

TIRUCHI, July 2, 2012

For kuruvai, groundwater seems the only hope

G. SATHYAMOORTHY

Uncertainty over the reopening of Mettur dam for irrigation



Farm women transplanting kuruvai crop at a village in Thanjavur. —File photo

Though most of the farmers have given up hope on raising kuruvai this year as none knows when the Mettur Dam will be thrown open for delta irrigation, there is still a section who believes that at least a portion of the normal area of six lakh acres could be salvaged with groundwater.

M. Kanagasabhai, president of the Cauvery Delta farmers' Welfare Association, asserts that it would definitely be possible to raise 90-day crop with pumpsets if there is adequate groundwater. "Ten days ago, Tiruchi region received two spells of rain. Climatic conditions during the normal samba season will be hotter. Farmers are worried whether to take the risk when so much of uncertainty is loaded against kuruvai."

S. Ranganathan, general secretary of the association, points out that in 1980-81, though water was released from Mettur Dam only during the third week of July "we could manage to raise kuruvai because we had 90-day varieties. Now most of the varieties are of 105-day crop. Considering the erratic behaviour of the South West Monsoon, it is not advisable to go in for kuruvai."

Even for a 90-day crop, 1.25 thousand million cubic feet (tmcft) of water is required for a day. "Thus we need at least 100 tmcft to 115 tmcft for kuruvai alone. But our storage is hardly 40 tmcft in Mettur now.

There is no doubt it is a deficit year for Karnataka also and despite repeated pleas from Tamil Nadu, it has chosen to deplete even the 30 tmcft it had up to March for its summer crops.

The major issue is that 90 per cent of the expense would have been undertaken by the time ploughing is done. If monsoon were to play truant for some more time, those who have gone in for kuruvai would be in a real soup."

According to him, Vennar division is "drastically bereft of groundwater." Needamangalam and a part of Mannagargudi areas have groundwater. It is possible to raise kuruvai in the upper reaches of the "new delta" like Budalur, Orathanad, Vaduvur, etc. irrespective of whether Cauvery water is available. Now that Chief Minister Jayalalitha has promised 12-hour power supply for about 1.5 lakh acres, it should be possible to raise kuruvai at least to that extent including in Lalgudi, Kulithalai, Musiri, etc.

K.P. Gandhipithan, secretary, Cauvery Delta, is happy to note that there are a large number of pumpsets available in Thanjavur, Thiruvarur, Nagapattinam, Lalgudi and Karur regions and many of these have groundwater potential also."

I am confident that at least one third of the normal kuruvai area could be salvaged."

P. Viswanthan, State president of the Thamilaga Eri Matrum Aatrupasana Vivasayigal Sangham, pleads that the State government should ensure power supply for 12 hours as promised as otherwise even those with groundwater would be in serious trouble.

"Though we are planning only about 15,000 acres of kuruvai in Tirchi district this year, we have lot of misgivings regarding power supply.

There is no necessity that the State government should depend only on wind energy for providing us power.

It can buy from other States as well but should fulfil its commitment.

Otherwise I wonder how Tamil Nadu is going to achieve its target of 115 lakh metric tonnes of foodgrains this year.”

VIJAYAWADA, July 2, 2012

Water release brings cheer to farmers

Agriculture official sees bright kharif prospects in Krishna district



With hope:A farmer tilling his land at Srikakulam in Krishna district. —PHOTO: CH. VIJAYA BHASKAR

With the State government releasing water for the Krishna Delta from Sunday, farmers expressed happiness over the decision and started farming activity in the fields. The farmers have already raised paddy nurseries in about 800 hectares and sowed groundnut, cotton, and sugarcane crops in about 20,000 hectares in Krishna district.

About five lakh farmers will raise paddy in 2.60 lakh hectares during kharif. Besides paddy, chilly, maize, black gram, green and red gram will be raised in the district.

Joint Director (agriculture) K.S.V. Prasad said that 32 mandals would be covered under the delta area and farming done in 22 upland mandals through borewells and tanks. “The seed and fertilizer position is good and distribution of seed is being done through societies and private shops,” he said.

Speaking to *The Hindu*, Mr. Prasad said that paddy field preparation through ploughing started in Krishna district and sowing operations would continue till July 15. The canal water would be useful for watering the crops at initial stage.

“If there is good rainfall in the next two months, we can expect good production. Last year, farmers produced about 12 lakh tonnes of paddy in the district and if everything goes well, paddy crop will be good during kharif,” said the Joint Director.

No seed shortage

Stating that there was no shortage of seed and fertilizers, Mr. Prasad said that the officials were distributing MTU-1061 and BPT-5204 varieties of paddy seed. About 15,000 tonnes of seed was distributed through Primary Agriculture Cooperative Societies (PACS) and 37,000 quintals were being supplied on subsidy.

It was estimated that 2.80 lakh tonnes of fertilizers were required and 2.90 lakh tonnes of fertilizers were kept ready in the district, he said.

Andhra Pradesh Rythu Sangam general secretary Kolli Nageswara Rao said the present rainfall would be sufficient for raising nurseries, tilling fields, and for doing transplantations. If there was rainfall in the catchment areas, Krishna and Godavari rivers would flow and we get good crop, he observed.

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- *Seed distribution is in progress*
 - *Sowing operation to continue till July 15*
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Reading the rains

This year, not only did the monsoon reach India a few days late but its progress thereafter has been alarmingly lackadaisical. While Assam has been deluged and is reeling from the resulting floods, over 85 per cent of the country is suffering from far too little rain. The result is that the nationwide rainfall deficit stood at a grim 29 per cent at the end of June. Rainfall data for the past 140 years shows that even with a June deficit of that magnitude or greater, there is still a

60 per cent chance of the monsoon turning into a 'normal' one where nationwide rainfall for the season falls between 90 per cent and 110 per cent of the long-period average.

The government, which has been pinning its hopes on a good monsoon to help propel economic growth, will undoubtedly be hoping for such an outcome.

Even if the monsoon does turn out to be 'normal,' it is likely the rains will be at the lower end of that range.

The probabilistic forecast in the India Meteorological Department's updated monsoon prediction issued in late June has indicated that this is just what could happen.

The forecast divides the traditional 'normal' range into three — 'below normal' (90 per cent to 96 per cent), 'normal' (96 per cent to 104 per cent) and 'above normal' (104 per cent to 110 per cent).

The current monsoon has, according to the IMD, a 35 per cent chance of becoming 'below normal,' which is twice the climatological probability based on the outcome in past years.

