THE HINDU

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GM crops are no way forward

Satyarat Chaturvedi

Food security is not about production alone; it is also about bio-safety, and access to food for the poorest

We are predominantly an agricultural economy, with the agricultural sector providing employment and subsistence to almost 70 per cent of the workforce. There have been some remarkable contributions from the agriculture sector to food grain production in the last six decades, when from a meagre 50 million tonnes in the 1950s, the country has been able to produce a record 241 million tonnes in 2010-2011. Despite these achievements, the condition of the farming community is pitiable considering that 70 per cent of our farmers are small and marginal, and there is a complete absence of pro-farmer/pro-agriculture policies which has led us to an environment of very severe agrarian distress.

Pros and cons

In this situation, food security has been one of the main agendas of the Congress-led United Progressive Alliance government and also one that the government has been struggling with. There is a strong opinion among policymakers that biotechnology holds a lot of promise in achieving food security and that transgenic crops, especially, are a sustainable way forward. But given the opposition and controversies surrounding Genetically Modified (GM) crops and the differences of opinion among stakeholders, the Parliamentary Standing Committee on Agriculture decided to take on the mammoth task of an objective assessment of the pros and cons of introducing GM crops.

We expect the observations in our report to answer the big question on the role of GM crops in achieving food security. We hope the recommendations will be acted upon at the earliest. The committee felt this was all the more necessary in the light of the Prime Minister's exhortation at the Indian Science Congress about the full utilisation of modern biotechnology for ensuring food security but without compromising on safety and regulatory aspects.

The lessons

In India, the only commercialised GM crop is Bt cotton. Industry and the Central government have painted a picture of success about it — saying it has led to an increase in production and that the costs of cultivation have gone down. But the ground reality is starkly different. This was evident during the extensive interactions of the committee with farmers in different cotton growing regions around the country during study visits in March 2012.

Besides analysing the facts and figures provided by government agencies and listening to eminent cotton scientists, the committee's consultation with farmers in Vidharbha helped us conclude that the Bt cotton saga is not as rosy as made out to be. In Vidharbha, the per-acre investment in cultivating traditional varieties, or even pre-Bt hybrids, could be less than Rs. 10,000. That was certainly the case until the first half of the previous decade. But for Bt cotton, even the un-irrigated farmer is spending upwards of Rs. 15,000-18,000 or even more per acre. And irrigated farmers complain of input costs exceeding Rs. 45,000 per acre. While the investment and acreage rose dramatically, the per acre yield and income did not increase in equal measure and actually fell after initial years. Indeed, the Union Agriculture Minister spoke of Vidharbha's dismal yields on December 19, 2011 in the Rajya Sabha.

It was clear that at least for the rain-fed cotton farmers of our country, the introduction of Bt cotton offered no socio-economic benefits. On the contrary, it being a capital intensive practice, the investment of farmers increased manifold thus exposing them to greater risks due to massive indebtedness. It needs to be remembered that rain-fed farmers constitute 85 per cent of all cotton growing farmers.

Added to this, there is desperation among farmers as introduction of Bt cotton has slowly led to the non-availability of traditional varieties of cotton. The cultivation of GM crops also leads to monoculture and the committee has witnessed its clear disadvantages. The decade of experience has shown that Bt cotton has benefited the seed industry hands down and not benefited the poorest of farmers. It has actually aggravated the agrarian distress and farmer suicides. This should be a clear message to policymakers on the impact of GM crops on farming and livelihoods associated with it.

The risks

From the various deliberations to which the committee was privy, it is clear that the technology of genetic engineering is an evolving one and there is much, especially on its impact on human health and environment, that is yet to be understood properly. The scientific community itself seems uncertain about this. While there are many in this community who feel that the benefits outweigh the risks, others point to the irreversibility of this technology and uncontrollability of the Genetically Modified Organisms (GMO) once introduced in the ecosystem. Hence, they advocate a precautionary approach towards any open release of GMOs.

One of the concerns raised strongly by those opposing GM crops in India is that many important crops like rice, brinjal, and mustard, among others, originated here, and introducing genetically modified versions of these crops could be a major threat to the vast number of domestic and wild varieties of these crops. In fact, globally, there is a clear view that GM crops must not be introduced in centres of origin and diversity. India also has mega biodiversity hotspots like the Eastern Himalayas and the Western Ghats which are rich in biodiversity yet ecologically very sensitive. Hence it will only be prudent for us to be careful before we jump on to the bandwagon of any technology.

The committee's findings on the GEAC-led regulatory system for GM crops show that it has a pro-Department of Biotechnology (DBT) and pro-industry tilt. It has also come under the scanner due to its inefficiency at the time of Bt Brinjal approval and for behaving like a promoter of GM crops rather than a regulatory body mandated to protect human health and environment from the risks of biotechnology. The DBT, whose mandate is to promote GM crops and fund various transgenics research, has a nominee as the co-chair of the GEAC, who gives the final approval for environmental and commercial release of GM crops.

The current regulatory system is shameful and calls for a complete makeover. While the government has been toying recently with the idea of a Biotechnology Regulatory Authority, the committee dismisses this and instead recommends an all-encompassing Biosafety Authority. While the committee has also evaluated international regulatory systems on GM crops, it recommends the Norwegian Gene Technology Act whose primary focus is bio-safety and sustainable development without adverse effects on health and environment, as a piece of legislation in the right direction for regulating GM crops in India.

The committee strongly believes that the problem today is in no measure comparable to the ship-to-mouth situation of the early 1960s. Policy and decision-makers must note that the total food grain production rose from 197 million tonnes in 2000-2001 to 241 million tonnes in 2010-11. A major argument by the Department of Agriculture and Cooperation before the committee in favour of GM crops was their potential to ensure the country's food security. But the issue of food security is not about production alone; it also means access to food for the poorest. Moreover, there is no evidence as yet that GM crops can actually increase yields.

The committee, therefore, recommended the government come up with a fresh road map for ensuring food security in the coming years without jeopardising the vast biodiversity of the country and compromising with the safety of human and livestock health.

The committee unanimously feels that the government should take decisive action on the recommendations of this report and rethink its decision of introducing transgenics in agriculture as a sustainable way forward.

(Satyarat Chaturvedi is spokesperson, Indian National Congress, and member of Parliamentary Standing Committee on Agriculture)

PARIS, August 24, 2012

New strain could boost rice yields

Bred from Indian strain that grows well in phosphorus deficient conditions

Scientists on Wednesday said they had developed a strain of rice that grows well in soils lacking the nutrient phosphorus, a feat that could boost crop yields for some farmers by as much as a fifth.

The announcement ends a quest to pinpoint a mystery gene that helps the roots of baby rice plants tease phosphorus from the soil, enabling them to notch up strong, early growth.

