

'Set up committee to suggest alternative crop strategy'

Special Correspondent

'Hopes of raising kuruvasi crop are dwindling by the day'

Cauvery Delta Farmers' Welfare Association has appealed to the State government to constitute an expert committee to suggest an alternative crop strategy as it looks that Karnataka is unlikely to release water in the Cauvery as stipulated by the Cauvery Water Disputes Tribunal from June to September. This was one of the major resolutions passed at its emergency meeting here on Saturday.

M.Kanagasabhai and Mahadhanapuram Rajaram, president and working president of the association respectively, told *The Hindu* that hopes of raising kuruvasi crop are dwindling day by day. "We should prepare ourselves for only one crop this year," they asserted.

Karnataka itself has storage of less than 50 per cent of its total capacity. "As that State has also been facing serious rain deficiency, it is going to take some time for its reservoirs to surplus. Hence, we are not sure whether it would be possible for the authorities to open the Mettur dam for delta irrigation even by September."

They were confident that even a late samba could be raised if Mettur dam were to be opened at least by September.

They said that the PWD officials themselves were not sure whether any meeting could be held even by the middle of August. "And unless the Mettur dam, which is around 77 feet against its full level of 120 feet, were to cross 100 ft, the State government would not open it for irrigation."

Hence, the expert committee could suggest some short-term crop in the meanwhile.

Besides, they demanded release of water from Mettur dam at least 15 days ahead of the popular fete of 'Aadi perukku', which falls on August 2, so that the annual crops in the Cauvery

delta region like sugarcane, banana, and coconut raised in several thousand acres could be saved. "It would be ideal to release at least 3,000 cusecs (cubic feet per second)."

While thanking the State government for providing power to an extent of 12 hours to raise kuruvai at least in a limited area utilising the ground water, they submitted that even that ground water was slowly getting depleted in several parts due to hot climate. The release of water from Mettur would replenish the aquifers, they added.

M.K.Gandhipithan, secretary, said the farmers are worried about the deleterious impact of indiscriminate sand quarrying on the Cauvery. "Though water could be considered the blood, it is the sand which acts like heart and retains water." Hence, the association has pleaded that the State government should ban sand quarrying in the Cauvery at least for 10 years.

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Farmers' grievance day meeting on July 20

The monthly farmers' day meeting will be held at 10.30 a.m. on July 20. It will be conducted at the conference hall, fifth floor of the Collectorate.

Representatives of farmers' association can put forward their demands directly at the meeting or through petitions. Officials of the respective departments will reply to the issues at the meeting, according to a release.

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District lays stress on coconut farming

Staff Reporter

District panchayat had made a policy declaration allocating 40 per cent of its plan fund for improving agriculture production.

Importance will be given to making fallow land fit for farming and to mechanise farming practices. While giving a pride of place to coconut farming, the district panchayat also aims at giving training to men and women on coconut tree climbing. The policy declaration was made at the agri-fest organised by the district panchayat on Saturday. A project will be implemented at the level of blocks in association with the Coconut Development Board for procurement of Copra. Copra drying machines will be popularised. Dairy sector will be given an assistance of

Rs. seven crore. A comprehensive paddy farming project will be implemented in association with block panchayats.

A fish seed development centre will be set up Karukulam near Boothathankettu. A special project will be implemented for the development of Pokkali farming. Dry land farming will be encouraged. The best young farmer and agriculture officer will be recognised. Pineapple farming will be undertaken in 1,000 hectares in association with Kudumbasree.

MAYILADUTHURAI, July 15, 2012

Farmers association conducts paddy seed festival

Organic farming movement gaining momentum: Nammalvar

expert talk:G. Nammalvar, organic scientist, addressing the farmers at the annual paddy seed festival at Mayiladuthurai.

: Cauvery Delta Farmers Association of Nagapattinam along with TEDE Trust, Kudumbam, and CREATE organised native paddy seed festival to highlight the diversity of traditional rice varieties of Tamil Nadu at Paalaiyur village in Nagapattinam district recently.

The association felicitated individuals and institutions for their contribution to development of organic agriculture in the State.

Organic farming expert G. Nammalvar, in his address, said organic farming was the only way out for farmers to combat the input problem.

