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## Their own green revolution

Mahim Pratap Singh



Planting and preserving: Adivasis embark on a new movement. Credit: Special arrangement



The green collective: Developing their own nurseries.

*Tribals in Madhya Pradesh have embarked on a unique 'guerrilla-green' operation of planting fruit bearing trees on any available piece of vacant land*

To combat the twin problems of malnutrition and environmental degradation, adivasis of Harda and Betul districts of Madhya Pradesh have decided to launch 'Operation Guerrilla Green' — a movement to plant large numbers of fruit bearing trees on vacant land, wherever it is available.

Mobilised under the banner of Shramik Adivasi Sangathan (SAS), a local tribal rights organisation, tribals of the region have resolved to plant one lakh saplings this year on any barren- degraded land — be it government, forest, private or panchayat land.

To create awareness, the adivasis have begun a month-long planting campaign to coincide with *hari jiroti* — the Gond and Korku festival celebrating the beginning of the rains and the new sowing season.

The movement started with the adivasis taking out a *Hariyali Yatra* (Green March) from the local Chirapatla market in Betul district in the last week of July. Last week, they entered the 'second

phase' of the movement and planted 1,000 saplings. Next, on August 15, the adivasis of Betul planted 10,000 saplings of fruit bearing trees on barren land in Umberdoh.

The 'operation' is similar to the Guerrilla Gardening movement, which is highly popular in several western countries and which involves planting of fruit and vegetable trees on abandoned or degraded land. The project will green degraded land and, at the same time providing nutritious fruits to the Gond and Korku tribals of this malnutrition-affected region.

However, it is a bit more complicated than your average 'tree-planting-field trip'. To start with, the law is not on the tribals' side, since the Forest Department does not permit any kind of plantation of fruit bearing trees (because they are considered commercial species) on forest land. As a result, several adivasis in Bod, Pippalbarra, Kamtha, Gavajhadap, Dhumka and Chunjajuri villages of Betul have reportedly been booked under sections of Indian Forest Act, 1927 and Wildlife (Protection) Act, 1972.

"Some have as many as five cases registered against them for encroaching on forest land and destroying wildlife by their act of plantation," says Anurag Modi of Shramik Adivasi Sangathan.

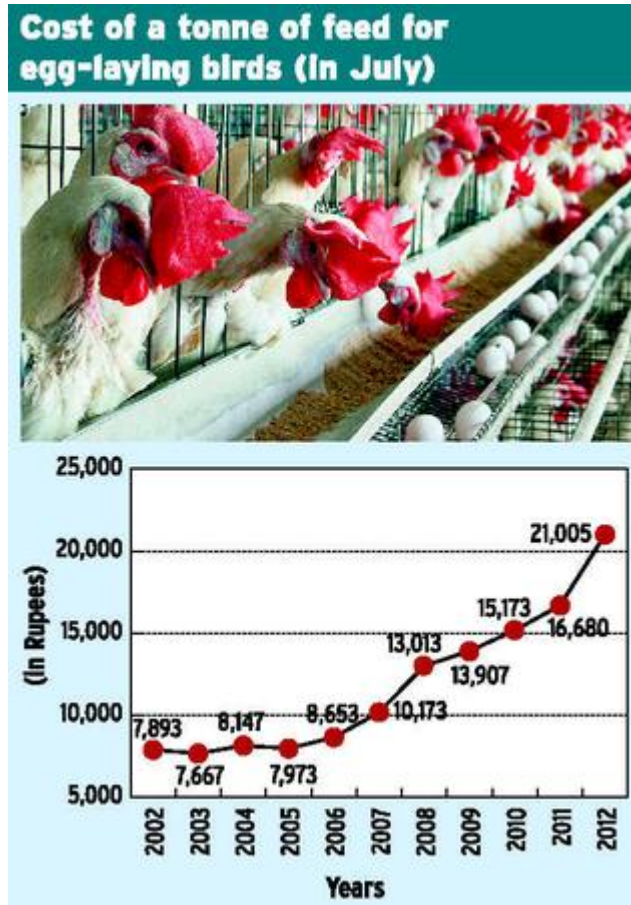
Hence the name Guerrilla-Green, which is a play of words on the unofficial but notorious and widely accepted term "Operation Green Hunt", referring to the para-military offensive in the left-wing extremism affected districts of central India.

After being turned down by district authorities on their demand of planting saplings, the adivasis decided to develop their own nurseries. In three villages of Betul — Bod, Pippalbarra and Markadhana they have developed nurseries and planted around 15,000 saplings of *awla*, guava, *cheeku* and *jamun* among others. They plan to plant another 85,000 saplings by collecting naturally grown plants from river banks, under the trees, and replant them systematically.

"We are calling it 'guerrilla' because despite the Forest Department terming it illegal, the tribals have resolved to turn all the barren and degraded forest land around them lush green with fruit bearing trees," says Mr. Modi.

## Poultry farmers turn to alternative feed to control production cost

M.K. Ananth



Poultry farmers have started using new feed ingredients such as meat and bone meal (waste from slaughtered animals), guar meal (a by-product after separation of gum), cotton seed cake, coconut cake, gingely oil cake and silk cotton cake for egg-laying chicken. These have been introduced in place of conventionally accepted materials used for manufacturing feed. Farmers said that they have started using newer feed ingredients as the price of important feed ingredients have gone up in the recent months. Industry sources said traditionally poultry feed comprises 12 to 15 of ingredients such as cereals and protein cakes, the price of which has have gone up steeply, forcing farmers to incur heavy losses in the recent months.

Soya meal is the most important protein ingredient and determines the cost of half a dozen other protein cakes. Its price has gone up by about 125 per cent in a year and has resulted in price hike of other cakes too. Maize is rich in energy, essential fatty acids and gives the yellow

colour to the yolk, and decides the price of other cereals. Its price has climbed by over 50 per cent in the same period, farmers lamented.

Statistics from the National Egg Coordination Committee (NECC), Namakkal Zone, showed that these factors had led to sharp increase in the cost of a tonne of feed from Rs. 18,627 in June to Rs. 21,005 in July. This is the steepest hike in the price of feed for layer birds since the abnormal escalation of feed rates from April, 2012.

A tonne of feed that was priced at Rs. 16,923 in March climbed to Rs. 17,924 (up by Rs. 1,001) in April, to Rs. 18,347 in May and to Rs. 18,627 in June before it went up by another Rs. 2,378 to Rs. 21,005 in July. Poultry farmers said that a tonne of feed is now Rs. 4,258 more than its price in February – an increase by more than 20 per cent.

Head of the Animal Feed Analytical and Quality Assurance Laboratory in Namakkal, attached to the Tamil Nadu Veterinary and Animal Science University (TANUVAS), Dr. A Natarajan strongly felt that new feed ingredients cannot completely replace the conventionally used ingredients.

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### **'Help all banana farmers get coverage under insurance scheme'**

Special Correspondent



The best: A. Tajuddin, dean, right, TNAU Agricultural Engineering College and Research Institute, handing over the 'Best Banana Farmer' award to a farmer at NRCB in Tiruchi on Monday. M.M. Mustafa, second from right, director, NRCB, is in the picture.—PHOTO: R.M. RAJARATHINAM.

Several progressive farmers, speaking at the 19<sup>th</sup> Foundation Day of the National Research Centre for Banana (NRCB) here on Monday, pointed out to the impediments afflicting the banana sector and demanded remedial measures including coverage under the National Agriculture Insurance Scheme (NAIS).

G.Ajeethan, general secretary, Tamil Nadu Banana Growers' Federation, said though Tiruchi is a notified area under the NAIS for banana, compensation has not been paid to farmers when they suffered huge losses due to natural calamity. The cooperative banks did not come to their rescue even after collecting insurance premium before disbursing loans, he said. He urged the Horticulture Department to help all banana farmers to get coverage under NAIS.

He pleaded that the "gap between research and farmers should be reduced." He also urged the NRCB to come out with disease-free and high-yielding varieties suitable for specific locations. He pointed out that varieties raised in the Cauvery flowing regions may not be suitable for other places. He sought a "seed replacement programme" that would help farmers get high-yielding and disease-free seedling. Even if five per cent of the seedlings were to be replaced annually, the banana sector would get a massive impetus, he added.

Lamenting that a number of diseases affecting banana are "river-borne," he appealed to the institutions like the NRCB to suggest "field-level sanitation".

Mahadhanapuram V.Rajaram, working president of the Cauvery Delta Farmers' Welfare Association, underlined the need for focused research on "what grows well naturally in each location." Pointing out that 'poovan' variety raised in some parts of the district can withstand adversities – be it too much water or drought – he pleaded that NRCB should try to popularise the variety. He also cited the rapid strides made by Sri Lanka in adding value to various banana products and said that banana leaf is converted into a "packaging material" with an excellent market potential.

A.T.P.Karuppiyah from Theni, who has been awarded "Siranda Vazhai Thozhil Munaivor Virudu," explained the immense benefits accruing to farmers thanks to technology. He pointed out that the banana growers who were earning just Rs.50,000 per acre in Theni region in 2004 were now able to earn a net profit of even as much as Rs.1lakh to Rs.2lakh per acre using various technologies including drip irrigation. Similarly, the ripening chamber method that he pioneered had now influenced a lot of entrepreneurs and now there are eight such chambers in Theni region alone.

