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## An MoU to help overcome fodder shortage, generate income

M. J. Prabu



Popular: About 60 farmers from 8 districts have entered into an agreement. Photo- Special Arrangement

There are many things that appear attractive when viewed from a distance, but on closer scrutiny the reality is different. Dairy farming is an example. Shortage of fodder and shrinking areas of cultivation are forcing many farmers to give up rearing cattle.

The Tamil Nadu Veterinary and Animal Sciences University (TANUVAS) has introduced a new project called a Public Private Partnership (PPP) model for dairy farmers. Accordingly a memorandum is signed between the farmer and the University officials for growing the fodder for seed production.

MoUs are being signed with farmers who desire to grow fodder grasses like Bajra Napier (Co-4), Guinea grass,(Anjan grass), Fodder sorghum (CoFS-27), Multi cut fodder Sorghum (CoFS-29), African tall maize, Legumes (Desmanthus, Stylo, Cowpea) and tree fodder varieties (Sesbania, Subabul, Glyricidia).

“Today it is true that fast shrinking lands pose a threat to maintaining cattle. For the available animals and farmers sourcing the green fodder proves a daunting task. The cost of one heap of good variety straw goes up to several thousands. Through this project we expect to solve the problem of fodder availability for the remaining animals and also seed shortage in these crops,” says Tamil Nadu Veterinary and Animal Sciences University (TANUVASU) Vice-Chancellor, Dr. R. Prabakaran.

So far, 58 farmers from eight districts (Namakkal, Dharmapuri, Salem, Karur, Vellore, Tiruchi and Villupuram) have signed the memorandum to grow and supply green fodder.

Demonstration units are being maintained at the University’s KVK farm at Namakkal for farmers to visit and learn things firsthand. Till date about 8,92,000 Co4 grass slips, 1,10,000 Guinea grass, 174 kg CoFS-29 seeds, 227 kg of Desmanthus seeds, 80 kg fodder maize seeds, 111kg of of Anjan grass seeds, 100 kg of subabul seeds, 54 kg of fodder cowpea seeds and 1,117 Glyricidia saplings have been supplied to farmers.

“This model hopes to address three problems that the farming sector today faces. One is the availability of green feed to the animals. Two, the seed shortage for fodder can be overcome, and three is revenue generation for the farmers,” explains Dr. Prabakaran.

Once planted the fodder varieties can be maintained for a period of three years.

“The first harvest can be done five months after planting. The seeds can be sent through good parcel services to our KVK office and after quality checking, the money is sent through ECS to the farmer’s account,” says Dr. Mohan, Head, Krishi Vigyan Kendra, Veterinary College and Research Institute Campus, Namakkal.

“But before starting on this it is advisable for interested persons to first call and meet us to personally discuss and see our demonstration plots and also interact with those who are doing it to help clear doubts,” he adds.

The seeds are procured, tested for purity and germination, and then sold to Department of Animal Husbandry, Dairy Co-operatives, and progressive farmers.

When we spoke to several farmers who maintain some cattle about this project, many of them expressed surprise about such an MOU.

Says Mr. R. Chandramouli a native cattle farmer at Padapai near Chennai: “Though there are several books written by dairy experts promising to make a dairy farmer successful in terms of generating revenue, the ground reality is that, maintaining only milch animals can never prove to be remunerative.”

The reason being, more than the animals’ health, the problem lies in providing them with feed.

Absence of grazing grounds forces a farmer to buy the cattle feed from retail shops. Several farmers maintain a monthly account for buying the feed and the interest in some of the shops is quite high since they give credit. And an animal yields milk for only 5-6 months, after which it comes into gestation.

“Till it is sold off the farmer needs to continue the feeding. For a single animal the cost of feeding can come to Rs. 75-100 a day. This can be reduced to an extent if one has some lands and grows grass in them. And all these years farmers having some small areas were reluctant to grow grass as it did not generate revenue for them expect for feed. But with this new MoU being offered by the University I think that more farmers would come forward to grow these crops and rear some cattle,” he says.

For more details interested farmers can contact Dr. B. Mohan, Programme Coordinator & Professor and Head, Krishi Vigyan Kendra, Veterinary College and Research Institute Campus, Namakkal - 637 002, email: kvk-namakkal@tanuvas.org.in, namakkalkvk@gmail.com, phones : 04286 – 266244, and 266345.

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### **Laser leveller for minimising water**

K. Indhumathi

N. Tamilselvan

About 80 per cent of the irrigation water in India is spent for paddy cultivation. After the introduction of SRI (systematic rice intensification), it has been reduced due to adoption of alternate wetting and drying. Though SRI has been adopted in vast areas in the country, proper water management is not done due to the improperly levelled land.

## **Other crops**

Not only in case of paddy, but also other crops require properly levelled field for water efficiency during irrigation.

When a field is levelled properly, the plant population maintenance, fertilizer use efficiency, power requirement for irrigation and many other key components involved directly on productivity and economics of cultivation are regularized.

Recent addition to modern agriculture, the laser guided land leveller gives hand for achieving 100 percent table top levelled field.

The machinery laser guided land leveller consists of a laser transmitter, receiver, control panel, automatic hydraulic unit and a bucket scraper. The laser transmitter produces a laser beam which on rotation forms a continuous plane which is received by the receiver fixed to the bucket scraper. The topography of the land is first surveyed by measuring the high and low spots. The mean of the readings gives the height at which the bucket scraper should be positioned.

The control panel interrupts the laser beam from transmitter to receiver and operates the automatic hydraulic unit accordingly.

The tractor should then be driven in a circular motion from the high spot towards the low spot.

In the higher spot in order to keep the receiver in line with the laser beam from the transmitter, the control panel lowers the hydraulic unit and hence the soil is filled in the bucket scraper.

As the tractor moves towards the lower spots, the hydraulic unit is shifted upwards accordingly to maintain the receiver in the laser plane from the transmitter.

A minimum of 10 per cent irrigation water can be saved using this technique. Weed problem and its management becomes easier.

Time and labour requirement for crop management is reduced.

(K. Indhumathi, assistant prof & N. Tamilselvan, Head, Krishi Vigyan Kendra, Pappalapatty, Dharmapuri District – 636 809 Phone : 04342-245860.)

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## Reading the rain is like science fiction

Pallava Bagla



*The Hindu* CONSISTENTLY INCONSISTENT: The flaw possibly lies in the statistical model that the India Meteorological Department uses to make its predictions. Monsoon clouds over the Hooghly in Kolkata. Photo: Arunangsu Roy Chowdhury

*The monsoon remains a global mystery and we should stop trying to forecast it*

This year, the monsoon is really playing hide-and-seek. With large parts of the country receiving deficient rainfall, fear of a drought looms large. The Indian weather office had predictably said it will be a “normal” monsoon, but, so far, it has been far from normal.

Today when the United Progressive Alliance (UPA) government, in its second term, is suffering from low credibility, a failed monsoon could well become a political tipping point. The scars of a failed monsoon and the ensuing hardships are hard to erase in the minds of voters especially when the next elections are simply one season away. The constant litany from the India

Meteorological Department (IMD) of a “normal monsoon” only pushes decision makers to a slumber that they need to be woken up from, if rural India’s distress is to be minimised.

This angst over whether the monsoon will bring rains has become an annual occurrence but the sad reality is that the weathermen are just not able to predict its arrival, spatial distribution and departure accurately. They are not to be blamed since the science of the monsoon remains a black box, a mystery that has not been understood despite huge developments.

Indeed, it is high time Indian scientists collectively told the government that since they can’t forecast the extremes, it is really meaningless to forecast the monsoon. The need of the hour is to go back to the drawing board to first understand the phenomenon of the monsoon and then, if ever we understand it, attempt to forecast it.

### **Issue of models**

Forecasting the southwest monsoon is not easy. Till date in the 137 year history of the IMD, which operationally forecasts the monsoon, it has never succeeded in correctly predicting the extremes. In a rare and candid admission Dr. Laxman Singh Rathore, director-general of the IMD, New Delhi, for the first time admitted that “prediction of extreme events is a problem since models [they use] tend to normalize things.” This means that despite best efforts, the IMD will never be able to forecast a drought or flood for the country as a whole.