Stating that organic farming movement was gaining momentum, Mr. Nammalvar said farmers were facing lot of difficulties in buying inputs due to high costs.

A leading farmer Anbalavanan from Sikkal attributed the success of organic farming to the crucial role played by the media.

He appreciated the Farmers Note Book column appearing in 'The Hindu' for giving contact address and phone numbers at the end of each success story of farmers thereby facilitating readers interaction with the farmer concerned.

R. Ranganathan of TEDE Trust said native paddy festival was being organised every year.

S. Dhanapalan of the Delta Farmers Association said 50 per cent of total land area in delta districts was unfit for cultivation citing a study done by Tamil Nadu Agriculture University.

The Agriculture Correspondent of 'The Hindu' M.J. Prabhu was felicitated by farmers on the occasion, a press release said.

Cauvery Delta Farmers Association in a study had found the farmers notebook column in 'The Hindu' was responsible for over 2,000 farmers in the delta region switching over to organic agriculture by having their own seeds, preparing their own bio inputs and herbal pest repellent mixtures, the release added.

THE ECONOMIC TIMES

14 JUL, 2012, 11.02PM IST, BHARGAV TRIVEDI, ET BUREAU

Commodity prices rise 19% on back of monsoon worries

Monsoon worries are building up fears of worsening inflation. Agri-commodity prices have already shot up 19% on the commexes since the beginning of July.

Experts also ascribe the price rise to depreciating rupee and brisk demand from China for certain Indian commodities. The spurt in commodity prices in a span of 10 days will not make the task of the RBI easy to cut rates.

"Overall, a combination of lower rainfall and a strong dollar has contributed to higher prices of agri-commodities," said Jayant Manglik, President (retail distribution) at Religare Securities. Last 10 trading sessions since July 1 remained buoyant for the agri commodities.

Active futures prices of most of the commodities on the NCDEX, the commex with the most liquid contracts, saw average rise of 7%. Turmeric lead the list with 19% rise. The August delivery turmeric futures rose to Rs 4,862 level from Rs 4110 at close of June 30. Others include barley (12.7%), jeera (11.8%), cotton seed oil cake (12.6%), wheat (11.8%) and coriander (10.1%).

Future prices of kharif oil seeds like Soybean and castor seed also rose by 9.6% and 9.5% respectively for the August delivery contracts. Soybean made all-time high of Rs 4,428 on Thursday on the back of price topping in the international market on Wednesday night.

Wheat has seen an 8% rise in just six trading sessions on stronger cues from international markets. India allowed 20 lakh tonne of wheat export on July 4. Country produced a record 8.60 crore tonne wheat in the last Rabi marketing season. Cereals like maize also followed strong cues from global markets.

Multiple factors are at play in shooting up prices. "In case of chana, delayed monsoons in North-west and central India have played a crucial role. Available data also suggests that domestic pulse production may be below targets. In case of oil complex, lower rainfall has contributed to higher prices and lower production in the US," said Manglik.

The currency factor also played its part because India imports several agri-commodities to make up for domestic shortfall, he added. In spices, the peak arrival season has already passed and export demand is expected to rise on a stronger dollar, he said.

According to Jagdeep Grewal, Research Head at Ahmedabad-based Kunvarji Group, "Recent hike in agri commodity prices is attributed to sparse and delayed rainfall across crucial geographies. More than 50% of India's total farmland is rain fed hence such delays will impact all the crops, Rabi as well as Kharif.

"If average rainfall does not take place by July 20, covering crucial belts, then Kharif crops, mainly coarse grains and summer pulses, may be adversely affected," he added. As per his estimate, a delay of one week in rainfall leads to loss of 1% production.

The China factor is also at play in case of non-food commodities like castor. "China has adopted a policy of focusing on food crops only. Hence it fulfills its requirement of non-food commodities like castor from countries like India," said Vakil. He commented that higher prices do not necessarily benefit farmers.

"Many times farmers are unable to get good returns for crops with long gestation period as they miss out on demand-supply cycle," he observed.

