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## ICM's economic viability makes Kerala accept this technology

M. J. Prabu



A demonstration field at the Cards KVK. Photo: Special arrangement

**FARMER'S NOTEBOOK** *It meets the growers' needs and improves paddy production*

Paddy cultivation is fast becoming less remunerative for farmers owing to high cultivation cost coupled with labour scarcity. This is forcing many farmers to leave their fields fallow.

“Introduction of suitable locally adoptable technology like integrated crop management (ICM) would be an ideal option to make paddy cultivation more remunerative.

“The technique evolves the integrated use of compatible technologies that meet the farmers’ needs and improve their productivity and income,” says Dr. C.P. Robert, Programme Co-

ordinator, Christian agency for rural development, Krishi Vigyan Kendra, Pathanamthitta district, Kerala.

### **Best practices**

“ICM integrates all possible best management practices. Seed treatment is done to ensure discarding half filled and chaffy grains, and the seeds are soaked in saline water (500 gm of common salt mixed in 10 litres of water).

All the floating seeds are removed and those settling down at the bottom are taken out, washed in fresh water and used for incubation. This ensures good quality and robust seedlings for planting,” says Dr. Robert.

In traditional practices the seedlings are raised in an ordinary nursery bed while in ICM the seedlings of locally adaptable varieties of rice are raised in a modified mat nursery at the rate of 10 to 12 kg of seeds /ha which saves the seed rates by 85 per cent as compared to 60-85 kg/ha seeds requirement for a traditional nursery. Preparation of mat nursery is very simple;

The seedlings are raised in a 4 cm layer of soil mix (80 per cent top soil and 20 per cent well decomposed manure) spread over a 300 gauge thick and 1 metre wide plastic sheet.

“We can also use coconut fronds and banana leaf instead of plastic sheet, which in turn reduces cost of raising seedlings.

The seeds, after sowing in the bed, are covered with a thin layer of soil mix to maintain the moisture level to avoid seed drying , the mat nursery is covered (mulched) with paddy straw or banana leaves for 3-4 days,” says Dr. Robert.

### **Transplantation**

The bed needs watering regularly until it is ready for transplanting. In case of traditional practices the seedlings of 25-30 days age are transplanted at a very close spacing (10 x15cm) and 5 to 6 seedlings are planted per hill.

The unique feature of ICM is that only 2 seedlings, which are 14-18 days old are used and are planted at a spacing of 20x20 cm.

In case of transplanting to counter act labour shortage we can resort to mechanized transplanting by using machine transplanter which saves 90 per cent of labour requirement as

against 60 labour days required in manual transplanting for a hectare. Using paddy transplanter, one hectare can be covered in seven hours, thus ensuring timely planting in larger area, according to him.

### **Seed treatment**

The incubated seeds are then treated with azospirillum, at 500gms per 10 kg seeds and left for 30 minutes before sowing.

Use of azospirillum and leaf colour chart for deciding the time and quantity of nitrogenous fertilizers could reduce the nitrogenous fertilizer by 25 per cent.

Site specific nutrient management is recommended based on soil analysis. Integrated use of organic manure along with chemical fertilizer is also being suggested. "Based on use of leaf colour chart nitrogenous fertilizer can be used as and when required," he adds.

The practice of intermittent irrigation will save water as well as enhancing yield. It saves over 50 per cent irrigation water. An integrated pest and disease management (IPDM) practice is incorporated by use of bio control agents and natural enemies for control of disease and pest.

Common weeds can be effectively controlled by the use of herbicide application.

"The field is drained prior to herbicide application and subsequently re-flooded after 48 hour of herbicide application, which totally controls the weeds. Manual weeding requires 62-65 labour /ha which cost Rs 8,125/ha while the use of herbicide cost only Rs.750/ha" (includes labour) explains Dr. Robert.

### **Bio - agents**

The bacterial bio agents like pseudomonas can be used to effectively control different infestations affecting paddy crop. Similarly, the use of predatory insects in the field has proven to be effective to control the different pests affecting the crop.

Various extension approaches like training, on farm testing, and field demonstration were used to transfer the technology to farmers.

The technology today is being well accepted by the farmers in Kerala due to its economic viability.

For more details contact Dr. C.P. Robert, Programme Co-ordinator, CARD-Krishi Vigyan Kendra-Pathanamthitta District, (Farm Science Centre, Indian Council of Agricultural

Research(ICAR), Govt. of India) ,Kolabhagam Post Office, Tiruvalla(Via),Pathanamthitta district, Kerala, phone: 0469 2662094/2661821( Extn-11/12).

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## Truant monsoon, dry Cauvery may uproot banana growers

G. Sathyamoorthi



Banana bunches reday for sale at Gandhi market in Tiruchi on Wednesday. Photo: M. Srinath

With hardly any flow in the Cauvery, if south-west monsoon too fails in Tamil Nadu this month, the State might witness a serious shortfall in banana output.

G. Ajeethan, general secretary of the Tamil Nadu Banana Growers Federation, laments that the yield shortfall could be as high as 25 per cent.

Tamil Nadu has about 2.25 lakh acres under banana crop involving at least 80,000 farmers. Normal yield per acre is 18-20 tonnes and planting done between June and August and January and March.

According to Mr. Ajeethan, at least 18 to 19 districts in the State are facing extremely dry season. While banana crop can survive between 15 to 35 degree Celsius, the failure of monsoon coupled with poor groundwater potential in several areas has started hurting the crop. Poor irrigation in the initial phase can affect the crop critically.

R. Nagarajan, vice-president of the Tamil Nadu Bharat Krishak Samaj, who has raised 4,000 banana plants, laments he has lost as many as 1,000 suckers (rhizom) after they had grown to about two feet because of scorch injuries.

### **Overheating of soil**

“When I took the samples to the National Banana Research Centre (NBRC) here, I was told that it is due to overheating of the soil and that the roots have been affected. I had to replace them spending a substantial amount.”

Several farmers in Vayalur, Jeeyapuram, Andanallur, Pettavaithalai, Mullikurumbur and Kuzhumani areas, who have raised banana on about 25,000 acres, are facing a similar situation, he says.

However, R. Thangavel, a faculty with the NBRC, points out that such scorch injuries are nothing unusual when the temperature goes above 30 deg C. “What is required is irrigation, at least once in four days. These farmers should not continue to depend only on the river or channel irrigation. They should go in for borewells. The State Government should accord them special consideration.”

Manikutty Iyer, secretary, TN Banana Growers Federation, says this problem has not affected Thottiam and Musiri areas, which are also known for banana, because they have been able to reap the benefit of the small quantum of water released from the Mettur dam for drinking.

“We requested the State Government, when drought hurt us about eight years ago, to sanction power connections on priority basis so that we could also go in for borewells without depending upon the Cauvery and channels. It is pending despite our readiness to pay deposit of even Rs. 50,000.”

R. Tamilselvan, retired soil chemist, says the soil has been very badly affected because of indiscriminate use of fertilizers and pesticides. A “physiological disorder” has been created affecting the crops. “The ignorance of our farmers coupled with high temperature and poor irrigation leads to the loss of suckers.”

