

MYSORE, July 31, 2012

## Drip irrigation, farmers' saviour?

*It reduces wastage of water and use of electricity, besides giving higher crop yield*



.incentive:At present, 80 per cent subsidy is given up to 2 hectares under drip irrigation, and 50 per cent up to 5 hectares.— file photo

Is drip irrigation the best and most viable option to achieve efficiency of water use during drought? The answer is 'yes', according to horticulture officials here.

This method has gained importance in recent years as it reduces wastage of water and use of electricity for pumpsets, besides giving higher crop yield.

With the State hit by two successive droughts, this irrigation method has come to the rescue of many farmers.

Described as one of the best techniques to tackle drought, the potential of drip irrigation has, perhaps, not yet been tapped fully, in spite of its benefits.

## **Subsidy**

Incidentally, the subsidy for installing drip irrigation systems was hiked last year.

At present, 80 per cent subsidy is given up to 2 hectares, and 50 per cent up to 5 hectares.

Barring crops such as coffee, tea and rubber, subsidy is given for setting up drip irrigation systems for all other horticultural crops, according to department officials.

“Drip irrigation has immense potential. It ensures equal distribution of water to each plant, thus improving the yield. Weed growth is also checked under drip irrigation,” explained H.M. Nagaraj, Deputy Director, Department of Horticulture, Mysore.

## **Water efficiency**

Speaking to *The Hindu*, he said drip irrigation gave the “highest” water efficiency compared to other micro systems. “Nowadays, farmers are adopting drip irrigation for crops such as sugarcane and cotton,” he said.

In Mysore district, 3,662 hectares had been covered under drip irrigation since 2005-05, the year when the subsidy was introduced. So far, 3,462 farmers had availed themselves of the subsidy. He said drip irrigation was ideal when using groundwater. “If the water source is a tank, lake or canals, then sand filters have to be used to prevent blocks in pipes and those filters cost more,” he explained.

## **Interest shown**

According to department sources, 737 farmers have adopted drip irrigation method and availed themselves of subsidy in the district in 2011-12.

In 2010-11, 974 farmers set up drip irrigation systems and 625 farmers installed the system in 2009-10.

Drip irrigation for banana is most prominent in the district. For an acre of land, the subsidy amount for setting up drip irrigation for banana is Rs. 25,000, Rs. 28,000 for vegetables, Rs. 11,000 for mango and sapota and Rs. 26,000 for turmeric.

“The subsidy amount is released to farmers only after they install the systems. The department will facilitate the installation by announcing the list of companies that manufacture and install the best drip irrigation systems. After a third party evaluation of the installation, the subsidy amount is credited directly to the bank accounts of beneficiaries,” Mr. Nagaraj said.

TIRUPUR, July 31, 2012

### Farmers condemn demands for regulating cotton export

R. VIMAL KUMAR

*‘Prices of cotton can crash in the domestic market’*

Farmers’ community has slammed the demands of the industrial fraternity for regulating the export of cotton and cotton yarn in the wake of increasing prices of raw cotton in the domestic market during the last 10 days, terming the requisitions as ‘selfish’.

Recently, the South India Hosiery Manufacturers Association (SIHMA) had made a representation to Prime Minister Manmohan Singh seeking regulation in the exports of both cotton as well as cotton yarn citing the crisis faced by the industry owing to reduction in profit margins because of various reasons.

The Association, in the memorandum, had also attributed the crisis in the sector to the retrograde steps of the Central Government.

K.C.M.Balasubramaniam, a retired agriculture economist from Tamil Nadu Agricultural University and now a farmer himself, pointed out that it was ridiculous to ask for restriction on export of cotton at a time when the same apparel manufacturers did not want any barrier for export of their produce or its sale within the country.

“This is an open economy and restricting the export of cotton will affect the farmers as prices could crash in the domestic market,” he said.

According to Mr. Balasubramaniam, reduction in profitability has occurred in the textile industry mainly owing to inefficiency of the manufacturers in cutting unwanted costs during production, inability to diversify product portfolio to cater to newer segments in the markets and also due to factors such as substantial increase in power costs.

The agrarian fraternity pointed out that the current increase in prices of cotton was mainly speculative in nature occurred owing to the projections of later arrival of cotton in the coming season beginning on October 1.

“Instead of asking for regulation in exports, the apparel industry should appeal for crackdown on people hoarding cotton within the country,” they said.

GULBARGA, July 31, 2012

### **'Extend loan waiver to all farmers'**

The Janata Dal (Secular) has demanded that the State government extend the waiver of crop loans to farmers who have availed themselves of such loans from nationalised banks. Members of the district unit of the JD(S) staged a demonstration in front of the Deputy Commissioner's office and said that only 20 per cent of farmers had been covered under the crop loans disbursed by cooperative banks, while the remaining 80 per cent had taken loans from nationalised banks.

CHIKMAGALUR, July 31, 2012

### **'Protect coffee plantations from diseases'**

CORRESPONDENT

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N.K. Pradeep, president of the Karnataka Growers' Federation, has urged the Coffee Board to take steps to prevent the spread of white stem borer, berry borer and leaf rust that have increased alarmingly in coffee plantations due to scanty rainfall this year.

In a press release, Dr. Pradeep has stated that rainfall has decreased by as much as 50 per cent in all three coffee growing districts in the State. He said about 50,000 man-made tanks in coffee plantations have gone dry and nearly 20 per cent of Arabica coffee plants have been affected by the white stem borer pest.

### **Damage**

Stating that more than 20 per cent of the estimated 1.20 lakh tonnes of Arabica coffee crop has been damaged, he said growing cost of cultivation and increase in pest menace is forcing more and more growers to switch to Robusta coffee cultivation, which is more resistant to diseases and pests.

Regretting that the Central Coffee Research Institute has been unable to come up with a permanent solution to the white stem borer pest from the past 70 years, he called upon the Coffee Board to distribute pheromone traps to control stem borer and berry borer pests. He said the Coffee Board Chairman should call a meeting of representatives of growers' organisations and extension officers should educate growers on control of pests.

In addition to this, officials of the agriculture department should conduct a survey of the affected areas and submit a report to the government. Pointing out that declaration of the Western Ghats as a World Heritage Site by the UNESCO has created anxiety and doubt in the minds of people living in the area, he said the Union Environment ministry has failed to take locals into confidence before making recommendations.

Mr. Pradeep said coffee plantations are situated in the Western Ghats and any restrictions in the cultivation practices will lead to problems.

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- *Stem borer, berry borer and leaf rust are spreading fast*
  - *'White stem borer has hit 20 per cent of Arabica plants'*

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CHITRADURGA, July 31, 2012

**Demand to waive all farm loans**



SEEKING MORE RELIEF:Members of the Rashtriya Kisan Sangh staging a dharna outside the Deputy Commissioner's office in Chitradurga on Monday.

Members of the Rashtriya Kisan Sangh on Monday took out a procession and staged dharna outside the Deputy Commissioner's office here demanding that the all loans taken by farmers be waived in view of the drought for the second consecutive year.

A farmer needed Rs. 10,000 for cultivating maize on one acre of land, Rs. 12,000 for groundnut and Rs. 20,000 for onion.