14 JUL, 2012, 01.32PM IST, PTI

Select edible oils end 4-day losing streak, recover on fresh buying

NEW DELHI: Snapping a four-day losing streak, select edible oils recovered by up to Rs 150 per quintal in the wholesale oils and oilseeds market today on emergence of buying by vanaspati millers and retailers for the coming festival season amid a firm global trend.

A few oils in the non-edible section also strengthened on increased offtake by consuming industries.

Traders said fresh buying by vanaspati millers and retailers for the coming festival season and reports of a firm trend in global markets mainly led to a recovery in edible oil prices.

They said increased offtake by consuming industries helped a few non-edible oil prices to trade higher.

In the national capital, groundnut mill delivery oil (Gujarat) shot up by Rs 150 to Rs 11,800 per quintal. Groundnut solvent refined traded higher by Rs 25 to Rs 1,875-1,925 per tin.

Mustard expeller oil (Dadri) moved up by Rs 100 to Rs 8,050 per quintal and mustard pakki and kachi ghani oils edged up by Rs 10 each to Rs 1,195-1,335 and Rs 1,350-1,450 per tin.

Sesame and cottonseed mill delivery oils also traded higher by Rs 50 each to Rs 8,200 and Rs 6,400 per quintal, respectively.

In line with a general firming trend, palmolein (rbd) and palmolein (Kandla) oils rebounded by Rs 50 each to Rs 8,150 and Rs 7,700 per quintal, respectively.

Soyabean refined mill delivery (Indore) and soyabean degum (Kandla) oils too traded in positive zone with a rise of Rs 50 each to 7,950 and Rs 7,500 per quintal, respectively.

In the non-edible section, linseed oil rose by Rs 100 to Rs 5,500 per quintal on fresh enquiries

from paint industries.

Castor oil traded higher by Rs 50 to Rs 8,600-8,700 per quintal on increased industrial offtake.

14 JUL, 2012, 02.00PM IST, PTI

Commodities rule steady in Chennai foodgrains market

CHENNAI: All major commodities barring sugar ruled steady in the wholesale foodgrains market during the week ended today.

Sugar opened at its previous week's closing rate of Rs 3,200 per quintal on Monday, edged up by Rs 50 on the next day and ended the week at the same rate.

Thoor dal (Rs 7,200), urad dal (Rs 5,600), moong dal (Rs 6,500), gram dal (Rs 5,700), wheat (Rs 1,850), maida (90 kg) Rs 1,750 and Sooji (90 kgs) Rs 1.950 remained unchanged from their previous week's closing rates.

14 JUL, 2012, 02.50PM IST, PTI

Wheat strengthens by Rs 45 a quintal on increased buying

NEW DELHI: Wheat prices strengthened by Rs 45 per quintal in the wholesale grains market today on increased buying by flour mills for the coming festival and marriage season.

A few bold grains also moved up on increased offtake by consuming industries.

Traders said increased buying by flour mills against restricted arrivals from producing belts mainly led to an upsurge in wheat prices.

They said increased offtake by consuming industries led to a rise in few other bold grain prices.

In the national capital, wheat deshi and wheat dara (for mills) rose by Rs 45 each to Rs 1,650-1,870 and Rs 1,290-1,295 per quintal, respectively.

Atta chakki delivery followed suit and traded higher by the same margin to Rs 1,295-1,300 per 90 kg.

Atta flour mills, maida and sooji were also ended higher at Rs 670-690, Rs 790-800 and Rs 880-890 against last close of Rs 660-680, Rs 750-770 and Rs 845-860 per 50 kg, respectively on festive demand.

Jowar yellow and white rose by Rs 50 each to Rs 1,300-1,350 and Rs 2,100-2,250 per quintal, respectively.

Bajra and barley too traded in positive zone with a rise of Rs 10 and Rs 20 to Rs 1,060-1,075 and Rs 1,270-1,290 per quintal, respectively.

Business Standard

, Jul 14, 2012

MMTC, PEC & MMTC float tenders for 2.4 lakh tonne wheat export

Press Trust of India / New Delhi Jul 13, 2012, 17:33

Public sector trading firms STC, PEC and MMTC today floated global tenders for export of 2.4 lakh tonnes of wheat from government godowns which will ease storage crunch during the monsoon season.

