

BANGALORE, July 17, 2012

FCI has 332 lakh tonnes of foodgrains in stock



Do we have food security?

Status of stock of food grains (In lakh tonnes) in FCI godowns as on May 31, 2012

State	Capacity	Effective Stock
▶ Karnataka	8.56	8.15
▶ Tamil Nadu	10.00	9.85
▶ Kerala	5.37	4.65
▶ Andhra Pradesh	50.32	51.82
▶ Maharashtra	21.71	17.37

**Source: Food Corporation of India*

The State government insists that only the Union government can act to bring down the spiralling prices of foodgrains and pulses.

A senior government official said that the State has procured and is holding rice and other produce on behalf of the Union government (through the Food Corporation of India).

Huge quantities of paddy have been procured across the country under the minimum support price and FCI godowns have 332 lakh tonnes of foodgrains, 98 per cent of their capacity.

In Karnataka alone, FCI has 2.5 lakh tonnes of paddy in its stocks and if it releases them in the open market through bulk auction, prices are bound to fall, the official said.

However, any additional release of foodgrains to the public distribution system is bound to open the floodgates for black marketing, he added.

The other reason for rising prices is the fast shrinking size of cultivable land, the official said. The outskirts of Bangalore, where once paddy, rice and vegetables were grown, have either become industrial hubs or residential layouts. Similar is the case with other districts too, the official said.

NEW DELHI, July 17, 2012

Truant monsoon may impact kharif crop, says Pawar

GARGI PARSAI

'It will be a challenge for farmers to maintain last year's performance'

While insisting that there was no drought-like situation in the country yet, Union Agriculture Minister Sharad Pawar hinted on Monday that the truant southwest monsoon would have an impact on the kharif crop this year. He said it would be a challenge to maintain the excellent performance of the last two years.

Food grains production was a record 252.56 million tonnes last year and 244.78 million tonnes the previous year.

"This year, monsoon is playing hide and seek. It is a challenge for our farmers to maintain the same performance [in food grains output] as in the last two years," he said on the sidelines of Indian Council of Agriculture Research Foundation Day function.

"For the first time we have exported five million tonnes of non-basmati rice, 1.5 million tonnes of wheat, 2.5 million tonnes of sugar and 11.5 million tonnes of cotton due to good production last year," he said.

The Minister, however, asserted that there was no drought-like situation in the country yet.

Monsoon is said to be 23-per-cent deficient so far, impacting the sowing of crops like paddy, coarse cereals, pulses and oilseeds in parts of the country.

Contingency plans

While maintaining that there was concern over the crop situation in Karnataka, Andhra Pradesh and central Maharashtra, where sowing of coarse cereals was hit, he emphasised that the government was ready with contingency plans. Additional quantities of late-sown seeds are kept in readiness for farmers in States facing water stress. The sowing operation goes on till the first week of August, the Minister pointed out, adding that he would watch the situation till the second week of August. Underscoring the dependence of Indian agriculture on the monsoon, he asked farm scientists to evolve next-generation technologies to meet the challenge of increasing farm productivity, while maintaining the natural resource base. The former President, A.P.J. Abdul Kalam, also stressed the need for greater technological intervention to produce 350 million tonnes of food grains by 2020 to feed a rising population. He felt this could be done by setting up research missions that would work on integrated farming.

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- *Food grains production was a record 252.56 million tonnes last year*
 - *We cannot say it's a drought-like situation in the country yet: Pawar*

NEW DELHI, July 17, 2012

Inflation dips to 7.25 per cent

Inflation declined marginally to 7.25 per cent in June, against 7.55 per cent in May, mainly on account of the subdued prices of manufactured goods.

DINDIGUL, July 17, 2012

Expedite construction of rainwater harvesting structures

DRDA Project Director holds special consultative meeting



Finish work in time:DRDA Project director P.R.K. Ramesh at a special consultative meeting with panchayat presidents in Dindigul on Monday.PHOTO: G. KARTHIKEYAN.

Local bodies should achieve cent per cent in construction of rainwater harvesting structures and drainage water collection pits in every house to improve groundwater table and keep surroundings at villages clean.

The panchayats should complete all development works that were undertaken during 2011-12 on or before July 31, 2012, said District Rural Development Agency Project Director P.R.K. Ramesh.

He was presiding over a special consultative meeting with panchayat presidents here on Monday.

The Central and the State Governments had offered Rs.4,500 each plus public contribution of Rs.900 for construction of rainwater harvesting structures and pits for collection of drainage water. Panchayats should take all-out efforts to achieve cent per cent results in this connection. Drainage pits in every house would prevent flow of sewage water on streets. Otherwise, it would pose a grave threat to health of public, he pointed out.

About 619 out of total 2,152 green houses allotted to Dindigul district in the first phase were ready for occupation and 1,153 houses were at finishing stage.

These houses should be completed within time. Speedy completion would help panchayats start construction of next batch of houses, he said.

Moreover, the district rural development agency had taken up 52 villages for implementation of various development works in 52 panchayats under Tamil Nadu Village Habitations Improvement Scheme to provide road connectivity, drinking water, streetlights, road to burial ground and other basic amenities, the project director noted.

Presidents of panchayats, union secretaries and development officials took part in the meeting.

NAMAKKAL, July 17, 2012

Poultry farmers seek broken grains from FCI

M.K. ANANTH

President of the Tamil Nadu Poultry Farmers Association R. Nallathambi urged the Food Corporation of India to release 15 lakh tonnes of broken/ damaged grains, unfit for human consumption, to be used as poultry feed.

Soaring feed rate has badly hit the egg production hub that requires nearly 5,000 tonnes of feed everyday to feed the five crore egg laying birds. The chairman of National Egg Coordination Committee, Namakkal Zone, Dr. P. Selvaraj said that it includes four crore layer birds that consume 110 grams per day and one crore chicks that consume an average 50 grams of feed a day.

He told *The Hindu* that a handful of traders have stocked soya and other main feed ingredients and cited it as the reason for the artificial escalation of feed rates. Saying so, he urged the Union government to release the mammoth stocks that are piled up by the traders and to temporarily ban export of soya.

Soya

M. Murali, a leading poultry farmer who has five lakh layer birds, said that price of soya was almost revised twice a day with a difference of about 10 to 20 paise per kg. "The traders said that the revision was due to increasing demand for soya. Price of a tonne of soya was Rs. 19,700 in July (2011), and has now gone up to Rs. 43, 000," he said.

According to him the price of other feed ingredients also has drastically increased from July 2011 to July 2012 (in rupees per tonne) as follows: groundnut - Rs. 18,200 to Rs. 39,000; sunflower - Rs. 14,100 to Rs. 28,500; de-oiled Rice Bran - Rs. 7,600 to Rs. 13,700; REF feed - Rs. 10,000 to Rs. 19,000 and fish feed - Rs. 21,000 to Rs. 38,000.

Mr. Murali said that grains account for 50 per cent of the feed, cost of which have gone up (in the same period) as mentioned below: bajra - Rs. 10,000 to Rs. 14,000; jowar - 9,000 to 13,500; rice - Rs. 8,500 to Rs. 13,200 and maize - Rs. 13,500 to Rs. 14,500. "This has increased the cost of production of egg from Rs. 2.20 in July 2011 to Rs. 2.94 at present", he added.

Mr. Nallathambi said that half the poultry farms will have to close down if these steps are not taken.

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Mettur level

The water level in the Mettur Dam stood at 75.99 feet on Monday, against its full level of 120 feet. The inflow was 356 cusecs and the discharge, 1,023 cusecs.

KARWAR, July 17, 2012

Scanty rainfall has farmers worried

Uttara Kannada district has not received adequate rainfall yet despite the heavy showers on Monday. The average rainfall in different taluks of the district was less than the average rainfall recorded during the same period last year.

By mid-July last year, the district had received a rainfall of 10,863.7 mm as against 898.8 mm recorded this year. Although paddy farmers had commenced ploughing, there was a lurking fear that lack of rain may create problems after the sowing was completed.

Vishweshwar Bhat, a farmer from Ankola, said that farmers were happy by the Meteorological Department forecast about a normal monsoon this year. But now it appears that the rainfall was worryingly low. He was hoping that rain would pick up during the next Nakshatra (people in the district name the different monsoon periods after stars such as Hasta, Chitta, Swati and so on). Officials of the Agriculture Department say the quantity of rainfall was enough for the sowing of paddy. However, on the areas above the ghat section, the average rainfall dropped to such a level that farmers might have to think about cultivating an alternative crop, a senior official said. The taluk-wise data of the rainfall as on July 16 as against the last year's data are as follows. Ankola (178.8mm and 49mm), Bhatkal (84.4mm and 54.8mm), Haliyal (27.4mm and 0mm), Honnavar (103.7mm and 54.6mm), Karwar (119 mm and 37.8 mm), Kumta (157.5 mm and 69.3 mm), Mundgod (6.4 mm and 8.2 mm), Siddapur (101.8 mm and 14.8 mm), Sirsi (60 mm and 16 mm), Joida (30.2 mm and 17 mm) and Yellapur (29.6 mm and 3.6 mm).