To put this in perspective, in the last 137 years the Indian weather office has never ever been able to predict a drought. Look at the basic statistics. In the last 100 years, more than 85 per cent of the time the monsoon has been normal. So the chances of a normal monsoon are always high. In the last two decades, the IMD has invariably only forecast “normal” monsoons despite the huge variations India has witnessed in bad years like the massive flooding of 1994, and the droughts of 1987, 2002, 2004 and 2009. Experts say a forecast is only good if it can pick up early signals and warn of impending hazards so that policymakers and farmers in particular can prepare for the worst while hoping for the best. To make a point in its self-praise, the IMD always points out that from 1989 to 2000, 11 years in a row, it predicted a “normal” monsoon and it “turned out to be normal.” But a closer examination reveals that more often than not, even in this “golden period” their prediction was also actually way off the estimated margin of error allowed in the model itself. The flaw possibly lies in the statistical model that the IMD uses to make its predictions. The current model is still not good enough. A numerical model

considered more accurate is still cooking. Interestingly, for the 2012 season, the new numerical model imported from the United States actually predicts a surplus.

Interestingly, the world over, scientists find it very tough to forecast weather patterns months in advance, so in a way it is commendable that the IMD puts its reputation on the block and makes an operational monsoon forecast. Most others only do this as an academic exercise. According to India's leading atmospheric scientist, J. Srinivasan of the Indian Institute of Science, "no agency in the world has ever been able to predict an ensuing drought or flood for the Indian region." So should we not stop giving lollipops of a "normal" monsoon to the people?

### **Understanding the monsoon**

The southwest monsoon is that life giving phenomenon which releases on the Indian land mass 80 per cent of the total annual of 105 cm of rainfall that India receives. Every year between June and September, moisture laden winds blowing in from the Indian Ocean rejuvenate the parched Indian countryside. The monsoon arrives without fail, but forecasting it months ahead is a nightmare. Much more difficult is to give early estimates of when the breaks are likely to occur during the season. Farming, especially crop sowing, is very dependent on the timing of the rainfall. In any given year, if rainfall climbs more than 10 per cent above a long-term monsoon average, floods ensue. If it declines more than 10 per cent below average, a drought is declared. Slippage in either direction brings misery. For example, a drought in 2002 shrank India's GDP by an estimated 5.8 per cent.

It may come as a surprise but the monsoon arrives without fail and has never delivered less than 60 cm of rain in the last 137 years of official records. But its spatial and temporal variation is vast, a fact which befuddles scientists. "Every year the monsoon is peculiar in its own way," says Dr. Srinivasan. "We need to understand how the clouds develop during the monsoon and how they are born and how they die and this we need to understand very badly because due to global warming, monsoon is going to change and we need to know how it will change."

Now in an effort to erase the blemish of not forecasting the monsoon accurately, the Ministry of Earth Sciences (MoES) is launching a new five year "monsoon mission" at the cost of about \$75 million to better understand this complex ocean and atmospheric phenomenon. The monsoon of 2011 was an eye-opener for forecasters. The IMD had forecast that it would be a bad monsoon with rains possibly being less than 90 per cent of the long-term average, but at the end of the season, the rains turned out in excess of the long period average. Hence, in a first of its kind

admission as part its end of season report, it said that it was “not very accurate” in its forecasts. “The monsoon remains a scientific mystery,” admits Madhavan Rajeevan, a monsoon specialist, in the MoES, adding, “We are accumulating more questions than answers.”

Shailesh Nayak, a geologist and secretary in the MoES says, “understanding the monsoon will be major priority in the next five years.” In this new Monsoon Mission, efforts will be made to understand it using the numerical models developed by the United Kingdom Meteorological Office and the American model called Climate Forecast System developed by National Centers for Environmental Prediction (NCEP) that combine data from ocean, atmosphere and land for providing long range forecasting. Mr. Nayak admits that “current prediction capabilities are inadequate” and an effort will be made to improve high performance computing.

The Indian Institute of Tropical Meteorology, Pune will take the lead in deciphering the seasonal forecasts, while trying to predict the active and break periods of the monsoon. Mr. Nayak says the bottleneck is a shortage of trained scientists. According to his estimate, in the next five years India needs about 1,200 skilled meteorologists. There are only about 350 now.

It is also widely acknowledged that even though the monsoon is a repetitive annual event, accurately predicting the natural variations is like finding a path through a minefield because the chaos of the tropical oceans and atmosphere is very hard to understand, let alone model and forecast.

It is this cracked and parched minefield that the UPA has to walk across ably to ensure that the misery of the failed monsoon does not become a contagion that might sweep it out of power. Today, India’s economy may not be “a gamble on the monsoon,” but the rains do lift the mood of the nation. And today the mood is flagging.

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**Paan Singh Tumour**

The noose is finally tightening around the manufacturers of one of the most potent killer products in the world — chewable tobacco such as gutka and tobacco containing paan masala. A few States — Madhya Pradesh, Kerala, Bihar, Maharashtra and Rajasthan — have by the stroke of a pen banned the manufacture, storage, distribution and sale of such products. These substances may soon face the same fate in more States where the process of proscribing them has been initiated. Maharashtra has banned all paan masala brands (immaterial of the presence



of tobacco) that contain magnesium carbonate above permissible levels. It is highly commendable that State governments have begun to crack down on this dangerous produce just months after the notification of the Food Safety and Standards (Prohibition and Restriction on Sales) Regulation, 2011. The FSS Act prohibits the presence of tobacco in food products. The industry, which successfully scuttled a ban by many States in 2004, is now in the dock. There is inviolable evidence of harm caused by chewing tobacco. A *Lancet* study published this year highlighted the scale of the problem in India and made a strong case for reducing the consumption of these substances. In 2010, chewing tobacco was responsible for about 20 per cent of the 120,000 tobacco-related cancer deaths. It killed twice the number of people as lung cancer, and was the leading cause of death in men in both urban and rural areas.

The FSS Act provides the much needed teeth for States to act against food items containing tobacco. Unfortunately, the Act has ignored betel nut (areca nut) — a well known carcinogen found in both gutka and paan masala. That the Union government failed to include it despite a voluminous and indisputable body of evidence clearly pointing out its carcinogenic effect is indeed shocking. The International Agency for Research on Cancer (IARC) of the World Health Organisation had in a 2008 monograph stated that “areca nut is carcinogenic to humans (Group I).” There is “sufficient evidence” of the carcinogenicity of betel quid [paan] with and without added tobacco, it noted. Even if eaten without added tobacco, paan causes cancers of the oral cavity and oesophagus; a “positive association” has also been found between exposure to betel quid and liver cancer. Hence banning these products based on the presence of betel nut will result in a sharp fall in oral cancer mortality. So what is preventing the Union government from acting? Betel nut is the “second most consumed” carcinogen after tobacco. But unlike tobacco, there is gross and widespread ignorance of its harmful effects. Hence, increasing awareness levels should be given equal priority.

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### **Mettur level**

The water level in the Mettur dam stood at 75.03 feet on Wednesday against its full level of 120 feet. The inflow was 560 cusecs and the discharge, 1,200 cusecs.

SHIMOGA, July 26, 2012

### **Campco wants compensation for areca growers**

President of Central Arecanut and Cocoa Marketing and Processing Cooperative Limited (Campco) Konkodi Padmanabha has said that the Government should offer proper compensation for areca and tobacco growers before imposing a ban on gutkha.

A special compensation package should be announced to help areca and tobacco growers to switch over to other crops before imposing the ban, he told presspersons in the city on Wednesday.

The areca growers would be in dire straits if the Government took a hasty decision on banning gutkha.

Vice-President of Malnad Areca Marketing Cooperative Society (Mamcos) Narasimha Naik was present.

ARIYALUR, July 26, 2012

### **Farmers urged to embrace latest technology to boost productivity**



Power packed:Collector Anu George witnessing the demonstration of farm equipment with a large number of farmers at Tirumazhapadi village in Tirumanur union on Wednesday.

The farmers should adopt latest farm technologies to increase the productivity of food grains, said Anu George, District Collector.

Speaking after inspecting the demonstration of automatic transplantation machines fetched recently by the state agriculture engineering department at Tirumazhapadi village in Tirumanur union on Wednesday, Ms. Anu George said that the equipment will be of immense use to the farmers community of the whole district, which is facing acute shortage of farm labour and is also hit by the ever increasing labour charges.

“You should take full advantage of these equipment and help the state achieve increased food grains productivity,” the Collector told a group of farmers who were present in the village to witness the demonstration.

The agricultural engineering department officials demonstrated the various functioning of the new equipments to the farmers and also explained their advantages.

Two equipment have been procured by the department at a cost of Rs.3 lakh and Rs.1.75 lakh and are provided to the farmers at 50 per cent subsidy. The department has fixed a hiring charge of Rs.2,500 for operating these equipment in one acre of land. These equipment will ensure in proper transplantation of nurseries, she said.