After its poor showing in June, it is important that the monsoon revives quickly. Good rains in both July and August are essential for a 'normal' monsoon that is needed to sustain the *kharif* crop. July will be particularly important for agriculture. As it is, the sowing of rice, coarse cereals, pulses and oilseeds have been hit.

Much could depend on what happens in the Pacific Ocean. The temperature at the surface of its central and eastern tropical waters has risen.

The worry is that the temperature rise might continue and result in an El Niño, which could adversely affect the monsoon. According to the IMD statistics, there have been 36 El Niño years since 1875.

Of these, the nationwide monsoon rainfall was between 90 per cent and 100 per cent of the long-period average in 14 years and above 100 per cent in six years, including in 1997 that saw one of the strongest El Niños of the last century.

But there were 'deficient' monsoons, with nationwide rainfall falling below 90 per cent, in 16 El Niño years.

One hopes that if an El Niño does develop this year, it will be the benign variety. The government would, however, do well to plan ahead and get prepared to meet any contingency.

DHARWAD, July 2, 2012

50,000 saplings to be planted in Dharwad district in five years

Forest Department to distribute two lakh saplings among farmers in Dharwad



Deputy Commissioner of Dharwad Darpan Jain watering a sapling to mark Vanamahotsava in Dharwad on Sunday.

In the next five years, 50,000 saplings would be planted across Dharwad district. Addressing a gathering after inaugurating 'Vanamahotsava' organised jointly by the State Bank of India, Hubli-Dharwad Nagarika Parisara Samiti and the Forest Department in Dharwad on Sunday, Deputy Commissioner Darpan Jain said initially 1,000 saplings each would be planted in Hubli and Dharwad. Mr. Jain called on people to take care of the saplings for at least the first three years. Mr. Jain appealed to the public to extend financial aid for getting the tree guards ready and also help the district administration in its endeavour to protect the green belt. Divisional Forest Officer V.M. Halagatti said that the Forest Department had planned to plant 6 lakh saplings across the district and in Hubli-Dharwad alone 14,000 saplings of various plant varieties would be planted. He said that the department had launched a scheme for distributing 2 lakh saplings to the farmers in the district and in addition to it, 35,000 saplings would be distributed to all the government schools in the district.

Presiding over the function, State Bank of India's Deputy General Manager Venugopal Reddy said that it was the responsibility of everyone to conserve the environment. As part of its go-green initiative, the bank had set up Green Channel Counters where paperless transactions would be held.

Mr. Venugopal Reddy handed over a cheque of Rs. 2 lakh on behalf of the SBI to the Deputy Commissioner towards planting of 2,000 saplings and providing them with tree guards.

BANGALORE, July 2, 2012

'Milk production should grow by 8.5 p.c.'

National Dairy Research Institute celebrates Foundation Day



A visitor going through an exhibition as part of the Foundation Day celebrations of the National Dairy Research Institute in Bangalore on Sunday.— Photo: V. Sreenivasa Murthy

The former executive director of National Dairy Development Board N.V. Belavadi has said that there is a need to increase milk production in the country from 120 million tonnes to 210 million tonnes by 2020-2021.

Meeting the target

While speaking on the challenges faced by the dairy industry during the National Dairy Research Institute (NDRI) Foundation Day here on Sunday, he said though the milk production was growing at 3.7 per cent per annum, it might not be enough to meet the target.

The production should grow at least by 8.5 per cent per annum, he said.

Director and Vice-Chancellor of NDRI A.K. Srivastava said that about 30 per cent of the agricultural sector's contribution towards the country's Gross Domestic Product (GDP) came from the livestock sector.

“The livestock sector contributes about 4.5 per cent to the GDP,” he said.

Challenges

Pointing out the challenges faced by the industry, Mr. Srivastava said, “We need to increase the number of high yielding animals and decrease the number of non-productive animals to reduce the competition on feed and fodder.”

Speaking on the need for a shift to integrated farming, Satish Kulkarni, southern head of NDRI, said that the use of innovative technology and quality human resources would take the industry forward.

NAGAPATTINAM, July 2, 2012

Strike, debts squeeze life out of Mayiladuthurai cane farmer

P.V. SRIVIDYA

Murugayyan consumed Endosulfan meant for killing pests in sugarcane field



Left in lurch: The distraught family members of the sugarcane farmer Murugayyan, who committed suicide early this month.

Early this June, Murugayyan reached out for a can of pesticide for one final time. He consumed one-fourth of a litre of Endosulfan along with a bottle of soft drink, and half a packet of tomato rice. The 62-year-old farmer was determined to die.

Murugayyan of Maapadugai here in Mayiladuthurai was found dead on the premises of the medical college hospital in Chidambaram.

Along with his body were found handwritten copies of letters addressed to the district Collector of Nagapattinam, the Cane Officer of the NPKRR Cooperative Sugar Mill, and the Chief Minister. He had absolved all of blame for his suicide, but clearly stated his reasons.

Ordinarily, Murugayyan would have seen a fair harvest of sugarcane —of 40 tonnes per acre. But the strike by government mill workers, and the vicious cycle of debts it triggered ruined his fortunes.

Just when Murugayyan, like several other farmers, received his cutting order and when he had already sent out two loads to the mill, the sugar mill employees throughout the State went on strike demanding a wage hike.

The sugar mill strike that commenced early April continued for 35 days. With no impasse in sight, the ready-to-harvest cane continued to dry through the summer, while the cut cane rotted in the sugar mills. There was hardly any power to even sustain the standing cane. Cane lives by the hour, and every passing hour sucks out its weight, bringing down its value.

Murugayyan had also lost out on the advance taken as loan towards labour expenses, once the strike intensified.

The strike in the mills was timed to coincide with the Assembly session and the harvest season, with the hope of an early impasse, which was not to be.

Those with resources took recourse to private sugar mills. But, transporting the cane to private sugar mills meant thrice the transport costs and a 10 per cent difference in weight due to pilferage en route.

When he could not save his sugarcane, he consumed the Endosulfan he had saved up for his cane, says Veeramani, his 34-year-old son.

Several thousand farmers had diversified to sugarcane from paddy owing to water shortage and the uncertainty over water release. It was also a professed way of recharging soil fertility.

“But for the strike, we would have seen a fair harvest of 40 tonnes per acre. The delayed cutting and the resultant labour deficit slashed the harvest to half -- barely 20 tonnes,” says Veeramani.