## **Risk factors**

Mr. Ajeethan says farmers are extremely hesitant to go in for banana because it involves several risk factors. They face uncertainties in terms of weather, water and labour. The labour component, which was about 25 per cent of the total cost of cultivation, has now shot up to 45 per cent. When suckers have to be replaced because of scorch injuries, that further jacks up the cost of cultivation.”

While Mr. Nagarajan pleads for a compensation of Rs. 1 lakh per acre for the loss of banana crop and also release of Mettur water for the 17-channel area, Mr. Ajeethan focuses on the necessity of covering banana farmers under the National Agricultural insurance Scheme.

“Without insurance banana farmers can’t survive hereafter.”

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## **Singapore cherry tree ideal for reforestation**

G. Kathiresan

S. Muralikrishnasamy

The Singapore Cherry tree is a flowering plant and native to southern Mexico, the Caribbean, Central America, and western South America south to Peru and Bolivia.

In Tamil, it is called ‘Nei Pazham’ (translated as Ghee fruit) for when it is crushed, it has the same consistency of ghee.

Common names include (English) Jamaican cherry, Panama berry, Singapore cherry, Strawberry tree, (Spanish), Singapore cherry or the more appropriately titled Jam tree.

### **Small flowers**

The trees grow to a height of 7-12 metres and are multi tiered with slightly drooping branches. The leaves are serrated, measure 2.5-15 cm in length and are 1-6.5 cm wide. The flowers are small in size and white in colour.

The fruit is red in colour, edible, sweet and juicy, and contains a large number of tiny yellow seeds.

The tree thrives well even in soils devoid of any nutrient and is able to grow in acidic and alkaline conditions and in drought.

The seeds are dispersed by birds and fruit bats. It is cultivated for its edible fruit, and has become naturalised in some other parts of the tropics, including southeastern Asia.

In Mexico, the fruits are eaten and sold in markets. The fruits can be processed into jams and the leaves can be used for making tea. In Brazil, the trees are planted along river banks. The fruits falling from the tree attract fish that are then caught by the locals.

### **Traditional medicine**

In the Philippines and Indonesia the fruits are usually eaten mostly by children although it is not sold in markets. In traditional medicine, its flowers can be used as an antiseptic and to treat abdominal cramps.

The timber from the Jamaican cherry is reddish-brown, compact, durable and lightweight and can be used for carpentry. It could also be used as firewood.

The bark is used to produce ropes and fibre for bark skirts.

Due to its ability to grow in poor soil and its effective propagation by means of bats and birds, it could be used for reforestation projects in India particularly for Tamil Nadu.

(G. Kathiresan, Director & S. Muralikrishnasamy, Professor, Directorate of Planning & Monitoring, Tamil Nadu Agricultural University, Coimbatore – 641 003, phone: 0422- 6611566.)

COIMBATORE, August 2, 2012

### **TNAU training scientists from Bangladesh**



Scientists from Bangladesh Agricultural Research Institute, undergoing training at the Tamil Nadu Agricultural University in Coimbatore, interacting with P. Subbian, Registrar and Vice-Chancellor in-charge of TNAU.- Photo: Special Arrangement

The Tamil Nadu Agricultural University, in association with the Bangladesh Agricultural Research Council (BARC), is conducting an international training on “Integrated Management of Eriophyid Mite on Coconut” at the university from July 28 to August 3.

Four scientists from Bangladesh Agricultural Research Institute are attending the training.

According to Registrar and Vice-chancellor in-charge P. Subbian, TNAU took up a pioneering effort to develop the Integrated Mite Management package for the benefit of coconut farmers in 2000 when Tamil Nadu was severely affected by the Eriophyid mite pest.

This package includes application of nutrients and botanicals.

“This package was recommended to coconut farmers through the State Department of Agriculture. Though considerable progress was made, complete control of the pest has not been achieved. TNAU is therefore pursuing its research for total control of the pest. BARC, recognising TNAU’s expertise in this area, asked the university to conduct the training,” Mr. Subbian said.

The training would cover topics such as behaviour and bio-ecology of Eriophyid mite, biological and chemical control methods, etc.

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### **Training centre for farmers inaugurated**

Special Correspondent



A training centre for farmers, constructed at a cost of Rs 3.5 crore by Pandiyan Grama Bank, was inaugurated by Union Minister P. Chidambaram at Piravalloor on Sunday.



The objective of the centre is to impart training to farmers to enhance their farm yield. They will be trained in add-on skills and organic farming for optimum utilisation of land, which will ultimately result in improvement of their standard of living.

The centre has been got up on an area of 4.36 lakh square feet, with facilities to train four batches of 150 participants each at a time. It has a computer centre and a library stocked with books and journals on agriculture.

Training programmes on system of rice intensification, herbal products, dairying and vermicomposting were inaugurated by M. Narendra, Chairman and Managing Director of Indian Overseas Bank, the sponsor bank of PGB. M. Xavier Thiagaraj, Chairman, PGB, said that a regional rural bank opening a farmers' training centre was unique in the annals of Indian banking system. He said that the deposit and advances of the bank for 2011-12 were at Rs. 2538 crore and Rs. 3483 crore respectively. Its net profit was at Rs 36.4 crore. It had planned to open ATMs in association with IOB.

An exhibition of various activities of the bank was organised on the occasion.

Credit assistance worth Rs 1.65 crore was given away to 22 beneficiaries at the inaugural function by Mr. Chidambaram, according to a PGB press release.

KOCHI, August 2, 2012

### **Novel scheme for vegetable self-sufficiency**



An exhibition of organic agricultural produce at Cherai on Tuesday.— Photo: H. Vibhu

Pallippuram panchayat has launched a novel organic vegetable production drive under the brand *Muzuris Heritage Grama Pacchakkari Padhathi*, after the Muzuris heritage site within the panchayat, with a view to attaining self-sufficiency in organic vegetable production.

The financing of the project and the emphasis on creating a culture of vegetable diet among the people makes the programme stand out as an example that may be emulated elsewhere. A senior official of the Department of Agriculture said that the programme would not be driven by commercial considerations at all though the loans being made available to the households will be partially repaid through sale of vegetables produced by them. The programme will benefit from a Union government subsidy offered through Rashtriya Krishi Vikas Yojana.

The ultimate aim of the programme is to bring all the 10,000 households in the panchayat, spread over 23 wards. The first phase will cover 2,500 households. Each household will be given 25 pots, potting mixture and saplings at a cost of Rs. 4,250.

Pallippuram Service Cooperative Bank has sanctioned Rs. 7,000 for each household that joins the venture. While most households have opted for the Rs. 4,250 needed for the pots and planting materials, a few might use the remaining money to buy equipment like sprayers.

According to the plan, each household will be able to pay back their loan within a year at a daily instalment of Rs. 10 a day as Rs. 1,000 each will be repaid with the subsidy under RKVY. The daily instalment money can be raised from the sale of vegetables from the households as the Service Cooperative Bank has agreed to buy back the produce from the households. People in Pallippuram have been producing organic vegetables in considerable quantity though no organised efforts have been made so far, said the department official. The panchayat is handicapped by waterlogging during the rainy season and salt content in the soil during the summer season. Pots have been chosen as the proper medium for cultivation of vegetables. Land constraints, with average holdings being one to five cents, are another factor that prompted the choice of pots for planting vegetables.