The trading firms have floated separate tenders following the recent approval by the Cabinet Committee on Economic Affairs (CCEA) to allow two million tonnes of wheat export from the godowns of Food Corporation of India (FCI).

Wheat exports through private trade were allowed in September 2011 and about 1.8 million tonnes of the grain has been shipped since then.

Of 2.4 lakh tonnes of wheat tenders, STC has invited bids for export of 1,00,000 tonnes, PEC for 90,000 tonnes and MMTC for 50,000 tonnes. Bids will close on August 13 and shipments would be in August-September.

According to tender documents, STC is offering wheat from FCI stocks at Mundra port, while

MMTC from Pipavav port and PEC from Kandla port. The grain is of 2011-12 and 2012-13 crop years.

The CCEA had fixed a base price of \$228 per tonne for wheat exports. It had directed to form a committee, headed by Commerce Secretary, for deciding on quantity, timing of tenders and the price at which exports would be undertaken.

Food Minister K V Thomas had said that the government would not sell the entire 2 million tonnes of wheat at one stretch in view of rising global prices and trading firms would float multiple tenders.

The government is facing a storage crisis because of record 82 million tonnes of foodgrains in its stocks against storing capacity of 64 million tonnes.

India produced a record 90.23 million tonnes of wheat in 2011-12 crop year (July-June), which led to an all-time high procurement of about 38 million tonnes this year.

Tea production down 5% in May on unfavourable weather
Press Trust of India / New Delhi Jul 13, 2012, 15:57



India's tea production fell by almost 5% to 72.54 million kg in May this year due to decline in output in most of the tea growing areas in North and South India on account of unfavourable

weather conditions. The country had produced 76.18 million kg of the beverage in the same month of 2011, Tea Board data said.

Tea output in North India declined to 49.67 million kg in May 2012 against 51.74 million kg in May 2011, whereas, it fell to 22.88 million kg from 24.44 million kg in South India in the same period.

"Tea production has been hit due to unfavourable weather. Till February there was high temperatures with no rain and now Assam and North Bengal are reeling under floods, which has affected the output," Indian Tea Association (ITA) Joint Secretary, S Patra told PTI.

Since the beginning of 2012 India has been witnessing downward trends in tea production. This trend is visible across all tea regions in North and South India except Cachar, he added.

In the first five months of the current calendar year, tea output declined by 11% to 215.82 million kg from 243.62 million kg in the January-May period of 2011.

Tea production in North India fell to 128.81 million kg in January-May 2012 from 146.74 million kg in the year-ago period, while, the output in South India declined to 87.01 million kg from 96.87 million kg in the same period.

According to a survey conducted by ITA, the output of the brew is expected to decline for the month of June as well.

"ITA has recently surveyed the crop scenario in June amongst its member companies in Assam and North Bengal. This survey shows that major tea areas covering Upper Assam, North Bank (Assam), Central Assam, Cachar, Dooars, Terai are experiencing decline of 3 million kg (8%) during the month of June 2012 against June 2011," Patra said.

Tea production in Darjeeling during June 2012 shows a decline of as much as 36% against June 2011, he added.

Chilli up 0.98% on thin supply firm demand

Press Trust of India / New Delhi Jul 13, 2012, 14:03



Chilli futures prices today rose by 0.98% to Rs 5,342 per quintal as speculators enlarged their positions amid pick up in demand in the spot market ahead of festive season. Restricted arrivals from producing belts also supported the uptrend. At the National Commodity and Derivatives Exchange, chilli for delivery in August rose by Rs 152, or 0.98%, to Rs 5,342 per quintal, with an open interest of 8,235 lots.

The September contract shot up by Rs 44, or 0.82%, to Rs 5,442 per quintal, with an open interest of 2,610 lots.

Market analysts said besides thin supplies in the spot markets from producing belts, increased demand ahead of the festive season led to a rise in chilli prices in futures trade.

Cardamom rises 1.37% on fresh spot demand

Press Trust of India / New Delhi Jul 13, 2012, 14:00

Cardamom prices rose by Rs 20.40 to Rs 1,505 per kg in futures trade today as speculators created fresh positions amid low stocks.

