and 125 tonnes on July 5 and Sep 5, respectively.

On Oct 5, 499 tonnes will come up for delivery, they said. Those did not want to take delivery were liquidating while some were switching over. Those who are holding valid stocks were switching over as the ‘badla' has been good.

There was no selling pressure on the ready pepper market. Arrivals were negligible from the primary markets and the growers.

April contract on the NCDEX increased by Rs 765 to the last trading price (LTP) of Rs39,115 a quintal. May and June contracts were up by Rs590 and Rs1,035 respectively to the LTP of Rs39,900 and Rs40,400 a quintal.

Turnover

Total turnover dropped by 453 tonnes to close at 5,011 tonnes. Total open interest fell by 243 tonnes to 6,792 tonnes.

Apr open interest decreased by 297 tonnes to 2,917 tonnes while that of May and June moved up by 30 tonnes and 12 tonnes respectively to close at 3,475 tonnes and 283 tonnes.

Spot prices in tandem with the futures market trend coupled with buying interest amid tight supply situation increased by Rs500 to close at Rs 37,500 (ungarbled) and Rs 39,000 (MG 1) a quintal.

Indian parity in the international market was at around $7,900 a tonne (c&f) for Europe and $8,200 a tonne (c&f) for the US.

There is no exportable surplus and at the same time “why should we think of exporting when we can sell at $8,000 a tonne on the exchange here itself?” they asked.

Sumer demand sets in for sugar

Our Correspondent

Mumbai, April 10:

Improved sentiment at the upper levels pushed up sugar prices on the Vashi wholesale market on Tuesday.Mill tender rates increased by Rs 20 a quintal on higher demand, leading to spot sugar prices rising by Rs 10-20. Naka rate scaled higher by Rs 15-20. Higher demand from stockists due to the onset of summer resulted in higher volume at the upper level.A Vashi-based wholesaler said that with temperatures set to rise in the coming days, stockists are going in for fresh inventory purchase.Local stockists have covered more than one lakh bags at running rates on Monday evening.

Demand from eastern buyers is lacking in Maharashtra but some improvement in demand from Gujarat, Rajasthan and Madhya Pradesh supported the sentiment at the upper level. Fine variety sugar is in demand, while fair quality old stocks were sold at lower rates. Hence, the price gap between fine and fair quality touched widened Rs 80-90, he said.In the Vashi market arrivals and dispatches improved in line with higher demand. Arrivals in the market were about 54-55 truckloads and local dispatches were about 51-52 loads.On Monday evening, about 19-20 mills offered tenders and sold 1-1.25 lakh bags in the higher range of Rs 2,760-2,830 (Rs 2,740-2,810) for S-grade and Rs 2,850-2,940 (Rs 2,830-2,930) for M-grade.

The Bombay Sugar Merchants Association's spot rates (Rs/quintal): S-grade Rs 2,880-2,943 (Rs 2,880-2,932) and M-grade Rs 3,011-3,141 (Rs 3,011-3,121).

Naka **delivery rates**: S-grade Rs 2,830 -2,880 (Rs 2,820-2,860) and M-grade Rs 2,930-3,040 (Rs 2,910-3,025).

Pepper continues to remain bearish

C. J. Punnathara

Spot market activities continued to remain stable amid limited participation by traders.
Kochi, April 10:

Pepper

Trend for pepper remains bearish due to reports of a recovery in arrivals in Vietnam.

The regulations imposed by the Forward Market Commission to raise the margin amount may also weigh on the market. Spot market activities continued to remain stable amid limited participation by traders. There are reports that overseas buyers are staying away from the market amid prevailing higher rate for Indian variety.

Jeera

Jeera futures ended close to a 20-month low due to rising arrivals amid weak domestic demand. Steadily rising arrivals from Rajasthan are weighing on the market sentiment, a report from Geojit Comtrade said. Normal arrivals from Rajasthan are expected to increase in the coming weeks.

Turmeric

Turmeric may expand its weak movement due to rise in arrivals in major spot markets amid higher output estimates. However, reports that Andhra Pradesh State Co-operative Marketing Federation Ltd is planning to procure 5400 tonnes of turmeric by April, may limit the fall in prices in short-term.

Cardamom

Futures price of cardamom increased due to reports of a pick-up in demand in the spot market. Meanwhile, the new regulations imposed by the Forward Market Commission to raise the margin amount to curb the speculation are likely to weigh on the prices.

There is a decline in supply at the auction centres in Kerala and Tamil Nadu as the harvest season has come to an end.