Men and women from the households selected for the programme underwent a day's training and familiarisation programme under the Department of Agriculture on Tuesday. An exhibition of organically produced vegetables and sale of seeds were part of the programme after which the Minister for Agriculture K. P. Mohanan formally inaugurated the scheme.

## No shortage of seed and fertilizers, says Prakasam Collector

Staff Reporter

*'Of the 1.20 lakh packets of BT cotton seed kept ready, 1.12 lakh packets have been distributed'*

Khariff farming operations have begun in western parts of the Prakasam District with the mandals of Giddalur, Markapur and Cumbum receiving good rains, according to Collector Anita Rajendra.

Addressing a press conference on a wide range of subjects here on Wednesday, she said enough quantity of subsidized seeds and fertilisers were positioned to cover kharif farm operations in the normal sown area of 2.30 lakh hectares in the district. Of the 1.20 lakh packets of BT cotton seed kept ready, 1.12 lakh packets were distributed. The district would get an additional 80000 packets of B.T. cotton, she added.

Expressing confidence that the Ministry of Shipping would positively consider Ramayapatnam in the district for establishing a Rs 5000- crore port, she said a Rs 380-crore rehabilitation plan and a Rs 200-crore land acquisition proposal had been submitted to the Centre.

### Contingency plan

The district administration had worked out a contingency plan in case of deficit rainfall even up to August end, Agriculture Joint Director V Narasimhulu said.

Farmers would be asked to go for alternative crops including maize and blackgram. "We are in constant touch with the Agriculture Commissioner to handle any drought situation", she added.

"In keeping with Chief Minister N Kiran Kumar Reddy's direction, I will set the trend by sleeping in social welfare students hostel tonight for officials concerned to follow suit", she said.

"We are expecting to receive good inflows into drinking water tanks from the Nagarjunasagar reservoir by August 15", she said, adding over rs seven crore was earmarked for transportation of water by tankers to meet any shortage.

Pernamitachervu would be developed into third summer storage tank to augument water supply to the Municipal corporation from next year, she added.

On power position, she said availability was only 5.8 million units as against the demand of seven million units.

Even as the domestic consumption had come down, the demand from the agricultural sector had gone up.

The present shortage was likely to continue till hydel generation picked up, APSPDCL Superintendent Engineer H.Harinatha Rao added.

Villages recently merged into newly-formed Municipalities were permitted to take up MG-NREGS works for one year, she said, adding that Municipal Administration Minister M Mahidhar Reddy had promised to consider the case of villages merged with Ongole Municipal corporation also for taking up wage employment works this year.

Wage employment had been provided to eligible families for 51 days so far as against the target for 53 average days set by the state government based on last year's performance.

As many as 30000 families had been provided 100 days employment and another 15000 families would be covered would be provided 100 days employment after a two-month break for review of shelf of works, DWAMA Project Director A.Ramesh Kumar added.

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- *Rs 200-crore land acquisition proposal made for port at Ramayapatnam*
  - *Good inflows into drinking water tanks from Nagarjunasagar expected*
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NAMAKKAL, August 2, 2012

### **Poultry farmers send telegrams to PM seeking broken grains**

M.K. ANANTH

“Around 1,000 poultry farmers from the State have sent individual telegrams to Prime Minister Manmohan Singh and Agriculture Minister Sharad Pawar to release 10 lakh tonnes of broken/damaged grains that could be used as feed for chicken”, State President of the Tamil Nadu Poultry Farmers Association R. Nallathambi said.

He told *The Hindu* that the telegrams were sent on Tuesday and Wednesday to remind them of the petition that they had sent to the Food Corporation of India (FCI) and the Agriculture Department about a month – to release the grains that cannot be used for human consumption at a subsidised rate to save poultry farms in the State from the escalating feed rates.

The National Egg Coordination Committee (NECC) and Poultry Farmers Association made separate requests seeking this huge volume of broken grains because the layer industry in Namakkal region alone requires about 5,000 tonnes of feed a day. “Sadly we have not got a reply from the FCI or Union Government. Meanwhile the price of feed ingredients has increased further from the time we petitioned the FCI”, he said.

Mr. Nallathambi said that the escalating feed rate was one of the main reasons for broiler farmers in Palladam to declare a hatching holiday.

### **Hatching holiday**

“Poultry farmers of Namakkal cannot afford to declare a hatching holiday as the layer industry here is much different from the broiler industry. Broiler chicken are fed and sold for meat in less than two months after the chicken hatch, where as layer birds are fed for 18 to 20 weeks without expecting any returns, as they start laying eggs only from then on.

They have to be properly fed for 72 weeks or more, else it will affect egg production in the following months”, he added.

### **Feed rate**

“At present increasing feed rate is the issue of concern. In the next three months the issue will be non-availability of essential feed ingredients such as maize and soya due to the failing monsoon across the country. But the situation will grow worse if export of these grains is not temporarily banned without delay”, says Chairman of the National Egg Coordination Committee (NECC) Dr. P. Selvaraj.

### **Meeting**

Mr. Selvaraj said that the NECC and Poultry Farmers Association representatives will soon be meeting the Ministers for Agriculture and Commerce and other top officials to get the broken/waste grains.

Published: August 2, 2012 00:00 IST | Updated: August 2, 2012 05:05 IST

## **Farmers stare at skies while area under kuruvai cultivation shrinks**

Special Correspondent

*Joint Director of Agriculture requests farmers to go in for samba paddy*

Following slump in the rainfall in the district during July, the kuruvai area has become quite meagre.

According to an official release, the district received just 25.99 mm rainfall from July 1 to July 26 as against the normal rainfall of 69.48 mm.

Hence, up to July this year, only 492 hectares had been brought under paddy. Besides, millets had been raised in 1,444 hectares, pulses in 839 hectares, sugarcane in 1,158 hectares and oilseeds in 1,558 hectares.

At the District Agricultural Production Council and Agriculture Grievance Day, held here recently, P.Emperumal, Joint Director of Agriculture ( in charge), pointed out that 195.8 tonnes of paddy, 32.5 tonnes pulse seeds and 14.1 tonnes oilseeds had been stocked at the agricultural extension centres and distribution was on. "Adequate quantity of certified seeds is also available for sales in the licensed private seed outlets," he added.

The Joint Director said action had been initiated to distribute quality fertilizers through primary agricultural co-operative societies and private outlets. Sufficient quantity of fertilizers had been stocked in private and co-operative outlets. As much as 4,053 tonnes of urea, 1,351 tonnes of DAP and 2,218 tonnes of potash and 3,506 tonnes of complex fertilizer had been stocked.

He requested the farmers of the district to go in for samba paddy adopting the System Rice Intensification method which could raise the yield at less cost of cultivation and also less water.