The gene has now been transferred to modern varieties of rice using classic methods of cross-breeding, not genetic engineering, said Sigrid Heuer at the International Rice Research Institute (IRRI) in the Philippines.

Next week, national rice breeders from Bangladesh, India, Thailand and India will be briefed on the exciting find, which should benefit small farmers most of all, Ms. Heuer said in a phone interview from Manila.

“I would expect to see [an improvement in yield of] around 20 per cent, but it depends so much on the type of the soil and how severe the stress is,” Ms. Heuer said.

“But realistically, we are talking conservatively of an average of 10-20 per cent, and locally a little more if the [phosphorus] stress is severe,” she said.

The breakthrough seeks to address one of the biggest problems facing rice growers from the southeastern United States to South America, Southeast Asia and China.

Many soil types bond tightly to phosphorus, surrendering only a tiny amount of the precious mineral to plant roots.

To get around this, farmers look to phosphorus fertilisers which are spread on the field.

But in poorer countries, this option is often too costly, which means the plant is left undernourished at a stage when it is in competition with weeds. Ultimately this meagre growth affects yields when the plant matures.

The search for PSTOL-1 — for phosphorus-starvation tolerance 1 — began in the late 1990s, when researchers were intrigued that a rice strain grown in India called Kasalath grew so well in phosphorus-deficient conditions.

But it took nearly a decade of further work, including a full sequencing of the strain’s genome, to close in on the gene that does the magic.

“Over the last one-and-a-half to three years, we were pretty certain that we had the gene, but then we had to carry out a lot of experiments to confirm our findings,” said Ms. Heuer.

Poor farmers, especially those in Southeast Asia and Bangladesh, could benefit most, she said.

But rice growers in richer countries could also save money as they would need less fertiliser, which would also mean less damaging phosphate runoff into groundwater and the sea.

The research, published in the journal *Nature* , marks the latest laboratory exploit for boosting rice yields. Other recent finds have been genes that help rice plants cope better with drought and saline soil.

Arguably the most important crop in the world, rice is under pressure from rising demographic growth and the impacts of climate change.

Last October, the U.N. Population Fund (UNFPA) said the global population of seven billion could rise to at least 10 billion by 2100, but could top 15 billion if birth rates are just slightly higher than expected.

Phosphate fertilisers are typically extracted from layers of rock that millions of years ago were ocean sediments.

The price of rock phosphate has more than doubled since 2007. According to a 2009 estimate, world supplies could run out in 50 to 100 years.

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Cotton production estimate up

M. Soundariya Preetha

The provisional production estimate for 2011-12 is 353 lakh bales and export is 127 lakh bales

India's cotton production and exports in the 2011-12 season (October to September) is expected to be the highest ever in the last 10 years.

According to the Cotton Advisory Board (CAB), which met in Mumbai on Thursday, the provisional production estimate for 2011-12 is 353 lakh bales and export is 127 lakh bales. At a meeting held in April this year, the board estimated production to be 347 lakh bales and exports to be 115 lakh bales. Usually, cotton arrivals in the market end in July. This year, about 340 lakh bales have already come to the market with close to 10,000 bales arriving every day. Hence, production estimates were revised upwards, say textile industry representatives.

The mills have nearly 15 lakh bales of cotton with them in the production process and about 15-day stock. So the season is expected to end with nearly 28 lakh bales as the closing stock. There may not be shortage with prices likely to remain stable as imports have started coming in.

The CAB estimated imports to be 12 lakh bales (arrivals till the end of September) as against the earlier expectation of six lakh bales. The board did not discuss the next season's estimates as sowing was still going on in some of the cotton belts. The global ending stock for the season is expected to be high and hence international prices will not go up. In India, the minimum support price for cotton has increased while domestic prices will remain on par with the international prices next season.

THIRUVANANTHAPURAM, August 24, 2012

No GM seed trials in Kerala: Minister

The government will not allow field trials of genetically-modified (GM) seeds in Kerala, Minister for Agriculture K.P. Mohanan has said.

Inaugurating a national seminar on organic farming here on Thursday, he said the government's commitment to a permanent ban on the use of endosulfan in the State.

Chief Minister Oommen Chandy stressed the need to improve agricultural productivity, promote organic farming, and value-addition of farm products and strengthen the agricultural marketing network. He said Kerala could replicate the Sikkim government's attempt to make a complete switch over to organic farming by the year 2015. Director of Agriculture, Sikkim, Khorlo Bhutia presented a book titled 'Sikkim towards fully organic' to the Chief Minister and the Agriculture Minister. Agriculture Secretary K.R. Jyothilal, Director R. Ajithkumar, Planning Board chief (agriculture) P. Rajasekharan, agricultural scientists, officials, and farmers participated. The two-day programme will come up with an action plan to declare Kasaragod as an organic district.

COIMBATORE, August 24, 2012

Intensive research in hybrid rice called for

"There is a need for intensive research on hybrid rice in India to exploit the enormous potential of the hybrid rice technology. The adoption of this technology outside China, including India, is very less," P. Subbian, Registrar and Vice-Chancellor in-charge of Tamil Nadu Agricultural University, said here recently.

Speaking at the inauguration of a four-day international training on "Oryza 2000 Crop Modelling", jointly organised by TNAU and the International Rice Research Institute (IRRI), Philippines, from August 21 to 24, he said the increased universal demand for rice could be met by use of hybrid rice, advanced biotechnology tools, rice integrated crop management systems and crop models.

He added that hybrid rice covered as much as 50 per cent or 15 million hectares of the total rice area in China, with an average yield of 10 tonnes per hectare.

Tri Deri Setiyono, Scientist, IRRI, Philippines, said that “Oryza 2000” was computer-based software developed by IRRI, which simulated rice crop growth and yield. By feeding data on climatic variables, nitrogen application, and water management, the rice yields in different situations could be estimated.

The training aimed to provide a remote sensing driven crop growth model to estimate actual rice yields using weather, crop management and soil information.

UDHAGAMANDALAM, August 24, 2012

Horticulture schemes to be implemented in four blocks

A sum of Rs. 132.98 lakh has been sanctioned under the National Horticulture Mission for implementing various schemes in the Nilgiris during the current fiscal, according to the Joint Director of Horticulture, G. Mohan.

In a press note issued here on Thursday, he said that the schemes would be implemented in the Ooty, Coonoor, Gudalur and Kotagiri blocks.

Stating that under an area expansion programme it is proposed to give a subsidy of rupees 12,500 per hectare for promoting ginger cultivation in Gudalur over about 100 hectares, he said that for increasing the area under spices rupees 20,000 per hectare would be given.

Pointing out that the conditions in the district are ideal for cultivating cut flowers like carnation and lilium in green houses, he said that it is proposed to add 25,000 square metres this year. Subsidy at the rate of Rs. 325 per square metre would be given.