Chillies

Chilli futures traded down tracking the fall in spot prices. Sharp rise in arrivals was witnessed as the market re-opened after holiday. The arrivals are expected to gather pace in the upcoming days. The probability of a rise in export demand is likely to cushion the fall. The demand has increased from Sri Lanka, China, Pakistan, Malaysia and the US.

MP races ahead in wheat procurement

Vishwanath Kulkarni

INCREASING INFLOW

	Total Procurement in 2011-12 in million tonnes (April-March)	2012-13 Marketing Season (in tonnes)	
		Arrivals	Procurement
Punjab	10.95	1,425	1,407
Haryana	6.92	24,108	24,108
Madhya Pradesh	4.96	18,60,784	15,45,652
Uttar Pradesh	3.46	3,614	3,614
Rajasthan	1.30	39,864	27,462
Gujarat	0.10	1,03,684	15,039
All India Total*	28.33	20,34,472	16,17,779

* includes other States such as Bihar and Uttarakhand

New Delhi, April 10:

After procuring a record 5 million tonnes (mt) of wheat in 2011-12, Madhya Pradesh looks set to surpass even that in the current rabi marketing season.

This has happened with the state administration under Mr Shivraj Singh Chauhan, announcing a procurement price of Rs 1385 a quintal. This is Rs 100 more than the Centre's minimum support price of Rs 1285 for the 2011-12 crop that is being currently marketed.

As a result of this extra price, the farmers are making a beeline to sell wheat to the State agencies in MP. The MP Government agencies have so far procured 1.54 mt as against 0.86 mt during this period last year.

Meanwhile, harvesting is yet to really commence in key the wheat producing states of Punjab, Haryana and Uttar Pradesh. There are concerns over the untimely rains during the past couple of days affecting the quality of the grain.

“There have been thunderstorms and rains across Punjab and Haryana. The rains are not good for the crop at this stage. If it continues, the quality could be affected,” said Dr Indu Sharma, who heads the Directorate of Wheat Research at Karnal.

The harvest has already been delayed to the prolonged winter in the Punjab and Haryana. The moisture content in the wheat grain is still high, resulting in delayed harvest. “The rains will prolong the drying process of the grain, thereby creating storage problems,” Dr Sharma said.

Bumper harvest

The country is poised for yet another bumper harvest with the crop size exceeding last year's output of 88 mt. “It could even touch 90 mt,” Dr Sharma said adding the crop was higher by 10-15 per cent in the South of Vindhyas.

The total arrivals in the 2012-13 rabi, so far, has crossed two million tonnes. This is 64 per cent higher over previous year's 1.24 mt in the corresponding period. The total procurement by various agencies including the state governments has commenced stands at 1.61 mt, higher by 77 per cent over previous year's 9.09 lakh tonnes.

The Food Corporation of India, which has begun procurement in states like Rajasthan, Haryana and Gujarat has so far procured 29,256 tonnes. The total procurement of 1.61 mt so far is higher by about 7 lakh tonnes over corresponding last previous year.

Our Karnal Correspondent adds: Wheat arrivals have picked up at the Karnal Grain Market Terminal. On Tuesday, about 1,500 tonnes of wheat arrived. Due to the high moisture level, only a small quantity little part of the total arrivals was bought by the Government-owned procurement agency. New wheat was quoted at Rs 1,285 a quintal, which is also the minimum support price.

High moisture in the crop is a prime reason behind the low buying. According to the guidelines, moisture level should be around 11 to12 per cent, but the moisture level in the crop is around 17-18 per cent, said market sources. Arrivals of good quality wheat will start within the next one week.

Farmers have spread their produce out in the mandis for drying and have been advised to bring back the produce with lower moisture. With not much trading in the market, prices of tohfa, desi wheat variety, continued to rule flat and was quoted at Rs 2,270 a quintal.

On the National Commodity and Derivatives Exchange, wheat for May delivery decreased by Rs 6 to Rs 1,262 a quintal; it had touched a low at Rs 1,259/a quintal earlier on Tuesday. On the MCX, spot wheat prices decreased by Rs 4.2 to Rs 1,295 a quintal.

Flour Prices

Some buying pushed flour prices up by Rs 10 and was quoted at Rs 1,250 for a 90-kg bag. Similarly, Chokar improved by Rs 10 and sold at Rs 650 for a 49-kg bag.

Board lowers Karnataka's tobacco crop size by 3%

Anil Urs

File photo of tobacco plants. (Insert) Mr G. Kamalavardhana Rao, Chairman, Tobacco Board

Bangalore, April 10:

The Tobacco Board has lowered Karnataka's crop size by 3 per cent to 98 million kg (mkg) for the crop year 2012-13.