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'Farmers should be given free seeds, fertilizer'

Staff Correspondent

H.R. Basavarajappa, working president of Karnataka Rajya Raitha Sangha, has urged the Government to provide seeds and fertilizer free of cost to farmers who have incurred loss owing to drought.

The farmers in some districts had incurred loss owing to poor rain last year. This year, the sowing has taken place in only 38 per cent of the cultivable land in the State. Farmers who have incurred loss owing to drought are not in a position to undertake fresh cultivation.

The Government should come to the rescue of such farmers by providing seeds and fertilizers for them free of cost, he said in a press release.

He has demanded that the Government waive the loan taken by farmers in drought-affected regions. Owing to the shortage of drinking water and fodder in drought-hit villages, the farmers were selling their cattle to abattoirs. The Government should ensure availability of fodder in ample quantity in drought-affected villages, he said.

He said that a State convention of farmers would be held in Dharwad on July 21 to mark 32nd Nargund-Navalgund Martyrs Day. The farmers from Shimoga district would attend the convention in large numbers, he said.

KATTAPPANA, July 17, 2012

Databank of farmers being created

The Agriculture Department has started the implementation of the e-governance programme in the district with a view to creating a databank of farmers and providing government subsidy and financial assistance directly into their bank account.

Principal Agriculture Officer V.M.Sasikumar told *The Hindu* on Monday that at present only the pension of the farmers is being put directly into their bank account. For the Agriculture Department officials, the work load will also be reduced as there is no need for different offices keeping paper records of the different subsidies and payments.

“Many farmers often hesitate to apply for subsidies and compensation because of the delay in getting it and the time required for applying to different offices to get it sanctioned,” he said.

The farmer will get the subsidy on the same day of sanctioning it. The whole system will become online once the programme goes on full steam, he said.

PALAKKAD, July 17, 2012

Hortcorp, VFPCCK to buy excess vegetables

The Horticulture Development Corporation (Hortcorp) and the Vegetable and Fruits Promotion Council Keralam (VFPCCK) will procure excess vegetables produced at the Elavancherry, Nemmara and Ayilur vegetable cultivation belts of Chittur taluk from Wednesday.

The vegetables awaiting buyers are mainly bitter gourd and snake gourd.

Deputy Director of Agriculture Mukundan Unni who visited these areas on Monday coordinated with Hortcorp and VFPCCK to buy vegetables from farmers and to send it to other districts to be sold through their outlets.

Mr. Unni said agencies such as the Kerala State Civil Supplies Corporation and Consumerfed would be contacted to procure the excess quantity of vegetables. The excess production of bitter gourd was put at 30 tonnes and snake gourd, 25 tonnes.

The concern of farmers due to the excess production and lack of buyers was taken up by K. Achuthan and V. Chenthamarakshan, MLAs, with Agriculture Minister K.P. Mohan. He directed the Agriculture Department to take steps to help the farmers by procuring products by government agencies. Nearly 300 vegetable farmers in the taluk were affected by the excess production of vegetables this season, Mr. Unni said.

HYDERABAD, July 17, 2012

Agro-biodiversity panel chief faulted for promoting GE rice

A member of the expert committee on agro-biodiversity of National Biodiversity Authority has found fault with the chairman of the panel and noted rice scientist, E. A. Siddiq for espousing the cause of genetically- engineered (GE) “designer rice”.

The member, P. V. Satheesh, also director of Deccan Development Society and national convenor of the Southern Action on Genetic Engineering, in a letter sent to Dr. Siddiq wondered how he could continue to be the chairman of a committee assigned the task of advising on protecting and preserving the country's rich agro-biodiversity which was facing a grave threat from aggressive promotion of GE technology. "It clearly shows conflict of interest," he asserted. Mr. Satheesh quoted Dr. Siddiq's comments at a recent international conference on "Designer rice", at ICRISAT here, explaining how DNA of rice could be modified for desired phenotypic character using biotechnological tools like genetic transformation and said it was "a terrible disservice to the organic agriculture and biodiversity". World over, it is now known that genetic engineering and agro-biodiversity, which is a product of ecological farming systems, cannot co-exist. He argued that the phenomenal capacity of the GE crops to contaminate organic crops in general as shown with substantive evidence by the organic farmers of Saskatchewan, Canada, and the scientist, Ignacio Chapela of the University of California, was too well-known. "While one is quite used to machinations of the biotech industry by making important scientists to make pro GE statements, it is a real shocker that the industry has used the chair of an important committee". He wanted the scientist either to retract his statement or quit the post and sent a memorandum voicing his concern to the chairman of the NBA, P. Balakrishna.

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- *Satheesh quotes Siddiq's comments at a recent international conference on designer rice*
 - *Satheesh wants the scientist either to retract his statement or quit the post*

KURNOOL, July 17, 2012

Go for alternative crops, farmers told

Principal Secretary of Agriculture Nagi Reddy advocated farmers to go for alternative crops in view of the persistent drought conditions and deficit rainfall.

Addressing a meeting of officials including district Collector C. Sudharshan Reddy and Joint Collector Jyothi M. Buddha Prakash, the Mr. Reddy asked the district administration to advise farmers to take up short-cycle crops to overcome the shortage of rainfall.

He felt that even farmers under KC canal ayacut could think of jowar, pulses and other cereals. Paddy cultivation required huge amount of water and investment.

SANGAREDDY, July 17, 2012

Farm-fresh vegetables on wheels now

R. AVADHANI



One step closer:One of the vehicles under the 'Farm fresh vegetables on wheels' initiative in Sangareddy on Monday.— PHOTO: MOHAMMED ARIF

Being in close proximity to the State capital, Medak district has become a vegetable hub. Even Chief Minister N. Kirankumar Reddy promised to allocate special funds to develop some mandals of the district as clusters for vegetable cultivation, though the promise still remains only on paper.

In this backdrop, the Department of Horticulture has introduced 'Farm fresh vegetables on wheels', under an initiative for an urban cluster programme of Rashtriya Krishi Vikas Yojana. Under this scheme, a four-wheeler with one tonne capacity is modified to transport vegetables, which will be supplied to vegetable-growing cooperative societies on 50 per cent subsidy to facilitate 'vegetable marketing' in urban areas.

However, the subsidy is limited to a maximum of Rs.2 lakh, irrespective of the cost of the vehicle.

The department has introduced 42 such vehicles on a pilot basis in Medak, Ranga Reddy and Mahabubnagar by allotting 14 vehicles each to the districts. The Chief Minister formally

launched the programme in the month of January and had handed over 12 vehicles to the vegetable cooperative societies. So far nine vehicles have been handed over to the vegetable growing cooperative societies in different parts of the district.

The latest batch of vehicles were handed over to the representatives of Kisan Vegetable Cooperative Society (Togarpally in Kondapir mandal), Panduranga Vegetable Growers Association (Sangapuram in Raikod mandal), Sri Dathatreya Group (Gangaram in Kondapur mandal), Gayatri Vegetable and Fruit Society (Zaheerabad) and Janardhana Vegetable Growers Society (Kagazmaddor in Narsapur mandal) on Monday by Collector A. Dinakrababu.

“We can go anywhere and do good business with the availability of the four-wheeler. Being a group of 11 farmers and having about 20 acres of land, we can grow different varieties of vegetables and sell them in the market,” G. Subhash of Gangaram village, representing Dattatreya Group tells *The Hindu* .

TIRUPATI, July 17, 2012

E-material ready for dairy technology course

The course in dairy technology is set to take the ‘electronic route’ to reach the field, with the ambitious idea of National Agricultural Innovation Project (NAIP) taking its final shape.

The e-course material is now ready for B.Tech (Dairy Technology) programme, which was designed by National Dairy Research Institute, Karnal (Haryana) as the lead centre, while Sri Venkateswara Veterinary University, Tirupati and Anand Agricultural University, Anand (Gujarat) are the consortium partners. The Rs.3.18 crore-project was launched in April 2009 to develop interactive multimedia course content to facilitate a common syllabus for the eighteen dairy colleges across the nation.

Hiccups

The facility seeks to address the major hiccup plaguing education in this sector viz., the shortage of talented teachers to match the phenomenal increase in the number of colleges. Besides, the colleges are located in remote areas, while the talent pool is centralised elsewhere. “Of the 49 courses, our College of Dairy Technology was allotted sixteen, which it has

developed with precision,” announced SVVU Vice-Chancellor V. Prabhakar Rao, while presenting the compact disc on Monday.