Underscoring the benefits of using organic manure, he said that a subsidy of Rs. 30,000 would be given for setting up vermin-compost units.

Subsidy would also be given for those who put up apiaries.

For mechanisation of horticulture activities, 50 per cent subsidy would be extended.

Further details can be obtained from the respective Assistant Directors of Horticulture.

BANGALORE, August 24, 2012

State Cabinet approves farm loan waiver

Rs. 50-crore scheme to help agriculturists grow seeds

The waiver of all crops loans, up to a maximum of Rs. 25,000, taken by farmers from cooperative societies over the past year will be waived in accordance with the announcement made by Chief Minister Jagadish Shettar on the floor of the legislature.

Briefing presspersons here on Thursday after a meeting of the State Cabinet, Minister for Primary and Secondary Education Vishweshwara Hegde Kageri said the waiver would apply to loans taken between August 1, 2011 and July 25, 2012. An estimated 15 lakh farmers will benefit and the waiver will cost the State government Rs. 3,500 crore. A Government Order will be issued with immediate effect.

In another decision to help the drought-stricken farmers of the State, the Cabinet has decided to implement a scheme for agriculturists to grow seeds and market them with the support of the Karnataka Seeds Development Corporation. A sum of Rs. 50 crore had been allocated for this scheme which will also be used for installing equipments to grade seeds and construction of seed godowns. The scheme will also help in a drastic reduction on the dependence of branded seeds and their shortage, which leads to panic buying and black-marketing.

The Cabinet approved a proposal to grant Rs. 500 travel allowance to all food inspectors (4,450) and Shiristedhars (154) earmarking Rs. 500 for each one of them to be provided with a SIM card of the BSNL. The allowances have been given to the food inspectors and the Shiristedhars to enable them to communicate with the local people who have to be in constant touch with them.

Mr. Kageri said clearance had also been given for the development of 30 km of rural roads in each of the 189 rural legislative Assembly constituencies. Of a total length of 50 km of roads in each constituency, which was slated for development initially, the Department of Rural Development and Panchayat Raj had either already developed or was in the process of developing 20 km at a cost of Rs. 1,750 crore . The development of the remaining 30 km would now be undertaken at a cost of Rs. 2,160 crore.

The Cabinet decided to bring 19 private law colleges under the ambit of the grant-in-aid code as per the recommendation of the N.A. Muthanna committee, which was submitted in 1994. Of the 24 private law colleges which had been identified (as per the report), five are now defunct. The grants to the law colleges are being provided since there are very few Government law colleges in the State irrespective of a big demand for law graduates.

Housing

Mr. Kageri said a proposal of the Department of Housing seeking approval for 53 housing schemes of the Karnataka Housing Board had been approved. The formation of a layout, be it only for residential sites or for construction of houses, is considered a housing scheme and the total cost of the 53 housing schemes is estimated at Rs. 7,888 crore. It will help the KHB form 1.34 lakh residential sites and the construction of 6,867 houses, across the State, basically for the benefit of the economically weaker sections of society.The other important decisions of the Cabinet include rescheduling the coal purchase by the Udupi Power Company Limited, enhancing the ceiling from Rs. 10 lakh to Rs. 15 lakh (cost of vehicle) on charging life time tax on private taxis and maxicabs, to provide 38.38 acres of land at Krishnarajapuram in Bangalore to the NIMHANS to expand its medical facilities and constructing a residential school for Muslims at Srirangapatna in Mandya district.

- ***Waiver will apply to loans taken between August 1, 2011 and July 25, 2012***
- ***It will cost the exchequer Rs. 3,500 crore***

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hindustantimes

Fri,24 Aug 2012

weather

Chennai - INDIA

Today's Weather

Tomorrow's Forecast

	Friday, Aug 24	
Sunny	**Max**	**Min**
	34.5°	27.4°
Rain: 0	**Sunrise:** 05:57	
Humidity: 62	**Sunset:** 06:24	
Wind: normal	**Barometer:** 1008	

	Saturday, Aug 25	
Rainy	**Max**	**Min**
	34°	27°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Aug 26	**Aug 27**	**Aug 28**	**Aug 29**	**Aug 30**
33° | 26°	32° | 26°	32° | 27°	31° | 27°	31° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy

THE NEW INDIAN EXPRESS

Flower prices fluctuating

Published Date: Aug 24, 2012 8:51 AM,Last Updated: Aug 24, 2012 9:25 AM

Floral prices moving in an upward spiral has become less common this Onam season. In fact, the market seems to be ruled by fluctuating prices, leaving the customers in the lurch.

Floral prices moving in an upward spiral has become less common this Onam season. In fact, the market seems to be ruled by fluctuating prices, leaving the customers in the lurch.

Chalai bazaar, the first and foremost floral market in the city, may disappoint the customers this time. Varieties that are high in demand for making ‘pookkalams’ such as Nerium (Arali), Globe Amaranth (Vadamalli), Marigold (Jamanthi), rose and jasmine have assured their place in the fluctuating price list. For a kilogram of Nerium and rose the price ranges between Rs 80 and Rs 200 in different shops. Last year, the price for Nerium was Rs 140 per/kg.

Globe Amaranth, the most sought-after variety for making ‘pookkalams’, is available at prices ranging between Rs 40 and Rs 100. Marigold is priced between Rs 40 and Rs 200.

Get ready to pay up to Rs 800 if you are so fond of filling the ‘pookkalam’ with the sweet-scented jasmine flowers. Depending on the situation, one may get the flowers for Rs 500 too. Last year also, jasmine was the ‘richest’ among the flowers, and was priced at Rs 400 a kilo.

Underscoring this uncertainty in price levels was the response from a flower merchant. He, who initially put a price of Rs 700 for a kilogram of jasmine, offered a ‘discount’ of Rs 100 later, so that the buyer needed to pay ‘only’ Rs 600.

Asked whether the price would remain the same throughout the season, many sellers admit that it may see an increase in the coming days. “The Onam celebrations at schools, colleges, institutions and other organisations would be held in the next few days. And it is sure that demand for flowers too would increase with that. This, in turn, would lead to a scarcity in the availability of flowers at places from where they are sourced and the sales and rates can be expected to go upwards,” said Rajesh Nair, salesman at a flower shop in Chalai.

A majority of flowers come from places like Thovala, Madurai, Dindigul and Bangalore.

Arya S Chand, a teacher education student in the city said, “we collect a fixed amount from all students in the institution to make ‘pookkalam.’ Though there would be an increase in prices for flowers, we cannot keep away from buying certain varieties. The uncertainty in price range is sure to put us in trouble.”