“The board took the decision to lower the State's crop size keeping in mind the global demand supply position, unsold stock which has piled up in the country and to facilitate good remunerative prices for farmers,” Mr G. Kamalavardhana Rao, Tobacco Board Chairman, told *Business Line.*

“The Board has also taken in account India's commitment to World Trade Organisation (WTO) objectives of cutting tobacco production in a phase manner,“ he added.

A decision to this effect was taken at the full board meeting of the Board held at Bangalore today.

Tobacco Board, for the past two years (2011-12 and 2010-11), had maintained Karnataka's tobacco production at around 100 mkg. As last year, the Board is planning to initiate stringent steps to curb unauthorised cultivation.

Karnataka is the second largest producer of tobacco after Andhra Pradesh, has 85,000 hectares under tobacco cultivation which, on an average, produces 120 million kg annually.

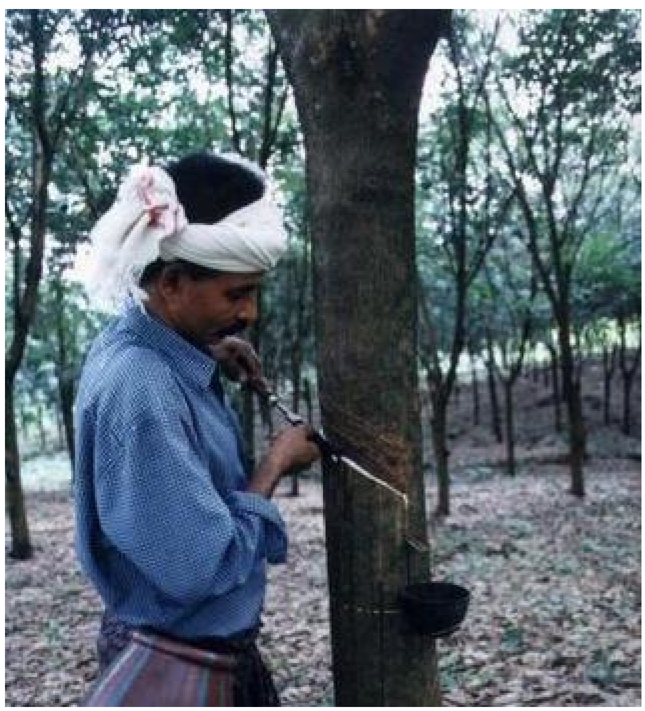
The crop in the State is grown mainly in the southern and Malnad taluks such as Mysore, Hassan and Shimoga districts. According to the board's estimates, there are about 40,000 registered growers.

At the end of the 155 days of auction, about 108 mkg (100.42 lakh bales) of FCV tobacco variety have been marketed in Karnataka, with an average price of Rs 92.16 a kg.

Of the total quantity marketed, bright grades comprised 21.29 per cent (22 mkg) and were traded at an average price of Rs 119.21 a kg. Medium grades comprised 50.16 per cent (52 mkg)and were traded at an average price of Rs 101.22. Low grades, comprised 28.56 per cent (30 mkg) and fetched an average price of Rs 58.21.

Mixed trend in spot rubber

Our Correspondent



Kottayam, April 10:

Spot rubber was mixed on Tuesday. The undercurrent appeared weak as the near month April futures had been trading lower on the National Multi Commodity Exchange (NMCE). Reports from the international market were unimpressive.

TOCOM rubber futures slid for a sixth straight session on worries over a slow recovery in global economy. Sentiments were bearish, but supply concerns and caution that the Thailand government might step in to prop up prices prevented traders from selling further.

Sheet rubber slipped to Rs 198.50 (198.75) a kg, according to traders. The grade closed flat at Rs 199 a kg both at Kottayam and Kochi, according to the Rubber Board.

April contracts improved to Rs 195.75 (195.10); May to Rs 203.02 (202.12); June to Rs 208.39 (207.25) and July to Rs 210.90 (208.75) a kg for RSS 4 on the NMCE.

RSS 3 (spot) increased to Rs 201.45 (200.80) a kg at Bangkok. The April futures for the grade slipped to ¥307.1 (Rs 194.24) from ¥309.7 a kg during the day session and then to ¥306.1 (Rs 193.60) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 198.50 (198.75); RSS-5: 196.50 (196.50); ungraded: 192 (192); ISNR 20: 196.50 (196.50) and latex 60 per cent: 129 (129).