Mr.Emperumal pointed that with the objective of bridging the knowledge gap among farming community and narrowing down the yield gap to raise income of farmers, Chief Minister had announced the conduct of 'uzhavar peruvizha'.

In Pudukkottai district, the intensive village campaign would be carried out in all the 757 revenue villages of 13 blocks. This month-long pre-khariff campaign would be carried out by the officials of agriculture-related departments, including Animal Husbandry, Sericulture, and Fisheries, and also the Tamil Nadu Agricultural University, Tamil Nadu University for Veterinary and Animal Sciences, Tamil Nadu Watershed Development Agency, National Bank for Agriculture and Rural Development, lead bank of the district, apart from the primary agricultural co-operative societies.

The campaign would be carried out by mobile extension centre van. Street plays and other cultural programmes focussing on local problems related to agriculture and providing solutions for the same would be conducted.

DAVANGERE, August 2, 2012

### **'Take action against seed companies'**

A large number of farmers from Harihar taluk staged a protest outside the Deputy Commissioner's office here on Wednesday, demanding that the district administration take action against companies that sold substandard paddy seeds to farmers through dealers in Davangere and Harihar a few months ago. In a memorandum addressed to the Deputy Commissioner, farmers said that they planted the paddy seeds in their fields a couple of months ago but crops failed. They alleged that this was owing to the substandard seeds supplied by companies. They urged the district administration to probe the matter and take action against the companies and direct them to make good the losses of farmers.

Additional Deputy Commissioner Vijayakumar, who received the memorandum, assured them that the district administration would ask the Agriculture Department to examine the matter and submit a report. He said the district administration would take action based on the department's report.

GULBARGA, August 2, 2012

### **Farm activities gain steam after widespread rain in Gulbarga**

*Sowing has picked up dramatically throughout the district*

Widespread rainfall in the district in the last two weeks of July has brought back the smiles on the faces of farmers, who were facing the prospect of crop failure owing to the continued dry spell.

Officials in the Agriculture Department told *The Hindu* here on Wednesday that the rain not only helped revive the standing crops, including black and green gram.

This has also helped sown red gram crop to germinate and withstand the pressure of lack of moisture content in the soil.

Sowing has picked up dramatically throughout the district.

### **Dramatic increase**

This year, there was a dramatic increase in the area under soybean, which was not a favourite crop among farmers of the district all these years. As against the targeted 700 hectares fixed for the kharif season, sowing has been completed on 11,333 ha.

Officials in the Agriculture Department said the growing interest among farmers to cultivate soybean this year was due to the early maturing of the crop, enabling them to take up a second crop in the rabi season. An added incentive was the remunerative price available for soybean in the market this year. Soybean could be harvested in 100 days, and the land could then be prepared for a second crop in rabi season.

Farmers who could not take up sowing of black and green gram (two short-duration cash crops) due to scanty rainfall in June are cultivating red gram in the unsown area. As against the target of 40,000 ha fixed for black gram cultivation, farmers could take up sowing operations only in 29,682 ha; sowing of green gram was completed only in 18,201 ha as against target of 30,000 ha. The sowing of red gram had been completed in 3,21,229 ha against the targeted 3,65,000 ha fixed by the government. The department officials said that sowing of red gram was proceeding at a brisk pace throughout the district.

With a fortnight still to go to complete sowing of red gram, the area under the crop is likely to cross a record 4 lakh ha this year. Farmers have completed sowing on 4,61,615 ha against the targeted 5,71,200 ha fixed for kharif season this year. Among the taluks, Chincholi topped the sowing percentage, reporting 96 per cent, followed by Gulbarga (95 per cent), Sedam (93.2 per cent), Aland (80 per cent), Chittapur and Jewargi (73 per cent each), and Afzalpur (64 per cent).

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- *There has been a big increase in the area under soybean this year*
- *The area under red gram crop is likely to cross a record 4 lakh hectares this year*

TIRUCHI, August 2, 2012

### Mettur level

: Water level in the Mettur dam stood at 74.32 feet on Wednesday against its full level of 120 feet. The inflow was 251 cusecs and the discharge, 1,200 cusecs.



Thu, 02 Aug 2012

### water

#### Chennai - INDIA

##### Today's Weather



Sunny

Thursday, Aug 2

Max Min

35° | 28.9°

Rain: 0

Sunrise: 05:54

Humidity: 46

Sunset: 06:35

Wind: normal

Barometer: 1007

##### Tomorrow's Forecast



Rainy

Friday, Aug 3

Max Min

36° | 27°

#### Extended Forecast for a week

Saturday Aug 4	Sunday Aug 5	Monday Aug 6	Tuesday Aug 7	Wednesday Aug 8
34°   27°	34°   27°	33°   28°	33°   27°	32°   27°
Rainy	Rainy	Rainy	Rainy	Rainy

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# THE ECONOMIC TIMES

1 AUG, 2012, 03.27PM IST, PTI

## **Jeera futures remain up on export inquiries, poor rains**

NEW DELHI: Jeera futures traded 2.57 per cent higher at Rs 16,177.50 per quintal today as speculators indulged in creating positions, driven by fresh export demand and weak monsoon in the growing regions.

In addition, fall in supplies in the physical markets supported the upside.

At the National Commodity and Derivatives Exchange, jeera for delivery in September rose by Rs 405, or 2.57 per cent, to Rs 16,177.50 per quintal, with an open interest of 23,709 lots.

The spice for delivery in August traded higher by Rs 385, or 2.51 per cent, to Rs 15,735 per quintal, with an open interest of 6,426 lots.

Marketmen said fresh export along with pick up in domestic demand and deficient rainfall in key growing regions influenced jeera prices at futures trade.

1 AUG, 2012, 03.22PM IST, PTI

## **Chana futures up on low supply, tight stocks**

NEW DELHI: Chana prices rose by Rs 73 to Rs 4,870 per quintal in futures trade today as speculators enlarged positions, driven by tight supplies in the spot markets amid rising demand.

At the National Commodity Derivatives Exchange, chana for delivery in September rose by Rs 73, or 1.52 per cent, to Rs 4,870 per quintal, with an open interest of 71,980 lots.

Similarly, the commodity for delivery in August gained Rs 63, or 1.34 per cent, to Rs 4,755 per quintal, with an open interest of 42,460 lots.

Marketmen said speculative positions created by participants following tight supplies in the spot markets amid deficient rains in key growing areas mainly led to a rise in chana futures prices.

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# Business Standard

Thursday, Aug 02, 2012

## FMC tries to mash potato price surge

BS Reporter / Mumbai August 2, 2012, 0:17 IST

The Forward Markets Commission (FMC), the commodities derivatives market regulator, has suspended fresh positions in potato contracts during the staggered delivery period of 15 days.

A communiqué it issued yesterday referred to the “consistent rise in spot and futures prices of potato since March” and the “several regulatory measures, including imposition of special margins, increase in initial margin, introduction of staggered delivery, etc, to curb the excessive volatility in the prices”. However, it added, “in view of the continued price volatility”, it had decided on the extra step.