In addition, they had to bear the cost of seeds and fertilizers. Owing to failure of rain for two consecutive years, farmers had incurred huge losses, they said.

In a memorandum to Chief Minister Jagadish Shettar, submitted through Deputy Commissioner Vipul Bansal, the agitators warned that the stir would be intensified if their demand was not met.

KOLAR, July 31, 2012

**'Study agricultural sciences'**

SHARE · PRINT · T+

Krishna Byre Gowda, MLA representing Byatarayanapura Assembly constituency, urged students not to just think of medical and engineering courses but also explore options to pursue studies in other streams such as agriculture. He said that as farming is vital for survival of human beings, it is imperative that youth take up studies in agricultural sciences also.

Mr. Krishna Byre Gowda was speaking at a function organised to felicitate meritorious students at C. Byregowda Institute of Technology (CBIT) here on Sunday

TIRUCHI, July 31, 2012

### **Mettur level**

The water level in the Mettur dam stood at 74.52 feet on Monday against its full level of 120 feet. The inflow was 253 cusecs and the discharge, 1,017 cusecs.

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**hindustantimes**

■ ■ Tuesday, July 31, 2012

**HT Correspondent, Hindustan Times**

Mumbai, July 30, 2012

First Published: 22:55 IST(30/7/2012)

Last Updated: 22:56 IST(30/7/2012)

### **Greaves cotton net down 9% as orders dip**

Decline in orders from vehicle manufacturers has impacted engine supplier Greaves Cotton as net profit for the first quarter of 2011-12 dropped 9% to Rs 32 crore from Rs 35 crore for April-June 2011. Revenues grew 2.3% to Rs 412 crore in the quarter.

The company — which supplies diesel and petrol engines to small commercial vehicles and three-wheelers — recently signed a supply contract with three-wheeler maker Atul Auto. It also supplies to Tata Motors.

Greaves Cotton completed a technology transfer deal with Korean company Samil Industries to manufacture and supply construction equipment in India.

“Though the business scenario at the moment is anything but cheerful, we have recorded a marginal increase in the top line,” said Sunil Pahilajani, MD & CEO, Greaves Cotton.

<http://www.hindustantimes.com/StoryPage/Print/905525.aspx>

Chennai - INDIA

Today's Weather



Clear

Tuesday, Jul 31

Max Min

35° | 28°

Rain: 0

Sunrise: 05:54

Humidity: 52

Sunset: 06:36

Wind: normal

Barometer: 1007

Tomorrow's Forecast



Rainy

Wednesday, Aug 1

Max Min

36° | 27°

Extended Forecast for a week

Thursday Aug 2	Friday Aug 3	Saturday Aug 4	Sunday Aug 5	Monday Aug 6
33°   27°	35°   27°	34°   28°	33°   27°	33°   28°
Rainy	Rainy	Rainy	Rainy	Rainy

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# THE ECONOMIC TIMES

31 JUL, 2012, 04.35AM IST, JAYASHREE BHOSALE, ET BUREAU

## Sowing gathers pace but scanty rains still a worry

PUNE: Rains in the last one week speeded up the planting of soya bean and rice while sugar cane acreage expanded beyond last year's area. However, with the monsoon deficit still remaining around 20%, all eyes will be on government which may officially declare a drought after an empowered panel of ministers meets later this week.



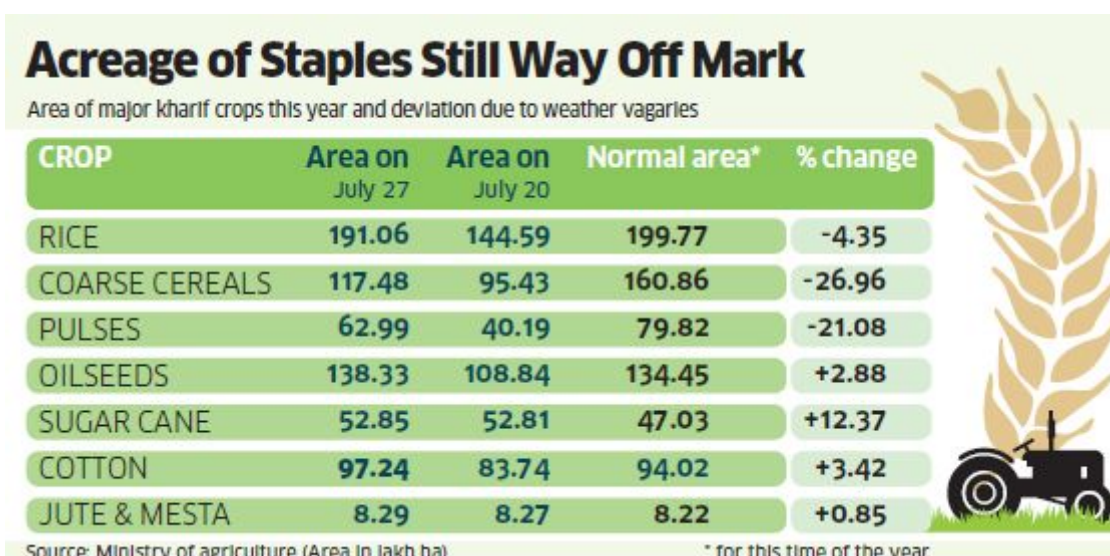
According to the India Meteorological Department (IMD), monsoon rainfall is currently active over Madhya Pradesh, eastern Rajasthan, eastern Gujarat and parts of Vidarbha and will continue to remain so for the next two to three days.

"After two to three days, the monsoon trough is expected to shift to the north which will lead to good rainfall in Punjab, Haryana, Uttarakhand and north-east India. The west coast will also receive good rainfall in the next two to three days," said Medha Khole, deputy director general of meteorology (weather forecast), IMD, Pune.

"Rainfall is subdued over the south interior peninsula and west Rajasthan and it will continue to remain subdued in these regions over the next two to three days," she added.

Rainfall deficiency has dropped from 22% on July 25 to 21% on July 29 due to good rainfall in central India. Deficiency is large in Punjab (-68%), Haryana (-71%), west Rajasthan (-65%) and Saurashtra and Kutch (-79%).

The government has launched contingency plans to ensure seeds are available to farmers and adequate fodder is supplied for livestock, as well as prioritising drinking water from low-level reservoirs. Once a drought is declared officially, banks can restructure loans given to farmers, while state governments can offer diesel at subsidised rates for running irrigation pumps.



Soyabean processors said rainfall received in the last four days has come as a saviour for industry. According to Soyabean Processors Association of India (SOPA), sowing has been completed on 10.2 million ha, which is close to last year's 10.3 million ha.

"Area has increased in Madhya Pradesh by 1.5 lakh ha and there is a net gain in Rajasthan too. We are expecting sowing to take place till the first week of August in Maharashtra. Good prices have helped to get good acreage under the crop," said SOPA spokesman Rajesh Agarwal.

Sugarcane area has increased from 5.09 million ha last year to 5.28 million ha this year. "Acreage in Uttar Pradesh has increased from 2.2 million ha last year to 2.4 million ha this year. In Tamil Nadu too, area has increased from 3.25 lakh ha last year to 3.73 lakh ha this year. The increase is due to very high prices in the last two years, offsetting the decline in area in Maharashtra," said Abinash Verma, director general, Indian Sugar Mills Association.