We have made the tedious theory part interesting by adding photographs and multimedia graphics, added M. Ranganatham, Dean (Dairy Sciences). When a student misses a particular course, he can avail the same lecture from the web. According to Associate Dean V. Padmanabha Reddy and professor of Dairy Engineering S. Ravi Kumar, who were actively involved in the project, students can also practice with the multiple choice questions given at the end of the lessons.

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Monsoon worry mounts, food prices rise sharply

Despite a pickup in rainfall last week, the southwest monsoon remains in deficit by a significant 22%, almost certainly lowering annual production of grains, pulses and oilseeds, the three crops where sowing has been worst hit. The Met office's estimate coincided with the release of food inflation data that showed a worrying 10.81% rise in June from a year earlier, up from a 10.74% rise in May, an increase driven largely by weak rainfall and the absence of pre-monsoon showers in large parts of the country.

Key central Indian states received normal rains for the first time last week, reducing the overall deficit between July 12 and July 15 by 1 percentage point, but showers were patchy.

None of the states has so far asked the Centre to declare a drought but Maharashtra (40% deficient) and Karnataka (50%) are the worst hit and are key crop-growing areas.

Agriculture minister Sharad Pawar, speaking to reporters on the sidelines of a government function, acknowledged the problems the sector faced, and outlined some fire-fighting measures.

"This year it will be really a challenge to maintain the excellent performance of the last two years," he said, adding that the government had enough late-sown seeds to give to states that needed them, and that seeds for winter-sown pulses would have to be sent early to make up for the summer shortfall.

The deficient sowing is likely to result in a large dent in India's coarse cereal or millet output, which could push up prices of manufactured food products, such as biscuits.

The rains are critical as 70% of Indians depend on farm income. The monsoon replenishes 81 nationally monitored reservoirs, whose available water stands at 60% of last year's level.

From being negative briefly in January, food inflation -- which has been the hardest to control - has remained in the double digits since March. Monday's data showed potato prices rose the sharpest (75%) in June, followed by other vegetables (48%) and pulses (20%).

<http://www.hindustantimes.com/StoryPage/Print/890195.aspx>

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Inflation dips in June but food prices stay in tough zone

India's headline inflation eased to 7.25% in June compared to 9.51% a year ago, raising hopes that the Reserve Bank of India would cut interest rates in its monetary policy on July 31. The drop in inflation is primarily due to the decline in prices of several non-food and fuel items.

However, high food prices at 10.81% in June, continued to be a headache for policymakers.

A below-normal monsoon could hit food production thereby putting further pressure on prices.

The finance ministry said that the declining trend would continue.

"Availability of food articles is expected to increase and this will address supply constraints," said Namo Narain Meena, minister of state for finance.

THE GOVERNOR STAYS A HAWK

RBI governor D Subbarao is not budging yet as food prices remain at worrying level

7.25%

WPI inflation in June against 7.55% in May and 9.51% in June 2011

10.81%

Food inflation in June from 10.74% in May and 7.6% a year ago

■ Food articles have 14.3% share in the WPI basket



WPI inflation at 7.25% and CPI (consumer price index) inflation in double digits are way above the threshold.

DUVVURI SUBBARAO, governor, RBI



We have to address supply-side issues. We also hope the RBI reduces interest rates.

CHANDRAJIT BANERJEE, director-general, CII



<http://www.hindustantimes.com/StoryPage/Print/889845.aspx>

First Published: 00:13 IST(17/7/2012)

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<http://www.hindustantimes.com/StoryPage/Print/890195.aspx>

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THE TIMES OF INDIA

June inflation declines to 7.25%; food prices harden

PTI | Jul 16, 2012, 01.11PM IST

NEW DELHI: Inflation declined to 7.25 per cent in June as prices of manufactured items eased a little, although vegetables, wheat and pulses became costlier.

Inflation, as measured by the Wholesale Price Index (WPI), was 7.55 per cent in May. In June last year, it was 9.51 per cent.

Overall food inflation rose to 10.81 per cent in June, from 10.74 per cent in May. In June last year, inflation rate in this category was 7.

17 JUL, 2012, 07.30AM IST, SUTANUKA GHOSAL & JAYASHREE BHOSALE, ET BUREAU

Raining worries: Commodities hit the roof as monsoon loses vigour



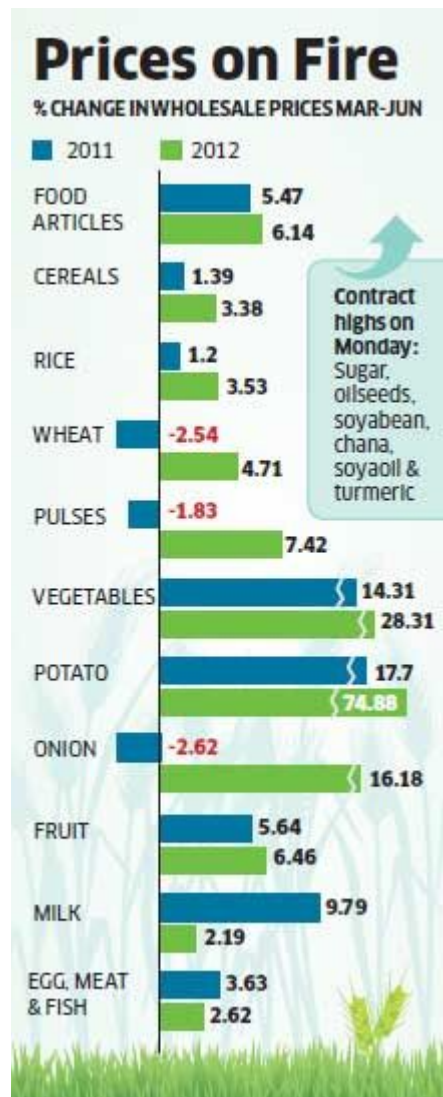
KOLKATA/PUNE: Commodity futures rose sharply and many hit the upper circuit as the patchy monsoon heightened concerns of crop losses while the agriculture minister admitted it would be challenging to maintain the farm sector growth achieved in the past two years.

Sugar, oilseeds, soyabean, chana, soyaoil and turmeric soared to their contract highs on commodities exchanges as government and industry officials said they were scaling down output estimates, with rainfall continuing to falter at the peak of the monsoon season.

The government, which had so far maintained that concerns about the impact of weak rainfall were exaggerated, has alerted the department of drinking water and sanitation to take note of the "rapidly depleting" reservoir levels in several states and directed officials to ensure that there was no shortage of drinking water. ET was the first to report, on July 3, that the country was on the brink of a shortage of drinking water and hydropower, and faced crop losses.

Rainfall remained erratic on Monday although total precipitation in the country was 6% above normal, helping the seasonal deficit contract by one percentage point to 21%. The distribution

was uneven. In the paddy-growing north and northwestern regions, the shortfall since June 1 widened to 34% as rainfall was 56% below average on Monday. The seasonal average was propped by up the east and northeastern regions, which received double the normal rainfall on Monday.



Agriculture Minister Sharad Pawar underlined the dependence of agriculture on the monsoon. "This continues to challenge the farming community, scientists and policymakers alike. This year, with the monsoon playing hide and seek, it will be really a challenge to maintain the excellent performance of the last two years."

Last fiscal year, the agriculture and allied sector grew 2.5% while its share in the GDP fell to 13.9% from 14.7% in 2009-10. Economists say the impact of the drought on the overall economy would be mitigated by the shrinking share of agriculture in the GDP and rise of non-farm income, but crop loss would cause human suffering as about 60% of the population depends on the sector for livelihood.

Edible oil, sugar industry Worried

Edible oil players such as Adani Wilmar, Sanwaria Oils and Emami fear a price hike of Rs 2-3 per litre in the short term if the crop situation worsens. The low soya crop situation internationally has also affected the overall edible oil complex with prices of ricebran and mustard oil going up Rs 5-8 per litre in the last one month.

"Monsoon is playing truant in most of the oilseed-producing regions of the country. If it doesn't rain in the next few days, then the crop under first sowing will get affected. The second sowing will also be delayed. Already the crop situation in the US and Brazil is not favourable. All these factors will push up prices of all kinds of oil in the short term by Rs 2-3 per litre," said Angshu Mallik, chief operating officer of Adani Wilmar.

The sugar industry is also distressed and is scaling down output forecasts. In Maharashtra, which is India's top producer and has faced a particularly severe dry patch, output is forecast to drop at least 17%. Spot and futures sugar prices have jumped by Rs 4 per kg in the past 15 days. If the rainfall does not improve soon, the situation would deteriorate, officials said. "There is a severe impact of rainfall deficiency on sugarcane crop. Lot of cane is also being diverted for use as fodder," said Vijay Singhal, the state's sugar commissioner. According to estimates revised 15 days ago, the state is expected to crush 650 lakh tonnes of sugarcane and produce about 75 lakh tonnes of sugar in the 2012-13 season, he said.