Potato has surged on the Multi Commodity Exchange by 12.3 per cent in the past two month to trade at Rs 1,298 a quintal for delivery in August. Turmeric for near-month delivery has surged by a staggering 35.5 per cent to trade at Rs 5,746 a quintal on the National Commodity & Derivatives Exchange. Other agri commodities, too, have seen a surge in prices.

The Commission has also taken measures on other commodities to control price rises. It imposed a 20 per cent non-cash margin on longs in soybean and soymeal in August contracts. The special margins were then raised to 40 per cent (20 per cent cash and 20 per cent non-cash) on longs in soybean and soymeal contracts with effect from July 30, an FMC release said.

Also, the special cash margin was increased from 15 per cent to 30 per cent on longs in potato contracts and it imposed a five per cent special cash margin on shorts effective August 1. The

Commission also increased special cash margins on longs in turmeric contracts from 20 per cent to 40 per cent from July 27.

The regulator has observed that cardamom and turmeric contracts have shown very low levels of deliveries.

### **Sugar exporters default on 50,000 tonnes of orders**

**Surge in domestic prices and a fall in markets abroad make home market more attractive more defaults likely**

**Dilip Kumar Jha / Mumbai August 2, 2012, 0:18 IST**

Sugar exporters have defaulted on around 50,000 tonnes of shipment orders in the past month because of a sudden price spurt in the domestic market, making exports unviable.

Around 75 per cent of the four million tonnes allowed to be exported as surplus has been shipped out this sugar year (October 2011-September 2012). A commitment had already been made for another 600,000 tonnes of export, while contracts are yet to be signed for the remaining 400,000 tonnes. Of the 600,000 tonnes of signed contracts, exporters had stopped implementation of firm orders for around 50,000 tonnes and more default was possible, said a senior industry official.

While deficiency of the monsoon rainfall (15 per cent in July) is estimated to hit the standing long-duration sugarcane crop, sowing has got delayed for the short-duration crop affecting overall output estimates negatively. This has led to a price spurt at home. On the other hand, prices have fallen abroad, with Indian white sugar in Asian spot markets being offered \$620-630 a tonne, translating to Rs 3,500 a quintal. Considering an ex-factory price of Rs 3,350-3,400 a quintal, in addition to Rs 150-200 a quintal of fobbing charges, the total pre-shipping cost is Rs 3,500-3,600 a quintal, making exports unviable.

Consequently, exporters are focusing on the market at home. "The domestic market is much better now. So, it is good for all of us," said Narendra Murkumbi, managing director of India's largest sugar refiner, Shree Renuka Sugars Ltd (SRSL). Its refineries are still working but from this month, it has planned to import raw sugar from Brazil and re-export after value addition.

According to Mohan Gurnani, chairman of the Bombay Sugar Mills Association, prices have

risen by Rs 300–350 a quintal in the past month, luring exporters to change their business decisions.

Sugar prices moved up, albeit marginally, on Wednesday at the Vashi wholesale market here due to increased demand from stockists and bulk consumers to meet higher retail consumer offtake for the coming festival season. With a Rs 10-20 price rise, the benchmark M-30 variety is quoted at Rs 3,531-3,551 a quintal. The S-30 variety also edged up, to trade between Rs 3,491 and Rs 3,572 a quintal.

“For inland sugar companies like us, exports would become viable at not less than \$750 a tonne, due to high cost of transportation. However, the viability of sugar exports would be lower for port-based companies. But, the current rally in the domestic market makes local sales remunerative, as the price is set to stabilise at this level in the near future,” said G S C Rao, executive director, Simbhaoli Sugars Ltd.

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# THE HINDU Business Line

## Monsoon concerns drives castor up



Rajkot, Aug. 1:

Castorseed prices gained 4 per cent on concern over monsoon as rain deficit looms large in most parts of the country .

Moreover, industrial demand supported the price uptrend in the oil.

On the National Commodity and Derivatives Exchange (NCDEX), castor August contracts increased Rs 170 to Rs 4,397 a quintal with an open interest of 14,730 lots.

September series moved up by Rs 177 to Rs 4,583 with an open interest of 99,500 lots.

September contract on Rajkot Commodity Exchange gained Rs 100 to end at Rs 4,426 for 100 kg. RCX spot castor rose Rs 25 to Rs 3,832.50 a quintal.

About 70,000-75,000 bags of castor arrived in Gujarat and quoted at Rs 750-765 for 20 kg.

About 7,400-7,500 bags arrived in Saurashtra and quoted Rs 740-770 for 20 kg.

### Cotton slips despite lower arrivals

Our Correspondent



Erode, Aug 1:

Cotton prices in Erode decreased despite lower arrivals. "The cotton season is nearing completion and within next 15 days arrivals will stop. Last year, cotton cultivation decreased by 50 per cent and arrivals were limited in Bhoodapady, Anthiyur Regulated Marketing Committees and also in Sathyamangalam Cooperative Marketing Society.

In addition this year a new cotton market was started at Konganapuaram in Salem district. So cotton growers brought their cotton to the five or six markets and now inventories with farmers have got exhausted,” said the supervisor of the Bhoodapady Regulated Marketing Committee. He said this week only limited bags of cotton arrived for sale, but the prices did not improve.

On Wednesday, at Bhoodapady 1, 400 quintals (4,000 bags) of cotton arrived for sale. Prices decreased by about Rs 1,000 a quintal. Bt cotton was sold at Rs 5,000 and Surabi variety at Rs 5,700. The present price, though low, appears to be workable for cotton growers.

### Mixed trend in edible oils

Our Correspondent



Mumbai, Aug. 1:

Edible oils market witnessed diverse trend among imported and indigenous oils on Wednesday. Local refineries have increased their rates by Rs 8-10 for 10 kg for palmolein twice on Wednesday.

In Mumbai, palmolein and soya refined oil rose by Rs 7 and Rs 3 for 10 kg each tracking refineries' higher rates.

Groundnut oil, sunflower and cotton refined oil ruled steady while rapeseed oil declined by Rs 14 for 10 kg. About 100-150 tonnes of palmolein were resale traded in the range of Rs 621-622.

Liberty quoted palmolein at Rs 632-633 for August and Rs 635-637 for September, super palmolein at Rs 682, soya oil at Rs 755 and sunflower refined oil at Rs 772.

Ruchi quoted palmolein at Rs 630 for August and Rs 633 for September. Soya refined oil was at Rs 749 for August and Rs 751 for September.

Sunflower refined oil was Rs 761 for August and Rs 766 for September. In Saurashtra – Rajkot, groundnut oil was steady at Rs 1,920 for *Telia* tin and Rs 1,250 (Rs 1,260) for loose-10kg.

On the National Board of Trade – Indore, soya refined oil August futures was Rs 786 (Rs 784.80).

**Malaysia's crude palm oil** September contracts settled lower at MYR 2,932 (MYR 2,965), October at MYR 2,945 (MYR 2,980) and November at MYR 2,953 (MYR 2,985) a tonne.

**The Bombay Commodity Exchange spot rates were (Rs/10 kg):** groundnut oil 1,220 (1,220), soya refined oil 745 (742), sunflower exp. ref. 700 (700), sunflower ref. 760 (760), rapeseed ref. oil 883 (897), rapeseed expeller ref. 853 (867) cotton ref. oil 755 (755) and palmolein 622 (615).