DINDIGUL, July 26, 2012

### **Plan to promote area-specific crops**

The State Government has allocated Rs. 5.77 lakh for implementing the Integrated Horticulture Development Scheme in Kodaikanal block this year to cover 280 hectares of horticultural crops including vegetables and fruit plants, beneficial to 500 farmers. This was highlighted at the function to distribute high-yielding varieties of plum grafts held in Thandigudi. Distributing the grafts, Palani MLA K.S.N. Venugopal said that the government has been implementing various schemes for the welfare of farmers. Representatives of local bodies should identify needy farmers in their areas to enable them to avail the benefits from horticulture and agriculture departments.

About 538 of plum grafts would will be distributed to farmers with 50 per cent subsidy under Integrated Horticulture Development Scheme. Deputy Director of Horticulture (central schemes) S. Raja Mohamed said the hale variety of plum, a mid-season (June-July) variety that would give a yield of 30 kg per tree per year was given to farmers. Students from Horticultural College too participated.

PALAKKAD, July 26, 2012

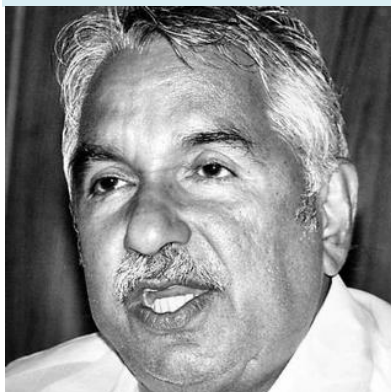
### **Surveys show big gap in area under paddy farming**

There is a big gap of 19,306 hectares in the estimation of paddy land in the rice bowl of Palakkad by the Kerala Statistical Department and the Agriculture Department.

While the Statistical Department has calculated 87,511 hectares of paddy land in the district, the Agriculture Department says there is 1,06,817 hectares. Regarding the fallow paddy land also there is a huge gap in the estimation of these two departments. According to the Statistical Department the total paddy land kept fallow in the district is nearly 30,000 hectares. The paddy land kept fallow for more than five years was estimated to be 17,048 hectares, whereas the land kept fallow during the last two years alone was estimated to the order of another 12,837 hectares. But the official figures of the Agriculture Department put the fallow land at 1,825.122 hectares only during 2011-12. It was 2,514.79 hectares during 2008-09; 2,342.79 hectares in 2009-10, and during 2010-11 it was 2,003.584 hectares, said Mukudan Unni, Deputy Director of Agriculture Department. As per the latest agriculture statistics of the State Statistics Department, paddy was cultivated only in 87,511 hectares in Palakkad during 2010-11. The paddy land kept fallow was 17,048 hectares earlier and another 12,837 was added during 2009-10 and 2010-11, said T.M. Vamana Rao, former official of Kerala Statistics Department.

THIRUVANANTHAPURAM, July 26, 2012

### **Panel to study hi-tech farming**



The Cabinet on Wednesday decided to set up committees headed by the Chief Secretary to study and recommend on the proposals for hi-tech farming and establishment of rice and coconut biotech parks.

The Cabinet also decided to appoint chief executive officers for the parks proposed in the Budget, Chief Minister Oommen Chandy told the media after the Cabinet meeting.

The Chief Minister said farmers were to be encouraged to set up greenhouses for hi-tech farming. The Union government would provide 50 per cent subsidy and the State government 25 per cent. The rest would have to be met by the farmer. Loans would be made available to the farmers.

He said the moratorium on recovery of loans availed by arecanut farmers in Kasaragod district would be extended up to December 31. As much as Rs.3 crore would be given as subsidy to Milma to keep in abeyance the proposed hike in cattle feed price.

Mr. Chandy said the 45-day special leave for government employees for chemotherapy, radiation treatment, and kidney transplant would be extended to public sector units for which the Kerala Service Rules were applicable.

The Cabinet had decided to give seven kg of rice a month to each resident of orphanages and other charitable institutions at Re. 1 a kg besides 3 kg of wheat at rates applicable for BPL families. The rationing officers would issue permits valid for four years for the purpose.

Residents of orphanages passing the school leaving examinations would be given admissions to Plus Two courses in the same school. The Cabinet had decided to form an empowered committee headed by the Chief Secretary for early detection and prevention of physical challenges and education and training of such persons.

Special funds would be set up under District Collectors in all districts to make the Karunya Benevolent Scheme more effective. The Collectors would be able to sanction emergency assistance from the fund. The Finance Minister had been empowered to sanction special assistance to people suffering from rare diseases under the scheme.

He said the government would promote fair price hotels in all taluks. The government would provide them rice and provisions at concessional rates subject to the condition that they would charge only the rates prescribed by the government.

The Cabinet, he said, recommended to the Governor the proroguing of the Assembly. A job would be provided to sportsperson Preetha Gerald in the Sports Department. V. S. Rajan, son of forest watcher V.S. Subramaniam who was killed by an elephant in Athirappally recently, would also be provided a job. Rs.1 lakh each would be deposited in the bank in the names of his daughters.

KAKINADA, July 26, 2012

### **Food technology laboratory**

A foundation stone will be laid for the construction of food technology laboratory on the premises of Jawaharlal Nehru Technological University Kakinada (JNTUK) here on Friday. The JNTUK is offering M.Tech. (Food Technology) course and the proposed building would fulfil requirements of classrooms, laboratory for conducting the course. Joint Secretary to the Government of India, Ministry of Food Processing Industries U. Venkateswarlu will lay the foundation stone, according to a press release.

July 26, 2012

### **Tummy bug outbreak due to climate change**

Man-made climate change is increasing tummy bug outbreaks in Europe, resulting in illnesses ranging from cholera to gastroenteritis, scientists reported recently.

Vibrio bacteria, which is normally found growing in warm and tropical waters, now thrives in the Baltic Sea bacteria strains and scientists believe it will multiply as seas warm.

Climate change is driving the growth of a group of water-borne bacteria in northern Europe that can cause illnesses from cholera to gastroenteritis, the *Daily Mail* reported.

An international team examined sea surface temperature records and satellite data, as well as statistics on Vibrio cases in the Baltic Sea.

Vibrios bacteria can cause various infections in humans, from eating raw or undercooked shellfish or from exposure to seawater.

The researchers found the number and distribution of cases in the Baltic Sea area was strongly linked to peaks in sea surface temperatures.

Each year the temperature rose one degree, the number of vibrio cases rose almost 200 per cent.

“The big apparent increases that we’ve seen in cases during heat wave years... tend to indicate that climate change is indeed driving infections,” study author Craig Baker-Austin from the UK-based Centre for Environment, Fisheries and Aquaculture Science, said.

NEW DELHI, July 26, 2012

Amid spectre of drought, food prices shoot up

GARGI PARSAI

*Centre considering steps to augment the availability of essentials in the open market*

OFFICIAL PRICES IN DELHI RETAIL MARKETS		
COMMODITY	RETAIL PRICE AS ON 25-07-2012	1 Year Back 25-07-2011
Groundnut Oil	167	128
Mustard Oil	103	78
Vanaspati	88	77
Soysoil	95	83
Sunflower	107	93
Gram Dal	65	38
Tur/Arhar Dal	74	69
Masoor Dal	60	53
Sugar	38	33
Gar	42	35
Tea	174	154

Graphic: Tony Smith

The prices of essential commodities are shooting up, with drought conditions prevailing in parts of the northwest region. In some cases, the rise is so sharp that it borders on alarm.

As the man in the street grapples with the growing burden, the government claims to have put in place a contingency plan to deal with the consequences of a deficient southwest monsoon.

Though it has been more than seven weeks since the monsoon set in , official statistics show that rainfall remains deficient by 22 per cent in parts of the country. Kharif sowing is 14 per cent

lower than last year, owing to the lesser coverage of coarse cereals, pulses and oilseeds, largely in Karnataka, Maharashtra, Rajasthan and Gujarat.

The Centre is considering steps to augment the availability of essentials in the open market, especially of coarse cereals, pulses and oilseeds, and enhance grain allocation through the Public Distribution System. Besides vegetables and fruits, these commodities are showing a steep hike in prices.

According to official data, the retail price of groundnut oil, for instance, has shot up to Rs.167 a kg in Delhi markets, from Rs.128 in the corresponding period last year. Mustard oil has gone up to Rs.103 a kg from Rs. 78. Soyabean oil is selling at Rs. 95 a kg and sunflower Rs.107, up from Rs. 83 and 93 last year. Vanaspati has shot up to Rs. 88 a kg from Rs.77.