But sugar production may be affected as the yield is expected to decline due to less rainfall. Indian sugar futures rose for the third straight session to hit a new contract high on Monday on an improvement in consumer demand during the ongoing festive season. Earlier this month, the Indian Sugar Mills Association forecast a production of 25 million tonne for the next season starting in October.

Kerala is the top natural rubber producer in the country and has received 39% less rain than normal. The state received rains after a gap of several days, which is good for the plantation. The Rubber Board has forecast an output of 942,000 tonne for the year ending March, higher than the 899,400 tonne a year ago.

Tea output has been affected in the first five months due to dry weather and then excessive rainfall in June and July, which may hurt yields further in Assam, India's top producer. Output is falling in Karnataka and Kerala due to poor rainfall. India's tea production in 2012 may fall short of last year's 988.3 million kg.

30 JUL, 2012, 01.18PM IST, PTI

### **Cardamom futures slide 1.20 pc on profit-booking**

NEW DELHI: Cardamom futures prices today fell by 1.20 per cent to Rs 1,279 per kg due to profit-booking by speculators, due to a weak trend at spot market on subdued demand.

At the Multi Commodity Exchange, cardamom for delivery in September fell by Rs 15.50, or 1.20 per cent to Rs 1,279 per kg in business turnover of 13 lots.

Likewise, the spice for delivery in October shed Rs 12.80, or 1.01 per cent, to Rs 1,260.10 per kg in seven lots.

Market analysts said profit-booking by speculators, driven by weak trend at spot market on weak demand against adequate stocks position mainly kept pressure on cardamom futures.

30 JUL, 2012, 01.07PM IST, PTI

### **Pepper futures up on output concerns**

NEW DELHI: Pepper futures prices today rose by Rs 405 to Rs 44,390 per quintal as speculators created fresh positions on concerns over the output following weak rainfall in cultivating regions.

At the National Commodity and Derivatives Exchange, pepper for delivery in August rose by Rs 405, or 0.92 per cent, to Rs 44,390 per quintal with an open interest of 5,480 lots.

Likewise, the spice for delivery in the September moved up by Rs 315, or 0.71 per cent, to Rs 44,545 per quintal in 2,481 lots. Market analysts said speculative positions created by participants driven by deficient rainfall in key growing regions, which will hurt output, mainly influenced pepper at futures trade.

30 JUL, 2012, 04.58PM IST, PTI

### **Rice basmati strengthens on increased buying**

NEW DELHI: Rice basmati prices strengthened by Rs 100 per quintal on the wholesale grains market on increased buying by stockists on the back of a rise in demand from retailers.

However, other grains moved in a narrow range in limited deals and settled around previous levels.

Traders said increased buying by stockists and reports of nearly 10 per cent fall in sowing due to deficient rainfall in growing areas, helped rice prices to strengthen.

In the national capital, rice basmati Pusa-1121 advanced by Rs 100 to Rs 5,900-7,000 per quintal.

The following are today's quotations per quintal: Wheat MP (desi) 1,700-1,920, Wheat dara (for mills) 1,335-1,340, Chakki atta (delivery) 1,340-1,360, Atta Rajdhani (10 kg) 195, Shakti bhog (10 kg) 195, Roller flour mill 680-725 (50 kg), Maida 825-840 (50 kg) and Sooji 920-950 (50 kg).

Basmati rice (Lal Quila) 9,500, Shri Lal Mahal 9,500, Super Basmati Rice, 9,000, Basmati common new 6,700-6,800, Rice Pusa-(1121) new 5,900-7,000, Permal raw 2,100-2150, Permal wand 2,300-2,350, Sela 2,750-2,950 and Rice IR-8 1,600- 1,650, Bajra 1150-1155, Jowar yellow 1,300-1,350, white 2,100- 2,250, Maize 1,360-1,370, Barley 1,390-1,400, Rajasthan 1,080- 1,090.

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THE NEW  
INDIAN EXPRESS

Farmers despair meagre monsoon

Author: Express News Service Published Date: Jul 30, 2012 1:40 PM Last Updated: Jul 30, 2012 1:40 PM

Erratic rainfall in 17 blocks of the district has left the farmers worried. Amid deviation of rain pattern and uneven distribution, majority of farmers continue to despair.

According to reports, against the backdrop of deficient rainfall in June, the situation improved over the past week in Hemgir, Tangarpali, Sundargarh, Subdega, Balishankara and Bargaon blocks. Lefripara block at 412-mm surpassed normal July figure of 386.4 mm. However, the picture has not been rosy for paddy farmers of Kutra, Kuanmunda, Nuagaon, Bisra, Lathikata, Bonai, Lahunipara, Gurundia and Koida blocks which are still reeling under deficit rainfall.

Situation is worse in Rajgangpur block which received scanty rainfall of 89 mm in July, a deficit of 297 mm against the normal rainfall.

Agriculture sources pointed out that farmers in at least 10 blocks of the district are victims of erratic and uneven distribution of rainfall.

After prolonged dry spell, the Nuagaon block on Thursday and Friday recorded 80 mm and 88 mm rain respectively even as in the rest 25 days of the month, the block had received a meagre 76.7 mm.

Sundargarh-based Deputy Director of Agriculture (DDA) Narendra Behera said farmers have time till August 15.

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### **'No development sans agriculture'**

SATURDAY, 28 JULY 2012 22:55

STAFF REPORTER N BHOPAL

Chief Minister Shivraj Singh Chouhan has said that agricultural and industrial growth will help the State to join the category of the most developed States of the country. Chouhan was addressing Samriddhi function of the Business Standard newspaper here on Saturday.

Chouhan said that development of the country and the State cannot be imagined without agricultural growth. Therefore, stress is being laid on value addition of agricultural products by setting up food processing industry. Besides, efforts are also being made to run industrial activities in every village.

Agricultural growth rate has been 18 per cent in Madhya Pradesh. The State is second in production of wheat after Punjab. Investment is being encouraged in every sector in Madhya Pradesh. Special attention is being paid to investment in education and health sectors. He said that 20 thousand hectare lands have been identified for industries in

Madhya Pradesh.

Industrial corridors are being developed in the State between Bhopal and Bina, Bhopal and Indore and Jabalpur-Satna-Singrauli. Requisite basic infrastructure for industries has been strengthened in the State. Power is being supplied 24 hours to industries. Power will be supplied for 24 hours in the rural areas from next year so that small industry can be developed there. The Chief Minister also referred to immense potential in tourism sector in the State.

Chouhan said that skill development programme is being run as a campaign in the State to ensure that maximum number of better educational institutions from the country and abroad come to Madhya Pradesh. It is his dream that every youth of the State gets employment. He said that loan scheme for higher education has been simplified. As many as 113 skill development centres have been opened in the State and 200 more will be opened. ITIs will also be opened in the State under PPP mode.

The Chief Minister said that investors' role is important in making Madhya Pradesh a developed State of India. Every section should come forward to cooperate in efforts to

this end.