Industry officials said the situation may not improve. "There has been a severe impact of the deficient rainfall on the sugarcane crop. After revising our cane availability estimate downward by 15% in June, we have now again revised it downward.

17 JUL, 2012, 04.45AM IST, RITURAJ TIWARI,ET BUREAU

Sugar exporters await price rally in global markets

New Delhi: Indian sugar exporters are going slow on shipment in anticipation of better global prices ahead of Ramzan and concerns over a delay in Brazilian cane harvest.

India has exported 25 lakh tonne this year, of which 5 lakh tonne was shipped out in the last two months after exports were freed up. Shipments of around 5 lakh tonne are in the pipeline.

"Exporters not in a hurry. There is good demand from West Asia and African countries ahead of the Ramzan season. With tight global supplies due to the late arrival of Brazilian sugar, they are expecting a better realisation," said a food ministry official.

However, Indian Sugar Mills Association (ISMA), a sugar industry body, said exports were smooth in view of a tight global supply and a weak rupee. Global prices have risen from \$550 per tonne in May -- when exports were freed up -- to \$662 per tonne towards the closing of August delivery.

"Demand is pouring in at a brisk pace from Sri Lanka, Bangladesh and West Asia. With a surplus production, there is no supply constraint in domestic as well as global market," said

Abinash Varma, director general, ISMA.

"We have shipped over 2.5 million tonne. We expect to export at least 3.5 million tonne sugar by the end of this season. Prices have now stabilised as Brazilian sugar will soon hit the market," Varma said.

Wet weather over Brazil's cane belt has delayed supply from the world's largest sweetener producer. According to the estimates of Brazilian milling industry association Unica, the output has been 29% down in the April-June quarter helping prices to firm at global market.

"Brazil could produce only 6.69 million tonne in the first quarter as compared with 9.4 million tonne produced over the same period last year. There won't be any drop in prices even if Brazilian sugar floors the global market. The deficit can't be recovered easily leading prices to stabilise," he said.

Indian sugar prices are firm on concerns over production due to a poor rainfall and a lower quota for the September quarter. Indian sugar futures jumped 2% on Monday to hit a contract high on National Commodity and Derivatives Exchange at Rs 3,269.

The quota released for the September quarter was lower than market expectation. The government has allowed millers to sell 4.5 million tonne from July to September - a deviation in the usual practice of releasing extra sugar in the festival season.

"Demand has gone up and so have the prices a bit. But prices are going to stabilise now," he said.

After a record output of 26 million tonne this year, the next marketing season (October 2012-September 2013) is likely to begin with a stock of 7.5 million tonne. ISMA estimates an output of 25 million tonne - down by 1 million tonne from this year due to a bad monsoon.

"We have factored in the crop losses in Maharashtra due to an erratic monsoon. We have trimmed down cane production estimated from 90 million tonne to 76 million tonne in

Maharashtra. We expect a surplus production next year too providing enough room for exports," Varma said.

Business Standard

Tuesday, Jul 17, 2012

Vanilla surges on global output fall

George Joseph / Kochi July 17, 2012, 0:28 IST

A serious shortage in the production of natural vanilla in major producing countries, such as Madagascar and Mexico, has suddenly raised demand and the price of the commodity across the globe. Though its cultivation has almost vanished in India, after a high around a decade earlier, global buyers are actively in search of whatever there is of it. According to M C Saju, director, Vanilla India Producing Co Ltd (Vanilco), there were a number of enquiries from Europe, especially from Italy, during the past couple of weeks. Vanilco has an 11-tonne stock of vanillin, the extract of processed vanilla beans. In two months, the price of processed beans has risen from \$25 to \$40-45/kg. There is every likelihood of a further rise, with a 90 per cent drop in Mexican production and a 40 per cent drop in Madagascar's. A major chunk of the enquiries are through Mumbai-based exporters and global takers want to procure volumes of up to 100 kg of the essence, he said.

Talks on for MSP prop to pulses, oilseeds

Food ministry, Nafed want full subsidy for this mandate would also like state governments to bear part of the burden

Anindita Dey / Mumbai July 17, 2012, 0:24 IST

Work has begun to see if it's possible to entirely subsidise a National Agricultural Cooperative Marketing Federation of India Ltd (Nafed) programme to keep up the prices of oilseeds and pulses.

Nafed was recently told to buy the entire market stock of pulses and oilseeds at the government-set minimum support price (MSP) if these dip. Food Corporation of India has a similar mandate in the case of rice and wheat.

The Union ministry of food and consumer affairs has started consultations with other ministries on how to subsidise Nafed to do this. Currently, there are two schemes under which procurement is done of these commodities. One is by the National Cooperative Consumers Federation of India Ltd (NCCF), which distributes pulses and edible oil at a subsidised rate to the public distribution system. NCCF is reimbursed at the rate of 25 per cent of the cost of procurement. There is also a scheme, where Nafed procures and distributes pulses but is reimbursed only 15 per cent of the procurement cost.

Since neither scheme ensures the agencies in question can recover their cost of procurement and distribution, the ministry and Nafed want this ensured, said officials.

While the ministry of food will run the scheme, it needs concurrence from other ministries, especially its finance counterpart. The Centre has also started discussions with states from where the procurement is to be done, to share the cost of the subsidy if all the expenses are to be reimbursed.

Official sources said this was one reason why the government had held back the MSP decision on pulses for 2012-13. Officials said this needed reworking, due to the declining trend in their prices and expectation of robust production, close to the 18.1 million tonnes of last year; in addition, in anticipation of demand, there have been imports. The earlier high prices had hit retail consumption, leaving a lot of stock in the market. The monsoon's revival, said officials, augured well for pulses' sowing, since it acts as a substitute crop for many farmers if there are delayed monsoon conditions.

For arhar and moong, the ministry of agriculture had backed the recommendation of the Commission for Agricultural Costs and Prices, of Rs 4,000 per quintal for arhar as against Rs 3,200 last time, and Rs 4,500 per qtl for moong, as compared to Rs 3,500 earlier.

Spices Board unveils mobile tele-network

BS Reporter / Chennai July 17, 2012, 0:14 IST

The Spice Board of India announced the launch of a programme to connect with farmers on a mobile tele-network for direct interface. It has also set up a community of spice farmers in Tamil Nadu in collaboration with Iffco Kissan Sanchar Limited (IKSL), enlisting around 6,000 farmers under the Tamil Nadu Spices Community, in the initial stage to benefit the programme.

Through the mobile tele-network, the spices farmers would be informed daily about the prices and schemes, projects and announcements from the board through voice messages. The farmers would benefit from voice messages related to various aspects of spices cultivation, processing, marketing and exports, while the Board would stand benefit in terms of direct interface with the vast section of growers in Tamil Nadu through the mobile network in a short time.

Launching the programme in Coimbatore at Tamil Nadu Agricultural University A Jayathilak, chairman, Spice Board of India, said, "In a country where close to 60 per cent of the 1.21 billion population still depend on agriculture for a living, the spoken message service can be a boon to farmers in distant areas. This will be of a great use to illiterate farmers who are not technologically equipped thus leading to better involvement and participation of the farming community with the board."

It would also have a helpline, where farmers can seek solution to their farm-related problems from the experts.

IKSL would issue green cards to the farmers free of cost during enrollment as member of the spices communities and these SIM cards could help the farmers in receiving the voice messages daily from the Board. Starting from Tamil Nadu, the service would be extended to Kerala, Karnataka, Sikkim, North Eastern States, Rajasthan, Gujarat and Madhya Pradesh. The farmers could also contact the call centres for more deliberations. IKSL would also transmit messages on weather conditions and weather forecasts. There are opportunities for phone-in programme through which farmers can interact with the experts for announced specialty. It would also have some quiz programmes in which farmers can participate and win

some prizes also. "We are launching this programme when efforts are being made for large scale backward linkages of exporters with the farmers. Simultaneously the board is also taking initiatives to bring in traceability of spices produced , processed, value added and exported," said Jayathilak.

Chana up almost 3% on low supply

Higher offtake by speculators on rising spot demand for the coming festival season leads to rise in futures prices

Press Trust of India / New Delhi July 16, 2012, 15:52 IST



Chana prices rose by Rs 137 to Rs 4,764 per quintal in futures trade today on lower supplies in domestic market amid pick-up in demand ahead of the festive season. At the National Commodity Derivatives Exchange, chana for July rose by Rs 137, or 2.96%, to Rs 4,764 per quintal, with an open interest of 3,500 lots. August chana gained Rs 111, or 2.34%, to Rs 4,840 per quintal, with an open interest of 1,15,330 lots. Analysts said increased buying by speculators on rising demand in the spot market for the coming festival season mainly led to a rise in chana futures prices.