Though India contributes to almost 25 per cent of the global banana production, our export is not much, he lamented. It is because our bananas are yet to reach the air-conditioned chambers, he added. Puliur Nagarajan, vice president of the Tamil Nadu Bharat Krisak Samaj,

pointed out that husk has such huge potash content that it could be used in banana fields to get higher yield.

TIRUPUR, August 28, 2012

### **Soil fertility to be improved**

R. VIMAL KUMAR

#### *Farmers in Tirupur to be given green manure seeds*

To improve fertility of soil in an organic manner and thereby, help augment the food grain production significantly, a slew of initiatives have been planned for Tirupur district at a total outlay of Rs. 19 lakh. Half of the amount allocated from Rashtriya Krishi Vikas Yojana, will be used by the Agriculture Department to subsidise the procurement and distribution of green manure seeds to the farmers, costs incurred for hiring rotovators, and construction of vermin compost units. Under the scheme, it is planned to distribute 35 tonnes of green manure seeds to farmers over the entire 13 blocks in the district.

The green manure, which is also called as cover crops, can be grown by farmers in the barren land in the days just ahead of sowing in the coming rabi season before it been cut and ploughed into the soil.

“Since the green leafy material of the plant is rich in nutrients such as zine, iron, and manganese, among many others, the in-situ ploughing of the green manure will add the essential nutrients for the main crop to be sowed and acting as a cheap organic alternative to the artificial fertilizers,” P. Thangaraju, Joint Director of Agriculture, told *The Hindu* .

Although the use of green manure may seem to create extra work, its benefits to the farmers for the ensuing season are immense.

“Apart from recycle nutrients and add organic matter to the soil, the green manure crop help prevent nutrients being washed out of the soil at the time when lands are not under cultivation of ‘main crops’,” Mr. Thangaraju pointed out.

Another component in the package is setting up of 45 vermin compost units, which too will help the farmers to get the requisite quantity of organic compost needed for application during the raising of ‘main crops.’

Mr. Thangaraju said that farmers should approach the department and officials would select the beneficiaries after preparing a priority list.

“As much as 20 per cent of the allocation will be used to assist farmers belonging to the Scheduled Castes/Scheduled Tribes,” he added.

DAVANGERE, August 28, 2012

### **Farmers oppose planting of seedlings in forest area**

*Say they have been cultivating the land for several years*

A heated argument occurred between Forest officials and farmers in Arishinagatta, near Shanthisagar in Chennagiri taluk, on Sunday evening when the former brought seedlings for planting in a reserve forest area.

The farmers claimed that they had been cultivating the land in the reserve forest area for several years and they should not be evicted. They insisted that they would not allow the Forest officials to plant the seedlings.

Senior officials Lingaraju and Ganesh Naik told the farmers that 25 hectares of land had been declared as a reserve forest area and no one could trespass on it. The High Court had also ruled that all reserve forest areas in the State should be protected and guarded. Encroachment on such areas was an offence. The officials urged the farmers not to stop them from discharging their duty.

However, the farmers reiterated that they had been cultivating the 25 hectares for several years and warned the officials of dire consequences if any attempt was made to evict them. They said that cultivation was their livelihood. The officials said that they had instructed the farmers to move away from the reserve forest area and had even warned that cases would be booked against those who failed to leave the place.

While some farmers stopped the tractors carrying over 1.5-lakh seedlings from entering the reserve forest area, some sat in front of the vehicles.

When officials, including Deputy Superintendent of Police Kavalappa and Assistant Commissioner Nagaraj, appealed to the farmers not to stop the officials from discharging their



duty, the latter said they would withdraw the protest only if the officials abstained from planting the seedlings till a final order was issued by the Deputy Commissioner on the rights over the land. The police asked the Forest officials to postpone the planting of seedlings for a couple of days.

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- *Do not stop us from discharging our duty:Forest officials*
  - *'Encroachment of reserve forest area is a criminal offence'*

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HASSAN, August 28, 2012

**Farmers demand waiver of farm loans**

*Centre urged to aid the State government to bail out drought-hit farmers*



For a cause:Kodihalli Chandrashekhar, president of the KarnatakaRajya Raitha Sangha, addressing farmers during a protest inHassan on Monday.— Photo: Prakash Hassan

Farmers took out a protest march in Hassan on Monday urging the State government to waive all farm loans.

Kodihalli Chandrashekhar, president of the Karnataka Rajya Raitha Sangha and Hasiru Sene submitted a memorandum to Deputy Commissioner K.P. Mohan Raj.

Mr. Kodihalli Chandrashekhar said the government should waive all loans and also grant fresh loans as farmers were facing severe drought across the State. The rural areas should get three-phase electricity supply for at least 10 hours a day, he added.

The protesters' demands included crop insurance for ginger and potato, fodder for cattle, setting up of goshalas in all taluks, providing subsidy for fertilizers of all companies and setting in place a system by which gram panchayats can issue residence proof to people who need it.

### **BJP protest**

Members of the Hassan district unit of Bharatiya Janata Party on Monday staged a protest urging the Centre to waive farm loans taken from nationalised banks in Hassan. The protesters said the State government had taken all possible measures to tackle drought, and that the Centre also had a role to play.

District president of the farmers' wing of the BJP M.R. Rajappa said, "The Centre should support the State government's efforts to bail out farmers from drought-related problems by waiving farm loans taken from nationalised banks", he said. He also demanded the Centre to reduce prices of fertilizers, stop import of silk and announce support price for arecanut and copra. The protesters submitted a memorandum to the President through the Deputy Commissioner.

KOZHIKODE, August 28, 2012

### **Farmers seek hatchery for quality fingerlings**

: The absence of a native hatchery in the government sector to ensure the timely supply of quality fingerlings is posing difficulty to hundreds of farmers working in the inland fish farming sector in the district. The majority of the farmers now depend on the scarce supply of fingerlings from private hatcheries in the southern districts of Kerala.

As per figures available with the District Fisheries Department, there are over 1,000 active inland fish farmers in Kozhikode district who need sufficient supply of high yielding fingerlings to continue their ventures. Though the stock is sufficient for farmers engaged in ornamental fish farming, the plea to get fingerlings of edible fish varieties is yet to get the deserving attention. N.

Sajesh, a farmer who has been working in the sector for the past five years, says he still depends on the supply of seeds by the Fisheries Department. .

SANGAREDDY, August 28, 2012

### **Input subsidy released for farmers**

So far, Rs. 60 crore input subsidy has been released for farmers out of the Rs. 80 crore worth bills passed in treasuries released by the State government. The remaining amount will also be released to their accounts before the end of this month.

A total of Rs. 106 crore input subsidy was sanctioned by the State government for the farmers. Stating that there were some mistakes with regard to furnishing details of farmers to bankers, Collector A. Dinakarbabu directed the agriculture department to correct those details. Referring to the fertilizer crisis, the Collector said that the required quantity of fertilizers would be sent to mandals .

ERODE, August 28, 2012

### **Turmeric farmers fix Rs.9,000 a quintal as floor price**

S. RAMESH

*To hold back stocks till traders offer the quoted amount*



Tough stance:President of Turmeric Farmers Association of India P.K. Deivasigamani calls upon farmers not to sell turmeric below the association-fixed floor price in Erode on Monday.—  
PHOTO: M. GOVARTHAN

After fixing the floor price of turmeric at Rs.9,000 a quintal at its national conference here on Saturday, the Turmeric Farmers Association of India has launched a campaign to urge farmers not to sell the yellow spice below that price.

The association had been demanding for sometime that the government fix a remunerative price for turmeric.

Since that did not happen, the association decided to fix the floor price by itself on the lines of the price fixing by the National Egg Coordination Committee.

On Monday, a team of members led by association president P.K. Deivasigamani gathered in front of the private turmeric market here and asked the farmers to hold back their stock till the traders offered Rs.9,000 a quintal. The announcement, however, triggered an expectation among the farmers that the prices would go up.

The market witnessed poor arrival on Monday as many farmers decided to wait and watch the price movement following the announcement.

A few farmers who brought their produce to the market did not accept any offers from the traders. "The price may increase in the coming week. So we have decided to wait and watch," K. Ramasamy, a farmer from Kodumudi, said.

Mr. Deivasigamani wanted the market authorities to allow the farmers to put up a tag along with the turmeric samples indicating the minimum asking price.

"This will enable the traders to know the expectations of the farmers and quote a better rate," he said.

Meanwhile, turmeric traders ruled out the possibility of the prices touching Rs.9,000 a quintal in the near future. "The demand and supply factors determine the prices.

The prices have touched Rs.6,500 a quintal as the demand has gone up slightly due to the forthcoming festivals," president of Erode Turmeric Merchants Association R.K.V. Ravishankar said.

The prices might improve in January as the production was expected to be low. "We cannot expect a significant rise in the prices before January," he added.