In his welcome address, Editor of Business Standard Bhupesh Bhandari said that there is immense potential of investment in Madhya Pradesh. Investment proposals worth `471 crore have been sanctioned under the leadership of Chief Minister Chouhan. Per capita income in the State has increased from `16,000 to `33,906. Madhya Pradesh is also very rich in resources. Additional Chief Secretary PK Dash was also present on the occasion.

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## Business Standard

Tuesday, Jul 31, 2012

### IPC comes out with new GMP for pepper production

George Joseph / Chennai/ Kochi July 31, 2012, 0:32 IST

The International Pepper Community (IPC) sub-committee on quality has come out with a revised set of good manufacturing practices (GMP) for pepper production and processing. The revised GMP applies to pepper and other similar spices – whole, broken, ground,

blends or processed.

The new set of hygienic practices, approved in a recent session of the committee held at Jakarta, covers the minimum requirements of hygiene for harvesting, post-harvest handling like curing, drying, cleaning, grading and packing, processing (grinding, blending, freezing, freeze drying, extraction and dehydration), packaging and storage of processed products, at farm-level, processing establishments and manufacturers' premises. IPC secretariat will be sending the revised GMP to the member countries for their views and comments before placing it for consideration at the next session of IPC. This will be held in Colombo during October 30-November 2, 2012. Once the session approves this set of hygienic practices, it will be applicable to all the member countries. There were a lot of complaints about the quality of pepper in the global market mainly due to poor post-harvest handling and storage. High moisture content in pepper due to poor storage facilities causes inferior quality and some times becomes toxic due to fungus infection.

The committee has also discussed issues related to quality such as pesticide residues, mycotoxins, follow on the IPC inter-laboratory proficiency testing programme, sampling methods, training programme for laboratory personnel and training for farmers/extension workers of the IPC member countries. The members of the committee consists of Husniaty (Indonesia – chairman), KRK Menon (India – vice-chairman), S Padmadja, T John Zachariah (India), Dyah Palupi, Wiyas Prawesti (Indonesia), Zehnder Jarroop (Malaysia), M Dharmadasa (Sri Lanka) and Bui Chi Buu (Vietnam). IPC, which is an inter-governmental organisation of pepper producing countries, includes Brazil, India, Indonesia, Malaysia, Sri Lanka and Vietnam as full members and Papua New Guinea as an associate member.

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### Potato up 0.5% on spot demand

Less arrivals help uptrend

Press Trust of India / New Delhi July 30, 2012, 12:38 IST



Potato prices moved up by Rs 6.90 to Rs 1336.60 per quintal in futures trade today as traders enlarged their positions, tracking a firm trend at the spot market on pick up in demand.

Fall in arrivals from producing belts in the physical market fuelled the uptrend.

At the Multi Commodity Exchange, potato for delivery in August rose by Rs 6.90, or 0.52%, to Rs 1,336.60 per quintal in a business turnover of six lots.

September potato traded higher by Rs 6, or 0.43%, to Rs 1,406.20 per quintal in eight lots.

Market analysts said traders enlarged their positions, tracking a firm trend at the spot market on the back of a rise in demand amid fall in arrivals, pushing up potato prices at the futures market.

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### **Speculation in soy products under scanner**

**Meeting today to review adequacy, as futures contracts show price rises despite FMC raising margins successively on soybean, soymeal**

**Dilip Kumar Jha / Mumbai July 31, 2012, 0:07 IST**

The Union ministry of consumer affairs has convened a meeting tomorrow to assess whether more needs to be done to cool abnormal speculation in sensitive agricultural commodities, in the wake of much action this month by the Forward Markets Commission (FMC), the commodity derivatives market regulator.

Through successive measures, FMC ordered an increase in trade margins in soybean and soymeal from 10 per cent and five per cent, respectively, to 50 per cent and 45 per cent, between July 19 and now. This came in the wake of minister K V Thomas directing it to take measures in commodities which had recorded abnormal price rises. The alternative to raising the margins would be ordering a suspension of trading in the commodity.

In fact, market participants fear the regulator might suspend futures trading in soybean and soymeal. A margin is the amount of money a client has to deposit in a brokerage account before trading a futures contract. The amount varies on each commodity and fluctuates with market volatility. There is an initial margin amount required when entering a contract and a "maintenance" margin amount that must be kept in the account at all times during the contract holding period, typically lower than the initial margin. Over and above, the exchanges, in consultation with the regulator, revise the margins depending upon the requirement of the



trade, from time to time.

These two commodities were under the MCA's scanner for a long while, due to their exorbitant price increase since the report of a below normal monsoon rainfall this season. While soybean contracts for near-month expiry jumped 13.1 per cent to close on Monday at Rs 4,472 a quintal on the National Commodity & Derivatives Exchange, soymeal on the Kotak-anchored Ace Derivatives & Commodity Exchange has shot up 22 per cent in the past month, to settle the day at Rs 41,092 a quintal.

The price movement in soybean and soymeal indicates a repeat of the story in guar, when the regulator raised margins to over 70 per cent and a price spurt continued on massive speculation. The regulator later put a restriction on its trade in the futures market. Futures trading in both guar gum and seed was discontinued till the new crop hits the market in October.

However, unlike guar, soybean and soymeal have supportive fundamentals. The India Meteorological Department has estimated a 22 per cent below normal monsoon rainfall, which also began with a two-week delay, resulting in proportionate delay in sowing of soybean. The already sown crop is also expected to be affected, with low germination due to the rainfall deficiency. Soybean is a rain-fed crop, sown with the monsoon onset in June, for harvesting in early October. Still, the monsoon has revived in central India and, hence, soybean sowing might go up, said Atul Chaturvedi, chief executive officer of Adani Wilmar Ltd, one of the largest processors and merchandisers of cooking oil. Consequently, overall soybean output is estimated to rise to 11.4 million tonnes as against 11 mt in the previous year. Agriculture ministry data showed that farmers had cultivated soybean over 8.62 million hectares as on July 20, compared with 9.03 m ha during the same time a year before. Analysts say the cultivation should accelerate, with the weather department expecting more rain this week in the key central Indian state.

Prices are also pushing up on global factors, said an analyst. The International Grains Council has slashed its US soybean output forecast for 2012-13 by 9.5 per cent to a five-year low of 79 mt, as a severe drought is wilting the crop in the Midwest. Production was estimated at 83.2 mt in 2011-12 and is projected to fall for a third year in succession.

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# THE HINDU Business Line

## Pepper, turmeric down

Our Bureau



Mumbai, July 31:

Pepper futures on NCDEX gained 2 per cent at Rs 44,680 a quintal on weak supply in the spot markets.

Indian pepper prices are quoted at record high of \$8,400 a tonne (asta), while Vietnam produce is selling at \$6,400 a tonne.

Pepper production in India is expected to decline due to unfavourable weather conditions.

Exports during January-June 2012 were estimated at 10,197 tonnes against 9,059 tonnes in the same period last year.

**TURMERIC DOWN**

Turmeric futures fell one per cent to Rs 5,702 a quintal on profit booking after the sharp jump in prices in last few trading sessions. The weak demand in spot markets also aided the drop in futures prices.