#### Higher input costs push up poultry feed prices



Karnal, Aug 1:



Despite some correction in prices of key ingredients , prices of poultry feed products increased by Rs 70-120 for a 30-kg and 50-kg bag, respectively.

Prices of poultry feed products have been raised as prices of feed products were not hike in the ratio in which the ingredients were getting dearer, said Subhash Sharma, Financial Head of Sarvottam Poultry Feed Supply Centre Pvt Ltd.

The uptrend was anticipated as prices of key ingredients have increased rapidly over the last one month, he said.

### **Correction**

On Wednesday, soyameal prices decreased by Rs 100 and quoted at around Rs 4,500 a quintal. Similarly, maize prices slid by Rs 20 to Rs 1,480 a quintal.

Bajra decreased by Rs 10 to Rs 1,200 a quintal, DCP quoted Rs 43 a kg, while fish oil sold at Rs 100 a litre.

### **Poultry feed products**

After witnessing a price rise last week, prices of poultry feed products increased further. Broiler concentrates feed went up by Rs 100 and quoted at Rs 2,060 for a 50-kg bag. Broiler Starter Mash increased by Rs 100 and sold at Rs 1,540 for a 50-kg bag.

“Broiler Pre-Starter Concentrate 30 per cent” went up by Rs 90 and sold at Rs 1,730 for a 30-kg bag, while layer concentrate cost Rs 1,540 for a 50-kg bag, Rs 70 up from previous level.

Pre-lay mash increased by Rs 120 and quoted at Rs 1,080 while broiler finisher sold at Rs 1,520 for a 50-kg bag, Rs 100 up from previous level.

Meanwhile, broiler and chick prices dropped marginally, on Wednesday. Broiler quoted at Rs 78 a kg against Rs 80 last week, while chick went down by Re 1 and sold at Rs 7.

## Sugar again tops Rs 3,600/quintal

Our Correspondent



Mumbai, Aug 1:

Sugar prices continued their bull run on Wednesday with a further gain of Rs 15-25 a quintal on the Vashi wholesale terminal market. The M- Grade variety touched a record price of Rs 3,650 a quintal in the spot and Rs 3,600 level in naka this year. *Naka* rates increased by Rs 20-30 tracking a jump of Rs 15-25 in Mill tender rates.

A Vashi-based wholesaler said that retail demand was higher as market will be closed for half a day on Thursday due to *Raksha Bandhan*. At the upper level, there was no selling pressure as resellers held back on expectation of higher price. Domestic sugar futures also rose more than Rs 60 till noon and supported the sentiment in physical market.

He further said currently sentiment is positive as usual at the beginning of the new month and festivals. The ongoing Muslim holy month of Ramadan will result in higher demand.

Mills are not very keen to sell at lower price due to good buying support. The volume was higher with improved arrivals.

In Vashi market, arrivals were 57-58 truckloads and local dispatches were also higher at 55-56 loads.

On Monday evening, only 14-16 mills offered tenders and sold about 72,000 – 75,000 bags (of 100 kgs each) to the local stockists in higher range of Rs 3,370-3,425 (Rs 3,350-3,410) for S-grade and Rs 3,435-3,520 (Rs 3,425-3,490) for M-grade.

**The Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,491-3,572 (Rs 3,482-3,572) and M-grade Rs 3,531- 3,651 (Rs 3,522- 3,625).

**Naka delivery rates:** S-grade Rs 3,460 -3,510 (Rs 3,440 -3,480) and M-grade Rs 3,510-3,600 (Rs 3,480-3,580).

### Pulses rule stable on subdued buying



Indore, Aug 1:

Tur and its dal ruled stable on subdued buying support. In the spot, tur (Maharashtra) remained stable at Rs 4,700-4,800 a quintal, while tur (Indore variety) ruled at Rs 4,100-4,300.

With demand in pulses continuing to be poor, any immediate rise in tur at least for a week appears unlikely. However, given the fact that next tur crop will come in November-December, tur appears to be bullish in the short term. It may touch Rs 5,000 mark once again in the coming days, said a trader Hanuman Jain.

With delay in monsoon and strong buying support from the millers, tur had zoomed to Rs 5,000 a quintal about a fortnight back but recent rains have affected trading sentiments of the stockists, leading to decline in buying support in tur. Tdal declined by Rs 100 a quintal on slack demand with price of tur dal (full) in Indore mandis on Wednesday being quoted at Rs 6,700-6,800 , while tur dal (full) ruled at Rs 6,200 and tur marka at Rs 7,500 .

Sluggish demand and arrival of inferior quality **moong** also kept moong and its dal stable with moong (bold) on Wednesday remaining steady at Rs 4,800-5,000. Similarly, moong (medium) ruled at Rs 4,100-500 a quintal. Compared with its prices last week, moong is ruling Rs 300 in local mandis. Couple of weeks ago, moong prices had zoomed as high as Rs 5,400 a quintal. But recent rains have slackened demand for moong. Moong dal ruled stable on slack demand with moong dal (medium) in local mandis being quoted at Rs 6,200-6,300, moong dal (best) at Rs 6,700-6,800, while moong monger ruled at Rs 6,900-7,000.

## Pepper bounces back

G. K. Nair



Kochi, Aug 1:

The pepper market after falling sharply yesterday bounced back today on bullish activities. Active contracts ended much above the previous closing.

There was good liquidation and yet the prices moved up. Market is said to have witnessed good circular trading also.

August contract opened at Rs 42,500 a quintal and then dropped to Rs 42,235 to shoot up with high volatility and increased by Rs 1,830 to Rs 44,350 a quintal. Then it declined and closed much above the previous day closing.

September delivery also behaved almost similarly. The market has allegedly again become a "gambling den," market sources told *Business Line*.

Stock position on the exchange increased to 2,059 tonnes. On the spot, there was no selling pressure, they said.

Arrivals today were limited and seven tonnes of pepper were traded at Rs 408, Rs 412 and Rs 415 a kg depending on the quality, grade and area of production, they said.

August contract on the NCDEX increased by Rs 990 a quintal to the last traded price (LTP) of Rs 43,885 a quintal. September and October went up by Rs 1,015 and Rs 1,060 respectively to the LTP of Rs 43,730 and Rs 44,110 a quintal.

### **Turnover**

Total turnover increased by 2,323 tonnes to 11,124 tonnes. Total open interest dropped by 404 tonnes, showing good liquidation.

August open interest decreased by 790 tonnes to close at 3,924 tonnes. September and October increased by 349 tonnes and 19 tonnes respectively to end at 3,144 tonnes and 564 tonnes showing liquidation and switching over.

Spot prices in tandem with the futures market and on lack of selling pressure increased by Rs 500 a quintal to close at Rs 40,800 (ungarbled) and Rs 42,300 (garbled) a quintal.

Indian parity in the international market increased and at Aug prices stood at \$8,150 a tonne (c&f) for the Europe and \$8,450 a tonne (c&f) for the USA and remained much above other origins.