TUTICORIN, August 28, 2012

## Farmers seek release of water



FOR A CAUSE:Farmers who took out a rally in Tuticorin on Monday.— Photo: N. Rajesh

: Farmers under the banner of River Water Protection Movement led by its president Nainar Kulasekaran took out a rally from Srivaikuntam, which commenced on August 25 and reached Tuticorin Collectorate here on Monday to seek the intervention of Chief Minister Jayalalithaa for release of water to raise agricultural crops.

He said as many as 46107 acres of cultivable lands used to get water from Tamirabarani, Srivaikuntam dam and Marudhur dam twice a year during Kar and Pishanam seasons.

Unfortunately, now the situation has worsened to cultivate agriculture only during the Kar season.

Though farmers here were entitled to avail water from the water bodies mentioned above, there is no release of water.

Hence, the movement sought the intervention of the government to ensure release of water for Kar and Pishanam seasons and also to fulfil other demands.

Desilting should be undertaken in the Srivaikuntam dam, where such activities had not been executed for long.

The dam was under poor maintenance and had been left uncared for 137 years together. Simultaneously, 53 Tamirabarani irrigation tanks across the district had to be desilted to store enough water.

At times of rain, water could not be stored properly since the silt had not yet been removed.

“The rainwater only reaches sea and doesn’t benefit farmers.”

He also said the authorities concerned should strictly enforce ban on drawing water from the Srivaikuntam dam to industries and save farmers.

Besides, encroached portions in dried up water bodies should be evicted by government authorities ahead of rain, he added.

DINDIGUL, August 28, 2012

**“Better post-harvest techniques needed to boost productivity”**

Extensive research on post-harvest management and value-addition of hill fruits and vegetables were needed to increase productivity, to ensure high quality of the produce and being down quantum of wastage, it was highlighted at a one-day seminar on post-harvest management and value-addition of temperate fruits and vegetables organised by Tamil Nadu Agricultural University (TNAU), Indian Institute of Crop Processing Technology (IICPT) and Department of Horticulture, Kodaikanal, at Horticultural Research Station in Kodaikanal recently.

A loss of about 10 to 40 per cent in fruits and vegetables was due to improper post- harvest handling.

To reduce the loss, focus on harvesting standards, grading, proper packaging, storage and transportation were necessary.

These measures would certainly improve quality of agriculture produce, said Kodaikanal Station Head J. Rajangam.

Value addition will fetch additional income to farmers and also food processing industries.

It would also create employment opportunities, improve rural economy, and standard of life of farmers, he added.

Scientist Paranthaman explained about fruit and vegetable processing technology, developments in food processing industries and on value-added products.

Deputy Director of Horticulture S. Kandasamy briefed the role of farmers in post-harvest handling.

Importance of field sanitation and different schemes in operation for the benefit of farmers under commercial ventures were briefed.

ERODE, August 28, 2012

### **Farmers suffer heavy loss as strong winds wipe out banana trees**

Banana crop in more than 50 acres was damaged during the rain accompanied by strong winds that lashed many parts of Erode district during the last week.

Many parts of Sathyamanagalam, TN Palayam and Gobichettipalayam blocks in the district experienced light to moderate showers accompanied by gusty winds on Friday night and Saturday that left hundreds of banana trees damaged. The TN Palayam block bore the brunt as at least 17 hectares of banana trees were completely destroyed.

Farmers in Nambiyur and Vemandampalayam suffered heavy losses as the strong winds wiped out most of the trees that were in the fruit-bearing stage.

More than 6,000 banana trees in Nambiyur block were damaged during the rain. Farmers urged the State government to take steps to compensate their loss.

Many farmers in the district took up banana cultivation by getting crop loans from the bank. Only if the government compensated the loss, we would be able to repay the loan and avail credit for taking up next crop, they said.

A significant number of turmeric growers in TN Palayam and Sathyamangalam blocks switched to banana crop following the drastic fall in the prices of the spice. We cultivated banana as it fetched a good income. But the rain caused huge damage to the crop, they said.

Preliminary estimates after a survey conducted by the Horticulture Department identified that trees in more than 17 hectares got damaged in the strong winds on Friday and Saturday.

Sources in the department said that TN Palayam was the worst affected block in the district and a detailed report on the crop damage had been submitted to the government. The department

would recommend the government to announce compensation to the affected farmers, sources added.

***TN Palayam, worst affected block in Erode district***

NAMAKKAL, August 28, 2012

**Farmers' grievances meeting**

The monthly grievances meet for farmers will be held at the Conference Hall of the Collectorate here on August 31. The Collector will preside over the meeting while officials from the departments concerned will also be present to redress the grievances of the farmers.

THANJAVUR, August 28, 2012

**Mood of hope crops up at farmers' meet**

Farmers of the Cauvery delta districts welcomed the samba package announced by the State government and expressed the hope that they may take home a good crop this year by adhering to the strategies of cultivation announced by the government.

Farmers of Thanjavur, Tiruvarur, Nagapattinam, Tiruchi and Cuddalore districts said this at a meeting held by the Agriculture department at the Collectorate here on Monday. They said that by resorting to direct sowing, the System of Rice Intensification and community nurseries on a location-specific basis, they are confident they can overcome water scarcity.

Sandeep Saxena, Agriculture Production Commissioner and Secretary to Government, Shiv Das Meena, Commissioner for Agriculture, and K. Baskaran, Collector, heard their views.

Dhanabalan of Cauvery Padukappu Iyakkam, Nagapattinam, said the government should explore the possibility of advancing the opening date of the Mettur dam to September 2 from September 17. He said the amount announced by Government for raising community nurseries should be increased to Rs. 19,000 per hectare from Rs. 2,500.

For direct sowing, a farmer had to plough the field four times and Rs. 240 announced by the government may not be sufficient to meet the expenses. They should be paid Rs. 1,000 per acre.



S.Ranganathan, Secretary, Cauvery Delta Farmers Welfare Association, suggested direct sowing for the Vennar division, particularly Tiruvarur district, raising of community nurseries in the Cauvery division, particularly from Thirukattupalli to Mayiladuthurai and the System of Rice Intensification for Orathanadu and Pattukottai.



Ganesan of Maharajapuram said farmers were ready for direct sowing for which the government should enhance benefits. Sivagnanam from Vedaranyam in Nagapattinam said medium-term samba variety seeds should be supplied to farmers. Satyanarayana of Tiruvarur said pending connections of agriculture pumpsets should be given.



Tue, 28 Aug 2012

weather

Chennai - INDIA

<p><b>Today's Weather</b></p>  <p>Cloudy</p> <p><b>Tuesday, Aug 28</b></p> <p><b>Max</b>   <b>Min</b></p> <p>33.1°   24.6°</p> <p><b>Rain:</b> 10      <b>Sunrise:</b> 05:57</p> <p><b>Humidity:</b> 62      <b>Sunset:</b> 06:22</p> <p><b>Wind:</b> normal      <b>Barometer:</b> 1007</p>	<p><b>Tomorrow's Forecast</b></p>  <p>Rainy</p> <p><b>Wednesday, Aug 29</b></p> <p><b>Max</b>   <b>Min</b></p> <p>33°   26°</p>
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Extended Forecast for a week

Thursday Aug 30	Friday Aug 31	Saturday Sep 1	Sunday Sep 2	Monday Sep 3
				
31°   26°	32°   27°	32°   26°	31°   26°	32°   26°
Rainy	Rainy	Rainy	Rainy	Rainy

28 AUG, 2012, 05.13AM IST, PK KRISHNAKUMAR,ET BUREAU

## Rubber imports to jump 10-15% on falling prices

KOCHI: Natural rubber imports will jump 10-15% in the current year because of a sharp fall in global prices and tight supply in the domestic market. Though weak demand is forcing tyre companies to keep a low inventory, they are importing more rubber than last year, hoping for a revival in the auto market. Natural rubber imports recorded an almost 27% rise at 76,666 tonne for the four-month period ended July 31, 2012.

The prices of block rubber like SMR 20, which is increasingly used by tyre companies, fell by 17% in the space of a month to Rs 134 per kg before rising to Rs 141 per kg now. "Imported block rubber is cheaper than domestic sheet rubber," said Swaranjit Singh, materials director, JK Tyres.

Even after an import duty of 20%, the landed cost of block rubber is cheaper by Rs 15-20 compared to domestic sheet rubber which is priced at Rs 171 per kg.

Natural rubber imports touched a new peak of 2.05 lakh tonne in 2011-12. The industry feels imports this year will surpass last year's by 20,000 tonne to 25,000 tonne as international prices are predicted to remain softer. Till now, a major share of imports has been against advance licence for exports.

The industry is hoping for a revival in the automobile market. "We feel the market will rebound gradually from September, necessitating a higher supply of rubber," said an officer with Ceat Tyres. The company's rubber imports are higher by 5-10%.

Rains have impacted rubber-tapping in the country leading to a temporary decline in production. There has been a marginal drop in rubber production till the end of July this year at 2,38,700 tonne.

The international rubber market has been hit by lower buying China, the biggest consumer, and

Europe's sovereign debt crisis. "We were hoping that global demand will pick up in the second half of 2012. But now it looks like this will happen not before 2013," said Rajiv Budhraja, director general of Automotive Tyre Manufacturers' Association.