Restricted arrivals from producing belts also supported the uptrend in cardamom futures prices. On the Multi Commodity Exchange, cardamom for July delivery rose by Rs 20.40, or 1.37%, to Rs 1,505 per kg, in a business volume of 119 lots.

The August contract rose by Rs 5, or 0.36%, to Rs 1,363.90 per kg, with a business volume of 455 lots.

Traders said pick up in demand in the spot market against restricted arrivals from producing regions attributed to the rise in cardamom prices in the futures market.

Crude palm oil marginally up on spot demand

Press Trust of India / New Delhi Jul 13, 2012, 13:54

Crude palm oil prices edged up by Rs 2.50 to Rs 563.40 per 10 kg in futures trade today as speculators created fresh positions on expectations of pick-up in spot market demand.

A firming global trend also influenced crude palm oil prices at futures trade here.

On the Multi Commodity Exchange, crude palm oil for the August delivery rose by Rs 2.50, or 0.44%, to Rs 563.40 per kg, with a trading volume of 603 lots.

The July contract moved up by Rs 2.30, or 0.41%, to Rs 561.60 per 10 kg, with a business turnover of 387 lots.

Analysts said fresh buying by speculators on hopes of pick-up in spot market demand and a firming trend overseas, mainly led to a rise in crude palm oil prices at futures market.

Jeera up on export enquiries, low rains

Press Trust of India / New Delhi Jul 13, 2012, 12:58

Jeera futures traded 0.75% higher at Rs 15,470 per quintal today after speculators built-up positions on the back of export enquiries amid weak monsoon in the growing regions.

Besides, reduced domestic supplies in the physical markets supported the upside.

At the National Commodity and Derivatives Exchange, jeera for delivery in July rose by Rs 115, or 0.75%, to Rs 15,470 per quintal, with an open interest of 543 lots.

The August contract traded higher by Rs 112.50, or 0.71%, to Rs 15,925 per quintal, with an open interest of 19,413 lots.

Marketmen said fresh export demand and deficient rains in key growing regions mainly influenced jeera prices at futures trade.

Turmeric extends gains on weak monsoon

Press Trust of India / New Delhi Jul 13, 2012, 12:36



Turmeric prices went up by 2.53% to Rs 5,016 per quintal as speculators engaged in creating positions as speculators enlarged their positions driven by deficient rains in key growing regions.

Also, fall in supplies in the spot markets also influenced the prices.

At the National Commodity and Derivatives Exchange, turmeric for delivery in August traded Rs 124, or 2.53%, higher at Rs 5,016 per quintal, with an open interest of 21,730 lots.

The July contract shot up by Rs 80, or 1.69%, to Rs 4,800 per quintal, with an open interest of 1,145 lots.

Analysts said persistent rise in turmeric futures was mostly due to speculative positions built-up

by participants, driven by deficient rains in key growing regions which may push back sowing operations, hurting the yield and the output.

THE HINDU Business Line

Sugar in short-term uptrend

Yoganand D

The Sugar No 11 contract, that is the benchmark contract for raw sugar futures, rose 2.2 per cent to 22.73 cents a pound last week. On July 10, raw sugar had touched a near three-month high of 23.05 cents. From the year-to-date low of 18.86 cents registered on June 4, sugar has advanced 20.5 per cent so far. It is now just 2.5 per cent below the price from the beginning of the year.

Sugar's turnaround has been fast due to unfavourable weather conditions in Brazil and India, the top two producers of sugar and major exporters. According to the US Department of Agriculture, sugar production in Brazil declined to a three-year low of 36.2 million tonnes (mt) in the 12-months ending April 2012.

Long-term uptrend

Sugar 11 contract has been on a long-term uptrend ever since bottoming out in early 2004 at a low of 5.27 cents. As long as the commodity trades above the crucial long-term trend deciding level at 17 cents, its primary trend remains up.

It has key resistance in the band between 26 and 27 cents. An emphatic rally above this band will take sugar higher to 32 cents and then to 34 cents in the long-term horizon. Inability to rally above the aforesaid band will confine the commodity to trading between a wider range — between 19 and 27 cents.