Murugayyan's hand written letter to the cane officer spoke of his plight. Just as they were haggling over transporting the cut cane and were facing labour shortage for the standing cane, they received a notice from the sugar mill on June 4 that the mill would be shut from June 10. On June 5, Murugayyan, overwhelmed by the extent of area that needed to be harvested before the deadline, chose to bow out.

The good father, in his letter, had also made a plea to the cane officer to collect the remaining cane from his son, and provide him with credit for the forthcoming year.

Murugayyan's death fetched his son an additional five days to have the cane cut and brought to the mills.

This was also the father who would not allow his son to haul up a sack of Urea. "He will not let me fearing that I would sprain my back," says Veeramani, his voice choked by tears.

Even as he speaks, he tries hard to work out means to pay up the loan of Rs.5 lakh incurred so far, as his devastated mother looks on.

He was worried, says Veeramani, about the cane that lay on the field and the cane that stood unharvested. "The trucks never turned up."

Murugayyan, in his letter, had also asked for his organs to be harvested. However, the Endosulfan had rendered his last wish impossible.

MYSORE, July 2, 2012

Poor rainfall hits cotton cultivation in Mysore

R. KRISHNA KUMAR

Bt. cotton cultivators in H.D. Kote taluk most affected

Scanty rainfall has hit cotton cultivators in Mysore district hard. Vivek Cariappa, an organic farmer, told *The Hindu* that the situation was particularly bad for Bt cotton cultivators in H.D. Kote taluk as the genetically modified produce is water-intensive. "Though Bt. cotton has good growth and has good yield in irrigated areas, the authorities have blindly promoted its use in dryland areas where agriculture is rain-fed, such as H.D. Kote," he said.

He said more than 95 per cent of agriculture in H.D. Kote taluk was dependent on rains and hence popularising Bt. cotton was not a good idea. "Yet, the authorities have pushed it to the point where 98 per cent of cotton cultivators in the taluk have adopted Bt. cotton while only 2 per cent of them persist with organic and non-Bt.crops," said Mr. Cariappa.

He said scanty rains during the critical growth period had resulted in stunted growth of organic cotton, while the genetically modified variety of cotton was showing signs of wilting due to water stress and the end result was crop failure in both the cases. Mr. Cariappa said a district-level committee meeting should be held to make an independent study to ascertain the claims that Bt. cotton displayed good yield even under arid conditions. "While it may be true in areas of black cotton soil, there are large tracts of agricultural land with red soil where crops have perished," Mr. Cariappa said.

Officials in the Agriculture Department point out that H.D. Kote is one of the major cotton cultivating regions and over the years farmers in large numbers have switched over to cotton cultivation. It is said that over 15,000 acres of land is under cotton cultivation in H.D. Kote taluk alone with Bt. cotton being predominant.

The government's policy of promoting genetically modified cotton, a gradually diminishing of indigenous variety of cotton seeds like DCH-32 and Varalakshmi, have left the farmers with no alternatives but to switch over to Bt. cotton. Farmers have pointed out that in recent years there has been a steady increase in the agricultural input costs while farm income generally has declined. Increased crop output or bumper crop only results in a crash in prices and fails to benefit farmers.

The market price for 100 kg of cotton— to cultivate which calls for an investment up to Rs. 3,500 — is hovering around Rs.3,000 and due to the depressed market, farmers are contemplating switching over to other crops, Mr. Cariappa said.

Meanwhile, organic farmers in H.D. Kote claim to have observed that pests such as mealy bug which used to attack only Bt. cotton, were attacking organic cotton as well. However, organic farmers have been left in the lurch as there is no crop insurance or other supportive schemes which are extended only to "main stream agricultural practices" entailing use of chemicals and fertilizer.

While scanty rainfall has resulted in crops wilting, farmers living on the fringes of forests in H.D. Kote and other taluks are a harried lot as there is frequent intrusion of wild animals from the adjoining forests. The reason is that water bodies inside the forests have either dried up or their carrying capacity have declined due to accumulation of silt.

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- *Authorities slammed for promoting use of Bt. cotton in dryland areas*
 - *Cotton being grown on over 15,000 acres of land in H.D. Kote taluk*

THIRUVANANTHAPURAM, July 2, 2012

More seed-vending machines for city



The State Horticulture Mission will soon install more automatic vegetable seed-vending machines in different parts of the city.

Recently, the city Corporation council approved a request from the mission to install a seed-vending machine at Saphalyam Complex here. The machine, which has already been installed near the Krishi Bhavan office at the shopping complex, will get operational from next week and will dispense assorted and un-assorted vegetable seed packets.

“The Horticulture Mission introduced the machine at its office here around three months ago. From the beginning, we have had good response, with around 50 people using the machine to buy seeds daily. So we decided to install more machines in the city,” Horticulture Mission Director K. Pratapan said. The mission took up the project as a follow-up to the Peri Urban

Vegetable Initiative scheme under which vegetables are farmed on the terraces of more than 30,000 houses in and around the city, Mr. Pratapan said.

“The terrace farming project was quite successful with more than 40 per cent of our beneficiaries moving to second and third crops.

They come back to us for seeds for their next crop and we have to direct them to the Kerala Agriculture University.

To avoid this inconvenience and to sustain the terrace farming initiative we came up with the idea of installing seed vending machines in different parts of the city,” he said.

The machine when fed with a Rs.10 note will spit out quality seeds.

Seeds of vegetables such as amaranthus, brinjal, tomato, beans and okra can be bought.

The machine, custom-made for the mission by a New-Delhi based company, costs around Rs.2.13 lakh.

It will have an attached cold storage to store the seeds in order to keep them fresh. Unsold seeds will be replaced at regular intervals.

Mr. Pratapan added that the mission was also planning to install the seed-vending machine at the railway station and KSRTC bus stand in Thampanoor.

KHAMMAM, July 2, 2012

Farmer murdered over land dispute

A 35-year-old tribal farmer was killed and his wife grievously injured in an attack by rivals over a land dispute near Tungaram in Chandrugonda mandal on Sunday.

Six persons allegedly attacked Malothu Somla and his wife Neela (27), with knives while they were working in their field. Somla died on the spot. Neela was shifted to Kothagudem government area hospital where her condition was stated to be critical.