THE ECONOMIC TIMES

23 AUG, 2012, 03.11PM IST, REUTERS

Turmeric up on lower sowing; pepper falls

MUMBAI: Turmeric futures rose more than 2 percent on Thursday as a decline in sowing area in leading crop regions and more export enquiries supported buying.

At 0826 GMT, the September turmeric contract on the National Commodity and Derivatives Exchange (NCDEX) was up 1.24 percent at 5,900 rupees per 100 kg.

"Fundamentals are favorable in turmeric. Production could come down next year due to lower acreage," said C.P. Krishnan, director, Geojit Comtrade Ltd.

At Nizamabad, a key market in Andhra Pradesh, spot turmeric rose 11.5 rupees to 5,450 rupees per 100 kg.

Krishnan expects the most active September contract to touch 6,200 rupees in the short term.

Farmers slashed the area under turmeric sowing this season following a sharp fall in prices that started last year.

Heavy downpours landed in the parched western state of Rajasthan last week, though monsoon rains were slightly below average in the week before that, according to the weather office.

Turmeric is planted between June and August and takes about nine months to harvest.

JEERA

Jeera, or cumin seed, futures were up on short-covering after prices fell more than 2 percent in the previous session, outweighing the impact of r a ins in the top-producing state of Gujarat.

The September jeera contract on the NCDEX was up 0.15 percent at 15,440 rupees per 100 kg.Jeera is a winter crop sown from October and farmers depend on rains to moisten the land for sowing."Short-covering is seen after recent sell-off in jeera futures. Any sharp upside is unlikely because Gujarat is receiving good rainfall," said Faiyaz Hudani, senior analyst at Kotak Commodities.At Unjha, a key market in Gujarat, jeera rose 13 rupees to 16,020 rupees per 100 kg.

PEPPER

Pepper futures fell tracking weak spot cues and sluggish overseas sales due to the higher price of Indian produce.Indian-origin pepper is offered at a premium of $800-$1,500 per tonne in the global market compared to competitors.The most-active September contract on the NCDEX fell 0.17 percent to 41,710 rupees per 100 kg.Overseas buyers have been placing orders with pepper producers such as Indonesia and Brazil due to lower prices in those countries, traders said."Prices are consolidating in a range after recent sharp movements. Some lower level buying could be seen supporting prices towards the end of the session," said Krishnan.In Kochi, a key market in Kerala, spot pepper fell 66 rupees to 40,929 rupees.In April, pepper exports fell 47 percent from a year earlier to 1,200 tonnes.

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the pioneer

12 cases registered against unscrupulous fertiliser traders

FRIDAY, 24 AUGUST 2012 01:02

PIONEER NEWS SERVICE.|.CUTTACK

In connection with illegal hoarding and black-marketing of fertilisers by wholesalers and retailers in order to create artificial crisis in supply of fertilisers to farmers during the sowing season, 12 Vigilance cases under the Essential Commodities Act have been registered the traders following a State-wide verification conducted on August 18.

The traders include Gopinath Padhi, proprietor of Tarini Fertilisers and Pesticides, Panikoili in Jajpur district, for shortage of 1,792 bags of urea;

Pradipta Ray, proprietor of Archana Bhandar, Malgodown, Cuttack, for shortage of 234 bags and excess of 310 bags of urea; Indramani Sahoo, proprietor of Omm Maa Sarala Traders, Mahima Market, Nischintakoili.

Prana Krushna Sahoo, wholesaler, and Sarbeswar Sahoo, retailer, Gop in Puri district, for excess of 969 bags and shortage of 1,381 bags of different fertilisers; Umesh Chandra Sahoo, wholesaler, Itamati in Nayagarh district; and Sabita Choudhury, proprietor of Balaji Traders, Ravi Talkies Road, Bhubaneswar.

Similarly, Vigilance cases have been registered against Bhaba Krushna Mohanty, proprietor of Tara Tarini Traders, Balisira, and chief executive, Pravati Marketing Self Help Cooperative Ltd., Komagada in Ganjam district; and Gouri Shankar Agrawal, proprietor of Kalinga Agency, Boudh, for improper maintenance of records.

Besides, a case has been registered against Manoj Kumar Agrawal, director, and Bantu Agrawal, MD of Pattnaik Rice Mill, Subarnapur, for storing 1,477 bags of fertilisers without any licence. A case has been registered against Janmajey Sahu of Luthurba and Managovinda Jaiswal of Lahunipada in Sundargarh district for shortage of 1,400 bags of fertilisers and excess of 110 bags. Similarly, a case has been registered against Arun Kumar Agrawal of Amapali, Bargarh, for shortage of 4,297 bags of fertilisers and excess of 974 bags of IFFCO urea.

Besides, a case has been registered against Pravudayal Ram, proprietor of Agro Enterprisers, Surabhi Complex, Sahadev Khunta, Baleswar, for shortage of 1,1973 bags of fertilisers.

Business Standard

Friday, Aug 24, 2012

Advisory Board abstains from assessing FY13 cotton crop

Acreage dips due to drought in western India, especially weak monsoon in Gujarat

BS Reporter / Mumbai August 24, 2012, 4:06 IST

The Cotton Advisory Board (CAB) under the ministry of textiles today avoided making any crop estimates of cotton for the year 2012-13 (Oct-Sept) sighting severe drought in major cotton growing areas in western India. Total acreage is estimated to fall to 11.03 million hectares. Gujarat is a major loser.

“We could not arrive at a conclusion on production estimate for the next season,” textile commissioner A B Joshi told reporters after the CAB meeting.

Weak monsoon in Gujarat, the largest producer of cotton in the country, has brought down cotton acreage to 2.2 million hectares from 2.96 million hectares in 2011-12, according to CAB.

“Saurashtra area has received less rainfall. Also, no further sowing will take place,” added Joshi.

Drought has been declared in 100 taluks in Maharashtra. However, Jalgaon is not affected, even as the crop in the Vidharbha region is good. Total acreage is likely to be near last year’s 4.1 million hectares.

The country's cotton production for 2011-12 cotton year (October- September) is estimated at 35.3 million bales (one bale = 170 kg) compared to the previous estimate of 34.7 million bales.

This cotton year, 12.7 million bales are estimated to be exported compared to 7.6 million bales last year. So far, 12.6 million tonnes have already been exported. Since CAB has not given crop estimates for 2012-13, it has refrained from providing any estimates for exports either. Industry sources said that if the cotton crop falls drastically, as feared, exports of cotton may be taken out of OGL. The textile ministry is also understood to have recommended putting cotton exports under the textile commissioner, as in the past.

India's cotton import for the current cotton year is estimated to be higher by 140 per cent at 1.2 million bales compared to 500,000 bales last year.

“This year India has imported even the non-traditional variety due to price differentiation, Indian prices were four to six cents higher than international prices,” said Joshi.