It remains to be seen how far the initiative by Malaysia, Indonesia and Thailand -- the three major rubber producers -- to ensure stable rubber price in the global market will succeed in arresting the current slide.

27 AUG, 2012, 02.29PM IST, PTI

### **Chana futures down 0.65 pc on profit-booking**

NEW DELHI: Chana prices moved down by Rs 31 to Rs 4,715 per quintal in futures trading today as speculators booked profits at existing higher levels, driven by sluggish spot market demand.

Improved rains in key growing areas of Rajasthan and Madhya Pradesh also influenced chana futures.

At the National Commodity and Derivatives Exchange, chana for delivery in September fell by Rs 31, or 0.65 per cent, to Rs 4,715 per quintal, with a business turnover of 71,260 lots.

Similarly, the commodity for delivery in October lost Rs 28, or 0.58 per cent, to Rs 4,820 per quintal, with an open interest of 36,190 lots.

Marketmen said profit-booking by speculators at existing higher levels and subdued demand in the spot market mainly led to the fall in chana futures.

27 AUG, 2012, 03.37PM IST, REUTERS

### **Turmeric gains on lower sowing; jeera drops after Gujarat rains**

MUMBAI: Turmeric futures rose more than 1 percent on Monday due to a decline in area under cultivation and on some fresh export enquiries.

"Overseas enquiries are improving and continue to stay firm in coming days. Exporters are finding present levels attractive," said Suresh Chowdhary, a trader from Nizamabad, a key market in Andhra Pradesh.

At 0935 GMT, the September turmeric contract on the National Commodity and Derivatives Exchange (NCDEX) was up 1.32 percent at 5,974 rupees per 100 kg.

At Nizamabad, spot turmeric rose 33 rupees to 5,450 rupees per 100 kg.

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

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

## PEPPER

Pepper futures rose as thin supplies from farmers in the spot market and dwindling stocks supported buying, though weak overseas sales kept the upside limited.

Indian-origin pepper is offered at a premium of \$800-\$1,200 per tonne in the global market compared to competitors.

The most-active September contract on the NCDEX was up 0.55 percent at 41,850 rupees per 100 kg.

"Some buying at lower levels is seen in pepper futures because of slack supplies but trend is sideways to weak for medium term because of negligible exports," said Chowda Reddy, senior analyst at JRG Wealth Management.

Overseas buyers have been placing orders with pepper producers such as Indonesia and Brazil due to lower prices in those countries, traders said.

In Kochi, spot pepper fell 68.5 rupees to 40,994 rupees.

In April, pepper exports fell 47 percent from a year earlier to 1,200 tonnes.

## JEERA

Jeera, or cumin seed, futures fell as rains in top producer state, Gujarat, raised hopes of better sowing in the season while a decline in spot demand also weighed.

Gujarat has been receiving good rains and is expected to continue for the next 2-3 days, the weather office said in a statement on its website.

The September jeera contract on the NCDEX was down 0.98 percent at 14,920 rupees per 100 kg.

"Jeera prices are expected to correct further today. Good rains in Gujarat may pressurize the prices. However, revival of export demand at lower levels may support prices at lower levels," Angel Commodities said in a research note on Monday.

The rains would improve the soil moisture required for sowing rabi crops.

Jeera is a winter crop sown from October and farmers depend on rains to moisten the land for sowing.

At Unjha, a key market in Gujarat, jeera fell 218 rupees to 15,796 rupees per 100 kg.



Eco growth outlook: Monsoon a 'risk'

Agencies Posted online: Mon Aug 27 2012, 14:34 hrs



**New Delhi** : Fall in crop sowing levels due to below average monsoon could have a "downside risk" to the economic growth outlook for this fiscal, experts have said.

According to two separate research reports, though seasonal rainfall trend has improved, crop sowing levels have remained lower, which would eventually affect summer crop forecast and food inflation.

While agriculture contributes a small part of India's GDP, it remains a considerable downside risk, Barclays said in a research report. "Poor sowing will have a strong bearing on growth this time, unlike during the FY 2009-10 drought," the report said.

There has been some pickup in monsoon, but deficit still persists as the cumulative rainfall during June 1 to August 22 now stands at 14 per cent below normal level.

As rain leads agriculture prices by three months, a bad monsoon historically tends to push up food prices.

Morgan Stanley in a research report said that along with the adverse domestic conditions, the external environment has also deteriorated further.

"We, thus, see downside risk of about 30-60 bps (0.3 per cent to 0.6 per cent) to our current GDP growth estimate of 5.8 per cent in FY 2013," Morgan Stanley said.

Typically, bulk of the sowing is also done by the end of August. Last year around 94 per cent of the total sowing was done by this time.

This year, there has been improvement in monsoon, but this is unlikely to benefit summer crop outlook as sowing has remained significantly below average, particularly for pulses and oilseeds, which are prone to supply related inflation shocks.

"The consequent adverse impact on area under cultivation means that the summer crop output growth will be significantly below our forecast," Morgan Stanley said.

Based on cumulative seasonal rainfall deficiency (up to August 22), roughly 26 per cent of India's total area is affected by moderate drought. While, the regions affected by severe drought<sup>1</sup> are primarily rice growing (Haryana, Punjab), and cotton growing (Haryana, Punjab, Saurashtra), according to Morgan Stanley.

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# Business Standard

Tuesday, Aug 28, 2012

## With scanty monsoon, state farmers bet on guar seed

Area under cultivation for the commodity rises by over 56% as compared to last year

Rutam Vora / Mumbai/ Ahmedabad August 28, 2012, 0:22 IST

Even as crops such as cotton and groundnut are facing a threat of damage and failure in absence of sufficient rain in Gujarat, farmers in the state seem to be increasingly turning to dry crops like guar seed (cluster bean).

As per the state government figures, till August 25, 2012, overall about 78 per cent of the last year's sowing has been completed in the state, while that of guar seed has seen 155 per cent sowing against last year.

Area under guar seed in the state has increased from 114,800 hectares in last kharif season to about 178,000 hectares so far this year, showing a growth of over 56 per cent on year-on-year basis.

"Guar seed has witnessed sharp jump of more than 10 times over the past one year. Which was quoted at around Rs 2000-3000 per quintal a year back, had touched a peak of close to Rs 30,000 per quintal during the year. This, joined with poor state of monsoon in the state, has attracted many farmers in the state to take up guar seed cultivation," said Biren Vakil, CEO, Paradigm Commodity Advisors in Ahmedabad.

However, the prices have fallen from the peak levels and hovered in the range of Rs 10,000-11,000 per quintal. On Saturday, spot price of Guar Seed quoted at Rs 10,500 per quintal in the Jodhpur mandi. The guar seed arrivals were reported at 500 bags. In March this year, guar seed prices touched Rs 28,740 per quintal on the National Commodity and Derivatives Exchange (NCDEX).

"Monsoon has been deficient in the state. This has affected adversely to many kharif crops. As a result, many farmers in the regions like Saurashtra and north Gujarat have adopted guar seed sowing in place of cotton and groundnut," said M V Patel, professor and head of department - agronomy at Anand Agriculture University (AAU).

According to analysts, globally, too, guar seed sowing is likely to increase due to high returns associated with it.

"Guar seed sowing in the US has increased substantially. Other countries including Argentina, Australia and Sudan to are likely to have more area under guar seed. This will bring a situation, when global supply will surpass demand," added Vakil.

Traders in Rajasthan, largest guar seed producing state in the country, expect that area under guar seed will rise by about a million hectares to close to 4 million hectares against 3 million hectares last year.

Guar gum, which is made from guar seed, is extensively used for drilling in the US market. Especially, when the crude oil prices continue to stay firm in the global markets, US drilling companies prefer guar gum to use for hydraulic fracturing process. This boos the demand for guar seed, thereby jacking up the prices.

However, due to increased speculative practices in the futures trading, the commodities market regulator, Forward Markets Commission (FMC) put a ban on futures trading in guar seed and guar gum till September.

### **Mills starving despite record wheat output**

**High prices in domestic market and delay in FCI tenders push mills to the verge of closure**

**Mahesh Kulkarni & Komal Amit Gera / Bangalore/chandigarh August 28, 2012, 0:35 IST**

Roller flour mills across the country are facing severe shortage of wheat over the past couple of months, despite a record production of 94 million tonnes (mt) in 2011-12. Millers are burdened with the twin problem of very high prices in the domestic market and delay in tenders from the Food Corporation of India (FCI). Wheat prices are rising and millers are starving of the commodity, despite the fact that FCI is sitting on wheat stocks of 15.2 mt. The total stock in the central pool is around 46 mt.



Wheat prices in the open market are ranging between Rs 1,650 a quintal in north India and Rs 2,000 a quintal in southern states like Karnataka and Tamil Nadu. In most of the northern states, wheat is available at close to Rs 1,700 a quintal. Due to additional freight charges, the price is higher in southern states and close to Rs 2,000 a quintal. Prices in Delhi market were just below Rs 1,200 a quintal two months ago. Sharp increase in prices has led the commodity futures market regulator, the Forward Markets Commission (FMC), to impose a 10 per cent special margin on wheat trading.