Coriander up 2% on strong demand

Higher offtake by speculators, lower arrivals from producing belt push up prices

Press Trust of India / New Delhi July 16, 2012, 15:55 IST



Coriander prices gained Rs 89 to Rs 4,448 per quintal in futures trade today as speculators enlarged their holdings, tracking a rising spot market demand. Sentiment improved further on limited stocks due to restricted arrivals from the major growing belts. At the National Commodity and Derivative Exchange, coriander for August rose by Rs 89, or 2.04%, to Rs 4,448 per quintal, with an open interest of 21,210 lots. July coriander traded higher by Rs 37, or 0.85%, to Rs 4,380 per quintal, with an open interest of 1,470 lots. Market analysts said increased buying by speculators driven by pick up in spot market demand against less arrivals from producing belt mainly pushed up coriander prices. Lower sowing in the major producing areas due to decline in rainfall also supported the uptrend, they added.

Cardamom extends gains, up 1.79% on tight supply

Lower arrivals from producing regions add to surge in futures prices

Press Trust of India / New Delhi July 16, 2012, 15:59 IST



Cardamom rose by Rs 22.40 to Rs 1,277 per kg, extending gains for third day in a row as speculators created fresh positions amid low stocks following restricted supplies.

On the Multi Commodity Exchange, cardamom for September delivery rose by Rs 22.40, or 1.79%, to Rs 1,277 per kg, with a business volume of 83 lots. The August contract rose by Rs 14.40, or 1.07%, to Rs 1,360 per kg, with a business volume of 434 lots. Traders said besides pick up in demand in the spot market, restricted arrivals from producing regions led to the rise in cardamom prices in the futures market.

Sugar extend gains on rising demand

Poor rains in key growing areas, lower release of free-sale quota see August prices surge 1.5%

Press Trust of India / New Delhi July 16, 2012, 16:02 IST



Buoyed by rising spot markets demand and government's move to allow additional export of the sweetener, sugar rose by 1.50 per cent in futures trade today. Deficient rains in key growing regions and release of lower-than-expected free-sale quota for July-September quarter by the government also supported the rise in sugar prices. At the National Commodity and Derivatives Exchange, sugar for delivery in August traded Rs 48, or 1.5%, higher at Rs 3,249 per quintal, with an open interest for 35,410 lots. July sugar delivery also traded Rs 36, or 1.14%, higher at Rs 3,200 per quintal, with an open interest of 1,920 lots. Market analysts said the persistent rise in sugar futures was mostly driven by strong buying by bulk consumers in the spot market as demand goes up during summer and the government's decision to allow export of an additional 4,476 tonnes to the US in the current marketing year.

Potato gains 1.4% on surge in demand

Lower sowing in producing areas due to delayed rains supported uptrend

Press Trust of India / New Delhi July 16, 2012, 16:08 IST



Potato prices rose by Rs 20.10 to Rs 1,455 per quintal in futures trade today as traders created fresh positions on firm spot market demand.

Sentiment improved further as the traders enlarged their holdings on account of a surge in the demand for the commodity in the spot market.

At the Multi Commodity Exchange, potato for September delivery rose by Rs 20.10, or 1.40%, to Rs 1,455 per quintal, with a trading volume of 60 lots. August potato gained Rs 13.25, or 1.19%, to Rs 1,325 per quintal, with a business volume of 78 lots. Marketmen said the rise in potato prices at futures trade was mainly due to the rising spot demand. Less sowing of potato seeds in producing areas due to delayed rains supported the uptrend, they said.

THE HINDU Business Line

Soya complex may gain further

Our Bureau



About 80 per cent of soyabean sowing in Madhya Pradesh is complete, say reports. However, rainfall in the next few days will play a crucial role in deciding the crop output.

Mumbai, July 17:

Futures trading in soya complex – soyabean and soya oil – and RM seed may gain further on lower supply and concern over crop output in this kharif season.

Soya complex along with RM Seed on Monday hit another new high in NCDEX. Strong buying support aided the rally in prices.

Soyabean August futures hit the 4 per cent upper circuit at Rs 4,692 a quintal, soyaoil gained 1.2 per cent at Rs 805 and RM Seed was up 2 per cent at Rs 4,350 a quintal.

According to latest reports, about 80 per cent of soyabean sowing in Madhya Pradesh is complete. However, rainfall in the next few days will play a crucial role in deciding the crop output.

Kharif edible oilseeds acreage is down 19.27 per cent till last week and estimated at 67.7 lakh hectares.

Soyabean acreage is estimated at 54.51 lakh hectares marginally higher from last year.

As per the USDA monthly report released yesterday, global soyabean output in 2012-13 is projected to decline by 3.9 mt to 267.2 mt. This was largely due to a fall in output in the US.

Non-basmatis seen firm on demand



Karnal, July 16:

While buying pushed up prices of non-basmati varieties and brokens of Pusa-1121, full-grain aromatic varieties ruled around previous levels on Monday.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told Business Line that demand for non basmati and brokens is good in the region and prices may rule firm around

current levels for the next few days. Demand was expected to increase last month but due to too much volatility in the market, bulk buyers kept themselves out of the market.

Now, with the domestic demand getting better, bulk buyers have shown active participation in the market, he added. On the other hand, demand for aromatic varieties is not picking up and aromatic rice may witness some correction later this week, said Mr Amit.

In the physical market, PR-11 (sela) went up by Rs 50 and went for Rs 2,850 a quintal, while PR-11 (Raw) was at Rs 2,700-2,850, Rs 250 up from previous level. Permal (raw) increased by Rs 50 and sold at Rs 2,000-2,250 a quintal while Permal (sela) went for Rs 1,900-2,200, Rs 60 up from previous level.

PR-14 (steam) went for Rs 2,650-2,800 a quintal. Sharbati (steam) went up by Rs 100 and quoted at Rs 3,800-3,900 a quintal while Sharbati (sela) sold at Rs 3,500-3,675 a quintal, Rs 75 up from previous level. Full grain aromatic rice remained almost unchanged, Pusa-1121 (steam) quoted at Rs 5,950-6,000 a quintal, while Pusa-1121 (sela) sold at Rs 5,125, a quintal. Pure Basmati (raw) quoted at Rs 5,650-5,700, while pure basmati (sela) ruled around at Rs 5,200 a quintal. Duplicate basmati quoted at Rs 4,900-5,000 a quintal. For the brokens of Pusa-1121, Tibar increased by Rs 150 and sold at Rs 3,550, Dubar up by Rs 100 and was at Rs 2,800-3,000 and Mongra at Rs 2,100-2,325 a quintal, Rs 125 up from previous level.

Edible oil continues on high flame



Mumbai, July 16:

Edible oil market extended last week's gain on Monday on concern about the kharif crop due to lack of rain in most oilseed growing states. Malaysian crude palm oil futures ended higher on the second consecutive day as concerns over tighter global oilseed supply. Groundnut oil along with imported Palmolein and Soya refined oil rose by Rs 5 each while indigenous Sunflower, Rapeseed and Cotton refined oil increase by Rs 10 each tracking over all bullish scenario worldwide.

Malaysian BMD CPO futures closed higher by 41, 49 and 51 ringgits a tonne. Domestic soya oil futures settled above the Rs 800 level, pushing sentiment higher in the physical market. Volume was routine and need-based, but the undercurrents in the market remain bullish, said a leading broker.

The spokesman of Ridhi Broker told *Business Line*, "the increasing worry about ongoing kharif crop in the absence of rain and expected higher demand for edible oils in the festival season from August– December has led spot and futures markets further higher. According to oilseed crushers, rain during July 15 to August 15 will be very crucial for kharif crops. But still, there is no indication of arrivals of satisfactory rain or formation of cloudy weather in most part of the oilseed growing states. Local refineries have also increased the rates for palmolein, soya oil in line with higher import parity on weak domestic currency."

According to Mr. Shailesh Kataria of Riddhi Broker, the moral was positive. During the day, Vaibhavi sold about 1000 -1200 tonnes of Palmolein at Rs 618. Liberty sold 80–100 tonnes of super palmolein at Rs 672 and Ruchi sold 150–200 tonnes of Soyabean refined oil at Rs 756–Rs.760.

Most of the contracts were for forward delivery. About 80–100 tons palmolein was resale traded at Rs 616-Rs.617. Higher demand for indigenous oils and oilcakes at the producing level pushed up groundnut, mustard-rapeseed and sunflower oil further higher.

The analyst said that one reason for the market rally is climate in the US and India. Another reason is the big spread between imported soyabean oil and palm oil that is more than \$200 a tonne. On the demand side, traders appeared unfazed by a 21 per cent drop in Malaysian palm oil exports from July 1 to July 15 as weather fears remained in focus.