On the other hand, sugar has significant long-term support in the zone 19 and 20.5 cents. Fall below this level can pull the commodity down to its support level of 17 cents. A tumble below 17 cents will mitigate the uptrend and drag the commodity down to 15 or 14 cents in the long-term.

Medium-term view

Ever since peaking out in February 2011 at 36 cents, sugar has been on an intermediate-term downtrend. In April 2012, it plunged below an important support at 23 cents. It further dipped below its next key support level at 20.5 cents in May 2012.

However, the commodity took support at around 19 cents in early June and reversed direction. This reversal was triggered by positive divergence in daily relative strength, moving average convergence divergence and price rate of change indicators. Currently, these indicators are hovering in the positive territory, signalling upward momentum. Since then, sugar has been on a short-term uptrend. Surpassing the 21 and 50-day moving averages, the commodity is hovering well above them.

Nevertheless, sugar is currently testing a significant resistance at 23 cents. The zone between 23 and 24 cents has multiple key hurdles as the 200-day moving average is positioned in middle of this range. A decisive breakthrough above this zone will take the commodity higher to 26 cents in the medium-term. Subsequent key resistances are at 27 cents and 29 cents which is the trend deciding level.

Jump above 29 cents will alter the downtrend and take the commodity northwards to 32 cents. Failure to rally above 24 cents will result in short-term corrective decline or sideways movement. But tumble below 20.5 cents will pull the commodity down to 19 cents in the medium-term. Next key support is at 17 cents.

Turmeric witnesses strong rally

Ravindra V. Rao



THE HINDU Workers drying turmeric at a yard in Erode. — V. Govarthan
July 14, 2012:

Indian Commodities witnessed a very range-bound trade in the entire week but showed some strength on Friday with copper hitting a one-week high and crude oil up for a third straight day on investor relief that the Chinese economy didn't slow more than expected.

The dollar's slide against the euro also supported the commodities.

Precious metals, although gained on Friday, ended the week on a lower note with MCX gold August contract down by 1.21 per cent.

Spot gold and silver prices in Mumbai closed higher on the last day of the week tracking the uptrend in COMEX futures, but the gains were capped due to a 1 per cent gain in rupee against the dollar.

The gain in COMEX futures came after expectation that China's central bank may undertake more stimulus measures as the country's April-June gross domestic product, although in line with market expectation, indicated a slowdown in the economy.

Non-agro sector

MCX crude oil was the best performer of the week in the non-agro sector (as of this writing) with a gain of 1.23 per cent.

The only factor supporting crude oil is the Iran geopolitical issue relating to its nuclear programme. The issue intensified after the US Treasury Department imposed additional sanctions against Iran's nuclear programme and identified a group of companies and banks to prevent evasion of sanctions.

But the concerns over energy demand as reported by OPEC and IEA is capping the upside.

Worries over Chinese oil demand have resurfaced after it reported a GDP growth of 7.6 per cent for April-June.

The best performing commodity in the base metals pack was the red metal, copper which gained by 0.21 per cent for the week. Copper is holding to its strength above Rs 416 on MCX despite global economic uncertainties in major consuming countries. According to preliminary customs data, China's copper arrivals fell 17.5 per cent in June from a month earlier.

Overall, the China's copper imports rose 47 per cent from a year earlier to 2.502 million tonnes (mt) in the first half. The views are mixed for copper as economic data's from China and the US

which are the major metal consumers are not showing strength. Additionally, due to slowing global economic scenario, the demand for the metal might keep the downside risk in prices intact.

Agro Commodities

On the agro commodities front, turmeric was the best performer with a weekly gain of more than 15 per cent due to concerns over monsoon which might delay the sowing in Andhra Pradesh and also due to expectations of a decline in area under cultivation. A slow start to the June-September monsoon rains means farmers with irrigation facilities have started sowing in some pockets but cultivators dependent on the monsoon are waiting for one or two spells of rains to commence sowing.

According to sources, turmeric acreage in India, the world's biggest producer and exporter of the yellow spice, is likely to fall 30 per cent this season, reducing exports in 2013-14, even though total overseas sales are still expected to be above average. Exports also might fall as higher prices due to fall in output could hurt overseas sales.