Wheat prices started picking up in the domestic market ever since the government allowed exports in November last year. As a result of drought affecting the US, private traders in India resorted to exports. So far about two mt have been exported.

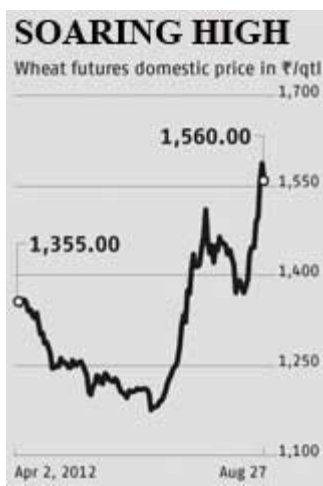
According to industry sources, private traders are fetching Rs 1,750 and above per quintal in the export market (compared to Rs 1,600-1,650 they get in the domestic market) and huge quantities are exported from Kandla port in Gujarat.

The roller flour mills are getting wheat in the tender system by FCI at Rs 1,170-1,185 a quintal. A flour mill can get a maximum of 3,000 tonnes per week under the tender system. Clearly, sufficient quantities are not available.

According to the president of the Roller Flour Millers Association of India, Adi Narayan Gupta, wheat allocation should be made on the basis of capacity and the performance of a mill in the past three years. He added that if wheat exports go unrestricted, prices might inflate further. Millers are forced to come to mandis to cover up their requirements leading to further pressure in open market wheat prices.

The situation in Karnataka is even worse as the millers have not been allotted stock for August. FCI has stopped tenders for Karnataka since the last week of July. Many of the 56 mills active in the state are on the verge of closure as they can neither purchase from the open market by

paying a very high price, nor can they buy from FCI as there are no tenders presently.



“There is no wheat in the open market as private traders are preferring to export their stock. As the FCI has not floated any tenders for August, we have no stock presently and we might have to close

operations if FCI does not call for tenders immediately,” said M K Gopal Krishna, president, Karnataka Roller Flour Mills Association.

FCI had allotted 230,000 tonnes to Karnataka mills for July-September. However, they got only 130,000 tonnes in July and the balance stock has been held back by FCI. “FCI is waiting for an approval from the government to increase the base price of tenders to Rs 1,285 a quintal. Until they get the approval to raise the base price, they will not float fresh tenders for August and September,” he said.

Millers in Punjab have demanded the government scrap the tender system. There is sufficient wheat in government stocks and it should be released in the open market, they said.

“The government should ban export of wheat by private traders and direct FCI to release wheat to bulk consumers even at the higher price from September onwards,” Krishna said.

### **Products’ prices up**

Meanwhile, as a result of rise in wheat prices, flour mills have also increased the prices of atta, maida and sooji. Prices of maida have gone up by 38 per cent to Rs 23.40 a kg, against Rs 17 a kg in the last month in Karnataka.

Bakers have passed on the burden to the end consumers. The bakers in Karnataka, Maharashtra, Gujarat and Delhi have raised the prices of sandwich bread and multi-grain bread by 10-15 per cent. The prices of these products have gone up from Rs 20 to Rs 35 per loaf of 400 g in these states.

### **Govt told to do away with levy sugar system**

**CACP recommends govt to purchase commodity from mills directly at market prices for PDS use**

**Sanjeeb Mukherjee / New Delhi August 28, 2012, 0:52 IST**

The Commission for Agriculture Costs and Prices (CACP) has strongly advocated that the government should do away with its levy sugar obligation, and, instead, purchase the commodity for PDS operations directly from mills at price.

The suggestion was made when it had recommended over 17 per cent increase in the Fair and Remunerative Price (FRP) of sugarcane for the 2012-2013 crop marketing season that starts in October. This market was accepted by the Union Cabinet last month. The FRP of sugarcane for 2012-2013 season now stands at Rs 170 per quintal.

In a report to the government, the CACP, headed by agriculture economist Ashok Gulati, said when sugar mills supplied the commodity at less than the market rate to the government to meet its PDS obligations, their own capacity to pay farmers adequate price for their produce got adversely affected.

### SUGAR-COATED WOES

- CACP says govt should stop buying sugar from mills for PDS operations
- Advocates creation of 2 million tonnes of buffer sugar stocks to fight price volatility
- Wants trade policies like export & import duties to check prices
- States could also purchase sugar for pds on their own, while the Centre should fill in the subsidy

Vinay Kumar, managing director of National Federation of Cooperative Sugar Factories, said, "We have always suggested that the levy obligation needs to be removed. It is not a healthy practice to burden the industry with government welfare measures."

The government supplies around 2.8 million tonnes of sugar to BPL families and to defence and paramilitary forces at rates much below the market price. For this, the government purchases the commodity from mills at below the market rate. "This amounts to a subsidy of about Rs 7,000 per tonne, and about Rs 1,900 crore for distribution of 27 lakh tonnes in PDS (excluding supply to Army Purchase Organisation). This is primarily being borne by the sugar industry, but consequently is borne by farmers, as the industry cannot pay them higher price partly due to the levy obligation," the report said.

The Commission said if this option was not possible for the Central government, alternatively, the state governments might be authorised to procure sugar from the open market for PDS distribution and then give a fixed subsidy depending on the distance of the consuming states from the producing states. "FCI may continue to serve difficult areas if the state governments concerned desire it. Paramilitary forces may procure sugar from the open market like they do for other commodities," the commission said. It, however, warned that if the difference between the open market price and the PDS price of sugar was more than Rs 5-7 a kg, it might lead to diversion.

The commission also advocated the creation of buffer stock of two million tonnes of sugar, and use export and import duties to keep a lid on volatile price movement in the commodity. "The sugar reserve of two million tonnes can be procured through e-auction by a central agency like the Food Corporation of India or Central Warehousing Corporation," the commission said.

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## THE HINDU Business Line

### Turmeric farmers hold back produce



Erode, Aug. 27:

Sloganeering by farmers after traders refused to give in to their demand of buying turmeric at Rs 9,000 a quintal disrupted sales on Monday. Farmers confirmed only half of the stocks for sales as traders quoted Rs 6,700 a quintal.

On Saturday, the National Federation of Turmeric Farmers Associations at its conference here had urged the farmers not to sell below Rs 9,000 a quintal.

At the Regulated Marketing Committee, traders quoted below Rs 6,000 a quintal. Subsequently, Farmers Association representatives and farmers raised a hue and cry forcing the officials to cancel the sale. Farmers had to return with the 419 bags they had brought to the auction centre.

The traders said that farmers are expecting prices will improve within a few days and wanted traders to quote more than Rs 9,000.

The farmers held discussion with the Erode Turmeric Merchants Association on Monday noon. Association President R.K.V. Ravishankar said, "We are not getting any upcountry market. Only local spices firms are placing orders and they, too, are demanding the spice for below Rs 7,000 a quintal."

He also told the farmers that due to heavy rain and flood in North India they are not receiving any orders.

He said prices in Nizamabad and Sangli are below Rs 7,000 a quintal. Only half of the 4,400 bags that arrived were confirmed at the price quoted by the traders. The farmers confirmed only 42 bags for Rs 6686 a quintal.

At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 3,606 to Rs 6,432 a quintal, the root variety at Rs 3,506 to Rs 6,194 a quintal.

**Salem hybrid crop:** The finger variety was sold at Rs 5,817 to Rs 6,990 a quintal, the root variety at Rs 5,317 to Rs 6,394 a quintal. Of the 735 bags that arrived, 340 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,899 to Rs 6,686 a quintal, the root variety at Rs 5,799 to Rs 6,260 a quintal. Of the 687 bags that arrived, only four were confirmed for sale by the farmers.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,366 to Rs 6,719 a quintal, the root variety at Rs 5,260 to Rs 6,166 a quintal. All the 18 bags that arrived were sold.

## **Buying peters out as soyaoil scales higher; bean gains**

Indore, Aug 27:

Bullish trend in soy oil continuing for the past few days has come to an end on weak domestic demand. In the spot, soy refined ruled at Rs 760-63 for 10 kg. However, there was no buying support at this rate.

In resale soy oil fetched Rs 755. Soy solvent also ruled stable at Rs 725-30 on sluggish demand, Soy oil prices in the past one week had perked up by Rs 10 on strong global cues and improved buying support in the domestic market. However, declined in buying support at higher rate in the past two days has reined in soy oil prices. In futures also, soy oil traded lower on weak buying support with soy refined September contract on the NBOT closed Rs 10.40 lower at Rs 799.30 for 10 kg. Similarly on the NCDEX soy oil futures traded lower with its its September and October contracts closing at Rs 800.55 (down Rs 4.95) and Rs 807.10 (down Rs 4.90)

On the other hand soybean also ruled stable at Rs Rs 4380-Rs 4500 a quintal even as arrival in Madhya Pradesh on Monday declined to 12,000 bags. Plant deliveries in soybean improved marginally at Rs 4550-Rs 4600 a quintal on improved demand from crushers. As compared to its prices last week, soybean's plant deliveries are up Rs 100 a quintal.