Sugar price has escalated to Rs. 38 a kg and is likely to go up further. It was Rs. 33 a year ago on July 25. Jaggery has gone up to Rs. 42 a kg from Rs. 35. All pulses prices are showing a rising trend. Gram dal has jumped to a whopping Rs. 65 a kg from Rs. 38, while tur is up to Rs. 74 a kg from Rs. 69. Masoor dal is priced at Rs. 60 a kg, as against Rs. 53 last year. Even loose tea has spiralled to Rs. 174 a kg from Rs. 154. Potato is selling at Rs. 21 a kg, against Rs. 11 a year ago.

Experts reckon that unless the government moves in quickly to augment supplies and check hoarding, the prices will hit the roof.

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**hindustantimes**

■ Thu,26 Jul 2012

**weather**

Chennai - INDIA

Today's Weather



Cloudy

Thursday, Jul 26

Max Min

37.6° | 26.8°

Tomorrow's Forecast



Rainy

Friday, Jul 27






Max Min

34° | 28°



**Rain:** 0.5 mm in 24hrs      **Sunrise:** 5:45  
**Humidity:** 62%              **Sunset:** 18:39  
**Wind:** Normal                **Barometer:** 993

### Extended Forecast for a week

Saturday Jul 28	Sunday Jul 29	Monday Jul 30	Tuesday Jul 31	Wednesday Aug 1
				
34°   28°	35°   28°	34°   28°	34°   28°	33°   27°
Rainy	Rainy	Rainy	Rainy	Rainy

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# THE ECONOMIC TIMES

25 JUL, 2012, 12.52PM IST, PTI

## Chana futures rise on delay in sowing

NEW DELHI: Chana futures prices today gained 0.31 per cent to Rs 4,834 per quintal as speculators created fresh positions amid delayed sowing due to deficit rains in key producing regions.

At the National Commodity Derivatives Exchange, chana for delivery in August rose by Rs 15, or 0.31 per cent to Rs 4,834 per quintal, with an open interest of 91,200 lots.

Similarly, the commodity for delivery in September rose by similar margin to Rs 4,922 per quintal in 38,280 lots.

Analysts said fresh positions created by speculators following delayed sowing due to lower

rainfall in key growing areas and rising spot demand, influenced chana prices at futures trade here.

25 JUL, 2012, 12.48PM IST, PTI

### **Crude palm oil futures marginally up on global cues**

NEW DELHI: Crude palm oil futures prices today traded marginally higher by 0.18 per cent to Rs 568.90 per 10 kg as speculators created fresh positions, taking a positive cues from overseas markets.

Rising spot demand further influenced the crude palm oil futures here, traders said.

At the Multi Commodity Exchange, crude palm oil for delivery in August gained Re 1, or 0.18 per cent, to Rs 568.90 per 10 kg in business turnover of 954 lots.

Similarly, the oil for delivery in July edged up by 50 paise, or 0.09 per cent, to Rs 567.40 per 10 kg in 196 lots.

Market analysts said fresh buying by speculators in tandem with a firm global trend mainly led to rise in crude palm oil prices at futures trade.

Meanwhile, palm oil for October delivery gained 0.8 per cent to USD 927 a tonne on the Malaysia Derivatives Exchange.



### **Food Ministry to increase pulses subsidy to Rs 20 per kg**

WEDNESDAY, 25 JULY 2012 22:51

PNS | NEW DELHI

The Food and Consumer Affairs Ministry has proposed to double subsidy for pulses under Public Distribution System (PDS) at Rs 20 per kg for insulating poor from high prices and a proposal regarding this would soon be placed before the Cabinet Committee on Economic Affairs.

"We are planning to provide pulses through the PDS shops to BPL families with an increased subsidy," Food Minister K V Thomas said, adding that his ministry has proposed to increase the subsidy amount to Rs 20 per kg from Rs 10 per kg.

The ministry is discussing it with the ministries of agriculture and finance to re-launch the distribution of imported pulses through PDS shops. The government had started this scheme in November 2008. However, the scheme was stopped last year as the offtake by the states was poor.

Poor monsoon this year is expected to jack up pulses prices drastically in the coming months. Monsoon rains have been deficient by about 22 per cent so far this year affecting sowing of paddy, pulses, coarse cereals and oilseeds. As of July 21, pulses area declined by 32 per cent to 4.01 million hectares from 5.85 million hectares in the corresponding period last year. Pulses production fell to 17.21 million tonnes in 2011-12 crop year (July-June) from record 18.24 million tonnes in the previous year.

#### **Mandi admn to sell veggies in retail at wholesale prices**

WEDNESDAY, 25 JULY 2012 22:18

PNS | DEHRADUN

The Mandi administration has decided to sell vegetables in retail at wholesale prices. However, a day after the decision came, almost all of the wholesale traders were unaware of it. "We don't know of any such decision," said a trader as he refused to give 5 kg of potatoes to this reporter. "We were informed of the decision only on Wednesday by the administration. Now, we are communicating it to the traders. We will start retailing from Thursday," said Jitender Anand, president, Sabzi Mandi Traders' Union.

Although the decision was taken by the Mandi administration on Tuesday evening, the traders were unaware of it. "We took the decision in consultation with the traders' union. If most traders didn't know about it, the union would not have conveyed it to them," said Vijay Thapliyal, Chief Executive Officer, Niranjanpur Mandi.

The retail would start full-fledged from Thursday, according to Anand, but there is a condition — much would depend on the buyers' response. "We will set aside some quantity for retail. But how much we save for retail will depend on the customers' response. If we set aside, say, two tonne of a vegetable but it does not sell in retail we will incur losses," explained Anand.

Besides, a few vegetables are about 25 per cent dearer this year as compared to last year in the mandi such as potato, coriander, radish etc.

For instance, the tomato that is being sold at around `50-60 per kg in the city, costs just about `25 per kg in the mandi. The garlic which is being sold at `40-60 per kg at Tehsil Chowk, costs just `20-30 per kg in the mandi. The list is endless. The retail selling would be done between 10 am and 12 pm every day.

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# Business Standard

Thursday, Jul 26, 2012

## Govt may ban some agri futures to curb price rise

Price situation to be reviewed by FMC this week: Thomas

Press Trust of India / New Delhi July 25, 2012, 14:00 IST

The government may ban futures trade in agriculture commodities that see high price volatility, Food Minister K V Thomas said today.

At present, futures trade in urad, tur (arhar) and rice is banned, while it is permitted in wheat, sugar, soya oil, mustard seed, soyabean and some others. There are five national and 16 regional exchanges in the country. Forward Markets Commission (FMC) regulates these bourses.

"We have asked FMC to carefully watch the price movement of some agricultural commodities and see to it that there is no unnecessary price fluctuation. If need arises, on those items, where high fluctuation is seen, they will be out of the futures market," Thomas told reporters.

He added that price situation in the futures market will be reviewed with FMC this week.

The Commission is already monitoring the price movement of five agricultural commodities --

potato, chana, soyabean, soya oil and mustard seeds.

It has asked exchanges to charge higher deposit money to trade in commodities such as soyabean, mustard seed, soyameal and turmeric early this month.

FMC Chairman Ramesh Abhishek had said recently that he is keeping a close watch on these essential items to curb any speculation and price increase. "New steps will be taken as and when required."

In the wake of poor monsoon, prices of essential commodities are on rise in most parts of the country.

Monsoon, crucial for Indian agriculture, is deficient by 22% in the country. Poor rains have affected sowing of major kharif crops like rice, pulses and oilseeds.

According to FMC data, the turnover of commodity exchanges rose by 8.95% to Rs 41,71,803 crore till June this fiscal, against Rs 38,29,230 crore in the same period last year.

### **Panel approves new global food safety measures**

**Codex Commission agrees on better standards on many food items exported by India, such as nuts, spices and seafood**

**George Joseph / Kochi July 26, 2012, 0:11 IST**

The Codex Alimentarius Commission, jointly run by the UN Food and Agriculture Organization and the World Health Organization, for food safety, has recently agreed on a new set of regulations — including the maximum level of melamine in the liquid milk formula for babies — to protect the health of consumers across the world. Other measures adopted include new food safety standards on seafood, melons, dried figs, nuts and spices and food labelling.

The Commission has now reduced the maximum limit of melamine to 0.15mg/kg in liquid infant milk. Two years earlier, it had adopted a maximum melamine level of one mg/kg for powdered infant formula and of 2.5 mg/kg for other foods and animal feed. Melamine can be lethal at high concentrations and has been used illegally to increase the apparent protein content in food

products, including infant formula and milk powder. Milk tainted with melamine has caused death and illness in infants.