In Nizamabad spot market, it was down Rs 200 a quintal Rs 5,220 due to low demand.

### **EGoM meeting**

Market men expect the Empowered Group of Ministers meeting on Tuesday to ban futures trading in few agriculture commodity to curb spiraling prices.

EGoM may also impose storage limits on few commodities to bring down inflation. It will also discuss the impact of deficient monsoon on the economy. On Monday, the RBI expressed its concern over high inflation.

### **Cotton unchanged on limited buying by mills**



Rajkot, July 30:

On the back of limited demand from millers, cotton prices ruled steady in Gujarat and other regions.

According to brokers, cotton price may drop marginally this week.

Sankar-6 ruled at Rs 37,200-37,500 a candy (of 356 kg) in Gujarat. Prices of New V-797 were at Rs 30,500-31,000. About 5,000-6,000 bales (of 170 kg) arrived in Gujarat and around 10,000-11,000 bales arrived in India. Kapas was traded at Rs 970-1,005 for 20 kg.

In Maharashtra, A grade (low micronaire) was at Rs 36,800-37,300 a candy and A grade (high micronaire 29+ MM) was at 37,300-37,800.

A cotton broker said: "At present cotton trade is very limited. South Indian mills are focusing more on imports than domestic supply." Northern mills are importing from Pakistan.

### Mixed trend in edible oils



Mumbai, July 30:

Imported palmolein rose by Re 1 for 10-kg tracking firm Malaysian palm oil futures. Soya refined oil, sunflower oil and groundnut oil ruled steady while rapeseed oil dropped by Rs 5 and cotton refined oil declined by Rs 3 on rains in Maharashtra and Madhya Pradesh. A Mumbai-based broker said that due to need-based local demand in month-end activities remained routine. Hardly 450-500 tonnes of palmolein were traded during the day in which Ruchi sold about 150-200 tonnes at Rs 618-621 for August – September. About 250-300 tonnes of palmolein were resale traded in the range of Rs 610-613. Liberty was quoting palmolein at Rs 624-625 for August and Rs 627-628 for September, super palmolein at Rs 674, soya oil at Rs 752 and sunflower refined oil at Rs 772. Ruchi quoted palmolein at Rs 620 for August and Rs 623 for

September. Soya refined oil was at Rs 743 for August and Rs 747 for September. Sunflower refined oil was Rs 757 for August and Rs 762 for September. Allana's rate for palmolein was Rs 622 for 1-15 September. Vaibhavi quoted palmolein at Rs 618 for August and Rs 620 for September.

In Saurashtra cloudy weather cooled down the sentiment. In Rajkot, groundnut oil was at Rs 1,920 (Rs 1,925) for *Telia* tin and Rs 1,260 (Rs 1,260) for loose-10kg. On the National Board of Trade – Indore, soya refined oil August was up at Rs 778.30 (Rs 782) while September was at Rs 782 (Rs 790).

**Malaysia's crude palm oil** August contracts settled higher at MYR 2,980 (MYR 2,901), September at MYR 2,994 (MYR 2,915) and October at MYR 3,005 (MYR 2,927) a tonne.

**The Bombay Commodity Exchange spot rates were (Rs/10 kg):** groundnut oil 1,210 (1,210), soya refined oil 745 (745), sunflower exp. ref. 700 (700), sunflower ref. 760 (760), rapeseed ref. oil 890 (895), rapeseed expeller ref. 860 (865) cotton ref. oil 752 (755) and palmolein 614 (613).

#### Slack demand pulls down soyabean, oil



Indore, July 30:

Notwithstanding strong global market, soya oil and soyabean traded lower on weak futures and slack buying support. Lack of demand and negative market sentiment caused by the FMC's

move to increase margin on some commodities from August 1 made traders wary, leading to a decline in soya oil in the physical market.

Soya refined in the spot and delivery declined to Rs 735-40 for 10 kg (Rs 738-42). Similarly, soya solvent traded lower at Rs 700-705 for (Rs 703-707) on scattered buying support.

In futures also soya oil traded lower on weak buying support and foreign projections with August contract on the NBOT closing Rs 7.50 lower at Rs 778.30. On the NCDEX, soya oil futures traded lower with its August and October contracts closing at Rs 778 (down Rs 4.40) and Rs 783.20 (down Rs 6.95). Soyabean also traded lower on slack demand even as arrivals remained weak at 20,000 bags.

In mandis across Madhya Pradesh, soyabean ruled at Rs 4,450-4,550 a quintal (Rs 4,500-4,600). Similarly, plant deliveries in soyabean also traded lower at Rs 4,550-4,600 (Rs 4,600-4,700) on slack demand from the millers. In futures also weak foreign projections and slack demand pulled down soyabean with August and October contracts on the NCDEX closing at Rs 4,472 (down Rs 83.50) and Rs 3,982 a quintal (down Rs 85). Soya DOC also traded lower with its prices in the domestic market on Monday being quoted at Rs 41,500-42,000 a quintal.

In the past one week, soy DOC in the domestic market has declined by Rs 300-500 a quintal.

### Sugar millers begin to retain stocks



Mumbai, July 30:

Sugar prices on the Vashi wholesale market ruled firm on Monday as pressure for month-end lifting eased at upper level amid producer's lower interest to sell expecting higher price. In spot

and *naka* level, prices rose by Rs 10-20 a quintal tracking a jump of Rs 20-30 in mill tender rates. A Vashi-based wholesaler said that expecting higher festival demand in August, mills are not keen to sell at lower price. Possibilities of lower production next season due to deficit rain across the country and two months away for new crushing season are supporting the firm sentiment in spot and futures. In Vashi market, arrivals were 54-55 truck loads and local dispatches were also higher at 54-55 truck loads due to renewed demand.

On Saturday evening only 10-12 mills offered tenders and sold about 48,000-50,000 bags (of 100 kgs each) to local stockists in the range of Rs 3,350-3,410 (Rs 3,320-3,380) for S-grade and Rs 3,430-3,490 (Rs 3,400-3,480) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,452-3,552 (Rs 3,451-3,532) and M-grade Rs 3,512- 3,611 (Rs 3,501- 3,601). ***Naka* delivery rates:** S-grade Rs 3,430 -3,470 (Rs 3,430 -3,470) and M-grade Rs 3,480-3,550 (Rs 3,470-3,530).

#### Lack of stockists' demand grinds turmeric



Erode, July 30:

Spot turmeric prices slid as most of the stockists stayed away and the futures market turned weak. On the other hand, farmers refused to sell their produce at a lower price.

“Only few stockists have purchased by quoting a lower price on Monday . The finger variety was down by Rs 400-1,000 a quintal, while the root variety decreased by Rs 500 a quintal. Many stockists did not participate in the auctionas they felt prices may decrease further”, said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Many farmers refused to sell below Rs 6,500 a quintal, so out of 9,800 bags that arrived only 55 per cent were sold. As usual stockists made the purchase. Bulk buyers who received fresh orders from the North have already procured some stocks and are waiting for fresh orders. At the Erode Turmeric Merchants Association sales yard, finger variety fetched Rs 3,339-6,674 a quintal, the root variety Rs 3,271-5,611.