In Indore mandis, soybean ruled at Rs 4400-Rs 4500 a quintal amid arrival of 800-1000 bags. Arrival of soybean in Ujjain was recorded at 1200 bags and Dewas - 600 bags respectively. Contrary to soy seeds prices in the physical market, soybean traded higher in the futures on improved buying support and foreign support with soybean's October and November contracts on the NCEDX closing at Rs 4008 (up Rs 10.50) and Rs 3977.50 (up Rs 37). According to traders, soybean prices in the coming days will likely to remain range-bound with its prices unlikely to fluctuate beyond Rs 100-Rs 150 a quintal, given the next crop barely two months away.

Soy DOC prices also ruled stable at Rs 40,800 a quintal on sluggish demand in the domestic market.

## **Slack offtake, rains take aroma off rice**

Karnal, August 27:

Heavy rainfall since Sunday night has disturbed rice trade badly. Rice prices remained unchanged in the absence of physical trading in the market, on Monday.

However, traders were taking orders on phone from domestic buyers and from the buyers of other cities and states as well but because of heavy rainfall they were not dispatching them, said Market sources. Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told Business Line that the rice market has been badly affected by the heavy rain. Following fears of drop in prices in the near future, demand at present in the local market is very low, he said.

Overseas demand is also sluggish as most countries have already covered their requirements by now, even though Indian rice supplies are price-wise still competitive, said market sources. Indian common rice varieties were between \$375 and \$435 a tonne on FOB, against the levels of \$390-\$435 of last week. 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 a quintal. 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 a quintal.

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.

### Heavy sales, slack purchase drag sugar



Mumbai, Aug. 27:

Sugar prices continued their downward journey on higher selling pressure upper level and bearish sentiments due to month end. On Monday prices at Vashi market decline by Rs20 – Rs 30 for S –grade and Rs 10 – Rs 15 for M-grade in spot while naka rates drop by Rs 10 – Rs 20. Improve selling pressure of millers extended lose by Rs10 – Rs 15 in tender rates. As local demand was need based moral remain weak in physical and futures market said wholesalers.

Mr. Jagdish Rawal a Vashi based wholesaler said in physical market due to month end local demand is normal while supply from mills are expected to rise. Being a top producer of sugar Maharashtra's mills have to sell allotted higher free sale quota of the month before due date and in absence of neighboring states buying in the state millers have to concentrate on local markets. So the local markets are facing over supply position recently. For millers only five days remain to finish current month's free sale quota selling pressure is expected to rise further on them.

Mr. Rawal further added that neighboring states buying especially Gujarat, Rajasthan, Madhya Pradesh, Orissa is very poor and is lacking since long in Maharashtra forcing producers to depend on local markets. In futures market range bound volatility and bearish sentiment weigh on physical market. From next week with the start of the new month physical demand may improve and prices may stabilise with small decline.

Government has released additional 6.66 lakh tonnes free sale quota in two tranche (for August) over and above the free sale quota of 45 lakh tonnes declared for July – September quarters for which producers are directed to sale 70 % of the quota means 31.50 lakh tones till August end. As per trader total about 20 lakh tonnes of sugar is expected in August in domestic markets.

Meanwhile as per Kingsman, head of a Lausanne, Switzerland-based consultancy, sugar output in India, the biggest producer behind Brazil, is expected to be 250 lakh tonnes in the new season beginning in October, down from 260 lakh tonnes after a drought has hit the cane crop in some parts of the country. Output will still be higher than the domestic consumption of about 220 lakh tonnes annually. India will have the potential to export 20 lakh tonnes next year, but because of political implications and risks of lower production, our assumption is that there will be exports of only 10 lakh from March, when the market will have a clear idea about production.

Brazilian sugar mills pumped out 30 lakh tonnes of sugar in the first half of August thanks to dry weather, upping output by 14 percent from a year ago milling association Unica said last



Thursday. On Friday sugar October -12 futures closed higher by \$ 2.30 to \$549.40 (\$547.10) and December -12 futures rose by \$1.50 to \$547.10 (\$545.60) per ton.

In Vashi market arrivals were higher at 57 - 58 truck loads (Each of 100 bags) and local dispatches were about 54-55 loads. On Saturday about 11 – 12 mills offered tenders and sold more than 40,000 – 45,000 bags (Each of 100 kgs) to local traders in the range of Rs. 3,340-3,400 (Rs 3,350-3,400) for S-grade and Rs 3,440-3,500 (Rs 3,450-3,500) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,462-3,525 (Rs 3,482-3,572) and M-grade Rs 3,531- 3,671 (Rs 3,546- 3,682). Naka delivery rates: S-grade Rs 3,410 -3,450 (Rs 3,430-3,460) and M-grade Rs 3,510-3,620 (Rs 3,520-3,630).

### Buying by mills keeps cotton steady



Rajkot, Aug. 27:

Cotton was unchanged here even as buying by mills continued on Monday, while in North India higher demand pushed it up.

The A grade S-6 variety traded at Rs 38,200-38,500 a candy of 356 kg and B grade at Rs 38,000-38,200. The New V-797 was offered at Rs 30,500-31,000 a candy. About 4,000 bales of 170 kg each arrived in Gujarat, while 7,500 bales arrived in the rest of the country.

In Maharashtra, A grade low micronaire (29 mm) quoted at Rs 37,700-38,000 a candy and high micronaire at Rs 38,200-38,500.

The fibre traded higher in North India amid restricted selling. Local mills bought for immediate requirement. J-34 RG quoted at Rs 3,950-4,000 a quintal in Punjab, at Rs 3,950-3970 in Haryana and at Rs 3,940-3,940 in Rajasthan.

Rains reported in Junagarh, Jamnagar, Amreli and Bhavnagar districts of Saurashtra region may be beneficial for the standing crop, but there is no chance for fresh planting.

Meanwhile, the Cotton Advisory Board has estimated that textile mills may import 12 lakh bales in the current season (October-September), Textile Minister Anand Sharma said in a written reply in the Lok Sabha.

### Soyabean futures sustain bull run on global cues



#### *Business Line*

Chennai, Aug. 27:

Soyabean futures continued their bull run taking cues from the global markets that are surging on the weather affecting the crop in Latin America.

Spot as well as futures were 2.02 per cent and 1.52 per cent higher, respectively, week-on-week. CBOT soyabean settled higher by 0.59 per cent.

A strong crush report from the main producer, the US, and robust export sales have provided support to prices of the oilseed. The condition of drought-hit US soyabeans improved from good to excellent as cooler weather eased plant stress from the worst drought in half-a-century.

On the NCDEX, the near-month October contracts increased to Rs 4,022.5 a quintal. Soyabean for November delivery rose by Rs 47 to Rs 3,987 a quintal, while that of December increased by Rs 55 to Rs 4,029.5. In the spot market at Indore (M.P), soyabean was quoted at Rs 4,613 a quintal.

Soyabean spot as well as futures are expected to remain high on account of tight supply in the domestic as well as global markets till the arrival of the fresh crop in mid-September.

Meanwhile, soya oil futures hit the upper circuit on the NCDEX with the October contract trading at Rs 820.05 for 10 kg, after hitting a record high of Rs 821.2 earlier in the day.

### **Dhanuka Agritech launches new products**

Chennai, Aug. 27:

Dhanuka Agritech Limited, a provider of crop protection solution, has launched three agrochemical products in Tamil Nadu. According to Abhishek Dhanuka, Director – South Zone, one of the new products is an insecticide that can tackle sucking insects in cotton, vegetable, fruits, cashew and tea. The other, Fluid, is to fight larval insecticide in major crops, while the third one, Fuzi Super, is a herbicide for paddy. The Rs 650-crore company has tied up with global firms such as Dupont, Syngenta and Dow Agro Sciences to introduce international proven products in the Indian market, according to R.G. Agarwal, Group Chairman.

### **Mixed trend at Kochi tea auction**

Kochi, Aug. 27:

A mixed trend persisted in almost all tea varieties at the Kochi auction last week. While the dust category witnessed only fair demand, demand for leaf category was good. Of the 12,35,500 kg on offer in the CTC dust grades, the market opened barely steady at Re 1 to Rs 3 lower. Prices fell to the tune of Rs 3 to Rs 5 and sometimes more as the sale progressed. However, the drop was less for PD/RD varieties.

In the orthodox dust category, 15,600 kg were offered. The primary varieties barely remained steady. Others were irregular and lower with many withdrawals. Bulk of the offerings was absorbed by exporters.

In the best CTC dusts, PD varieties were quoted at Rs 90-101, RD grades at Rs 94-105, SRD varieties ruled at Rs 95-105 and SFD grades quoted at Rs 98-108.

Of the 93,000 kg on offer in the orthodox leaf sale, Nilgiri bolder broken, smaller broken and whole leaf barely remained steady and tended to drop following quality. Corresponding fannings were firm to dearer.

In the CTC leaf grades, 1,41,500 kg were offered. High-priced teas were irregular and lower medium and plainer teas barely steady to sometimes dearer.