Chennai - INDIA

Today's Weather



Cloudy

Monday, Jul 2

Max Min

34.8° | 24°

Rain: 71%

Humidity: Normal

Wind: 5:45

Sunrise: 18:39

Sunset: 993

Barometer:

Tomorrow's Forecast



Rainy

Tuesday, Jul 3

Max Min

34° | 26°

Extended Forecast for a week

Wednesday Jul 4	Thursday Jul 5	Friday Jul 6	Saturday Jul 7	Sunday Jul 8
33° 27°	33° 27°	33° 27°	33° 28°	33° 28°
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES

2 JUL, 2012, 08.15AM IST, NAVEEN MATHUR, ET BUREAU

Sugar prices may remain firm in the short term; may get good returns

Sugar is the only food item that is extracted from two different plants, sugarcane and sugar beet, and is among the most important agro-based industries in the world. Sugarcane and sugar beet grow in very diverse climatic regions and account for nearly 80% and 20% of the world's

sugar supply, respectively. Sugarcane has been witnessing a metamorphosis, from that of a sweetener to an alternate fuel, which has changed the structure of the sugar sector.

India is the second largest producer of sugar in the world and the domestic sugar industry is one of the largest agro-based industries, after cotton textiles. It is a highly regulated industry, wherein the entire value chain, from the price of sugarcane to the distribution of sugar and the use of its byproducts, is under the regulatory purview.

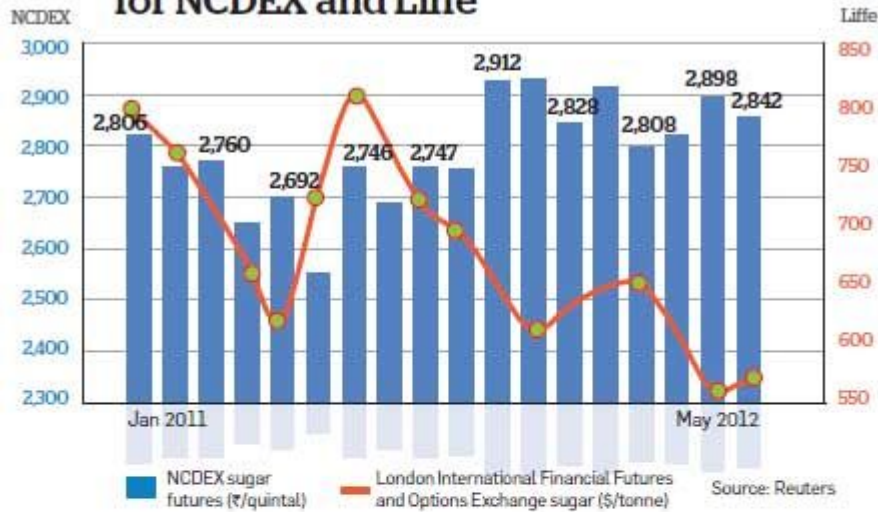
Besides being the chief raw material for the sugar industry, sugarcane is also used extensively in two cottage industries-gur and khandsari-which account for over 30% of sugarcane usage.

Sugar production is centred on a few countries, mainly Brazil, which accounts for over 22% of global production, followed by India (15%), EU (10%), and China (8%).

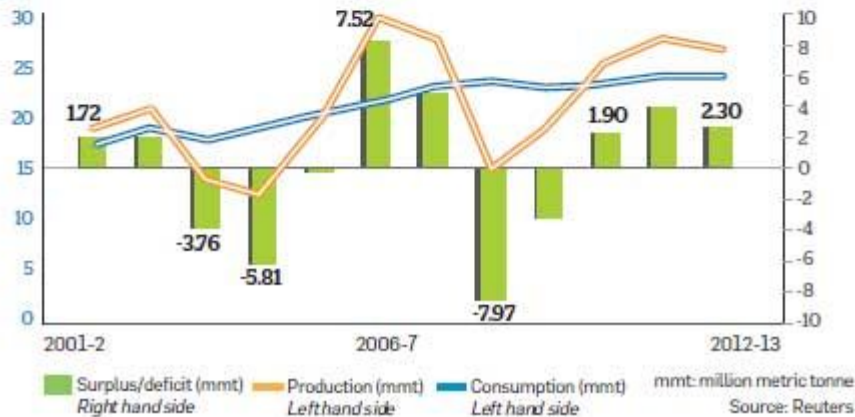
While global sugar production and consumption have increased considerably since the 1990s, the rise in production has been intermittent due to the cyclical nature of the sugar producing crops, which has a large bearing on global sugar prices. In 2011-12, the global sugar production was 172.12 million tonne and the consumption was 167.7 million tonne, a surplus for the second consecutive year.

The average annual ICE (IntercontinentalExchange) sugar prices were only 9.9 cent per pound in 2007 due to the global supply glut. However, a significant price increase was witnessed from 2007 to 2010 due to a lower output in 2008-10, coupled with a rising conversion of sugarcane to ethanol in Brazil.

Monthly average prices of sugar for NCDEX and Liffe



Indian sugar market



In 2011-12, there was again a sugar surplus of about 5.5 million tonne on account of higher global output, except in Brazil, which saw a 20% drop in output. This has led to a drop in the monthly average Liffe (London International Financial Futures and Options Exchange) prices in the current year from \$799 per tonne in July 2011 to \$566 per tonne in May 2012. Though India is among the largest producers of sugarcane, the yield and the sugar recovery rate is 46 tonne per hectare and 10.2%, respectively, which is much lower than the world average. Indian sugar production has grown at a CAGR of 2.4% over the past 12 years and was around 26 million tonne in 2011-12. However, it has been characterised by fluctuations of surplus and shortages due to the cyclical nature of production.

The domestic consumption has increased from 16.2 million tonne in 2000-1 to over 22 million tonne in 2011-12. Due to the consistent rise in demand and fluctuations in production, India's sugar status as a net importer/exporter changes frequently.

Currently, the domestic as well as global sugar markets have huge sugar inventories, which has led to a decline in prices. However, due to concerns over Brazilian sugar output, along with a higher demand in June and July ahead of Ramzan, the global sugar prices are expected to remain firm in the short term. However, sharp gains may be capped due to sufficient supplies.