Aflatoxins, a group of mycotoxins produced by moulds, are toxic and known to be carcinogenic. They can be found in a variety of products such as dried fruits, nuts, spices and cereals at high levels if the produce is not stored properly. The Commission has now agreed on a safe maximum limit of 10 micrograms/kg. This limit will be crucial to the export sector of India, as the country is a leading exporter of nuts and spices.

The Commission also said an emerging public health issue relates to the increased popularity of pre-cut melon slices. Exposed pulp of the fruit can become a breeding ground for bacteria. This has been linked to life-threatening salmonella and listeria outbreaks. In India, water melon slices are widely sold by street vendors across the country, especially in the summer. The Commission says pre-cut melons should be wrapped or packaged and refrigerated as soon as possible and distributed at temperatures of four degrees Celsius or less. Cooling and cold-storing was recommended as soon as possible after harvest, while knife blades used for cutting or peeling should be disinfected on a regular basis.

It had also agreed on a set of residue limits for ractopamine, the veterinary drug, in animal tissues. Ractopamine is a growth promoter and also keeps pigs lean. It has adopted maximum residue limits for the amount of the drug allowed in the tissues of pigs and cattle.

## **Seafood**

The Commission also adopted a set of preventive hygiene measures aimed at controlling food-borne viruses, especially in seafood items. Viruses are generally more resistant than bacteria and those transmitted by the faecal-oral route can persist for months in bivalve molluscs, soil, water and sediments. They can survive freezing, refrigeration, ultraviolet radiation and disinfection but are sensitive to heat.

Common food-borne viral diseases are caused by the hepatitis A virus and norovirus. The Commission noted the main hazard for the production of molluscs, such as oysters and mussels, was the biological contamination of the waters in which they grow. It is, therefore, important to ensure the seawater quality of growing areas, the Commission noted. When there is a likelihood or evidence of viral contamination, closure of the area, destruction of

contaminated molluscs and/or heat treatment before consumption of already harvested molluscs are recommended.

The Commission sets international food safety and quality standards, to promote safer and more nutritious food for consumers worldwide and ensure fair practices in the food trade. It has 185 member-countries.

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# THE HINDU Business Line

## Tata Coffee to expand instant coffee unit

Vinay Kamath



*THE HINDU* Mr Hameed Huq, Managing Director, Tata Coffee Ltd.

Chennai, July 25:

Tata Coffee which runs an instant coffee unit in Theni, TN, an export unit, will see an expansion in capacity from 6,500 tonnes a year to 8,500 tonnes, said Mr Hameed Huq, Managing Director.

The expansion, said Mr Deepak Kumar, ED, Finance, will be complete by March 2013 and is being done at an investment of Rs 55 crore.

The company exports instant coffee to branded coffee makers in Japan, Russia, South East Asia and to the CIS countries.

**Higher prices**

Mr Huq said the year gone by had been good for producers as Arabica prices had reached a 34-year high. This year, while Arabica prices have come off their highs, prices of Robusta parchment coffee have gone up by almost 30 per cent. Tata Coffee is a large producer of this variety of coffee and is expected to benefit from higher prices. Tata Coffee has a total of 22,800 hectares under coffee cultivation. This year, global production of coffee should be balanced, as output in Colombia is lower even as production in Brazil and Vietnam will be higher, said Mr Huq. Prices will rule firm. In the first quarter of this year, Tata Coffee more than doubled its net profit to Rs 31.84 crore while revenues went up by 24 per cent to Rs 413.73 crore.

### **Consumption pattern**

Mr Huq said Indian coffee consumption has more than doubled in ten years, from 55,000 tonnes a year to 120,000 tonnes. “But in spite of more than doubling, the per capita consumption is still low.” The presence of many international brands of coffee as well as local chain Café Coffee Day’s efforts have contributed to more coffee being glogged. “But to push coffee drinking habits up north, we need more small entrepreneurs to start coffee roasting outlets, as in the south,” he said.

### **Chana falls two per cent**



Chana futures fell with investors booking profits following the recent run-up in prices. The fall was also aided by lower demand in the spot market.

Mumbai, July 26:



Chana futures on the NCDEX fell by two per cent to Rs 4,729 a quintal on Wednesday. Investors preferred to book profits after the recent run-up in prices. Besides, the tapering demand at high prices in the spot market also aided the price fall on Wednesday. Spot prices in Delhi were down by 0.81 per cent at Rs 4,910 a quintal.

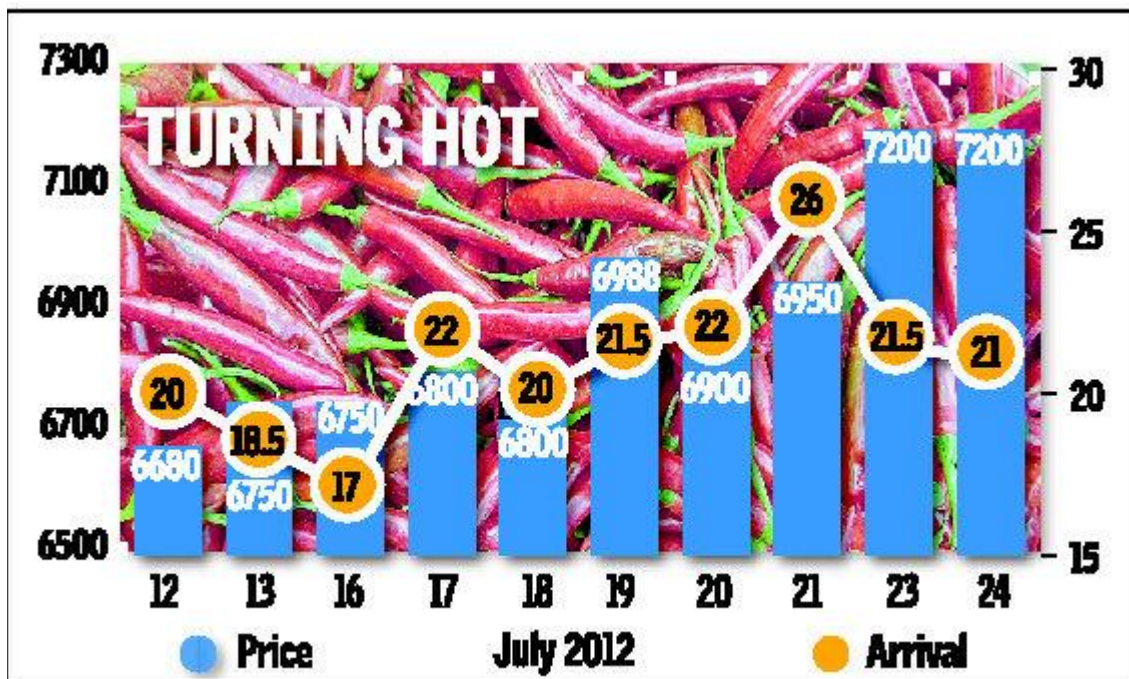
The progress of pulses sowing has been slow due to the deficient rains. Although chana is a rabi crop, it also takes cues from the monsoon and the progress made in sowing of kharif crops.

Chana prices may witness a further drop amid lack of demand at higher levels. However, prices may bounce back in the next two to three seasons owing to the weak progress in sowing of kharif pulses.

In the medium- to long-term, the trend remains positive as supplies may not be sufficient to meet rising demand for the commodity.

According to the Ministry of Agriculture, sowing of kharif pulses was at 40.19 lakh hectares as of July 20 compared to 58.56 lakh hectare (ha) recorded in the same period last year, a decline of almost 31.37 per cent.

### Chilli turns hot on export demand



Source: Agmarkonet. \*Arrivals in tonnes; modal prices in Rs/quintal at P.O. Uparhali (Guwahati) APMC. July 25, 2012:

Chilli prices have gained over 10 per cent in the last fortnight on worries over availability of water in growing areas.

“We have received good rain now that is taking care of soil moisture. But the storage level in reservoirs is low. If the level does not improve, chilli prices could rise further,” said Mr Alapati Srinivasa Rao, a trader, from Guntur. Besides, export demand is keeping prices at higher levels. “Exports is as usual higher during this period of the year. We are getting orders from all-around,” Mr Rao said. Pakistan, Malaysia, Nepal, Sri Lanka, Singapore and Bangladesh are looking for Indian chilli. Besides, China has begun to buy Teja chilli, which has high pungency.

“Prices, on the other hand, could cool if the catchment areas get good showers,” Mr Rao said.