In the dust category, Injipara (Prm) SFD quoted the best price of Rs 138. In the leaf grades, Pascos Hyson Green Tea quoted the best price of Rs 301.

### **Spot rubber gains on short covering**

Kottayam, Aug. 27:

The rubber market improved on Monday. In spot, prices firmed up on fresh buying and short covering following a smart recovery in domestic futures on the National Multi Commodity Exchange.

Traders seemed to be optimistic as Tokyo rubber futures added around 3.5 per cent to hit a three-week high tracking firm share prices and expecting further economic stimulus in US and Europe.

Sheet rubber increased to Rs 171 (169) a kg both at Kottayam and Kochi, according to traders and the Rubber Board.

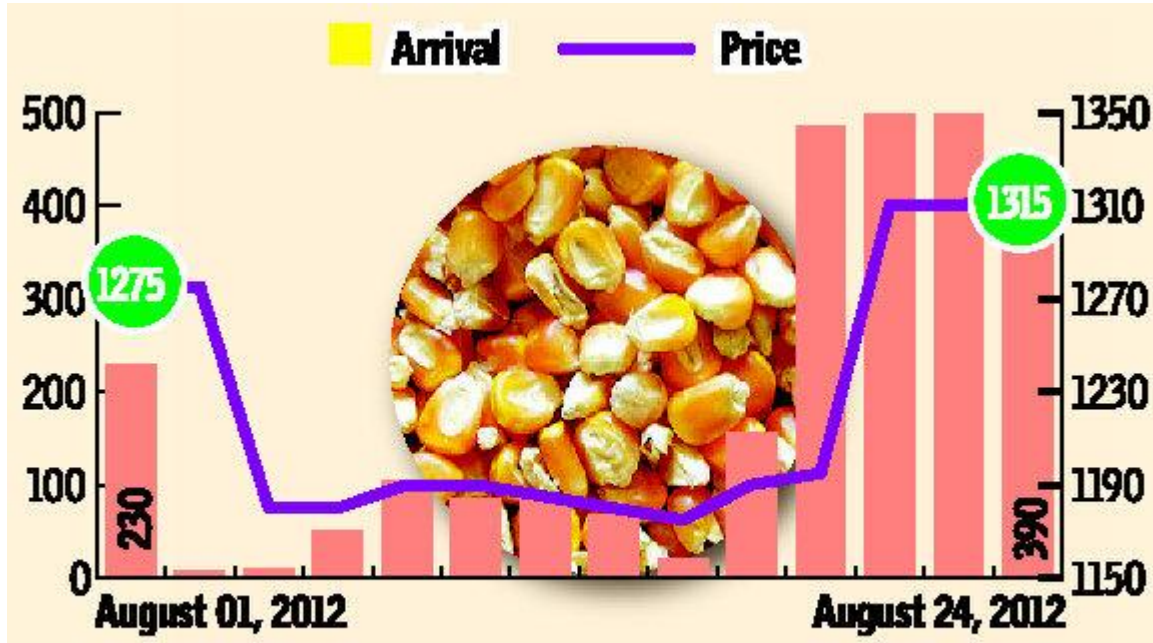
In futures, the September series improved to Rs 172.55 (169.28), October to Rs 170.80 (167.19) and November to Rs 170.75 (167.22) and December to Rs 170.75 (166.50) a kg for RSS 4 on NMCE.

RSS 3 (spot) recovered to Rs 155.18 (151.37) a kg at Bangkok. The August futures expired at ₹216 (Rs 152.85) a kg while the September futures firmed up to ₹223.5 (Rs 158.16) from ₹215.6 during the day session and then to ₹224.6 (Rs 158.93) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 171 (169); RSS-5: 161 (159); ungraded: 155 (154); ISNR 20: 150 (148.50) and latex 60 per cent: 112.50 (112.50).

**Despite lower price, maize exports hit by short supply**

M. R. Subramani



**\*Arrivals in tonnes; modal price in Rs/quintal at Davangere APMC in Karnataka  
Source: Agmarknet**

*Low stocks impact shipments; domestic prices scale record highs*

Chennai, Aug. 27:

Maize (corn) prices have surged to record highs in the domestic market but they are still one of the cheapest options in the global market.

However, shortage of stocks is hindering maize exports.

“There may not be much of maize and domestic market is priced higher. But by world standards, it is still cheaper. Indian maize has been accepted in the world market and will continue to be traded in the close by markets of South-East and West Asia,” said Amit Sachdev of Techpro (India) Private Limited, in his weekly report on Indian grains.

On Monday, maize was quoted at Rs 1,537 a quintal in the spot market at Nizamabad, Andhra Pradesh.

In the futures market, maize (industrial grade) for delivery in September dropped by Rs 6 to Rs 1,548.

But other contracts were up marginally, with October rising to Rs 1,532, November to Rs 1,452 and December to Rs 1,497.

### **Shortage**

“We are unable to get stocks since they are short,” said T.P.S. Madan, an exporter in Madurai. This has led to a situation wherein Indian exporters are unable to sign deals with buyers abroad. “Some small traders have sold to exporters in Chennai,” said Sachdev. “Though export may not happen now, small cargoes have gone to South-East Asia,” he said.

Indian maize is currently quoted about \$305 a tonne f.o.b. In contrast, US corn is quoted at around \$335 for August-November delivery.

### **Surging prices**

Maize prices have surged over 10 per cent since the first week of this month on deficient monsoon and a bullish global market.

In the global market, corn prices have increased 26 per cent to near-record \$8.49 a bushel. On Monday, it was quoted at \$8.16.

The US corn crop is now estimated at 10.447 billion bushels, down some 0.300 billion from projections made last month.

US corn and soyabean crop have been affected by the worst drought that country is facing in five decades.

“Corn crop has been damaged in North and South America. Even at \$310 CNF, Malaysians are interested to buy Indian maize,” said A. Rajkumar of Alagendran Group that exports maize.

“As of now, Indian maize is cheaper but we are not getting the required quantity in the domestic market. Maybe, traders or farmers are holding back,” said Madan Prakash, Director of Rajathi Group of Companies that exports agricultural produce.

### **Sowing**

“There is demand from Malaysia, Indonesia, Vietnam and the Gulf. But no exporter is offering bulk volume,” said Alagendran. “Kharif sowing is lower compared with last year. This has also made exporters being conservative in their offering,” he said.

While the crop situation is seen as bad in Karnataka, it is reported to be good in Andhra Pradesh.

According to the Agriculture Ministry, kharif maize sowing is lower by one per cent at 71.3 lakh hectare compared with the same period a year ago. The data show that area is higher in Andhra Pradesh, Bihar, Madhya Pradesh, Jharkhand and Maharashtra, while in Karnataka it is 15 per cent lower.

### **Price outlook**

With traders being bullish, corn prices could witness some correction after the second week of September. “Some correction has to happen,” said Alagendran. Prices could then gain as kharif arrivals are likely to be late and with rain now lashing most parts of the country, the moisture content in the crop could be high. “The new crop will be delayed slightly and could arrive in November,” said Madan.

### **Madurai jasmine set to become global brand**



Fresh and Fragrant: The famous 'Madurai Malli' on sales at the Maattuthavani flower market in Madurai. (file photo)

Madurai, Aug. 27:

Madurai Malli, the famous jasmine variety from the region, is all set to become a global brand.

A special incubator to create value chain has been set up at the Agricultural College and Research Centre here to address production and marketing constraints.

An action plan has been prepared by the Tamil Nadu Agricultural University and the Hyderabad-based International Crops Research Institute for Semi-Arid Tropics (Icrisat) with support from the District Administration.

### **Demand potential**

A proposal to establish Madurai Malli Development Council, which will work jointly with the Agri-Business Incubator of Icrisat to explore new markets in India and abroad, is under consideration.

'Madurai Malli' is being grown on 1,250 hectares by 4,000-odd farmers in the district.

A report prepared for the consultative meeting among growers, experts and floriculture officials has said that demand for jasmine is increasing due to its unique fragrance but there is a huge demand-supply gap of fresh flowers.

Major sources of demand are the large consumer retail markets at Bangalore, Chennai, Hyderabad, New Delhi and Mumbai. The annual demand is estimated to be 10,500 tonnes while the district produces only 9,500 tonnes.

### **Prices**

Prices vary from Rs 60 a kg during high production months of April to July to Rs 700 during winter months (November-February).

Major jasmine growing blocks in Madurai district are Thirupparankundram, Thirumangalam, Usilampatti and Chellampatti.