Commodity update

Commodities	Unit	Price (₹)	Change (%)	
			1-week	1-year
METALS				
Aluminium	₹/Kg	104.3	0.38%	-6.62%
Copper	₹/Kg	422.5	1.28%	4.88%
Gold	₹/10 gm	29,813.0	-0.93%	35.61%
Nickel	₹/Kg	931.6	-1.57%	-8.04%
Silver	₹/Kg	52,566.0	-2.46%	3.09%
Zinc	₹/Kg	102.4	-1.77%	1.74%
FOOD PRODUCTS				
Almonds	₹/Kg	406.0	0.12%	11.46%
Barley	₹/100 Kg	1,199.6	5.04%	-2.69%
Cardamom	₹/Kg	1,225.5	0.53%	61.51%
Chana	₹/100 Kg	4,425.0	5.33%	67.42%
Potato	₹/100 Kg	1,082.3	0.70%	102.22%
Maize	₹/100 Kg	1,201.0	5.86%	-1.52%
Sugar	₹/100 Kg	2,883.0	0.59%	12.09%
Turmeric	₹/100 Kg	3,752.0	2.65%	-48.68%
Wheat	₹/100 Kg	1,223.3	-0.20%	2.16%
ENERGY				
Crude oil	₹/ BBL	4,589.0	0.86%	12.28%
Natural gas	₹/mmBtu	160.1	13.87%	-16.57%
OTHERS				
Lead	₹/Kg	100.7	-3.13%	-12.48%
Rubber	₹/100 Kg	18,634.0	-0.63%	-10.28%
Coconut oil	₹/100 Kg	6,604.0	-1.55%	-35.20%

Prices are rounded off. Data as on 28 June; *mmBtu = 1 million British thermal unit

In the domestic market, the stocks are sufficient to meet domestic and export demand, but the downside in prices will be restricted. This is because the next year's crop is expected to fall due

to a drop in output in Maharashtra and Karnataka. If the monsoon continues to remain below normal, it will have a significant impact on the cane crop output for 2012-13 and may support the upside in prices.

Tips for first-time investors

Sugar production follows a cyclical pattern, where 2-3 years of high production is followed by 2-3 years of lower produce. So, keep an eye on the cycle. The weather conditions in the major sugar producing nations affect the yield and recovery rate of sugar from cane and, thus, impact the output and prices. Also, the sugar industry in India is highly regulated and, hence, the monthly release mechanism, changes in trade policies, and declaration of the fair remunerative price of cane has a large impact on sugar prices.

Trading strategies (1-2 months)

The NCDEX August sugar prices are currently trading at about Rs 2,955 per quintal and are expected to trade at Rs 2,900-3,020 per quintal in the medium term.



57 percent less rainfall in TN this June

Author: Express News Service Published Date: Jul 2, 2012 7:57 AM Last Updated: Jul 2, 2012 7:57 AM

You might have divined that the monsoon played hookey this year and gave Tamil Nadu a miss, from the extended summer heat that prevailed this June.

Despite the last week having cooled off with some cloudy weather and the occasional evening shower, the State has seen a 57 per cent deficit in normal rainfall for the month of June, according to a report from the India Meteorological Department, Ministry of Earth Sciences.

In June, the normal amount of rainfall expected is between 40-42 mm while we have only received about 18.5 mm of rainfall.

While the lack of rains for the most part of June drove up the heat and power bills, it may be a while before some rain-driven respite is finally here. According to the patterns forecasted in the report Tamil Nadu may get sporadic rainfall.

“There is still heavy rain in some pockets like Kanyakumari, so we are not unduly worried yet,” said Raj.

So when will the next bout of rains be seen in Chennai and Puducherry? “Perhaps towards the end of July or even early August,” said Dr Y E A Raj, DDGM of the Regional Meteorological Centre.

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DECCAN Chronicle

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Aavin evicts encroachers, recovers land worth Rs20 cr

July 2, 2012 ,By J .V. Siva Prasanna Kumar



A slight delay in initiating action could have costed the state owned Tamil Nadu Co-Operative Milk Producers' Federation Ltd, known as Aavin, very dearly in losing its prime land adjoining its Madavaram dairy here to land sharks.

The swift action against encroachers on Saturday evening has helped the Aavin to get back its 1.20 acre land worth Rs20 crore.

“Acting on information that the land grabbers were attempting to sell the piece of land after demarcating the boundaries, the Aavin authorities swung into action and evicted the encroachers.

We bulldozed the makeshift structures and leveled the ground,” an official said on Sunday. Had the federation caused further delay it would lost its property.

“We finally took possession after the district administration had surveyed the land and identified that the patch of plot on no. 991 \ 1 belonged to Aavin,” he added.

Recently, the Aavin had granted space to lay a road near its dairy and had not fenced the area. This had given room to occupying the land, it was pointed out.

On Sunday, the authorities have erected fence around the priced land and established a parlour.

“Much to our pleasant surprise we have sold Rs4, 000 worth products including ghee, on day one.

This is very encouraging. We hope to do brisk business in the coming days,” the official expressed.

This is the 65th parlour out of 100 parlours proposed to be established in the city.

Only recently, the Aavin had launched mobile parlours to cater to the requirement of the consumers in the outskirts of the city.

Source URL: <http://www.deccanchronicle.com/channels/cities/chennai/aavin-evicts-encroachers-recovers-land-worth-rs20-cr-886>

Pepper declines on bearish activity

G. K. Nair



Kochi, July 1:

Pepper market last week declined on bearish activities and consequent such sentiments. However, the market was allegedly going against the fundamentals evident from the increase in the open interest last week, the trade said.

Activities were limited compared with the previous week. Open interest showed an increase indicating additional purchases and yet the market dropped.

Despite buying interest amid limited supply, spot prices dropped.

Availability in Kerala and Karnataka continued to remain tight and yet prices declined.

In the overseas markets, although there is propaganda of increased availability this year and a possible fall in prices, it has not only not dropped but remained steady to firm so far.

On the other hand, in the Indian domestic market end-users, including the “pappad” industry which uses high bulk density pepper, who have been buying only the required amount so as not to keep any inventory because of the high prices, are reportedly out in the market to cover now

to complete their processing and packing before the onset of monsoon in North India. The availability in India, at present, is mainly on the exchange platform where some big parties have already covered large quantities.

According to Mr S. Kannan, Executive Director, International Pepper Community (IPC), total exports during January 2012 were at 1,01,462 tonnes as against 1,09,476 tonnes in the corresponding period in 2011. The revised projection for exports in 2012 is at 2,48,500 tonnes leaving balance of 1,47,038 tonnes to be exported from during the remaining period of the year June to December 2012, he said. Total production during the current year is estimated at 3,20,100 tonnes as against 2,98,400 tonnes last year. "Buyers in the international market have been waiting for increased arrivals from Vietnam and Indonesia. The harvesting in Vietnam has completed, with a slight increase in production over the last year; but there will not be surge in arrivals in Vietnam, because pepper farmers are watching the daily price movements and willing to hold back, if the price is declining. Hence the supply situation in the world market will remain tight," he told *Business Line* from Jakarta.