In Guntur spot market, chilli prices are ruling between Rs 3,900 to Rs 4,200 a quintal for the red varieties. The thin variety is being quoted at Rs 5,200. NCDEX August chilli was at Rs 5,914/quintal , up Rs 228 while September October series were at Rs 6,128 and Rs 6,416 gaining Rs 236 and Rs 248 respectively.

#### Lower sowing lift castor



Rajkot, July 25:

Castor seed gained nearly 3.60 per cent on Wednesday on short covering on the back of delayed monsoon and heavy speculative demand as higher export enquiries were seen in the market. Also sentiment improved after oils and oilseeds market bounced back.

On the National Commodity and Derivatives Exchange (NCDEX), castor August contract gained Rs 146 to Rs 4,199 a quintal, with an open interest of 40,140 lots. NCDEX September contract increased Rs 152 to Rs 4,290 for 100 kg, with an open interest of 64,640 lots.

On Rajkot Commodity Exchange, castor September contract was higher by Rs 104 to Rs 4,235 a quintal and RCX spot castor price moved up by Rs 23.50 to Rs 3,725.

About 70,000-75,000 bags castor arrived in Gujarat at Rs 740-760 for 20 kg. About 3,800-4,000 bags arrived in Saurashtra at Rs 700-740.

A Kedia Commodity report showed that deficit monsoon in growing areas, particularly in Gujarat, and lower sowing of the crop was pushing up prices in futures and spot markets. Scarcity of rains will once again lead Gujarat farmers to sow castor seed, a crop traditionally considered for dry season. As this will be the last options left for farmers castor seed will again see bumper cultivation.

#### Govt releases more sugar for open sale



Mumbai, July 25:

Sugar prices on the Vashi wholesale market slipped below Rs 3,600, losing more than Rs 50 a quintal on Wednesday on release of an additional 2.66 lakh tonnes for sale in the open market for September quarter. The additional release is part of the unsold levy sugar quota from

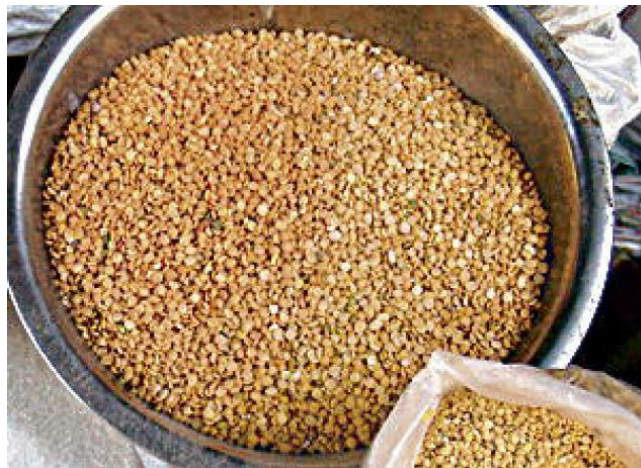
previous years. Naka rates declined by Rs 50-70, while mill tender rates dropped marginally by Rs 20 but are expected to be lower by Rs 40-50 on Wednesday evening.

A Vashi-based wholesaler said that due to the release of additional free sale quota stockists turned cautious keeping away from fresh bulk buying. Physical retail demand also eased in the middle of the month. Sugar futures witnessed profit booking and selling pressure. Neighbouring States buying in Maharashtra is still not showing any improvement. Sugar futures on the National Commodity and Derivatives Exchange (NCDEX) ruled range-bound and slightly weak on profit booking.

In Vashi market, arrivals were 53-54 truckloads and local dispatches were 50-51 truckloads. On Tuesday evening, only 10 -12 mills offered tenders and sold about 38,000 – 40,000 bags (of 100 kgs each) to local stockists in the lower range of Rs 3,300-3,380 (Rs 3,320-3,400) for S-grade and Rs 3,400-3,450 (Rs 3,420-3,450) for M-grade. Late evening tender were expected to be lower by Rs 40-50 .

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,411-3,491 (Rs 3,461-3,531) and M-grade Rs 3,486- 3,571 (Rs 3,521- 3,621). **Naka delivery rates:** S-grade Rs 3,380 -3,440 (Rs 3,450 -3,500) and M-grade Rs 3,440-3,520 (Rs 3,500-3,570).

### Slack demand from mills pounds pulses



Indore, July 25:

Sluggish demand and decline in buying interest from the millers pulled down tur and its dal in the local mandis for the second consecutive day. Tur (Maharashtra) declined to Rs 4,800 a quintal (down Rs 100), while tur (Indore variety) slid to Rs 4,100-4,300 and tur (lemon) to Rs



4,300. Tur dal (full) declined by Rs 100 to Rs 6,800, while tur marka slipped by Rs 100 to Rs 7,600 , tur dal (sawa no.) ruled steady at Rs 6,000-6,100.

Tur had zoomed to Rs 5,000 a quintal a couple of days ago but fresh monsoon showers in the last 2-3 days have affected trading sentiments, leading to decline.

**Moong:** The bold variety on Wednesday declined to Rs 5,200-5,300 a quintal (down Rs 100). Similarly, moong (medium) dipped to Rs 4,600-4,800. Moong dal (medium) was at Rs 6,200-6,300, moong dal (best) at Rs 6,800-6,900, while moong monger ruled at Rs 7,100-7,400. **Chana** (kanta) declined to Rs 4,900-50 (Rs 5,050). Similarly chana (desi) declined to Rs 4,850-75. Chana dal also declined with chana dal (average) declining to Rs 6,175-6,200, chana dal (medium) at Rs 6,275-6,300, while chana dal (bold) declined to Rs 6,450-75 a quintal (Rs 6,500-25).

### Scared traders mop up turmeric stocks



Erode, July 25:

Spot turmeric prices continued to rise large scale purchase by stockists and traders fearing lower sowing of the crop this year.

“Last year more than one crore bags of turmeric were harvested, of which about 50 lakh bags were sold in seven months. Now due to adverse seasonal condition and failure of monsoon , the

sowing has decreased and so we are expecting only about 50 lakh bags to come for sale next year. Calculating this, some stockists have procured huge stocks”, said traders and bulk buyers.

Traders also said that for the past couple of days they are getting orders from North India merchants – which is also the reason for price rise . Price in the Gobichettipalayam Coop Marketing Society increased by Rs 489 a quintal. At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,790-7,560 a quintal; the root variety at Rs 5,333-6,909. All the 1,300 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,099-7,399; the root variety at Rs 5,089-6,759. All 180 bags on offer were sold.

### Pepper remains bullish

G. K. Nair

Kochi, July 25:

The pepper market on Wednesday turned hot on good buying support amid tight availability and all the active contracts moved up after remaining volatile.

Rains from last night in several areas coupled with “buy today sell tomorrow (BTST)” calls from local origin national brokers are claimed to have aided the price rise.

Cued by the situation, the bull operators got into the driving seat. Due to the current unfavourable weather conditions medium and small players may not be able to process and deposit in the exchange and taking advantage of this situation, the operators pushed up the price.

It was an effort to squeeze the sellers so that they would get out of the market. The local market fundamentals are also in their favour, market sources told *Business Line*.

The operators have already taken delivery of around 1,000 tonnes of July delivery and of August about 500 tonnes have also been taken, they said.

According to them, 30 tonnes of pepper were traded on the spot at Rs408, Rs412 and Rs414 a kg depending upon the quality, bulk density and area of production.

August contract on the NCDEX increased by Rs 540 a quintal to the last traded price (LTP) of Rs 44,160 and Rs 44,500 a quintal.

September and October went up by Rs 500 and 580 respectively a quintal to the LTP of Rs 44,500 and Rs 44,800 a quintal.

### **Turnover**

Total turnover increased by 2,385 tonnes to 5,879 tonnes.

Total open interest also soared by 465 tonnes to 7,031 tonnes showing good additional buying.

August open interest declined by 6 tonnes 5,281 tonnes while that of Sep and Oct increased by 446 tonnes and 15 tonnes respectively to close at 1,654 tonnes and 89 tonnes.

Spot prices on good buying support amid tight availability moved up by Rs300 a quintal to close at Rs40,800 (ungarbled) and Rs42,300 (garbled) a quintal.

Indian parity in the international market was at \$8,100 a tonne (c&f) Europe and \$8,400 a tonne (c&f) USA. US brokers were quoted by the trade here as saying that some Indian exporters had offered at lower rates.

“When the material could be sold on the Indian exchange at a much higher price why should one venture to sell it cheaper on the overseas market, unless they have some other obligations to fulfil,” market sources here alleged.