He added that cotton imports will continue for a few more months.

Mill consumption for the current cotton year is lower and is estimated to be at 21.7 million bales compared to 22.1 million bales last year.

Non-mill consumption for the current cotton year is estimated at 1.6 million bales, the same as last year.

Total demand for cotton is estimated at 38.2 million bales compared to 33.8 million bales last year.

Demand this year has seen a rise due to higher exports.

The closing stock for the current cotton year is estimated at 2.8 million bales, which is lower compared to last year's closing stock of 4.5 million bales.

China, the world's top cotton buyer, has issued an additional 400,000 tonnes of cotton import quotas to textile mills to help them source more cheap international supplies, industry sources said on Thursday. Mills have been pushing the government to boost import quotas for supplies from abroad, where prices can be as much as 40 per cent lower than domestically. The new quota volume would bring total import quotas issued this year to about 2.8 million tonnes, including one million tonnes issued in May. "The NDRC has approved the quotas," said one industry executive, referring to the country's top planning body, the National Development and Reform Commission (NDRC).

Cardamom down over 2% on profit-booking

Adequate stocks, higher supply influence prices

Press Trust of India / New Delhi August 23, 2012, 12:37 IST

Cardamom shed Rs 20.60 to Rs 990 per kg in futures trade today as speculators engaged in profit-booking amid low demand in the spot market.

Sentiment remained weak due to adequate stocks availability in the physical market owing to higher supply from producing belts, marketmen said.

At the Multi Commodity Exchange, cardamom for delivery in September month fell by Rs 20.60, or 2.03%, to Rs 990 per kg, with a business turnover of 811 lots.

October cardamom declined by Rs 16.40, or 1.55%, to Rs 1,038 per kg, with a business volume of 228 lots.

Crude palm oil rises 0.4% on spot demand

Firm global trend helps uptrend

Press Trust of India / New Delhi August 23, 2012, 13:31 IST

Crude palm oil remained firm with prices rising by Rs 2.40 to Rs 568 per 10 kg in futures trade today as traders created fresh positions on the back of a firming spot demand.

At the Multi Commodity Exchange, crude palm oil for delivery in September rose by Rs 2.40, or 0.42%, to Rs 568 per 10 kg, with a business turnover of 528 lots.

The August contract increased by Rs 2.10, or 0.37%, to Rs 566 per 10 kg, with trading volume of 219 lots.

Meanwhile, in Malaysia, palm oil gained as much as 0.7% to 3,100 ringgit a tonne on the Malaysia Derivatives Exchange.

Futures were at 3,082 ringgit in Kuala Lumpur.

Marketmen said fresh positions created by speculators, driven by a firming global trend, helped crude palm oil prices to trade higher at futures trade.

THE HINDU Business Line

Chana futures up 0.4% at Rs 4,796 per quintal

Suresh P. Iyengar

Mumbai, Aug 24:

Chana futures on the National Commodity and Derivatives Exchange Ltd (NCDEX) gained 0.44 per cent to Rs 4,796 per quintal on account of improved demand at lower levels.

Chana for September delivery on NCDEX has fallen two per cent in the last one week. Moreover, there were concerns on global supplies being hit due to erratic weather.

As per the India Meteorological Department, monsoon has recovered in the last two weeks covering up most of the deficit. It is now only two per cent below long period average.

This has aided the sowing of kharif pulses in the last one week. Chana, a rabi crop, will also be benefited by the recharge of ground water.

However, overall weak rainfall would have a significant impact on the yield of kharif pulses.

The Government has released the fourth advance estimates of chana output to be higher at 7.58 million tonnes against 7.4 mt announced in the previous estimate. However, the estimate is much lower than 8.22 mt achieved last year.

Cotton wilts despite lower arrivals

Our Correspondent

Erode, Aug. 23:

Cotton dropped by Rs 700 a quintal here on Thursday despite arrivals falling to 70 quintals.

Arrivals have decreased over the last two weeks as the season is coming to an end.

Farmers are holding on to stocks as they expect prices to rise once the new season begins in March, said Joseph, Supervisor, Bhoodapady Regulated Marketing Committee.

Palanisamy, a farmer, said that since this year production was low, prices are higher than last year, but they have not risen enough.

So farmers have decided to hold back a quarter of the produce.

He said that in other markets at Anthiyur and Sathyamangalam also, prices have not improved.

Since traders have quoted lower, they had no choice but to sell at thos eprices to continue agricultural operations.

At the Bhoodapady Regulated Marketing committee, the Surabi variety was sold at Rs 5,300 to Rs 5,600 a quintal, Rs 700 a quintal lower than last week's price. Bt cotton was sold at Rs 4,300 to Rs 4,600 a quintal at the Committee, Rs 700 a quintal lower than the last week's price.

Only 200 bags (70 quintals) of arrived for sale.

At the Sathyamangalam Cooperative marketing Society, the Brahma variety was sold at Rs 4,700 to Rs 5,300 a quintal, down Rs 100 a quintal from the previous week.

All the 2,000 bags (700 quintal) that arrived were sold.

The market authorities said that at Bhoodapady Regulated marketing committee, no crop will arrive from next week, and at Sathyamangalam and Anthiyur only 200 to 250 quintals will arrive.

Mixed trend in edible oils

Mumbai, Aug. 23:

Edible oil market witnessed mixed trend on Thursday on lack of demand and thin volume. Groundnut oil, rapeseed oil and palmolein ruled unchanged while soyabean refined oil, sunflower oil and cotton refined oil increased by Rs 5 for 10 kg each tracking firm reports from producing centres and bullish domestic futures. Shailesh Kataria of Riddhi Brokers said as prices of all edible oils have gone up sharply (in the range of Rs 15-30 for 10 kg) in the last seven days, most stockists have preferred to stay away from fresh buying and concentrate to fulfil the old commitments. Less than 100 tonnes of palmolein were resale traded during the day in the range of Rs 620-621. Liberty was quoting palmolein at Rs 628-629 for September and Rs 630-631 for October, super palmolein at Rs 670 and Rs 671, soya oil Rs 772 and sunflower refined oil at Rs 780 up to September 15. Ruchi quoted palmolein at Rs 627 up to September 10 and Rs 630 for 11 – 20 September. Soya refined oil was Rs 771 and sunflower refined oil Rs 778 for September. Allana's rate for palmolein was Rs 625 for 1- 15 September. Vaibhavi quoted palmolein at Rs 625 for 1-15 September. Resale rate for palmolein was Rs 620-622. In Saurashtra – Rajkot, groundnut oil extended steady gains on higher demand. *Telia* tin was Rs 1,980 (Rs 1,980) and loose 10 kg was up by Rs 10 to Rs 1,320.