"In India, despite a correction in the last few days and in July/August contracts, the price is expected to increase, due to drop in supply and higher demand from institutional buyers. Strengthening rupee against dollar expected and better holding power of Vietnamese farmers will also increase the price level," he said.

"Vietnam has, so far, reportedly exported about 58,000 mt of pepper.

Surging prices on the global market has enabled Vietnam exports to increase 6 per cent in volume and 36 per cent in value during the first five months of this year, he said.

During last week all the active contracts on the NCDEX showed a decline, albeit marginal, July, August and September dropped by Rs 690, Rs 355 and Rs 45 respectively to the last traded prices of Rs 40,650, Rs 41,020 and Rs 41,375 a quintal.

Total turnover last week decreased by 1,994 tonnes to close at 10,250 tonnes. Total open interest increased by 230 tonnes to 4,077 tonnes.

Spot prices fell in tandem with the futures market trend by Rs 400 a quintal to close at Rs 38,400 (ungarbled) and Rs 39,900 (garbled) a quintal.

Indian parity in the international market was at around \$7,450 a tonne (c&f) for Europe and \$7,750 a tonne (c&f) for the US.

'Time to align physical markets with that of futures'

V. Sajeev Kumar



Prof K.V. Thomas, Union Minister of State for Food and Consumer Affairs.

Kochi, July 1:

Prof K.V. Thomas, Union Minister of State for Food and Consumer Affairs, has highlighted the need for alignment of physical and futures trades in the commodities markets to help farmers realise better price for their produce.

“Physical markets are tied to the soil of the land and alignment of physical markets with futures market will benefit farmers most. Futures market can serve as adjunct to the physical commodities markets,” he said.

Pointing out that commodities futures market in India are about three times the size of physical markets but more than ten times the size of physical markets in developed countries, he said physical markets are precious to our economy.

The Minister was inaugurating the 'Stakeholder Awareness and Education Seminar' organised jointly by the *HinduBusiness Line*, Forward Markets Commission and the NCDEX here on Saturday.

Commodity futures market has emerged as one of the fastest growing segments since liberalisation. The Government believes that the fundamentals of demand and supply in the physical market decide the prices of commodities and that futures market only act as a platform for price discovery and price risk management for the physical market participants, he said.

Price ticker boards

The FMC along with national exchanges is implementing a Price Dissemination Project for disseminating spot and futures prices of agriculture commodities by installing electronic price ticker boards at all prominent locations frequented by farmers and other stakeholders.

Around 1,400 price tickers boards have been installed in the 11th Five-Year Plan and another 7,500 would be installed in the 12th Plan, he said.

“Large-scale presence of price ticker boards and information display about agri commodities prices would go a long way in checking information asymmetry and benefit farmers in Price Risk Management,” the Minister said.

Instruments such as warehouse receipts are very important transition to well functioning markets. The current methods of physical settlements can be replaced with settlement using warehouse receipts over a period of time, he said.

Emphasising the need to set up more storage facilities for effective delivery mechanism, the Minister said that the Government has set aside Rs 5,000 crore this year to set up small and medium godowns.

The amount sanctioned last year was Rs 2,000 crore.

Speaking on the occasion, Mr Ramesh Abhishek, Chairman, FMC, said that commodities market has grown tremendously and farmers were benefiting out of it. However there is lack of awareness among potential hedgers.

There is criticism that the market is leading to excessive speculations and the FMC is trying to address all those issues. The staggered system has been introduced recently for curbing excessive speculation, he said.

Complementing the *Hindu Business Line* for taking a unique initiative for market awareness, Mr R. Ramaseshan, Managing Director, NCDEX, said that this is for the first time that NCDEX is partnering with a media group and the exchange hopes to take it forward.

NCDEX is looking at expanding its initiatives to several business schools in the country as part of spreading awareness on commodities futures trading, he added.

Monsoon rains in July on a sedate note

Vinson Kurian



Thiruvananthapuram, July 1:

The first day of July, the most crucial month during the annual rainy season, began on a sedate note with a moderate revival in monsoon fortunes.

Helpful cyclonic circulations located strategically to either side of the peninsula drove in rains along the west coast, adjoining peninsula and east India.

OFFSHORE TROUGH

The offshore trough along the west coast, which collects moisture moped up off the Arabian Sea to rain them down, lay extended from Gujarat coast to Kerala coast.

This full-length trough is topped off by a cyclonic circulation over off Maharashtra and Gujarat coasts, which is a good augury. To the other side of the peninsula, twin cyclonic circulations hung down over west-central Bay of Bengal and northwest Bay of Bengal and adjoining coasts.

Meanwhile, India Meteorological Department (IMD) said Sunday's rain pattern would continue to hold for the next two days. Heavy rains have been forecast over Konkan, Goa, coastal and north interior Karnataka, Telangana, coastal Andhra Pradesh, south Chhattisgarh and Orissa.

HEAVY RAINS

An extended outlook valid until the weekend said thundershowers would lash many places over west coast, east and adjoining central India and the Northeastern States.

Importantly, it also saw an increase in rainfall activity over northwest India.

But global weather agencies suspect that the northwest Pacific could rustle up another storm around this time, which could distract the monsoon flows.

The European Centre for Medium-Range Weather Forecasts sees monsoon flows over Arabian Sea beginning to taper off around this time.

The US National Centres for Environmental Prediction suggests that the monsoon may not run up over the entire land mass by the scheduled July-15 timeline.

TWO-DAY OUTLOOK

Rain has been forecast at many places over west coast, interior Maharashtra, interior Karnataka, Lakshadweep and Andaman and Nicobar Islands for the next two days.

Adjoining east Gujarat and south Madhya Pradesh may also benefit from the wet session.

Towards the east, thundershowers may break out at many places over Orissa, south Chhattisgarh, Andhra Pradesh, West Bengal, Sikkim and the Northeastern States.

Taking a leaf out of Brazilian green initiatives

M.R. Subramani



Ms Giovana Baggio de Bruns

July 1, 2012:

With Brazil emerging as the top exporter of agricultural products, its agricultural practices have come under scrutiny. Critics of Brazilian agriculture seem to ignore the reality on ground.