### **Spot rubber prices decline**



Kottayam, Aug. 1:

Spot rubber declined on Wednesday.

According to sources, there were practically no genuine buyers on any counter and prices slipped amidst scattered transactions even in the absence of quantity sellers.

Sheet rubber weakened to Rs 180 (181) a kg h at Kottayam and Kochi as quoted by the traders and the Rubber Board.

Marginal gains in futures failed to make any impact on sentiments as they ruled much below the local rates.

The August series improved to Rs 178.78 (177.90), September to Rs 176.30 (175.46) and October to Rs 176 (175.12) while the November series slipped to Rs 174.20 (174.35) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) surrendered to Rs 167.07 (168.91) a kg at Bangkok.

The August series increased to ¥214 (Rs 152.08) from ¥213.7 a kg during the day session and then to ¥215.6 (Rs 153.19) in the night session on the Tokyo Commodity Exchange.

**Spot rates were (Rs/kg):** RSS-4: 180 (181); RSS-5: 174 (174.50); ungraded: 167 (168); ISNR 20: 166 (167.50) and latex 60 per cent: 125.50 (126.50).

### Jeera rides high on export demand, lower arrivals



Chennai, Aug. 1:

Buoyed by lower arrivals and export demand, jeera prices continued to zoom north.

October futures settled at Rs 16,622 a quintal on Wednesday on the NCDEX. The spice gained on short covering after prices dropped in view of improved supplies in the domestic market.

Farmers brought more jeera to the market fearing a drop in price.

September contracts gained by Rs 477 and settled at Rs 16,250, while August contracts gained Rs 455 at Rs 15,805.

The monsoon is also playing a role in the price movement of the spice. Gujarat, the country's top jeera producer, has received scanty rain so far. Arrivals decreased to 8,000 bags from 11,000 bags, while demand was seen for around 7,000 bags against 10,000 bags.

Jeera prices have gained both in futures and spot due to concerns over a low crop in Syria, the world's top producer of jeera. Traders expect large export orders may be diverted to India from the international markets due to the supply squeeze in Syria.

In the spot market at Unjha, Gujarat, jeera was traded at Rs 16,150.

#### Chana futures continue to ride up with spot



Chennai, August 1:

Chana or gram futures continued to rise on Wednesday, taking its cues from the spot market.

Chana has been ruling strong for the past few weeks on lower production and demand that has been on the higher side. A rise in demand ahead of the current festival season is also perking up prices.

Fears of a delay in arrivals of the next crop are aiding the trend.

Mr Sanjay Bansal, a trader in Indore, says that chana could touch Rs 5,500 a quintal in the near future.

On Wednesday morning, the August contract gained Rs 46 a quintal to quote at Rs 4,738; the September contract was up by Rs 56 at Rs 4,853; while the October futures were up by Rs 60 at Rs 4,937. The November contract gained Rs 97 and was trading at Rs 4,984.

In the spot market in Indore, prices were up at Rs 5,025.95 for a quintal.

### Coconut prices seen ruling flat in short-term

V. Sajeev Kumar



Kochi, Aug. 1:

Coconut prices may continue to remain subdued at least for the next three months due to stagnant demand and higher availability.

This is one of the main findings of a study by the Agricultural Market Intelligence Centre of the Kerala Agricultural University (KAU) based on an econometric analysis of monthly price of the commodity combined with market survey with stakeholders. Explaining the findings of the study report, Dr Satheesh Babu, Professor, Agriculture Market Intelligence Centre, KAU, said that the price of coconut has declined in the first half of the new coconut season that commenced in January much to the worry of more than 10 million growers, who depend on the crop for their livelihood.



Kerala, Tamil Nadu and Karnataka together account for almost 84 per cent of area and production of coconut. Hence, the price of coconut is of strategic importance as it has a direct bearing on livelihood of a vast majority of coconut growers in Kerala, most of them small growers.

Many of them are holding back their produce in anticipation of a better price in August, expecting demand to pick up for Onam, the report said.

The study, he said, is based on current market sentiments such as glut due to the economic slowdown in the Euro Zone, lower demand for lauric oils for bio-diesel industry, global price signals for palm oil, 15-20 per cent higher production of coconut in Kerala, Karnataka and Tamil Nadu this season, and higher import of vegetable oils during the first eight months of the current oil year to October.

### **Demand boosts tea prices at Kochi sale**

Our Bureau

Kochi, Aug. 1:

A good demand resulted in the spurting of prices of almost all varieties of tea at the Kochi Tea auction last week.

Of the 11,57,000 kg on offer in the CTC dust varieties, the market opened on a steady to irregularly dearer note by Re 1 to Rs 2 and moved up following quality as the sale progressed. Plainer teas barely ruled steady to sometimes dearer, especially the grainer varieties.

In the best CTC dust category, PD varieties were quoted at Rs 93/108, RD varieties ruled at Rs 94/106, SRD quoted at Rs 100/112 and SFD at Rs 104/116.

The leaf category at the auction also witnessed a good demand and the quantity on offer for Orthodox varieties was 164,000 kg. Highgrown Bolder Broken Whole Leaf was firm to dearer following quality.

Smaller Broken varieties witnessed strong feature and move up by Rs 5 to Rs 10. Fannings better varieties remained steady. Medium, well-made Clean Black Bolden Broken, all tippy varieties and whole leaf steady to firm and sometimes dearer by Rs 3 to Rs 5. Corresponding Fannings firm to dearer. Of the quantity of 97,000 kg on offer in the CTC leaf varieties, Good Liquoring

varieties dearer by Rs 3 to Rs 5 and sometimes more. Others barely remained steady and tended to ease.

In the dust category, both Injipara (Prm) SFD and SRD quoted the best prices of Rs 138 followed by Injipara (Prm) RD at Rs 136. In the leaf category, Chamraj FOP Green Tea quoted the best prices of Rs 250 followed by Chamraj FBOP (Sup) at Rs 221.

### Coonoor tea auction volume hits 8-week low

P.S. Sundar



Coonoor, Aug. 1:

The declining trend in the offer of teas for Coonoor Tea Trade Association auctions continues with the volume of 14.47 lakh kg catalogued for Sale No: 31 – to be held on Thursday and Friday – being the lowest of the last eight weeks.

Of the 14.47 lakh kg on offer, 10.24 lakh kg belongs to the leaf grades and 4.23 lakh kg belongs to the dust grades. In the leaf counter, only 0.72 lakh kg belongs to orthodox while 9.52 lakh kg, CTC. Among the dusts, only 0.51 lakh kg belongs to orthodox while 3.72 lakh kg, CTC.

The substantial portion of this volume comprises fresh teas totalling 13.61 lakh kg. Last week, in the leaf tea auction, Hindustan Unilever Ltd (HUL) and Tata Global Beverages Ltd bought medium varieties. Godfrey Philips India Ltd was selective. In the dust tea auction, HUL and Duncans Tea bought good medium grades.

### Fresh curbs on farm futures

Our Bureau

Mumbai, Aug. 1:

Commodity market regulator Forward Markets Commission (FMC) has imposed fresh curbs on agriculture commodity futures trading to curb price rise. The regulator has been hiking margins on almost all agriculture commodities to discourage speculation.