On National Board of Trade – Indore, soya refined oil September futures closed higher at Rs 805 (Rs 802) and October at Rs 808 (Rs 797). Malaysia's crude palm oil September contracts closed at MYR 3,017 (MYR 3,008), October closed lower at MYR 3,041 (MYR 3,048) and November at MYR 3,061 (MYR 3,078) a tonne.

The Bombay Commodity Exchange spot rates were (Rs/10 kg): groundnut oil 1,250 (1,250), soya refined oil 765 (760), sunflower exp. ref. 715 (710), sunflower ref. 775 (778), rapeseed ref. oil 895 (895), rapeseed expeller ref. 865 (865) cotton ref. oil 765 (760) and palmolein 620 (620).

Rice rules unchanged in listless market

Karnal, Aug. 23:

With not much trading taking place in the market, the rice market witnessed a steady trend with prices of aromatic and non-basmati rice ruling unchanged from previous levels, on Thursday.

After witnessing a decline at the beginning of this week, aromatic and non-basmati varieties managed to maintain their previous quoted levels amid slack trading, said Praveen Kumar, a rice miller. Due to a fall in the domestic demand, prices are getting softened and if the situation remains the same, rice prices could witness another downtrend, he added.

Slack overseas demand is also a reason behind the current situation of the market, said Praveen. Rice prices have decreased by Rs 150-900 a quintal over the last two weeks. Traders expect it unlikely to see any recovery from here at present.

In the physical market, Pusa-1121 (steam) quoted at Rs 6,200-6,300 a quintal while Pusa-1121 (sela) sold at Rs 5,500.

Pure basmati (raw) quoted at Rs 6,700 while pure basmati (sela) sold at Rs 5,300.

Duplicate basmati traded at Rs 4,850 .

Tibar was sold at Rs 3,600; Dubar at Rs 2,800 and Mongra at Rs 2,100-2,200 a quintal.

Sharbati (steam) quoted at Rs 3,850 and Sharbati (sela) quoted at Rs 3,800 .

PR-11 (sela) was at Rs 2,900 while PR-11 (Raw) quoted at Rs 2,630. Permal (raw) sold at Rs 2,200 a quintal while Permal (sela) went for Rs 2,280.

Jeera futures gain on short covering; spot steady

Rajkot, Aug. 23:

Despite a weak demand in spot, jeera prices in futures gained on the back of short covering by speculators and traders.

However, overall trend was seen dull. Spot prices remained unchanged on Thursday.

On the National Commodities and Derivatives Exchange (NCDEX) jeera for September delivery rose Rs 62.50 to Rs 15,480 a quintal with an open interest of 19,242 lots. October jeera contract increased Rs 77.50 to Rs 15,890 for 100 kg with an open interest of 15,039 lots. NCDEX accredited warehouses jeera stocks gained by 189 tonnes to 10,692 tonnes.

New jeera medium was quoted at Rs 2,450-2,550 for 20 kg, NCDEX quality raw quoted at Rs 2,775-2,920 at Unjha, Gujarat.

Arrivals stood at 3,500-4,000 bags and traded around 4,000 bags.

In Rajkot APMC, jeera was traded at Rs 2,500-2,922 for 20 kg. About 750-800 bags arrived in Rajkot.

According to Kedia Commodity, recent rains in the top producer Gujarat raised hopes of improved soil moisture, which would aid sowing, while weak exports weighed on sentiment. Overseas sales have come down but are expected to improve in coming days.

Fresh retail demand sweetens sugar

Mumbai, Aug. 23:

Sugar prices on Vashi market bounced back after initial loss of Rs 10-20 a quintal on improved local retail demand on Thursday. Mill tender rates ruled unchanged despite higher volume while eased selling pressure pushed up naka rates by Rs 10-20. Freight rates were steady after recent small decline. Morale was steady in spot but under current of the market remained firm said traders.

Jagdish Rawal of B. Bhogilal and co., said at lower price level, retailers came forward with fresh buying orders. Producers also seem to be relieved from selling pressure . But higher free sale quota which millers have to sell off before August-end has kept prices steady at higher level. Lack of reselling in naka levels, led to higher volume with millers. Maharashtra's mills have sold about 75000-80,000 bags to local stockists on Wednesday evening. Demand from eastern and southern States is lacking since long time.

In Vashi market, arrivals were 56-57 truck loads (each of 100 bags of quintal each) and local dispatches were about 55-56 truck loads. On Wednesday about 17 – 18 mills offered tenders and sold about 78,000 – 80,000 bags (each of 100 kg) to local stockists in steady range of Rs 3,350-3,400 (Rs 3,350-3,400) for S-grade and Rs 3,450-3,500 (Rs 3,460-3,500) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,491-3,561 (Rs 3,501-3,575) and M-grade Rs 3,542- 3,701 (Rs 3,562- 3,701). *Naka* **delivery rates:** S-grade Rs 3,450 -3,480 (Rs 3,450-3,470) and M-grade Rs 3,520-3,630 (Rs 3,500-3,620).

Support price for turmeric unlikely, say traders

Erode, Aug. 23:

Farmers expect the Union Agriculture Minister to announce a minimum support price of Rs 8,000-10,000 at a turmeric growers federation conference to be conducted here on August 25. So they have declined to sell at the current price. But traders said that a support price for turmeric is not possible as it is not an essential commodity and has a number of varieties.

Due to poor demand from North India spot turmeric decreased on Thursday to Rs 6,400 a quintal. Arrivals were up slightly at 6,400 bags. “Usually during this time, traders good orders from North India, but this year we are not getting any orders. But the present price of Rs 6,400 a quintal is feasible for the farmers,” said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.Demand from North India for the hybrid variety, too, was absent . Traders said they would get fresh orders from September.At the Erode Turmeric merchants Association Sales yard, the finger variety was sold at Rs 3,699 to Rs 6,499 a quintal, the root variety at Rs 3,699 to Rs 6,177 a quintal

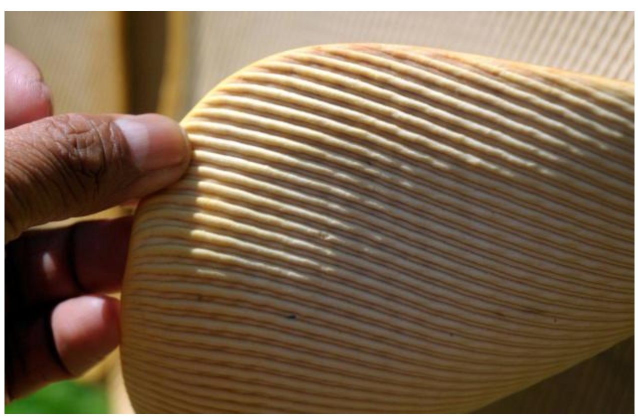
Salem hybrid crop: The finger variety was sold at Rs 6,299 to Rs 6,790 a quintal, the root variety at Rs 6,030 to Rs 6,379 . Of the 882 bags that arrived, 451 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 6,018 to Rs 6,731 a quintal, the root variety at Rs 5,149 to Rs 6,288 a quintal. Of the 529 bags that arrived, 457 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,689 to Rs 6,616 a quintal, the root variety at Rs 5,689 to Rs 6,289. All the 950 bags kept for sale were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,369 to Rs 6,584 a quintal, the root variety at Rs 4,896 to Rs 6,107 a quintal. All the 83 bags kept for sale were sold.