**Salem Hybrid Crop:** The finger variety was sold at Rs 5,696-7,034, the root variety Rs 5,362-6,231. Of the 1,603 bags that arrived only 679 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 6,009-6,547, the root variety at Rs 5,403-6,068. Of the 1,069 bags 960 were sold. At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,316-6,374, the root variety at Rs 5,001-6,138.

Of the 1021 bags arrived, 961 were sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 4,369-6,489, while the root variety at Rs 4,116-6,089. All the 155 bags were sold.

### Covering purchases add flavour to cardamom



Kochi, July 30:



Cardamom prices continued to head north last week on domestic buying support despite increase in arrivals at the auctions.

Upcountry buyers actively covered for ensuing festival/wedding seasons as they fear of a sharp fall in the next crop due to unfavourable weather conditions prevailing for long in the growing areas.

Added to this, lack of summer rain followed by scanty South-West monsoon has created a fear in the market that the crop would also be delayed significantly. The growing areas have not got any monsoon rain for some time now, Mr P.C. Punnoose, General Manager, CPMC, Kumily, told *Business Line*. All these factors seem to have activated the market, he said.

The individual auction average increased last week and topped the Rs 800 a kg level from Tuesday last and moved up gradually to Rs 870 a kg on Friday. But on Sunday, it dropped to around Rs 800 a kg.

Almost 85-90 per cent of the arrivals were from the stocks and hence, the quality of the material was by and large medium and below, trade sources in Bodinayakannur said.

However, they said that upcountry buyers were actively covering for the Ramzan requirements and cross -border trade, they claimed.

Export buying was negligible at around 10 tonnes last week, they said. Sources in Bodinayakannur said that bold 8mm good colour capsule was fetching Rs 1,300 a kg. The volume of high quality material that arrived was limited. Last week arrivals stood at about 400 tonnes against 405 tonnes the previous week.

Arrivals at the Sunday auction stood at 70 tonnes against 63 tonnes the previous Sunday and the increase in arrivals aided the price decline, Mr Punnoose said.

Maximum price on Sunday was at Rs 1,206.50 a kg and the minimum was Rs 487.50 . The individual auction average increased to around Rs 800 a kg from Rs 755.57 the previous Sunday, he said.

Total arrivals during the current season from August 1, 2011 to July 29 were 21,001 tonnes and sales totalled 20,211 tonnes against 13,191 tonnes and 12,861 tonnes, respectively in the same period a year ago. Weighted average price as on July 29 was around Rs 645 a kg against about Rs 978 on the same date last year, according to market sources.

**Official prices of graded varieties (Rs/kg):** AGEB 1,180-1,200; AGB 875-885; AGS 860-870 and AGS 1: 840-850

**Open market prices in Bodinayakannur:** AGEB 1,150-1,160; AGB 850-860; AGS 820-840; AGS 1: 810-830.

### Spot rubber unchanged



Kottayam, July 30:

Physical rubber prices continued to rule almost unchanged on Monday. The declines in the domestic and international futures kept the commodity under pressure on late trades but the absence of genuine sellers helped the commodity to sustain at the prevailing levels. Sheet rubber closed steady at Rs 181 a kg at Kottayam and Kochi, according to traders and the Rubber Board. Volumes were extremely low.

The August series dropped to Rs 179.15 (180.79), September to Rs 176.50 (178.30), October to Rs 176.25 (177.23) and November to Rs 175.31 (177.50) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) weakened to Rs 168.84 (169.96) a kg at Bangkok. The August series surrendered to from ¥220.3 a kg to ¥211.7 (Rs 149.99) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 181 (181); RSS-5: 174.50 (174.50); ungraded: 168 (168); ISNR 20: 167.50 (167.50) and latex 60 per cent: 127.50 (128.50).

### Potato turns hot on monsoon woes



Buying by speculators pushed up potato futures in the commodities market.

Chennai, July 30:

Potato futures continued to move up on the National Commodities and Derivatives Exchange on Monday as speculators enlarged their positions. Besides, a firm trend in the spot market helped the bulls' cause. Emerging demand at lower levels amid the upcoming festive season, and deficient rainfall in growing belts further fuelled the uptrend.

Around 200-220 lakh tonnes of potato had been stored in the country in different cold storages during the current season. Although 27-30 per cent of the cold storage stocks are released so far from overall producing belts, they are much lower compared to normal 35-38 per cent every year.

On the NCDEX, the tuber for August delivery rose by Rs 5.2 to Rs 1,270 a quintal while the September series traded higher by Rs18 to Rs 1,381.

According to NHRDF, the rise in prices is due to lower crop in growing regions.

Karnataka has completed kharif sowing but the area sown is affected due to lower delayed rainfall.

Sowing in Maharashtra has been affected due to delayed arrival of monsoon, which is still scanty. The area for kharif is expected to be less or may be same with delayed planting compared with last year, but it depends on further rains.

With reports of crop damages in Karnataka, the supplies from this region to other States may be hit as the overall output is expected to decline by 70-75 per cent, NHRDF says.

In the spot market at Agra, potato was quoted at Rs 1174.7 while arrivals zoomed to 1,200 tonnes compared with 900 tonnes a fortnight ago.

At Sultanpur (Uttar Pradesh), arrivals that were 30 tonnes during the start of the month have now doubled while prices have gone up from Rs 1,175 to Rs 1,225.

#### Soyabean extends losses for second day



*Business Line* Soyabean futures maintained a weak tone for the second day running.

Chennai, July 30:

Soyabean futures extended their losses for the second consecutive day as investors rushed to book profits. Investors resorted to such action since the percentage of money that has to be

paid as margin for buying contracts has been doubled. Also, the Centre's talk of banning futures trading in some agricultural commodities has triggered panic among some traders.

August contracts, the most-traded among soyabean futures on the National Commodities and Derivatives index, dropped by Rs 45.50 a quintal to Rs 4,508.

October contracts slid by Rs 56 to Rs 4,011, while November contracts were down Rs 37 at Rs 3,795. December contracts slid marginally to Rs 3,836.

From Monday, the NCDEX has doubled the special margin for buying August soyabean contracts to 40 per cent.

According to analysts, the talk by the Union Minister of State for Food, Prof K.V. Thomas, and the Forward Markets Commission Chairman, Mr Ramesh Abhishek, that the panel was keeping a close watch on the price movements on the bourses kept the market on edge.

Also, an empowered Group of Ministers will meet on Tuesday to take stock of the situation arising out of the deficient monsoon. This is also playing on the minds of investors. Rain in the growing areas of Madhya Pradesh, too, aided the bearish trend.

### Pepper rules hot on tight arrivals



Tight arrivals of farm-grade pepper in the market and deficient rain have pushed up prices of the commodity.

Chennai, July 30:

Pepper futures continued to rule hot in early morning trade on the NCDEX. Arrivals of farm grade pepper in the market were tight.

Deficient rain in the growing regions of Kerala and Karnataka remained a cause of concern. Growing exports added to the pressure on supply.

During January to June 2012, 10,000 tonnes of pepper were exported as against 9,059 tonnes during the same period a year ago.

August futures were up Rs 290 for a quintal in early morning trade and were quoting at Rs 44,275. The September contract quoted at Rs 44,370 for a quintal and the October contract at Rs 44,800.