### **Spot rubber rules steady**



Kottayam, July 25:

Spot rubber closed unchanged on Wednesday. According to observers, the transactions were in an extremely low key as there were no quantity buyers or sellers in the main marketing centres.

Sheet rubber was quoted steady at Rs 179 a kg according to traders. The grade closed flat at Rs 179.50 a kg both at Kottayam and Kochi according to Rubber Board.

The August series improved to Rs 178 (176.56), September to Rs 177.35 (1755.85), October to Rs 176.95 (175.78) and November to Rs 176.60 (174.81) a kg on the National Multi Commodity Exchange. RSS 3 (spot) firmed up to Rs 169.65 (168.93) a kg at Bangkok. The July futures expired steady at ₹215.5 (Rs 154.87) a kg while the August series slipped to ₹215.1 (Rs 154.58) from ₹216.5 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 179 (179); RSS-5: 173.50 (173.50); ungraded: 167 (167); ISNR 20: 169 (169) and latex 60 per cent: 129 (129).

### Global cues, demand boost Mustard futures

G. Gayathri



Chennai, July 25:

Mustard futures gained on the National Commodities and Derivatives Exchange on Wednesday on global cues and demand.



Rapeseed August futures on the NCDEX were quoted at Rs 4,497/quintal (up Rs 122 from the Tuesday's close).

Demand for rapemeal, offtake from pickle manufacturers and delayed monsoon are seen as factors behind the price push.

Mustardseed for September delivery quoted Rs 4,560 (up by Rs 124) while October series zoomed to Rs 4,598 (up by Rs 126).

In the spot market at Jaipur (Rajasthan), mustard seed was quoted Rs 4,477.

Traders expect mustardseed prices to top Rs 4,500/quintal in the coming days with farmers holding back stocks, anticipating higher returns.

As a result, mustardseed arrivals in Rajasthan, the largest producing State in the country, were estimated at 45,000-50,000 bags (1 bag = 85 kg) today, largely unchanged from Monday.

On MATIF or Euro Next France, rapeseed for August delivery rose 4.5 per cent to 563.50 (euro/tonne).

### Castorseed rises as poor rainfall hits sowing

Our Bureau



The area under castorseed is lower in line with the general trend that is being witnessed in kharif oilseeds coverage this year.

Chennai, July 25:

Castorseed futures gained across contracts by over 1 per cent on the NCDEX by noon on Wednesday.

Deficient monsoon in growing areas, particularly in Gujarat, and lower sowing of the crop was pushing up prices in futures and spot markets.

According to the Agriculture Ministry, the area under castor lagged behind by at least 0.5 per cent compared with last year. Hardly one lakh hectare have been covered under the crop so far, according to reports.

The area under castorseed is lower in line with the general trend that is being witnessed in kharif oilseeds coverage this year. India is a key producer of castorseed being the largest producer and exporter of castor oil.

Castorseed for August delivery was up by 1.04 per cent on the NCDEX at Rs 4,095/quintal while September contracts increased by 1.21 per cent from Tuesday's close to Rs 4,188. October contracts gained 1.29 per cent at Rs 4,240. In the spot market, castorseed was quoted at Rs 3,775.

### Chilli sizzles on fears over poor crop



Reports of Chinese interest in the Indian spice is also pushing up prices.

Chennai, July 25:

Chilli futures continue to rule hot on NCDEX with September contracts rising over 3 per cent in early morning trade.

Chilli and turmeric have been the top gainers in the spice complex in the last fortnight gaining on fears over crop prospects due to scanty rain.

In addition, chilli has been gaining on reports of Chinese interest in the Indian spice. About 50,000 tonnes have been reportedly bought by China in the last couple of months.

Export data for April released earlier this week have also lent support to chilli with monsoon being 22 per cent deficient. Areas where spices are grown could come under stress thus affecting production. Also expectations that farmers could switch back to paddy after growing chilli last year is influencing the market.

On Wednesday, chilli for delivery in September was quoted 3.36 per cent higher at Rs 6,090 a quintal against Rs 5,892 at close on Tuesday. August contracts were up Rs 166 at Rs 5,880 and October contracts increased by 2.95 per cent to Rs 6,350. In the Guntur spot market, chilli was quoted at Rs 5,927.10 a quintal.

### **Turmeric futures hit upper circuit**

Suresh P. Iyengar



Rise in turmeric futures was on the back of strong buying interest as spot prices in Erode crossed Rs 7,000 a quintal.

Mumbai, July 25:

Turmeric futures on the National Commodity and Derivatives Exchange Ltd had hit the upper circuit with a gain of four per cent at Rs 6,264 per quintal on Tuesday.

This was on the back of strong buying interest as spot prices in Erode crossed Rs 7,000 a quintal.

There was renewed buying interest among stockists on expectation of improvement in demand. The bullish trend in futures market may continue.

Production is expected to decline this season as farmers are shifting to other remunerative crops. They are focusing on other crops as turmeric takes longer time to grow and also due to lack of adequate water in main growing regions.

In Andhra Pradesh, farmers who grow turmeric have moved to soyabean, as it is not only more remunerative but also a shorter period crop. Spot prices at Nizamabad in Hyderabad touched Rs 6,000 a quintal.

### **Coonoor tea auction volume hits 6-week low**

P.S. Sundar

Coonoor, July 25:

The declining trend in the offer of teas for Coonoor Tea Trade Association auctions continues with the volume of 17 lakh kg catalogued for Sale No: 30 to be held on Thursday and Friday being the lowest in the last six weeks.

This is 1.53 lakh kg lower than last week's offer and 64,000 kg lower than the offer this time last year, reveals an analysis of brokers' listing.

Of the 17 lakh kg on offer, 12.74 lakh kg belongs to the leaf grades and 4.26 lakh kg belongs to the dust grades. As much as 15.72 lakh kg belongs to CTC variety and only 1.28 lakh kg, orthodox variety.

The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.83 lakh kg belongs to orthodox while 11.91 lakh kg, CTC. Among the dusts, only 0.45 lakh kg belongs to orthodox while 3.81 lakh kg, CTC.

The substantial portion of this volume comprises fresh teas totalling 15.55 lakh kg. About 1.45 lakh kg comprises teas which had remained unsold in previous auctions.

Last week, in the leaf tea auction, Hindustan Unilever Ltd (HUL) and Tata Global Beverages Ltd bought medium varieties. Duncan Tea Ltd and Godfrey Philips India Ltd were selective. In the dust tea auction, HUL was selective while Tata Global, Duncan Tea and Godfrey Philips did not operate.

### **Assam violence leaves tea growers worried over transportation**

Santanu Sanyal

Kolkata, July 25:

Tea growers in Assam are worried at the escalation of violence in the State. The disturbance, if persists, will hit the evacuation of tea outside the State. Fortunately, tea movement has not been hit so far. But growers are keeping their fingers crossed.

Mr M.G.V.K. Bhanu, Chairman of Tea Board, said that so far the disturbance has not had much impact on the tea movement. "I have talked to the tea industry people but they have assured me that there has not been any impact on the movement so far," he said. But he felt that an early end to the crisis was necessary as its continuation would hit not only the tea industry but the entire economy of the region.

Mr C.S. Bedi, Chairman of Indian Tea Association, said there had not been much problem so far due to several reasons. Road transporters are cautious, avoiding disturbed areas and waiting in safe places in transit for the normalcy to return. Also, in many cases the police escorts were being given to trucks. Several tea companies are holding on to stocks instead of risking evacuation by road. But warehouses in Guwahati are getting full as normal evacuation has slowed down, he said.

Inquiries with the Amingaon (Guwahati) inland container depot (ICD) suggest that the last rake carrying tea containers had left two days before the outbreak of the disturbance and the next inward rake was due on Saturday/Sunday.

There is not much stock either – about 30 stuffed boxes or so – at the ICD. One reason for this is that the tea shipment is yet to start in a full swing. Besides, there has been a drop in crop this year due to unfavourable weather. A third reason is that the exporters do not always wait for the full rake to form. Since Concor is also running, domestic rakes on the route, many exporters would often prefer to send the boxes by the domestic rake instead of waiting for the dedicated export rake.



## Mills contract 10 lakh bales cotton for imports

Gayathri G.



Cheaper, contamination-free: Textile firms now prefer short-stapled varieties from African nations such as Tanzania, Zambia and Zimbabwe.

Chennai, July 25:

Spinning mills in the country have contracted to import 10 lakh bales (170 kg) of cotton from African countries following tight domestic availability and delayed monsoon.