Lower Malaysian exports will affect the market temporarily, but the month is not over yet so the market is waiting for demand to pick up. Demand is expected to be supported ahead of a slew of Asian festivals starting from Ramadan and with China and India celebrating key holidays from

August to November, he said. End of the day Liberty was quoting Palmolein at Rs 624-628, Super palmolein at Rs 672, Soya oil Rs 765 and Sunflower refined oil Rs 765. Ruchi quoted palmolein at Rs 617 – 620 for July and Rs 623-627 for August. Soya refined oil at Rs 758 for July and Rs 763 – 765 for August. Sunflower refined oil at Rs 758 for July and Rs 763-768 for August. Allana's rate for Palmolein was Rs 623. Bunge's rate was Rs 620 for July and Vaibhavi quoted palmolein Rs 620.

In Saurashtra

Rajkot groundnut oil ruled firm at Rs 1,880 (Rs 1,880) for Telia tin and Rs 1,225 (Rs 1,225) for loose - 10kgs. Malaysia's crude palm oil August contracts settled higher at MYR 3,100 (MYR 3,059), September at MYR 3,114 (MYR 3,065) and October at MYR 3,122 (MYR 3,071) a tone.

On the National Board of Trade

Indore, Soya refined oil August 12 futures closed higher by Rs 10 to Rs 806.20 (Rs 796.00) while September 12 up by Rs 9 to Rs 808 (Rs 799). The Bombay Commodity Exchange spot rates were (Rs10/ kg), groundnut oil Rs 1,190 (1,185), soya refined oil Rs 755 (750), sunflower exp. ref. Rs 700 (690), sunflower ref. Rs 760 (750), rapeseed ref. oil Rs 870 (860), rapeseed expeller ref. Rs 840 (830) cotton ref. oil Rs 735 (725) and palmolein Rs 618 (613).

Tea prices perk up on good demand



Kochi, July 16:

Good demand perked up tea prices of almost all varieties at the Kochi Tea auction last week.

In the CTC dust category, the quantity on offer was 12,54,000 kg. The market for good liquoring and popular marks appreciated by Rs 2-4 and sometimes more. Mediums were dearer by Rs 2-3 and sometimes more, depending on quality. Plain teas remained steady or became occasionally costlier by Rs 1-2, while indifferently manufactured teas were lower. AVT, Hindustan Unilever and the Kerala State Civil Supplies Corporation were active on good liquoring varieties, while Tata Global was selective. Kerala Loose Tea Traders and upcountry buyers lent fair support, according to auctioneers Forbes, Ewart and Figgis Pvt Ltd. Of the 21,000 kg on offer in the Orthodox dust category, the market was lower with many withdrawals. The bulk of the offerings was absorbed by exporters. Of the best CTC dusts, PD varieties quoted at Rs 92/110, while RD prices stood at Rs 90/104. SRD varieties ruled at Rs 95/111 and SFD stood at Rs 99/116. The quantity on offer in the Orthodox leaf category was 2,33,000 kg. The market for select best Nilgiris all varieties barely remained steady. Others were irregular and lower by Rs 5-10 and sometimes more. Well made clean black medium FBOP/TFBOP/TFP/PEKOE grades were barely steady and tended to ease. Medium whole leaf grades declined with longer margins of Rs 5-10 and sometimes more. Corresponding Smaller Broken and Fannings declined in value. In the CTC leaf grades, the quantity on offer was 80,500 kg. The market for good liquoring teas was dearer, while mediums and plainers remained steady to irregular and lower. Hindustan Unilever was selective on its buying pattern. Internal and upcountry buyers were active. In the dust category, Injipara (Prm) SRD quoted the best prices of Rs 143, followed by Injipara (Prm) SFD at Rs 140. In the leaf grades, Pascoes Woodlands Green Tea quoted at Rs 262, followed by Chamraj OP at Rs 226.

Buoyancy returns to Coonoor tea auction



Coonoor, July 16:

After a few weeks of declining prices, buoyancy set in at the Coonoor Tea Trade Association auctions this week with about 90 per cent of the offer of 20.91 lakh kg at Sale No: 28 being sold with prices raising Rs 2 a kg over the previous week.

Homedale Estate tea, auctioned by Global Tea Brokers, topped the CTC market at Rs 151 a kg. Hittakkal Estate got Rs 132, Darmona Estate Rs 131, Vigneshwar Estate Rs 129 and Professor Rs 126. In all, 78 marks got Rs 100 and more.

Among the orthodox teas from corporate sector, Chamraj got Rs 208, Havukal and Kairbetta Rs 161 each, Curzon Rs 151 and Corsley Rs 148. In all, 31 marks got Rs 100 and more.

“In the orthodox leaf market, primary brokens gained Rs 5-10 a kg although others lost Rs 2-3. CTC leaf market was dearer by Rs 2-3. Orthodox dust market was, however, easier by Rs 1-2. Medium and plainer CTC dusts gained Rs 2-4,” an auctioneer told *Business Line*.

On the export front, Pakistan bought selectively in a wide range of Rs 60-88 a kg and the CIS, Rs 66-91. There was some purchase for European ports at Rs 70-89.

Quotations held by brokers indicated bids ranging Rs 58-62 a kg for plain leaf grades and Rs 90-125 for brighter liquoring sorts. They ranged Rs 62-67 for plain dusts and Rs 100-125 for brighter liquoring dusts.

Meeting 4% farm growth rate, a challenge now: Pawar



Testing times: The Minister of Agriculture and Food Processing Industries, Mr Sharad Pawar, with former President Mr A.P.J. Abdul Kalam, at the 84th Foundation Day of the Indian Council of Agriculture Research in the Capital on Monday. - Photo: Shiv Kumar Pushpakar



India not yet facing drought-like situation, the Agriculture Minister, Mr Sharad Pawar, has said.

New Delhi, July 16:

Weak monsoon poses a challenge in maintaining the high food production, the Agriculture Minister, Mr Sharad Pawar, said here on Monday. The monsoon deficit continues to be at 23 per cent till date, but there is no drought-like situation, yet, he said.

Rueing that India's agricultural growth is still influenced by monsoon and vagaries of nature, Mr Pawar said meeting the 4 per cent growth was a challenge this year. He said kharif sowing will go on till the first week of August even as farmers anxiously wait for rains.

Allaying fears about drought, he said: "We have not come to a level where we can apprehend a drought. We will wait up to the second week of August." He was addressing the 84th Foundation Day of the Indian Council of Agriculture Research here. Mr Pawar said with the monsoon playing truant, it would really be a challenge to maintain the excellent performance of the last two years. India had had bumper foodgrain harvests the last two years, with output touching a record high 257 million tonnes in 2011-12.

The Minister said the situation was serious in Karnataka and parts of Maharashtra and Andhra Pradesh. About 20 districts in Karnataka are facing drought. Karnataka and Maharashtra have devised a contingency plan to help farmers deal with the situation, he said.

The sowing of paddy, a key kharif crop, however, is continuing in Punjab, Haryana, Chhattisgarh, Orissa, West Bengal and Assam that have received good rains.

EXPORT POLICY

To a query, Mr Pawar said there was no need to review the current export policy on foodgrains as the country had ample stocks of rice and wheat. For the first time, “we have exported 50 lakh tonnes of non-basmati rice, 15 lakh tonnes of wheat, 25 lakh tonnes of sugar and 100 lakh bales of cotton,” he said.

The Minister called upon ICAR scientists to evolve next generation technologies to meet the challenge of increasing farm productivity while maintaining natural resource base.

W.Bengal to help farmers grow alternatives to paddy to beat iffy rains

Shobha Roy

Kolkata, July 16:

In order to counter the likely dip in paddy output following truant monsoons across the State, the West Bengal Government is planning to formulate a policy to grow alternative crops this year.

The State Government will aid the cultivation of crops like hybrid maize, sesame, black gram (urad) and khesari dal (*Lathyrus sativus*) — a cheap but protein rich variety of pulse — in various parts of the State.

The seven North Bengal districts (Cooch Behar, Jalpaiguri, Darjeeling, North Dinajpur, South Dinajpur, Malda and Murshidabad) have witnessed heavy rainfall this year.

South Bengal on the other hand has seen delayed and scanty rainfall so far during this year.

According to Mr Paritosh Bhattacharya, Additional Director, State Agriculture Department, sowing of alternate crops would commence in August if the paddy cultivation does not pick up to the desired levels.

“Sowing and transplantation of paddy can take place till August 15. So if we get good rains by then, we will not have any problem. In case monsoons aren’t as good as expected, then we will have to go for these alternate crops,” he said.

Paddy production

West Bengal produces about 14.5 million tonnes of paddy every year in three seasons — Aus, Aman and Boro.