Rubber skids on buyer resistance



Kottayam, Aug. 23:

Spot rubber turned weak on Thursday. Partial recovery in domestic futures failed to make any visible change in sentiments and the prices slipped mainly on buyer resistance. The trend was mixed

Sheet rubber dropped to Rs 168 (169) a kg, according to traders.

The grade was steady at Rs 169 a kg both at Kottayam and Kochi as reported by the Rubber Board.

The September series improved to Rs 167.90 (166.06), October to Rs 165.81 (163.76) and November to Rs 165.25 (163.48) while the December series slipped to Rs 165.10 (165.13) a kg for RSS 4 on National Multi Commodity Exchange.

RSS 3 (spot) declined to Rs 151.94 (153.50) a kg at Bangkok. The August futures increased to ¥ 214 (Rs 150.31) from ¥ 213 a kg during the day session but then finished unchanged in the night session on Tokyo Commodity Exchange.

Spot rubber rates (Rs/kg) : RSS-4: 168 (169); RSS-5: 158 (160); Ungraded: 152 (153); ISNR 20: 148.50 (148.50) and Latex 60 per cent: 113 (113).

Lower arrivals, improved offtake boost mustard

Indore, Aug. 23:

Rise in buying support, improved domestic demand and strong foreign cues have put a stop to the downtrend in mustard oil.

Mustard oil prices in mandis across Madhya Pradesh, Rajasthan and Gujarat were up by Rs 15-20 for 10 kg in the past one week.

Mustard oil in Indore mandis on Thursday rose to Rs 832 for 10 kg (up Rs 6).

Similarly in Rajasthan mandis also, mustard oil witnessed a bullish trend with its price in Kota on Thursday being quoted at Rs 840 (up Rs 5) for 10 kg.

In Gujarat mandis also, mustard oil ruled Rs 5 higher at Rs 830.

According to traders here, uptrend is likely to continue in coming days given a rise in demand and decline in arrivals as farmers, anticipating higher returns in the coming days, have retained their stocks, said Vijay Kumar Jain, a Jawad-based trader adding that rise in soya oil prices, bullish foreign cues will also add to the strong sentiment .

Plant deliveries in mustard for Jaipur line also ruled higher at Rs 4,535-50 (up Rs 50) on improved demand from crushers.

Similarly in futures also, mustard seeds traded higher on improved buying support with its September and October contracts on the NCDEX closing at Rs 4,437 (up Rs 37) and Rs 4,502 a quintal (up Rs 42).

Food inflation hitting middle, lower income groups hard, survey says

Ahmedabad, Aug 23:

Majority of households' real spending power on non-food articles fell by over 65 per cent in the current financial year with steep rise in prices of fruit, vegetables and essential commodities, according to an Assocham survey.

Over 88 per cent of middle and lower income groups find it difficult to manage their household budgets and squeeze their finances to the lowest level, a country-wide survey conducted by the Associated Chambers of Commerce and Industry of India , under the aegis of the Assocham Social Development Foundation , has found.

"The fear of bad monsoon has suddenly hiked the prices of vegetables and fruit by 300 per cent from the farm to your dining table", according to the survey, conduced in June and July across various towns and cities. Over 5,000 employees took part in the “Rising prices widen gap between the rich and the poor” survey.

The industry lobby’s Secretary General D. S. Rawat said over 89 per cent of the respondents lamented that the price of every commodity has gone up. There is no control over the prices of vegetables, and the rate of essentials such as milk has doubled in the last five years, the survey said.

Basic needs top spend

Spiralling inflation has pinched the middle class families across the country, with 73 per cent saying that their take-home salary currently is not more than 30 per cent of their total package and is spent on food, commuting costs, utilities, health and education bills. Around 72 per cent of working parents said that it was difficult to raise two children in this scenario.

In metropolitan cities, even couples in full-time employment are struggling hard to live, with 78 per cent saying that pressures are adding up to hurt household budget.

Over 82 per cent of the respondents spent most of their income on basic necessities like essential commodities, fuel , home loans, education, insurance premiums , followed by lifestyle goods. Seventy-two per cent of the respondents said the salary hike last year was not in sync with the cost of living, which had gone up by almost 40-50 per cent.

But the high income groups have been least affected as there is nearly no change in their spending habits.

So, despite a record food production of 252 million tonnes this year, prices stayed high and food inflation, at 10.5 per cent, was more or less where it was a year ago.

MPEDA holds seminar on long-line fisheries

Fish caught by long line fetches higher prices in the international market as the product quality will be superior compared with other methods of tuna fishing.

Kochi, Aug. 24:

Marine Products Exports Development Authority organised a national workshop to improve long-line fisheries for tuna and other large pelagic fish species.

Tuna is a most sought-after fish species in overseas market and Japan is the largest importer of tuna in Sashimi form (which is of highest quality, normally consumed raw).

Oceanic tunas are among the resources that offer immense scope for the development in the Indian EEZ as India has an estimated potential resources of 2,78,000 tonnes of tuna.

The tuna fishery in Indian Ocean is fully developed, with several coastal countries as well as distant water fishing nations participating in the fishery.

However, till recently there was no organised fishing for tuna along the Indian coast except pole and line fishery for skipjack in Lakshadweep Islands.

In the Indian Ocean, tuna is caught by the small and medium size vessels which are mainly Gillnetters, Purseiners, Pole & line, Hookline and Monofilament long-liners.

However, fish caught by long line fetches higher prices in the international market as the product quality will be superior compared with other methods of tuna fishing.

Considering the economic potential of the tuna resources, MPEDA along with FAO, Rome and INFOFISH, Malaysia has launched a project aimed to improve the harvesting and handling of tuna for producing value added products ensuring better price and better economic improvement.

MPEDA has organised a series of workshops in Andhra Pradesh and Tamil Nadu. The last among the workshops was held in Kochi which was inaugurated by Peter Ervin Kenmore, Country Representative, FAO, India on Thursday.

The event was presided over by Leena Nair, Chairman, MPEDA. Various dignitaries from fisheries institutes, representatives of seafood exporters, technologists from seafood processing units were present on the occasion.

About 75 processing and quality control technologists representing more than 50 seafood processing plant and about 60 fishermen will attend the workshop.