Woken by wide-spread criticism of its Amazon forests, the Latin American nation has involved environmental non-governmental organisations to set things right. Brazil has come up with various “carrots and sticks” to force its growers an environment-friendly policy.

According to some environmentalists, the problems with Brazil are illegal logging and cattle ranching.

These two activities have caused more harm to the forest cover rather than any crop such as soyabean or sugarcane.

A positive outcome of the concerns raised over the destruction of Amazon is the creation of Rural Environment Registry or CAR.

compliance

According to the US-based NGO, The Nature Conservancy that has been working Brazil for the last three decades projects, projects launched in Mata Grosso and Para States by it in 2010 are becoming a model for compliance with environmental legislation on farms and ranches.

In Mato Grosso, for example, the Greener Soyabeans projected launched by the Conservancy allows farmers who had illegally cleared forests till 2007 to regularise their property without being penalised.

In turn, they have to help in restoring the environment and promote sustainable development.

Under CAR, the landscape in a particular region is mapped by satellite and mapped.

conservation of water

Areas for farming and protection are clearly identified and steps are taken to ensure the ecologically sensitive areas, especially along waterways, are preserved.

According to Ms Giovana Baggio de Bruns of The Nature Conservancy in Brazil, one of the most important projects launched in Brazil is the one to conserve water. The project envisages conservation of water by villages for cities.

Farmers are encouraged to save water or conserve it by various means such as watershed programmes.

For this, an agreement is signed between the concerned farmers group and municipalities. Agreements differ from group to group and municipalities.

Under the agreement, the municipalities pay a fixed amount to farmers for conserving water. Farmers in turn use technology and scientific methods to tap water.

This also ensures that no pollution takes place, prevents soil erosion and preserves the aquatic population. One of the cities that has benefitted from this is Rio de Janeiro metropolitan region.

In fact, this has led to paying farmers for conserving forests and protecting waters sources. In 2010, 18 environmental agreements were signed for the Guandu Projects and 20,000 Brazilian real were made available to farmers.

Payment for environmental services is a simple concept but making it work is a legal and administrative challenge.

But is an experiment that is worth trying in developing countries such as India, particularly when there is so much stress on water supply.

AP to pay Rs 220 more than minimum support price for paddy

Hyderabad, July 1:

The Andhra Pradesh Government will pay Rs 220 more to paddy farmers in the State over the Rs 1,280 a quintal announced by the Centre as minimum support price.

The farmers will get Rs 1,500 a quintal of paddy varieties that fall under the Grade A category (sonamasuri and other BPT varieties) for the ensuing kharif marketing season.

Announcing this at a press conference here on Saturday, Mr D. Sridhar Babu, Minister for Food and civil Supplies, said the State Civil Supplies Corporation Ltd would open exclusive centres for purchase of the Grade A varieties. "Those who want to sell the commodity at the rate can contact the district managers of the department in their respective districts," he said.

The Government has decided to further increase the support keeping in view the demand for the sonamasuri and other BPT varieties.

“We need to encourage the farmers to grow more of sonamasuri and BPT varieties and to bring more area under these varieties,” he said.

The farmers’ associations had criticised the poor increase in MSP announced by the centre for the kharif marketing.

They alleged that the increase was too small, when compared to the sharp rise in prices of fertilisers and pesticides.

Cocotech meet from today

Kochi, July 1:

The Union Minister of State for Food and Consumer Affairs, Prof K.V. Thomas, will inaugurate the 45th Cocotech meeting of the Asian and Pacific Coconut Community (APCC) at Hotel Gateway on Monday.

Cocotech is the permanent panel on coconut technology of APCC member countries which is held in two years. The meeting provides a common platform for producers / progressive farmers, processors, machinery manufacturers, exporters, other stake holders and scientist’s and research workers from member countries.

The theme of the meeting to be held from July 2 to 6 is ‘Inclusive Growth and Sustainable Development of the Coconut Industry.’ Around 200 delegates from various countries are expected to attend the meeting.

The meeting will cover a comprehensive range of technical sessions/topics on the success stories of model coconut farmers and small to medium scale coconut processors/entrepreneurs.

New technologies and research and development update on coconut based farming systems, product diversification and coconut processing as well as developments in marketing of coconut products are some important aspects to come up for discussion.

Along with the meeting, a coconut festival providing opportunity to showcase various value-added products, technologies and machineries from member countries will also be arranged.

The session also includes a one-day field visit on July 5 by delegates to model coconut farms, coconut processing centres and interaction with progressive coconut growers from traditional coconut growing states.

The vision of APCC is to improve the socio-economic conditions of the coconut growers, processors, traders and all those who depend on this crop and crop based industries, in the member countries through proper promotion, collaboration and harmonization of various coconut related activities.

Spices export cross \$2 bn in 2011-12 fiscal

New Delhi, July 1:

India's spices exports rose by 36 per cent to \$2.04 billion in value terms in 2011-12 fiscal on account of increase in value realisation of spices, especially chilli and pepper.

In the previous fiscal, the country had earned foreign exchange of \$1.5 billion from spices exports, according to the latest data released by the Spices Board of India.

The volume of shipments in the last fiscal rose by almost 10 per cent to 5.75 lakh tonnes from 5.25 lakh tonnes in the 2010-11 financial year.

The earnings from export of spices in rupee terms rose by 43 per cent to Rs 9,783.42 crore in 2011-12 fiscal as against Rs 6,840.70 crore in the year-ago period.

The Spices Board had set a target of earning forex revenue of Rs 6,500 crore (\$1.45 billion) with a volume of 5 lakh tonnes in the last fiscal from export of spices.

Spices export earnings rose mainly on the back of increased realisation from mint products, chilli, pepper and spice oils & oleoresins.

The export value of mint products rose by 31 per cent to Rs 2,223.72 crore in 2011-12 fiscal from Rs 1,696.79 crore in the 2010-11 fiscal, despite a decline of 15 per cent in its volume to 14,750 tonnes from 17,450 tonnes in the same period.

The unit value of mint produced rose to Rs 1,507.61 per kg last fiscal from Rs 972 per kg in 2010-11 fiscal.

In the case of chilli, export earnings rose by 40 per cent to Rs 2,144.08 crore last fiscal from Rs 1,535.54 crore in the year-ago period. There was a marginal increase in the volumes to 2.41 lakh tonnes from 2.40 lakh tonnes in the reviewed period.

Similarly, unit value of chilli increased to Rs 88.97 per kg as 2011-12 against Rs 63.98 per kg in 2010-11.