Aman (paddy) is sown during the monsoons around the third-fourth week of June.

The South Bengal districts of Burdwan, Birbhum, Nadia and Hooghly have the highest productivity and account for about 27 per cent rice acreage and 32 per cent production.

Alternative crop

Some of the alternatives would be sown in the districts of West Midnapore, Bardhaman (West), Bankura, Birbhum, Purulia and Malda among others.

“Till now there is no reason to be worried, however, if rainfall does not pick up by the end of July or early August then there could be some signs of worry. We are therefore putting in place an alternate plan to help farmers,” Mr Bhattacharya said.

The cultivation of crops like hybrid maize, urad and sesame could start sometime in late August and early September; while that of khesari dal or grass pea can start as late as in October.

Cooperatives can turn our agriculture around

S.MURLIDHARAN



Wanted, an Amul-like movement in the farm sector.

Brazil has adopted two measures to keep agriculturists rooted to the soil, with a fair bit of success. The first is, uprooting the well-heeled from their lands through the policy of “not serving its social function” ironically recognised by the Brazilian constitution.

The measure is revolutionary, if not draconian. Groups of landless farmers pressure the Government to legalise their claims on the land they are squatting on that belongs to the large farmers. Roughly 7.8 million hectares have been acquired through this admittedly ham-handed approach, and some 3.7 lakh families have benefited.

Our Constitution clearly would not permit adoption of this rough and ready measure. Hence, it is bound to be struck down by the courts if the Government somehow makes bold to usher it in.

The second, however, is less revolutionary and would sit well with our grassroots democracy traditions. It consists in people, typically the sharecroppers, banding themselves together into a cooperative and acquiring land with government-guaranteed/subsidised loans. The Government in either case gives all assistance to encourage benign farming practices, such as eschewing use of pesticides, if possible, or using lesser quantities of chemicals, regenerating soil through crop-rotation, and so on.

Empowering sharecroppers

The Indian Government would do well to launch its much-awaited and talked-about second Green Revolution by taking a cue from the Brazilian initiative on empowering the sharecroppers. It is this segment that is increasingly getting disenchanted with low-paying farming and migrating to urban areas in droves in search of their own El Dorado.

The UPA Government’s flagship programme —MNREGA — is up against flak for its perceived lack of direction, and for not creating solid assets for the nation. It can be tweaked to be a major subset of a rejuvenated and reinvented grassroots land reform policy.

Small farmers and sharecroppers doing or pretending to do sundry work in rural areas such as laying of roads, digging of canals, and so on, under MNREGA, to keep the wolves away from their doors, must be restored to the vocation they love dearly —farming. The food processing industry should be a natural adjunct, lest there are wastages, and the harvest is utilised to the optimum.

And there can be no better way of doing this than through an Amul-like movement whose lynchpin is a producers’ cooperative.

In such a dispensation, the small farmers would not be under the yoke of *kulaks* and *zamindars*, but would be their own masters. Farmers would pool their lands and do cooperative farming on a large scale, adopting best farming practices, and share the rewards at the end of the labour. There would be no outside shareholder to usurp or cut into their hard-earned profits.

PURA, the antidote

The Government align the much-maligned MNREGA with grassroots agrarian reforms, and also see the whole exercise holistically as steps in halting the inexorable exodus from the rural areas to urban. The result would be Provision of Urban Amenities in Rural Areas or PURA, which the former President, Dr A. P. J. Abdul Kalam, talks about passionately, acquiring a whole new meaning.

The rural folks have always had a genuine grievance — they are bypassed by most of the modern conveniences the city-folks deservedly or undeservedly get to savour. Restoring farming its pride of place, indeed, would have many multiplier effects, not the least of which would be the decongestion of cities and dismantling of its eyesore — urban shanties — that lie cheek in jowl with sprawling bungalows. Indeed, agriculture ought to be the base, the foundation of any economy. If the US could ride the self-inflicted financial crisis of 2008 with a fair bit of success, the credit should go to its agrarian and allied sectors, principally the food processing industry.

The Union Home Minister, Mr P. Chidambaram, came out with the unpalatable truth, albeit bluntly, when he said that the urban folks who splurge and allow their wards to splurge, resent even a single rupee increase in food prices that will benefit the farmers.

Inclusive growth

The inclusive growth we talk about incessantly should not be addressed in terms of caste but in terms of economic backwardness. Rural India has remained a backwater for too long. The lofty principle underpinning PURA is that if rural folks are given facilities on a par with those enjoyed by their urban brethren, they won't bestir from their traditional rural homes.

Agriculture reforms' success is anchored on the success of land reforms and, therefore, the latter must precede the former. The gargantuan problems arising out of urbanisation have their roots in the unpardonable neglect of the rural areas and farming by successive governments.

Buying by local mills buoys cotton



RAJKOT, JULY 16:

Higher demand from local mills pushed up cotton further on Monday. During the past two days, cotton has moved up by Rs 1,500 a candy of 356 kg.

According to brokers, farmers are holding the stock expecting even higher prices. A trader here said, "Weak monsoon has given rise to speculation. Price may touch Rs 40,000 a candy this week."

The Sankar-6 variety was traded at Rs 37,000-37,500 a candy and the new V-797 variety at Rs 29,300-29,500 a candy. *Kapas* or raw cotton has gained more than Rs 50 to Rs 1,000-1,040 for a *maund* of 20 kg in last two days. About 7,000-7,500 bales of 170 kg each arrived in Gujarat, while 17,000-18,000 bales arrived in the rest of the country.

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

In Karnataka, Jaidhar 22 mm traded at Rs 32,000-33,000 a candy, 29 mm at Rs 37,000-38,000 a candy and 30 mm at Rs 38,500-39,500 a candy.

Rains, slack industrial demand sap spot rubber



KOTTAYAM, JULY 15:

Physical rubber prices were weak on Monday. Though sluggish demand from the tyre sector weighed over the market, occasional disruption in tapping owing to overnight rains and restricted arrivals provided firm support at lower levels keeping the prices in a tight range. The trend was partially mixed.

Sheet rubber was unchanged at Rs 186 a kg according to traders. The grade slipped to Rs 185.50 (186) a kg both at Kottayam and Kochi as reported by the Rubber Board.

In futures, the August series closed at Rs 183.10 (183.03), September at Rs 182.15 (181.68), October at Rs 180.90 (181.14) and November at Rs 180.78 (180) a kg while the December series remained inactive on the National Multi Commodity Exchange.

The international markets were mostly firm following a drop in supplies from the top rubber producing countries. Meanwhile, the trend setting Tokyo Commodity Exchange remained closed on account of Ocean Day. RSS 3 (spot) slipped to Rs 173.15 (173.26) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 186 (186); RSS-5: 179.50 (180); ungraded: 174 (174); ISNR 20: 179 (180) and latex 60 per cent: 131 (132).

Turmeric prices dip sharply, despite low arrivals



No export orders: Turmeric (*Curcuma longa*) kept for sale at Khari Baoli, Asia's largest wholesale spice market, in New Delhi. Turmeric prices nosedived on Monday as no exporter or bulk buyer received any order from North India. Prices decreased by Rs 150 a quintal to Rs 3,900 a quintal. — Kamal Narang

ERODE, JULY 16:

The spot turmeric price fell sharply despite low arrivals.

“Everyone is shocked as the arrival of turmeric decreased sharply and only 4,727 bags arrived for sale on Monday. This is the lowest arrival during this year. But prices have not increased, instead they have come down by Rs 700 a quintal,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said due to rain in and around Erode, only few farmers brought their turmeric for sale. In Gobichettipalayam Cooperative Marketing Society only one farmer brought three bags, so the auction did not take place on Monday.

Since the stockists have already procured more than 30 lakh bags of turmeric, they are buying lower quantities as they have reached a saturation point.

The prices of turmeric futures have stayed at Rs 5,200 a quintal for the past few days, but trading has been dull as there is no demand in North Indian towns. Traders are also of the opinion that prices will not stay at this level for long and are likely to come down further soon.

The prices in the Regulated Marketing Committee decreased by Rs 700 a quintal despite arrival of quality turmeric. In the other market, prices decreased by Rs 100 a quintal. Out of 4,727 bags of turmeric, 70 per cent were sold.

At the Erode Turmeric Merchants Association Sales yard, the finger variety sold at Rs 2,364-4,856 a quintal, root variety at Rs 2,217-4,674 a quintal.

Salem crop: The finger variety sold at Rs 4,111-5,864 a quintal, root variety at Rs 3,611-5,164 a quintal. Of 745 bags that arrived, 207 were sold.

At the Regulated Marketing Committee, the finger variety sold at Rs 4,569-5,066 a quintal, root variety at Rs 4,269-4,836 a quintal. Of the arrival of 525 bags, 488 were sold.