### **Constraints**



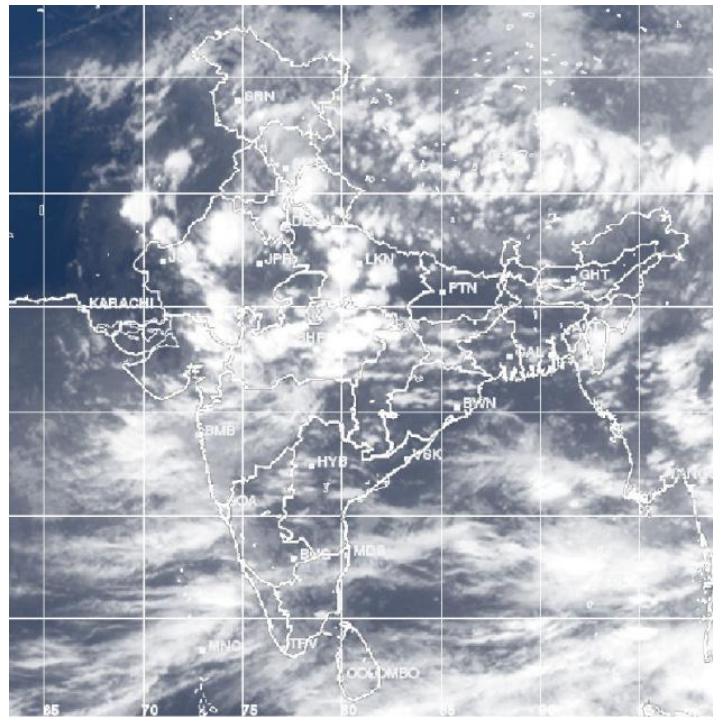
The hurdles faced by growers include huge price volatility, debts with commission agents and lack of adequate cold storage facility apart from labour scarcity, seasonal fluctuations, lack of separate cargo facility for exports and absence of standard weighing machines in the flower markets.

Resources are being mobilised for taking up the initiatives under 'Madurai Malli Growers Development' framework.

An allocation of Rs 75 lakh has been proposed of which Rs 30 lakh would come from the district administration under the Collector's Innovation Fund, sources said.

### Vigorous monsoon cuts deficit further to 13%

Vinson Kurian



Thiruvananthapuram, Aug. 27:

Vigorous monsoon over parts of peninsular India and the north-west has further helped cut overall deficit to 13 per cent as of Monday.

Over peninsular India, the monsoon held strong over Vidarbha and south interior Karnataka during the 24 hours ending on Monday morning, an India Meteorological Department (IMD) update said.

## **'LOW' STILL ACTIVE**

It was only 'slightly less active' during this period over Himachal Pradesh, Haryana, Chandigarh, Delhi, east Rajasthan, east Madhya Pradesh, Konkan, Goa, Marathawada, Chhattisgarh, Telangana, coastal Karnataka and north interior Karnataka.

Meanwhile, the causative low-pressure area persisted over north Chhattisgarh and adjoining Jharkhand and Odisha. The IMD has warned of heavy to very heavy rainfall over Konkan, Goa, coastal Karnataka for three more days.

The warning is valid for next two days for Madhya Pradesh, east Rajasthan, Assam and Meghalaya.

## **HEAVY RAIN WARNING**

Heavy rains also lash Himachal Pradesh, Uttarakhand, west Uttar Pradesh, Haryana, Delhi, Chandigarh), Chhattisgarh and Vidarbha on Tuesday.

Also the same day, thundershowers may break out over Marathawada, Madhya Maharashtra, interior Karnataka, Gangetic West Bengal, Odisha, Jharkhand and north Andhra Pradesh.

Elsewhere, rain has been forecast for the western Himalayan region; central India; the west coast; plains of northwest India; east and north-east India; east Gujarat; and Lakshadweep.

The overall rain deficit cut reduced to 13 per cent as on Sunday, with north-west India (16 per cent) and south peninsula (15 per cent) running neck and neck in terms of individual deficits.

## **DEFICIT BREAK-UP**

Central India continued to be at a more respectable 11 per cent in deficit, with east and northeast India stagnating at 13 per cent for sometime now.

The recovery has been nothing less than dramatic for north-west India, while south peninsula made most of a late monsoon surge which is active even now.

Outlook for September, when the monsoon begins to withdraw from extreme west and north-west India, is being eagerly looked forward to against a predicted build-up of an El Nino event in the equatorial east Pacific.

## Call to double pulses yield

Our Bureau

Coimbatore, Aug. 27:

A field day on Foundation Seed Production of Co 6 Green gram variety was held at Tamil Nadu Agricultural University (TNAU) last week.

Seed growers, farmers, scientists and researchers numbering around 100 participated in the event.

Acting Vice-Chancellor and Registrar of TNAU P. Subbian interacted with farmers and highlighted the advantages of growing Co 6 green gram. Pulses production in India was far less than the domestic demand, estimated at 18-19 million tonnes annually, he said.

'India produces only 13-15 mt. To meet the supply shortfall, around 3-4 mt are being imported every year.

### **Domestic demand**

It is estimated that by 2030, domestic demand could surge to 32 mt.

To meet this future demand, pulses production should increase at least by over 4 per cent, which means the current average productivity of 637 kg/hectare should double to over 1,365 kg/ha.

TNAU, under the National Agricultural Development Project is involved in enhancing both quality seeds as also production of pulses.

"It is proposed to produce around 100 tonnes of pulses seeds so as to meet the seed requirement of the State under this programme," Subbian said.

He distributed inputs such as breeder seeds, fertilisers and pesticides to the contractual farmers.

### **Less popular**

Special Officer at the TNAU Seed Centre M. Bhaskaran said the Co 6 variety, despite its multiple advantages was less popular among pulses growers.

The aim of the programme was therefore to promote and popularise the variety.

TNAU is implementing the seed production programme by roping in farmers on contract basis to produce foundation seeds in seed supply chain and distribute certified seeds to the farmers.

### **Inputs**

In addition to technical support, the contractual farmers were provided with inputs totalling Rs 10,000 (including cultivation expenses of Rs 2,500) a hectare.

As per the agreement, the harvested seeds would be procured by the farm varsity at Rs 65/kilogram of redgram, blackgram and greengram, Rs 53/kg of cowpea and Rs 38 for one kg of horsegram.

### **Requirement**

TNAU experts said the State's annual requirement of pulses was estimated at around 7 lakh tonnes, but current production in the State was less than 2 lakh tonnes.

### **Import of pulses, edible oils may go up this year: Thomas**



*Business Line* K V Thomas

*Lower acreage, deficient monsoon resulted in a supply-demand mismatch*

New Delhi, Aug 27:

The Government may go in for higher imports of pulses and edible oils this year, as lower kharif acreage following deficient monsoon is likely to impact output.

The Food Minister K.V. Thomas in a written reply to the Rajya Sabha here on Monday, said that lower acreage may impact production of pulses and oilseeds.

The supply-demand gap may have to be matched by a higher level of imports.

However, he said, no specific estimation had been made with respect to overall likely import of pulses and edible oils this year.

Due to deficient monsoon, pulses acreage is down at 8.83 million hectare so far in the kharif season, against 9.97 million hectare in the same period last year.

Oilseeds sowing area was also lower at 16.42 million hectare (16.99 million hectare). The monsoon deficit is 14 per cent so far.

### **imports**

On an average, the country has imported about 2.5-3.5 million tonnes of pulses and 8-9 million tonnes of edible oil in the last three years, the Minister said.

The Government does not maintain buffer stocks of pulses and oilseeds, he said.

India imports pulses mainly from Myanmar, Australia and Canada, while edible oils are bought from Indonesia, Malaysia, Brazil, the US and Argentina.

Last year, pulses production stood at 17.21 million tonnes and that of oilseeds at 30 million tonnes.

### **Subsidy Extension**

In reply to another question, Thomas said the Government was considering extending the scheme for distribution of imported edible oils with subsidy of Rs 15 a kg for another year. The scheme was due to end on September 20.

However, some States has sought an extension.

For imported pulses, he said a variant of the June 30 scheme for distribution through the public distribution system was under consideration.

### **18 projects cleared under coconut tech mission**

V. Sajeev Kumar

Kochi, Aug 27:

The Project Approval Committee on Technology Mission on Coconut has cleared 18 projects for financial assistance under the scheme.

The 38th meeting of PAC, which was held here in May, sanctioned 41 projects involving an outlay of Rs 27.49 crore and subsidy of Rs 3.37 crore during the year.

The approved projects include four research projects, projects for establishment for setting up of processing units, project on market promotion and establishment of coconut hybrid seedlings production unit under farmers' participatory programme.

Out of four research projects, three development projects on coconut water / Virgin Coconut Oil have been submitted by CARE-Keralam Ltd, Kinfra Park, Koratty.

The other research projects on improving coconut production in Kerala using soil data through remote sensing and GIS techniques was submitted by Amritha Viswa Vidya Peetham University, Amritanagar, Coimbatore.

The project on establishment of coconut hybrid seedlings production unit under farmers' participatory programme was submitted by Farm, College of Agriculture, Vellayani in Thiruvananthapuram.

There are six projects for setting up of processing units for value-added products such as desiccated coconut, virgin coconut oil, tender coconut water preservation and packaging units, carbonised shell lumps and granules and ball copra making unit.

Under the TMOC scheme, the Coconut Board provides back-ended credit capital subsidy limited to 25 per cent of the project cost not exceeding Rs 50 lakh to NGOs, individual entrepreneurs and other organisations for setting up processing units such as desiccated coconut, packed tender coconut water, shell charcoal, shell powder, activated carbon, copra processing unit, ball copra making unit etc.

The Board invites applications for TMOC assistance from various coconut processing units.