The spot rate in the Kochi market was at Rs 44,526.30 for a quintal.

### **Soyabean futures dip 10% in last one week**

Suresh P. Iyengar



As per the Government's fourth advance estimates, soyabean output was pegged at 12.28 mt in 2011-12.

Mumbai, July 30:

Soyabean futures on the National Commodity and Derivatives Exchange Ltd (NCDEX) dipped 10 per cent to Rs 4,556 a quintal in the last one week tracking the international price trend.

The special margin of five per cent on NCDEX was increased to 20 per cent on all the contracts.

The spot market price in Indore also fell five per cent to Rs 4,677 a quintal. Area under oilseeds cultivation improved to 138.33 lakh hectares till July 27 against 134.45 lakh hectares covered in the same period last year. As per the Government's fourth advance estimates, oilseeds production was pegged at 30.01 million tonnes. Of this, soyabean output was pegged at 12.28 mt in 2011-12. The US oilseeds production is estimated to be lower by 4.2 mt at 92.7 mt. Refined soya oil on NCDEX and crude palm oil (CPO) on the Multi Commodity Exchange (MCX) settled lower last week. Also, lower demand capped the upside in edible oil prices. India imported 124,125 tonnes of refined palm oil in June, down nearly 25 per cent from May. Total vegetable oil imports in June were 783,315 tonnes, down 12.7 per cent. Refined soya oil and CPO may trade lower on account of lower than normal demand of edible oil during this festival season.

#### Farm exports spurt by 88% to Rs 82,000-cr in FY'12



New Delhi, July 30:

The export of agricultural items monitored by APEDA rose by 88 per cent to about Rs 82,000 crore in the last fiscal, a top official said.

The growth was achieved on the back of increased export of processed foods, basmati, non-basmati rice, guar (gum and seed), buffalo meat and groundnut.

India's agri exports under Agricultural and Processed Food Products Export Development Authority (APEDA) stood at Rs 43,626.88 crore in the 2010-11 financial year.

"Our farm export earnings have jumped to around Rs 82,000 crore in 2011-12 fiscal helped by rise in exports of processed food, basmati and non—basmati rice, guar, buffalo meat and ground nut," said Mr Asit Tripathy, Chairman, APEDA.

Shipment of processed food from the country is increasing, which is a good sign. Also the country reaped huge benefits from the global spurt in demand for guar seed and gum due to rise in shale gas explorations in the US, he added.

"With the opening of export of non—basmati rice last year, we have made good progress in its shipments. There was good demand for groundnuts and buffalo meat, of which India is a major exporter, in the overseas markets," Mr Tripathy said.

The export earnings from processed food, which includes processed fruits and vegetables, meat and poultry products, etc., rose to Rs 38,950 crore in the 2011—12 fiscal from around Rs 15,816 crore in the year—ago period.

Similarly, earnings from shipment of buffalo meat rose to around Rs 14,000 crore in 2011—12 compared to Rs 8,412.68 crore in 2010—11 fiscal.

Likewise, guar gum and seed exports fetched the country a whopping Rs 12,000 crore against just Rs 2,811.94 crore in the reviewed period.

The earnings from shipment for the premium aromatic rice variety, basmati, rose to around Rs 13,000 crore in 2011—12 from Rs 10,578.68 crore in 2010—11, while non—basmati rice export rose to Rs 11,000 crore from Rs 222.21 crore in the same period.

Groundnut export earnings rose to about Rs 12,000 crore from Rs 2,094.06 crore in the period under review.

APEDA monitors exports of over 14 farm product categories that include floriculture, fruits and vegetables, meat and meat products, processed foods, cereals, cereal products, herbal and medicinal plants, guar gum and so on.



## Tea prices inch up at Coonoor auctions

Our Bureau



Coonoor, July 30:

Some 93 per cent of the six-week low offer of 17 lakh kg at Sale No: 30 of Coonoor Tea Trade Association auctions was old with prices rising Rs 2 a kg over the previous week.

Homedale Estate tea, auctioned by Global Tea Brokers, topped the CTC market at Rs 155 a kg. Among orthodox teas from corporate sector, Chamraj got Rs 208.

“Whole leaf orthodox grades were dearer by Rs 2-3 a kg. CTC leaf market gained Rs 2-4. Orthodox leaf fetched up to Rs 4 more. High-priced CTC leaf was dearer by Rs 5-7, mediums Rs 1-3 and plainers Rs 4-5”, an auctioneer told *Business Line*.

On the export front, Pakistan bought in a wide range Rs 62-94 a kg and the CIS, Rs 60-75. There was some purchase for European ports at Rs 73-96.

Quotations held by brokers indicated bids ranging Rs 58-62 a kg for plain leaf grades and Rs 100-140 for brighter liquoring sorts. They ranged Rs 66-71 for plain dusts and Rs 100-145 for brighter liquoring dusts.

### CII farm panel looks to go 'bananas' to build brand

R Ravikumar



Chennai, July 30:

The Confederation of Indian Industry has proposed to make a brand out of the bananas grown in Tamil Nadu along the lines of Florida oranges and California apples.

Seeking the State Government support for this initiative, the apex industry body has suggested ways and means to educate all stakeholders in the supply chain, from the farm gate to the retail end on technologies available for proper post-harvest management.

Mr B. Thiagarajan, CII Co-Chairman of Agriculture and Food Processing Sub-Committee, said that the State produces different types of bananas, which collectively account for 25 per cent of the country's total banana production.

By formally educating farmers and other stakeholders, the State can promote these bananas in the domestic as well as overseas markets in a big way.

There is a huge amount of wastage in the farm sector in India, which according to him is to the tune of Rs 80,000 crore a year and the body suggests creating a model banana cold chain in the State.

Mr Thiagarajan said that as of now, not even a small percentage was sent to other States, “leave alone exporting them”. They are either consumed or wasted in the State itself.

By adopting a suitable technology the State can save up to Rs 6,000 crore annually by setting up cold chains.

It also proposes to hold a banana festival in Chennai in December this year, in association with the State Government, farmers, traders, equipment manufacturers and investors.

### **Bengal farmers sow premium rice varieties for better prices**

Shobha Roy

Abhishek Law



*Business Line* Lack of remunerative price for plainer qualities has seen several farmers in Burdwan experiment with low-yield paddy varieties.

Kolkata, July 30:

For years now, Mr Saiful Mondal of Burdwan has been content growing high yielding plainer rice varieties such as Swarna and MTU 1010.

This year, he will try his hands in growing premium Gobinda Bhog in parts of his seven-acre holding.

Lack of remunerative price for plainer qualities, has seen several farmers in Burdwan – the rice bowl of the State – experiment with low-yield paddy varieties such as Banskati, Sonam, Miniket and others, selling at a premium in the open market.

Consumed by the upwardly mobile urban population; premium quality rice is retailed at Rs 35 and above as against Rs 23-25 for the plainer varieties, in the cities.

### **Bracing open market**

Mr Saiful was persuaded by a section of rice mill owners to follow the uncharted territories. These mill owners were trying to find a solution to a grappling liquidity crisis impacting the interest of all concerned.