Traders expect the FMC to take a series of measures to cool down prices before resorting to suspension of a particular commodity.

Trading in guarseed futures was suspended in March as prices surged relentlessly even after the margin money to be paid for buying a contract was increased to 60 per cent.

On Tuesday, FMC said it has doubled the special margin in potato, soyabean, soyameal and turmeric contracts. A fresh margin of five per cent has been introduced in the sell contracts of potato. Despite several regulatory measures, the spot and futures prices of potato has been going up consistently since March, said the FMC. Fresh positions in the potato contracts will not be allowed during the staggered delivery period of 15 days.

The pre-expiry margin in cardamom and turmeric has been raised to five per cent from three per cent. The margin on both the commodities will now be in force for seven days prior to contract expiry instead of five days earlier. Delivery default margin for cardamom sellers was doubled to six per cent.

Karvy Commodities Assistant General Manager Sushil Sinha said: "FMC action may bring down prices in short term, but the failure of monsoon and expectations of poor kharif crop are leading to price rally."

### **Sugar rally sustains despite fall in global prices**

Vishwanath Kulkarni



New Delhi, Aug. 1:

Despite a softening trend in global prices, domestic sugar continues to firm up on concerns over next year's crop size. In recent weeks, global prices have softened on improving production in Brazil where rain had delayed the harvest.

Sugar futures on NCDEX jumped about 3 per cent on Wednesday on uncertainty over the 2012-13 crop, mainly in Maharashtra. The contracts for delivery on August 17 were up 2.87 per cent at Rs 3,450 a quintal, while the September 20 delivery was up 2.96 per cent at Rs 3,516. The futures for delivery on October 19, ended 3.06 per cent higher at Rs 3,540.

Spot prices were also up in the key markets of Muzaffarnagar and Kolhapur on demand ahead of the festive season. Prices in Muzaffarnagar gained 8 per cent over the past fortnight, while in Kolhapur, the price of the sweetener has risen by 6.5 per cent. On Wednesday, sugar prices in Muzaffarnagar stood at Rs 3,653 a quintal, while in Kolhapur it was Rs 3,545.

"The fundamentals are positive and there is expectation that the next year's crop will be lower," a commodity analyst said. Also, the Empowered Group of Ministers, which met on Tuesday to review the drought situation, was undecided on imposing any curbs on futures trade, which aided the trend in futures rally.

However, millers expect prices to stabilise in about a month. "There will be more clarity in a month when monsoon ends," said Director-General of Indian Sugar Mills Association (ISMA) Abinash Verma.

Also, the industry expects to close the current year with a balance of 6.5 million tonnes (mt), about 1 mt higher than last year. "Once the market realises the higher balance, prices would stabilise. The prevailing price is the right price for the industry to breakeven," Abinash Verma said.

Production in the current 2011-12 season is estimated at 26 mt, while consumption is about 22 mt. The millers' body has predicted that output for the 2012-13 season would be lower by 1 mt at 25 mt.

## Tobacco auctions set to go electronic this year-end

Our Bureau



*Business Line* On the e-way: (from right) G. Kamalavardhana Rao, Chairman of Tobacco Board, announcing the implementation of e-auction system for the Board in Karnataka and Andhra Pradesh in Hyderabad on Wednesday. Beside him is Arvind Mehrotra, President, Asia -Pacific, NIIT Technologies. — P.V. Sivakumar

Hyderabad, Aug. 1:

Tobacco farmers will go the electronic way soon. All the 31 auction platforms, 20 in Andhra Pradesh and 11 in Karnataka, will hold electronic auction from the next sales season, ending years of unscientific trading practices.

NIIT Technologies, which bagged the Rs 35-crore order from the Tobacco Board, will deploy relevant IT infrastructure and give mobile devices over a period of time. The BOO (Build, Operate and Own) project will be launched in Karnataka when auctions begin there later this year. Auctions in Andhra Pradesh are almost complete this season.

NIIT Tech will get 20 paise from the Board for every kg sold. It will establish infrastructure, application support and training to traders and farmers during the six-year project period. Auction platforms register sale of 270-300 million kg annually.

In the traditional system, traders quote a price through the 'open outcry' system that is hardly audible to farmers and deals are done even before they could comprehend the pricing patterns.

"In the present system, each bale (of 102 kg) is bar-coded and classified according to the quality. The trader has to enter a price against a particular bale and this price is prominently

displayed to the farmers in the designated area. They can see the price change as different traders bid for their produce,” said Tobacco Board Chairman G. Kamalavardhana Rao.

Addressing a press conference here on Wednesday, he said e-auctioning would ensure transparency in the system and remove uncertainty and confusion among farmers on pricing. “We expect an additional income of 5-10 per cent for farmers,” he said.

The Union Ministry of Commerce had conducted a pilot run in two platforms before giving the go-ahead to the Tobacco Board to introduce the system in all the platforms.

President (Asia-Pacific) of NIIT Tech Arvind Mehrotra said that mobile devices given to traders would help conduct transactions in real time. He said Ordnance factories are using a similar solution to float tenders, award them and take care of payment cycle.

### Coconut prices may remain subdued for next 3 months

V. Sajeev Kumar



*The Hindu* Prices of coconut have been on the decline during the first half of the new season that commenced from January.

Kochi, Aug 1:

Coconut prices may continue to remain subdued at least for the next three months due to the widening gap between stagnant demand and higher availability.

This is one of the main findings of a study by the Agricultural Market Intelligence Centre of the Kerala Agricultural University based on an econometric analysis of monthly price of the commodity combined with market survey with stakeholders.

Explaining the findings of the study report, Dr Satheesh Babu, Professor, Agriculture Market Intelligence Centre, KAU, said that the prices of coconut have been on the decline during the first half of the new season that commenced from January.

This has added to the worries of more than 10 million people, who depend upon the crop for their livelihood.

It may be noted that Kerala, Tamil Nadu and Karnataka together account for almost 84 per cent of area and production.

Hence, the price trend of this commodity is of strategic importance since it has a direct bearing on the livelihood of the vast majority of coconut growers in Kerala, most of them small growers.

Many of them are holding back their crop inventory in anticipation of better prices in August on account of the festival demand due to Onam, the study says.

The study, he said, is based on current market sentiments such as glut due to the economic slowdown in the Euro Zone, less demand for lauric oils for bio-diesel industry, global price signals for palm oil, 15-20 per cent higher production of coconut in Kerala, Karnataka and Tamil Nadu during the current season, and higher import of vegetable oils during the first eight months of the current oil year from November 2011 to October 2012.

### **NIIT Tech to introduce tobacco e-auction**

K. V. Kurmanath

Hyderabad, Aug 1:

NIIT Technologies has bagged a Rs 35-crore order from the Tobacco Board to introduce e-auction of tobacco.

This system will be introduced in 31 auction platforms — 20 in Andhra Pradesh and 11 in Karnataka, Mr G. Kamalavardhan Rao, Chairman of Tobacco Board, said.