Extractors want cut in mustard seed contract validity

Our Bureau

Mr Sushil Goenka

Mumbai, April 10:

The Solvent Extractors' Association (SEA) has urged the commodity market regulator Forward Markets Commission (FMC) to reduce the validity mustard seed contracts to three months from nine months.

Cutting down on the validity period of mustard seed will help reduce bullish trend being build by investment funds. “Non-hedgers purchase mustard seed from spot market for delivery on the exchange platform and roll over their position into subsequent month contracts to earn inter-month spread," he said.

Members of SEA along with Soyabean Processors Association of India (Sopa) and Mustard Oil Processors Association (Mopa) held a meeting with Mr Abhishek Ramesh, Chairman, FMC, to represent its views on measures to curb speculation in oilseed contracts.

Meanwhile, NCDEX has postponed indefinitely the launch of Guarseed and Guargum contracts for October delivery.

Mr Sushil Goenka, President, SEA, said commodity exchanges provide a very good tool for price discovery and risk management. However, when demand is far in excess of supply from domestic sources, there is always risk of futures trading being used more for speculation.

Banning of the contract should be done only when all measures to curb speculation fail to deliver desired results, he said.

Urging the regulator to do away with the penalty on delivery default in mustard seed contracts, he said it should be made a sellers option. Under this option, sellers have trading strength equivalent to that of buyers. Also in seller's option, penalty is lower and there is no commercial incentive for buyer to pull up the markets.

Shortage of cashew kernels likely in 2-3 months

G.K. Nair

Kochi, April 10:

The cashew market turned a little buoyant last week, resulting in a firm trend. Some business took place for W240 and W320 near the higher end of the price range seen in the last few weeks, trade sources said. Very cheap offers seen in the first half of March are no longer available, especially for wholes, they said.

The range this week was W240 from $3.65 to $3.80; W320 from $3.25 to $3.35; W450 from $3.00 to $3.15; SW320 from $3.10 to $3.20; Butts from $2.35 to $2.40; Splits from $2.25 to $2.35 and pieces from $1.90 to $2.05 a pound (f.o.b).Reports of lower offtake by US/European retailers in the last two quarters imply that inventories in the US and Europe are comfortable. The low volume of buying for second quarter deliveries could mean tightness of kernel availability by the middle of the year.“We strongly feel that even if the West African crops finally turn out to be normal, there is potential for shortage of kernels in the next 2-3 months being aggravated, as processing in the next 6-8 weeks in India and Vietnam is expected to be reduced due to lower than normal arrivals of raw cashew nut (RCN) from Africa in this period,” Mr Pankaj N. Sampat, a Mumbai-based dealer told *Business Line.*

In the first quarter of the year, he said that buyers have been slow in buying because of the lower volumes contracted by retailers due to high prices. On the other side, shellers have been reluctant to take any big positions for forwards on uncertainty about RCN pricing. There should be reasonably clarity on these factors by middle of the year.

RCN steady

The RCN market was steady with a firm undertone. Prices in India, Vietnam, Tanzania continued to be above $1,250 a tonne. There are offers and some stray trades for Benin at around $1,000, Ivory Coast (IVC) at around $875 and Nigeria at around $775 a tonne. Shellers are not rushing to buy at these prices as kernel demand is slow.RCN traders are not showing signs of reducing prices asarrivals are slow.

Kerala agri varsity installs ‘seed dispenser'

Thiruvananthapuram, April 10:

A ‘seedy' joint that serves a fruitful purpose! This is what visitors make of a novel farm-friendly venture by the Kerala Agricultural University (KAU) at the College of Agriculture, Vellayani, near here.

It has installed a seed vending machine at the college for the benefit of horticulturists in Thiruvananthapuram district.

Quality seeds are available at the press of a button here much like cash at automated teller machines. Vegetable farmers would no longer need to depend on unreliable sources for seeds whose quality is often suspect.

One needs to merely insert a ten-rupee note into the vending machine, and lo, a packet of seeds would come out tumbling.

Installed at the main college building, the machine can be programmed to dispense any type of seed. Fifteen types of seed packets would be made available to start with.

Part of a plan

This is being envisaged as part of the Rashtriya Krishi Vigyan Yojna to boost vegetable production in the State, says Prof L. Rajamony of the KAU.

“The project is aimed at harvesting technology to ensure food and nutritional security,” Prof Rajamony, who heads research coordination at KAU, added.

The seed vending machine is the result of research and discussions with a number of Indian and international companies over the last three years.