The earnings from export of spice oils & oleoresins rose by 43 per cent to Rs 1,304.38 crore in 2011-12 compared to Rs 910.62 crore in 2010-11, while volumes declined by 4 per cent to 7,265 tonnes from 7,600 tonnes in the same period.

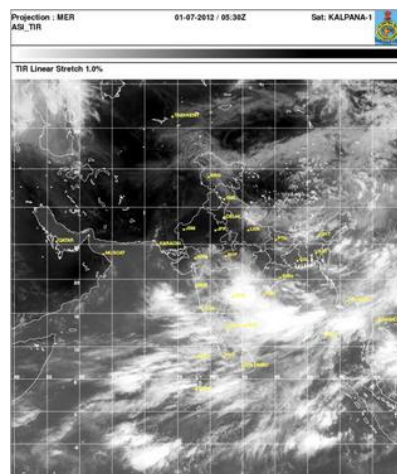
The unit value of spice oils & oleoresins, used in food and cosmetics, rose to Rs 1,795.43 per kg in 2011-12 from Rs 1,198.19 per kg in 2010-11.

Pepper export earnings rose by a whopping 129 per cent to Rs 878.13 crore in the last fiscal from Rs 383.18 crore in the year-ago period, while volume of shipments rose by 42 per cent to 26,700 tonnes from 18,850 tonnes in the same period.

The unit value of pepper rose to Rs 328.89 per kg in 2011-12 as against Rs 203.28 per kg in 2010-11.

Monsoon settings look good, for a change

Vinson Kurian



THIRUVANANTHAPURAM, JULY 1:

It's July 1, and for almost an entire month after breaking over mainland India on June 5, the monsoon settings have hardly looked as best as they do this morning.

It features two 'engines' in the form of cyclonic circulations strategically located to either side of peninsular India.

HUMMING ENGINES

The engines are humming, but would need to pick up momentum, build and sustain roaring strength to be able to power the monsoon into the farming heartland.

Twin-engine monsoons have in the past underwritten the most effective rally into the cotton, oilseed and sugarcane farming areas in the plains of north and northwest India.

Often, they have interacted with western disturbances coming in from the northwest border and caused moderate to heavy rains in the region.

For now, India Meteorological Department has indicated enhanced rains for the peninsular regions for the next few days.

Its weather warning said heavy rainfall would lash Konkan, Goa, Madhya Maharashtra, coastal and north interior Karnataka, Telangana, coastal Andhra Pradesh and Orissa during next two days.

RAIN OUTLOOK

Extended outlook valid until July 8 said that rain or thundershowers are likely at many places along west coast, east and adjoining central India and the Northeastern States.

The IMD also saw increase in rainfall activity over northwest India during this period.

But here is international weather models begged to differ. They have pointed to chances of cyclone formation alert in the northwest Pacific during the week beginning July 8.

If this were to materialise, it could throw a spanner in the monsoon works, yet again.

Nearly 24% Coonoor tea unsold

P.S. SUNDAR



COONOOR, JULY 1:

Teas worth about Rs 4.20 crore remained unsold at Sale No: 26 of Coonoor Tea Trade Association auctions as there were no takers for about 24 per cent of the year's highest offer of 21.14 lakh kg despite shedding prices by Rs 5 a kg. Homedale Estate tea, auctioned by Global Tea Brokers, topped the CTC market at Rs 156 a kg. Vigneshwar Estate got Rs 137, Hittakkal Estate Rs 129, Blue Monte Estate and Waver Tree Rs 126 each. In all, 92 marks got Rs 100 and more. Among orthodox teas from the corporate sector, Chamraj got Rs 208, Havukal, Rs 167, Kairbeta Rs 163, Curzon Rs 155 and Corsley Rs 151. In all, 30 marks got Rs 100 and more.

"Orthodox leaf market eased Rs 2-5 a kg. High-priced CTC leaf lost Rs 4-5, better mediums Rs 2-4 and plainers up to Rs 5." Primary orthodox dusts eased Rs 5-10 and others, Rs 2-4. High-priced CTC dusts eased Rs 5-10, better mediums Rs 4-5 and plainers up to Rs 5-7," an auctioneer told *Business Line*. On the export front, Pakistan bought selectively for Rs 61-89 a kg and the CIS, Rs 66-76. There was some purchase for European ports at Rs 71-85. Quotations held by brokers indicated bids ranging Rs 60-64 a kg for plain leaf grades and Rs 100-130 for brighter liquoring sorts. They ranged Rs 63-67 for plain dusts and Rs 105-127 for brighter liquoring dusts.

Maharashtra draws up contingency plan for agri sector

RAHUL WADKE



PTI Monsoon blues: Farmers ploughing a field at Ghogaon village, in Karad, Maharashtra.

Farmers may be asked to switch to less water-intensive crops if rains play truant

MUMBAI, JULY 1:

The erratic monsoon has prompted the Maharashtra Government to put together a contingency plan for the farm sector.

Under the plan, if the monsoon does not normalise by July 7, farmers would be advised to switch to crops that require less water and can withstand dry weather.

The Maharashtra Agriculture Commissioner, Mr Umakant Dangat, told *Business Line* that the monsoon situation is definitely worrisome.

Of the total Kharif area (132.34 lakh hectares), sowing has been completed in just 10 per cent of that area.

AREA-WISE PLAN

The plan, which has been prepared in consultation with agriculture universities, would be implemented with the help of agriculture extension services, the commissioner said.

As per the plan, in the Marathwada region, farmers could sow seeds of cotton, jowar, bajra, soybean, sunflower, pigeon pea (tur dal), sesame, and sunflower between July 8 and 15. They should avoid crops such as groundnut, green gram and black lentils.

Between July 16 and 31, they could also sow castor seeds. However, sowing of cotton, jowar and ground nut should be avoided.

In the Vidarbha region, farmers should sow 20 per cent more seeds of cotton per acre. While planting, precedence should be given to early flowering seed varieties, said the plan document.

Agriculture expert, Mr Jagadeesh Sunkad, said that the delay in the monsoon can lead to panic among farmers and traders. "You can't do anything about bad monsoon. But uncertainty among farmers and traders can be prevented by sharing data openly about the status of agriculture," he said.

Agriculture extension programmes involving traders should be held at all levels. The traders have a strong say in what farmers sow in the fields. Since they provide seeds and fertilisers on credit to the farmers, the traders cannot be ignored by the government, Mr Sunkad said.