It is envisaged that the workshop will give specific and focused encouragement on tuna handing and processing of various value added products from tuna and their export marketing in various destinations.

Rice crop-modelling software update soon

Coimbatore, Aug. 23:

The International Rice Research Institute, the Philippines, has updated the Oryza2000 software, which is used to simulate rice crop growth and yield.Tri Deri Setiyono, a scientist at the Institute, said that the official release of Oryza 2000 (version 3.0) was awaited. He was here at the four-day International Training on Oryza2000 Crop Modelling Programme organised jointly by the Tamil Nadu Agricultural University and the Institute.“This training aims to provide a remote-sensing-driven-crop growth model to estimate actual rice yields using weather, crop management and soil information,” Setiyono said.The farm varsity in collaboration with the Institute is implementing a project — Remote Sensing-based Information and Insurance for Crops in Emerging Economies — at Cauvery and Vaigai River basins and the rain-fed rice-growing areas in Sivaganga district.Twelve scientists of the farm varsity are undergoing training on Oryza2000.P. Subbian, Acting Vice-Chancellor and Registrar of the farm varsity, said that the use of rice crop-modelling systems were found promising, especially in situations of biotic and abiotic stresses, for which human expertise was necessary to apply the models profitably.

Flour mills starved of wheat despite record production

Chennai, Aug. 23:

Despite a record production of over 93 million tonnes, domestic wheat prices have surged to a record high. Consumers, particularly flour mills, are facing a tough time since they are unable to get supplies though they are willing to pay a higher price.

The situation has turned grim in the last two days with prices on the futures market gaining over Rs 100 a quintal.

“Prices were up for September contracts by Rs 43 a quintal on Wednesday and by Rs 60 on Thursday,” said M.V. Balasubramaniam, Managing Director, Narasu’s Sarathy Enterprises Pvt. Ltd (formerly Narasu’s Roller Flour Mills).

On the National Commodities and Derivatives Exchange, wheat for September delivery ended at Rs 1,558 a quintal on Thursday. October contracts were quoted at Rs 1,583, November at Rs 1,609 and December at Rs 1,629.

In Shahjahanpur Agricultural Produce Marketing Committee (APMC) yard in Uttar Pradesh, the modal price or the rate at which most trades took place increased to Rs 1,450 a quintal on Thursday against Rs 1,350 on Wednesday.

The interesting fact about Thursday’s trade was that the offering almost trebled to 1,191 tonnes on Thursday from 411 on Wednesday.

“Wheat prices are quoting at 1,625 a quintal in New Delhi. Wheat has never scaled such a height,” said Raj Narayan Gupta, a miller in Uttar Pradesh. The New Delhi market is seen as the benchmark for wheat prices.

Huge Govt stocks

“Mills in the South are facing greater problems since traders are quoting Rs 1,900 a quintal for delivery here,” said Pramod Kumar, Executive Director of Sunil Agro Foods Pvt. Ltd.

“On Wednesday, we were offered at Rs 1,800. We are ready to pay higher prices provided we are assured of supply,” said Balasubramaniam.

Mills in South India are looking for stocks in view of the festival season ahead. “At this rate, we fear many mills may shut shop,” said Balasubramaniam.

Flour mills have been caught stranded since they did not build inventories during the peak arrival season of April-June.

“We did not stock up since the Government said it would release wheat from the stocks that the Food Corporation of India was holding,” said UP miller Raj Narayan Gupta.

Sunil Agro's Kumar said: "The Government should resume the open sale scheme of wheat immediately."

Narasu's Balasubramaniam said: "The Government is holding huge stocks and is responsible for the current situation." The Centre has procured over 38 million tonnes of wheat under the minimum support price (MSP) operations out of the record crop of 93.9 million tonnes.

Last year, production was 86.8 million tonnes. The stocks meant to meet any food emergency were bought at Rs 1,285 a quintal, the MSP.

Global fears

"While the Centre has garnered 38 million tonnes, traders have bought some quantity, while growers have retained wheat for seed and also expecting prices to rise on reports of drought affecting the US crop," said Gupta.

Wheat prices on the Chicago Board of Trade have increased by 13 per cent this year to $8.9775 a bushel (approximately Rs 18,000 a tonne).

Not only drought in the US but also fears on nations in the Black Sea region such as Russia and Ukraine banning wheat exports are driving prices high.

Wheat from the Black Sea region seen at a par with the Indian foodgrain is currently quoting at $308 a tonne (Rs 17,000).

"We don't get Black Sea wheat since we don't buy in large quantities," said Balasubramaniam.

Mills in the South are enquiring about Australian wheat. "Australia offers wheat in containers but prices are as high as Rs 24,000 a tonne," he said.

The solution then, industry players say, is for the Government to take a few measures.

"The Government has to ban wheat exports," said Gupta. However, Balasubramaniam said that exports by private traders should be stopped and all shipments should be done by the Government.

"Exporters are now buying for even Rs 1,600 a quintal," said Balasubramaniam.

Though exact figures are not available, at least 10 lakh tonnes of wheat have been exported so far this year.

Exports are resulting in diversion of wheat meant for the public distribution system, said a miller who did not wish to be quoted.

“The other measure the Government can take is to release significant stocks at whatever price it deems fit,” said Gupta.

The Centre had begun selling wheat through open market sale scheme in July at Rs 1,175 a quintal but stopped it abruptly. Rumours were agog that it would resume sale at Rs 1,275 but nothing has happened so far.

“The Government has to prevent traders from buying wheat. Wheat is not consumed as it is,” said Gupta. “It has to stop the tender system since it is not helping millers to get wheat,” he said.

Dry spell may cut Nilgiris tea output by 15%

Coonoor, Aug. 23:

The Nilgiris, the largest tea producing district in the South, is heading for a production loss of about 15 per cent this calendar compared to 2011, reveals an analysis of the latest data available with producers’ and traders’ bodies.

“Drought till mid-August is the major cause. Growers contend that similar drought has not been experienced for the last 60 years. With no rain and irrigation also failing due to drying-up water sources, soil is moisture-less. Tea leaves are fast drying up. As factories are getting only one third of normal supply of green leaf for processing, they are functioning only for three days a week. In July, black tea production fell by 30 to 35 per cent. In the seven months, there had been a cumulative loss of 18 per cent”, Tea Board member, S. Ramu, told *Business Line*.

“August was also a dry month in many tea plantation pockets in the Nilgiris. Red spider mites and other pests are spreading. Corporate sector has projected 7.5 per cent output loss in July-Sept quarter. If rain fails in the coming quarter too, the Nilgiris will suffer a 30 per cent production loss. Otherwise also, there will be a 15 per cent reduction over last year as there is little chance of recouping the earlier loss”, he said.