The supply squeeze is owing to lower stocks with growers. Delayed monsoon has led to fears of drop in acreage and production of cotton. Besides, parched US crops have prompted millers in the country - world's second-largest cotton exporter - to import more.

### **Nine-year high imports**

The country's cotton imports may scale a nine-year high of 15 lakh bales in the cotton year ending September, thanks to record exports of around 135 lakh bales - or 39 per cent of output - so far.

Imports have already touched 10 lakh bales, compared with the Cotton Advisory Board's (CAB) projection of 6 lakh bales for the entire 2011-12 season. The country had imported 5 lakh bales last year.

Although India usually imports some high-grade cotton varieties in small volumes from Egypt and the US, this year mills are purchasing even coarser or short-staple varieties. Textile firms now prefer short-stapled varieties (mainly used in making denim cloth) from African nations such as Tanzania, Zambia and Zimbabwe.

"Although short-stapled ones (which is of little use in India), these are imported mainly because of cheaper prices and are free of contamination. So textile firms plan to use imported cotton to ramp up their output and to spin coarser yarns," Mr Ashok Damji Daga, a Coimbatore-based cotton trader and Member of CAB, told *Business Line*.

### **Stocks depleted**

Textile industry sources said large volume of exports have depleted cotton stocks leading to fears of shortage. Consequently, the gap between domestic and global prices has narrowed to even one or two cents an lb, and in some cases, domestic cotton is 4-5 per cent more expensive than the imported varieties, making imports an attractive option for mills. Home-grown Shanker 6 is hovering around Rs 39,000 a candy (of 356 kg).

Mr Goenka, a Kolkata-based trader, confirms the trend. "Cotton purchase by mills has increased in recent times. International merchants are liquidating their stocks across Punjab, Haryana, Rajasthan, Gujarat and Maharashtra."

"Monsoon holds the key for everything. We have seen an increase in domestic prices as well as imports. Although it (the imports) is not an alarming situation, if monsoon fails imports may go up," he cautioned.

India needs 252 lakh bales of cotton for consumption in 2011-12, while its output is pegged at 347 lakh bales, according to CAB's projection.

"Owing to huge cotton exports so far, buyers fear that there won't be any stocks available in the domestic market after September. So mills that have not been able to stock up significantly due to a severe liquidity crunch are now on an importing spree," said Mr Daga.

## Jay Shree Tea sees 24% dip in output



*Business Line* Mr. B. K. Birla, Chairman, Jay Shree Tea Ltd. at the company's 66th AGM in Kolkata on Wednesday. Photo: Arunangsu Roy Chowdhury.



Kolkata, July 25:

BK Birla group outfit, Jay Shree Tea and Industries Ltd is expecting 24 per cent drop in domestic production in the first quarter of this fiscal. The company, however, claims to have covered the loss through higher price realisation.

According to Mr R.K. Ganeriwala, President and Secretary, the company's domestic production may drop to 5.3 million kg (mkg) during April-June quarter against 7 mkg during the corresponding period last fiscal.



“The drop in production, is however, made up through Rs 53 a kg higher price realisation, higher than the industry average,” Mr D.P. Maheshwari, Managing Director, told reporters after the company’s annual general meeting here on Wednesday.

He is anticipating tea production to remain lower than the previous fiscal. Available data indicate that the country’s tea production is down by least 31 mkg during the January-June this year. The company is expecting one mkg increase in production from its estates in Uganda and Rwanda. Overseas tea production stood at around 5 mkg in 2011-12.

According to Mr Maheshwari, the company is expecting 15 per cent higher realisation in sugar price this fiscal. As in June this year, prices are up from Rs 28 a kg to to Rs 34 a kg.

“We hope the price to stabilise at around Rs 32-33 a kg,” he said. Sugar division contributes 17 per cent of the company’s turnover.

### 3-day agri machinery fair in November

A. J. Vinayak



Self-propelled multi-row weeder for dryland crops (file photo)



• Paddy transplanting machine (file photo)



• Honge Oil removing machine (file photo)



•  
Coconut climbing machine (file photo)



•  
Coconut de husk machine (file photo)





•  
Paddy harvesting machine (file photo)



•  
Tea harvesting machine (file photo)

Mangalore, July 25:

The Arecanut Research and Development Foundation (ARDF) will conduct a three-day 'agri machinery fair' in November. Addressing presspersons here, Mr K. Padmanabha, Managing Trustee of ARDF and President of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd, said that farm labour scarcity is affecting the agriculture sector. Mechanisation of agriculture has become evident in such a situation. In this regard, ARDF will conduct a three-day fair on agriculture machineries at Puttur in Dakshina Kannada district from November 2. Agriculture machinery manufacturers and inventors would participate in the fair. Apart from machineries related to arecanut crops, other machineries related to animal husbandry and horticulture crops would be on display at the venue. Machineries from Israel and China will also be exhibited. One of the highlights of the fair would be agriculture-related project competition for engineering college students. Best projects will be rewarded at the fair. There will also be technical sessions on various subjects at the fair. Banks will be asked to set up their stalls at the fair and to finance the agriculture machinery manufacturers and buyers.

Mr Padmanabha said that nearly 50,000 farmers from Karnataka and Kerala are expected to participate in the fair.

### Adequate cottonseed available for sowing, says national body

K. V. Kurmanath



"It is possible that some of the hybrid brands may be in greater demand than others, but it would be incorrect to conclude that any such shortage is deliberate on the part of seed producers," says the NSAI President, Mr K.V. Subbarao.

Hyderabad, July 25:

With several States blaming the seed companies for shortage of seeds, the National Seeds Association of India (NSAI) has asserted that the cottonseed supply is adequate to take care of kharif needs.

Maharashtra and Andhra Pradesh flayed seed firms for failing to provide enough seeds. Mr Kanna Lakshminarayana, Andhra Pradesh Minister for Agriculture, warned Mahyco of stern action if it failed to honour the promises it made. The company's Bt cottonseed is in huge demand in all the cotton growing districts. This has resulted in heavy rush at seed shops.

In Maharashtra, the company has been threatened with a ban on selling the cottonseed following allegations of blackmarketeering.

"It is possible that some of the hybrid brands may be in greater demand than others, but it would be incorrect to conclude that any such shortage is deliberate on the part of the seed producers," according to Mr K.V. Subbarao, President of NSAI, in a statement here.

"Hybrid seeds are produced through contract farmers. The production system is similar to any other agricultural crop production and is, hence, dependent on several variables such as rain, soil health, diseases and farming practices. These variables often create a gap between potential output and actual output," he argued.

A seed is a biological product with long production cycle and making a particular brand of hybrid seeds available at a short time owing to a sudden spurt in demand becomes impossible, the association pointed out.

### **Rains may skip north-west, peninsula for rest of July**

Vinson Kurian

Thiruvananthapuram, July 25:

With less than week to go before the monsoon crosses the halfway mark, the all-India rain deficit stays at 22 per cent (as on Tuesday).

This is despite the reasonably good run through central India over the past few days now pushing east.

**HIGH NORMAL**

The emerging deficit now runs against high monthly rainfall normal for July; only exceptionally strong and sustained rain can hope to make any impression.

Individual regional deficits are led by northwest India (42 per cent); central India and south peninsula (23 per cent each) and east and northeast (seven per cent).

Meanwhile, the Bay of Bengal is preparing to lob in another rain system over land, whose track would be closely watched for gains for mainly central India.

The Global Forecasting System (GFS) model sees the cyclonic circulation travelling west over land across Orissa, Andhra Pradesh and Maharashtra into northwest Madhya Pradesh during the short-term.

But US National Centres for Environmental Prediction says the rain is likely to be confined to central, east-central and adjoining east India.

## **BLANK IN NORTHWEST**

There are no indications yet of any meaningful rains for either north-west India or south peninsular India.

In fact, the Climate Prediction Centre (CPC) of the US National Weather Services says that below normal rains are indicated for southern Indian peninsula and eastern Indian Ocean up during the next fortnight (until August 8).

The monsoon flows would be in all probability directed to South-East Asia, with more cyclonic activity indicated for South China Sea.

But the CPC said that an ongoing cyclonic circulation may bring heavy rainfall to Uttar Pradesh and Madhya Pradesh, during this week.

## **EL NINO STATUS**

Meanwhile, the Australian Bureau of Meteorology has said that the El Nino is back on track in the east tropical Pacific. This should continue to raise concerns over the Indian monsoon.

An India Meteorological Department warning said heavy to very heavy rainfall is likely over Uttar Pradesh and Madhya Pradesh during the next two days.

Heavy rainfall has also been forecast over Uttarakhand and Orissa during this period.