Seaga, a Delhi-based company, has been KAU's partner of choice in developing and deploying the machine installed at Vellayani.

KAU is teaming up with the Department of Agriculture, Kerala, and the State Horticulture Mission to popularise the machine among farmers and the public, Prof Rajamony said.

TN to adopt Danish mid-sea processing tech for fishing

T. E. Raja Simhan
Chennai, April 10:

Tamil Nadu plans to go high-tech in fishing to tap the large resource in the mid-sea.

Learning from the techniques used in Denmark, the State Government plans to procure two mid-sea processing ships — a first in the country.

The ships will act as mother vessels and process the fish caught in high seas. Baby ships, carrying the processed fish, will shuttle between the mother vessel and the shore. This will help the fishermen sell their catch on arrival at the shore.

Cost, feasibility report

The ships could cost around Rs 80 crore, with plans to deploy one in Bay of Bengal and the other in the Indian Ocean, according to a senior official in the Fisheries Department who did not want to be identified.

A set of baby vessels will also be engaged for commercial fishing activity in the deep waters and to deposit the catches in the mid-sea processing units.

"We will be first State in the country to go for such mid-sea fish processing units. Government's plan is to make fishermen exploit the huge fish resources available in mid-sea. So far, the fishermen have concentrated only in the shallow waters where the yield is poor," the official said.

The units will also act as a value-added export-oriented park to ensure quality standards for export and better price to fishermen for their catch. The project will be taken up under public-private partnership, the official said.

The Fisheries Department will prepare a feasibility report to procure the two ships. The Government will appoint a technically competent agency to assisting in the project. The Department will appoint a consultant to prepare the feasibility report through international bidding.

Pakistan intends to double its tea imports from India

Pratim Ranjan Bose

Business Line Mr. C. S. Bedi, Chairman, (left) Indian Tea Assoication and Mr Mohammed Hanif Janoo, Chairman of Pakistan Tea Association at a press conference in Kolkata on Tuesday. - Photo: Arunangsu Roy Chowdhury.

Kolkata, April 10: Pakistani tea traders expressed their intention to double imports from India to 50 million kg (mkg) in next three years. Pakistan is the second largest CTC tea market after India.A memorandum ofunderstanding in this regard was entered between the top officials of Pakistani Tea Assoiation (PTA) and the producers lobby of Indian Tea Association in Kolkata today.Pakistan currently imports 24 mkg of India tea, including 21 mkg of South Indian varieties. Though the imports have increased significantly in the last decade from as low as 3.5 mkg in 2001; the unit price of such imports is much lower when compared to the Kenyan teas sold in Pakistan.

According to ITA, as in 2011, Pakistan imported 64 mkg of Kenyan tea at $3.18 a kg. In comparison, the average price of Indian imports was $1.39 a kg. Both the imports, however, attract same rate of duties.Interestingly, while officially Pakistan imported a total of 122 mkg of tea in 2011; according to the PTA Chairman, Mr Mohammad Hanif Janoo, the country consumed nearly 220 mkg during the year.ITA officials point out that bulk of the gap is filled by smuggled Indian tea. Mr Janoo also admits to the problem. “We have requested the government to lower import duty due to smuggling...” he told newspersons on Tuesday.

On the future consumption patterns of Indian tea, Mr Janoo indicated that South Indian varieties will be on top on demand chart. However, with Kenyan production reaching a plateau, he expected North India may emerge as a future sourcing point.ITA Chairman, Mr C.S. Bedi, hoped that the small tea growers from North India may offer a value for money sourcing option to Pakistan.

Tea prices likely to remain firm despite production shortfall

L. N. Revathy

Coimbatore, April 10:

Even as production shortfall looms large before the Indian and global tea markets, trade sources expect the prices to remain firm at least for the present.

“Prices have gone up. The average rate is hovering around Rs 65 to 70 a kg. Quality teas are selling at above Rs 100-mark at the auctions,’’ said a market source.

Asked if the prices would move up further, the source maintained that the volumes were not there and the crop was less.

Upasi estimates

Meanwhile, the apex body of plantations in the South — The United Planters Association of Southern India (Upasi) confirmed the drop in crop production in South India. Upasi has estimated the production shortfall at 6 to 7 million kg during the first three months of 2012.

Crop production has been witnessing a slide from 2008. It had fallen from 246.9 million kg in 2008 to 244.1 mkg the following year; it further dipped to 243.4 m kg in 2010 and to 240.9 m kg in 2011.

Between January and March 2012, Upasi has estimated the drop in production at 6 to 7 mkg.