At the Erode Cooperative Marketing Society finger variety sold at Rs 4,799-5,899 a quintal, root variety at Rs 4,219-5,099 a quintal. All the 652 bags kept for sales were sold.

Sugar prices continue to head North



MUMBAI, JULY 16:

Despite routine retail demand, sugar prices at Vashi market shot up sharply by about Rs 100 a quintal on Monday hitting a new high in the current year. Prices at mills continued to head north on expectation of higher demand and strong futures markets. Mills sold sugar at Rs 100–120 higher on Saturday evening pushed up naka rates by Rs 90-100 for S-grade and Rs 60-70 for M-grade.

In physical market, prices rose by Rs 70-90, crossing Rs 3,400 mark first time in this year. Mill tender rates are expected to be higher further, said market observers.

A spokesman of Bombay Sugar Merchants Association said, there is good demand from local and upcountry traders ahead of festivals in Maharashtra. Second, as per traders, 45 lakh tonnes quota for July to September is lower than demand and it can be easily sold during the festival season. Free sale quota for July to September is unchanged from the previous quarter.”.

Erratic monsoon rains over two main cane-growing states may reduce the 2012-2013 output by 19-20 per cent, but the overall crop is likely to see a surplus.

Maharashtra's sugar output may fall 73 lakh tonnes in 2012-13 while Karnataka's sugar output may also fall to 30 lakh tonnes (37 lakh tonnes). Sugar prices in domestic futures market were up by more than Rs 50.

Extension given by government for selling balance unsold quota of April-June till August 15 to the mills has supported the bullish sentiment further.

International white sugar futures prices continued to head north on concern about top growers Brazil and India's crops.

Prices rallied since the start of June on strong buying support amid tight availability in Brazil.

In Vashi, market arrivals were 51-52 truck loads and local dispatches were 54-55 truck loads. On Saturday evening, about 14-15 mills offered tender and sold about 84,000–85,000 bags (each 100 kg) to the local stockiests in the higher range of Rs 3,170-3,230 (Rs 3,090-3,150) for S-grade and Rs 3,290-3,310 (Rs 3,170-3,210) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,270-3,350 (Rs 3,182 -3,276) and M-grade Rs 3,320- 3,411 (Rs 3,266- 3,351). Naka delivery rates: S-grade Rs 3,250 -3,300 (Rs 3,160 -3,200) and M-grade Rs 3,290-3,370 (Rs 3,230-3,300).

Industry asks AP Govt to buy levy sugar from market

K. V. KURMANATH





HYDERABAD, JULY 16:

Sugar factories in Andhra Pradesh, which have crushed 115 lakh tonnes (lt) of cane in the 2011-12 season are estimating a reduction of crop area by 15 per cent due to poor rains.

According to latest figures, sugarcane is grown on 1.41 lakh hectares in the State as against the as-on-date normal area of 1.69 lakh hectares, or 84 per cent of the area.

The State grows the cane in 2 lakh hectares normally.

“We are expecting a dip in the area going by the progress of the monsoon,” Mr Nageshwara Rao, President of South Indian Sugar Mills Association (AP), told *Business Line*.

The sugar factories in the State paid Rs 2,500 crore to the farmers in the season and achieved a recovery rate of 10 per cent.

The industry, faced with increase in cost of production, has demanded the State Government to remove VAT (value added tax) on sugar or at least impose a matching entry tax on sugar being transported into the State.

The State charges a VAT of 5 per cent adding a burden of Rs 150 on a 100-kg bag.

“We are the only State imposing the tax. As a result, the traders here are buying sugar from the neighbouring States of Karnataka, Maharashtra and Tamil Nadu. This is putting us in a disadvantageous position as we are not able to compete with this inflow of sugar,” he said.

The association has submitted a representation to the Rangarajan Committee that was studying the issue of decontrol of the sugar industry.

It wanted the State Government to buy the levy sugar from the open market and not at the subsidised price of Rs 1,900 (a quintal) from the factories.

The factories are supposed to supply 10 per cent of the produce to the Government by reducing the price by Rs 1,000 (the market price is Rs 2,900) on every bag.

“We are losing heavily on this. The Government should buy it from the market,” Mr Nageshwara Rao said.

Cardamom up on bullish sentiments

G.K. NAIR



KOCHI, JULY 16:

Cardamom prices last week moved up on bullish sentiments at auctions held in Kerala and Tamil Nadu.

As the market showed an upward trend those holding stocks were seen releasing them, which in turn, raised the volume of arrivals, trade sources said. Upcountry buyers were seen active and that resulted in an upsurge in prices, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line*.

However, according to trade sources in Bodinayakannur and Tamil Nadu prices have been artificially pushed up under the influence of the bullish trend in the online trading.

Mr T. Ashok Kumar, a major grower from Cumbum told *Business Line* that high volatility on the exchange platform was negatively affecting the trade. Trade sources in Bodinayakannur said bold 8mm capsule was fetching Rs 1,200-1,250 a kg. Last week, arrivals increased to nearly 440 tonnes as against the below 300 tonnes the week before.

“However, there is a sentimental change in recent days in the market because of inadequate rains and a consequent possibility of poor and delayed next crop,” Mr Punnoose, said. However, coverage for the Ramzan season is yet to begin. Slackness in Ramzan buying is attributed to a possible carry over stock with stockists in the overseas market. Indian shipment of cardamom during the last fiscal was the highest ever, the trade said.

Arrivals at the Sunday auction stood at 72 tonnes as against 39 tonnes the previous Sunday. The entire quantity was sold out, Mr Punnoose said.

Maximum price yesterday was at Rs 1,208 a kg and the minimum was Rs 450 a kg. The individual auction average increased to Rs 755.57 a kg from Rs 749.46 a kg the previous Sunday, he said.

Total arrivals during the current season from August 1, 2011 up to July 15, 2012 were at 20,197 tonnes and the sales were at 19,418 tonnes as against 12,503 tonnes of arrivals and 12,190 tonnes of sales in the same period last year.

Weighted average price as on July 15, 2012 was at Rs 639 a kg as against Rs 988.49 a kg on the same date last year, according to market sources.

Official prices of graded varieties on Saturday in Rs/kg were: AGEB 1,130–1,140; AGB 830-840; AGS 810 - 820 and AGS 1: 790 - 800

The open market prices in Rs/kg in Bodinayakannur on Monday were: AGEB 1,050–1,100; AGB 800-810; AGS 780–790; AGS 1-750 - 760.

Cashew prices head south on slack demand



KOCHI, JULY 16:

The cashew market continued to witness a declining trend, which had started at the end of May last, with prices moving down a few cents a pound an lb last week.

Prices continued to be in a wide range — W240 from \$3.60 to \$3.80, W320 from \$3.20 to \$3.40, W450 & SW320 from \$3.10 to \$3.25, Splits from \$2.30 to \$2.40, Pieces from \$1.85 to \$2.00/ lb .

There were trades at both ends of the range but volume traded was small and limited mainly to W240 & W320. Other grades were more or less neglected. Indian domestic market was also very quiet, Mr Pankaj Sampat a Mumbai-based dealer told *Business Line*.

In the last six weeks, prices have come down by about 15 per cent from a peak of \$3.85/lb to an average of \$3.30 (range of \$3.20-3.40) now. Fair volume was traded in the decline from \$3.85 to \$3.55, but the volume traded in the last three weeks has been significantly smaller.

LIMITED INTEREST

Some buyers are showing interest to buy at the low end of the current range till end of the year and into next year as well, but selling interest is limited, he said. Most processors are reluctant to sell at lower levels as they have bought Raw Cashew Nuts (RCN) at higher prices and are hoping for some increase in kernel prices during Jul/Aug.

A full-year analysis for the last five years has established that cashew prices do not follow historical trends, i.e., the lows and highs of each year happen in different months and movements during the year do not necessarily reflect lower prices before or during harvesting of the main crops. But one thing common in each of the year was that the price at end of the year was higher than (or at least equal to) the price at the beginning (except for 2008 when the prices crashed through the floor on account of the financial crisis in the third quarter).

BULK SHIPMENT TO GO ON

Although there is very little activity in the RCN market, prices came down a bit — Ivory Coast (IVC) is at around \$ 900 a tonne, Benin is at around \$1,050 a tonne and Guinea Bissau is at around \$ 1,250 a tonne. As mentioned earlier, bulk shipments from West Africa will continue till September like last year and much unlike the previous years, the trade sources said.

Since 2012 supply side factors are well known by now, Mr Pankaj said, the price trend for rest of the year will depend on demand side pulls and to a great extent on what happens in the US/EU financial markets as that will affect the sentiment of the importers, roasters and retailers towards medium-term procurement, inventory and sales plans.

“In this context, it will be interesting to see whether the phenomena of the last five years, i.e., September higher than April and December higher than January will be repeated in 2012.”