The crisis was a result of State diktat asking mill owners to procure common paddy varieties at MSP (minimum support price). In the absence of commensurating State procurement of rice at MSP, mills are thrown to the vagaries of open market.

The end result is farmers are either asked to offload crop at a lower price or end with unsold harvest.

### **Sensitising farmers**

In Golsi, Burdwan, its rice mill association is conducting seminars to educate farmers and offering seeds of premium varieties.

The association has distributed 15 tonnes of 'sonam' seeds to farmers in close to 140 villages in Golsi, this season.

As against the MSP of Rs 10.80 a kg for high yielding varieties, farmers get nearly Rs 15 a kg for superior paddy in the open market and bring home a net gain of 15-16 per cent.

For rice mills, the gain is more in terms of faster movement of stock.

## Flip-side

When compared to a 40 per cent margin pocketed by the trade (over and above the selling price of rice at mill end) from end consumer and the higher risk of crop loss in producing such varieties; the game is not adequately balanced in favour of the farmer.

Premium paddy plants grow at a height of nearly 6 ft, nearly double the height of common weather-resistant varieties, making it more susceptible to strong winds and weather risks, a farmer points out.

Meanwhile, the State Agriculture Department is working on a project to develop better seeds for such varieties. The aim is to reduce weather risk and improve yield.

“Research is on to have premium categories through a hybrid between the premium and high-yielding varieties,” Mr Paritosh Bhattacharya, Additional Director of the Department told *Business Line*.

## Extractors seek duty cut on oilmeal imports

Vishwanath Kulkarni

New Delhi, July 30:

Solvent extractors have sought a duty cut on oilmeal imports to help alleviate the shortfall in kharif oilseeds output. The move, if implemented, would help the extraction units running and ensure availability of cattle and poultry feed.

At present, customs duty on oilmeal stands at 15 per cent, making imports unviable for the domestic units.

“We want the Government to reduce the import duty to help overcome the anticipated production shortfall due to poor rains,” said Mr B.V. Mehta, CEO, Solvent Extractors’ Association of India (SEAI).

The Association is making a case for import of oilmeal of sunflower, copra, rapeseed and palm kernel among others. But soyameal imports are not being considered as they are not feasible right now, Mr Mehta said.

This is mainly on concerns over the presence of genetically modified (GM) content in soyameal imports.

The SEAI has also sought a cut in railway freight tariff and suggested removal of value-added tax (VAT) on edible oil and oilseeds.

“The Government had asked for suggestions to deal with the drought-like situation and we have asked them to consider these,” Mr Mehta said.

### **Groundnut output**

He expected groundnut output to be lower this year, but did not quantify the decline. The deficit monsoon has cast a spell on kharif foodgrain and fodder output.

So far, the groundnut acreage is lower on account of poor sowing in key growing areas of Saurashtra in Gujarat, parts of Maharashtra and Karnataka.

“Delayed sowing will also impact the productivity,” Mr Mehta said. Rains during the next two months are crucial for the 95-110 day groundnut crop.

“The last showers, about 15 days before the harvest is crucial for the quality and productivity. If the monsoon withdraws on time in September, then there will be concerns as late sown crop is likely to be impacted. We are keeping our fingers crossed,” Mr Mehta said.

### **Soya acreage up**

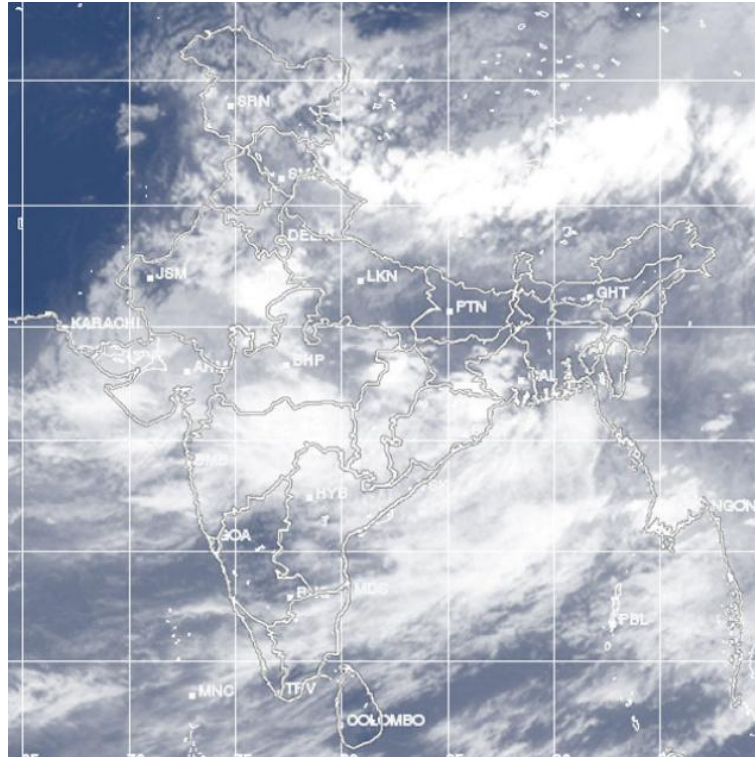
But the shortfall in groundnut acreage is being made up by higher planting of soyabean, especially in Maharashtra and Madhya Pradesh.

“Sowing is almost complete in Madhya Pradesh and Rajasthan. The total area, which is at 102 lakh hectares (lh) could go up by another 2-3 lh,” said Mr Rajesh Agarwal, spokesperson for the Soyabean Processors Association of India.

Well-spread rains in central India in the past few days have aided the planting and overall acreage will be higher than last year’s 103 lh, he said.

## Monsoon rains pick up afresh in central India

Vinson Kurian



Thiruvananthapuram, July 30:

Monsoon rains have picked up in strength over the hilly regions (not plains) of northwest India and parts of central India.

An India Meteorological Department (IMD) update said that rains were reported from Orissa, west Uttar Pradesh, Uttarakhand, Himachal Pradesh, Madhya Pradesh and Chhattisgarh during the 24 hours ending Monday morning.

### HEAVY RAIN

A weather warning valid for the next two days said that heavy rainfall may occur at one or two places over Himachal Pradesh, Uttarakhand, Chhattisgarh and Orissa. The alert is valid for a single day (Tuesday) for East Rajasthan, Vidarbha and Madhya Pradesh.

An extended outlook valid until Friday said that thundershowers would lash many places over the western Himalayan region, Uttar Pradesh, the west coast, east and north-east India. The

rains are expected to be subdued over south interior peninsular India. Meanwhile, the cumulative rain deficit for the country as a whole stayed at 21 per cent as on Saturday.

### **DEFICIT AT 21%**

North-west India (-39 per cent) and the peninsula (-22 per cent) continued to be the worst hit. East and north-east India too has fallen back to double-digit figures (-10 per cent). Central India, which has come under a few of the latest surges of rain, has brought down the deficit to 20 per cent.

More rains have been forecast for the region over the next few days, to the near-total exclusion of both north-west India and interior peninsula.

The west coast, as usual, could be the sole exception. Scattered showers are also likely for the state of Gujarat, says an outlook by the US National Centres for Environmental Prediction.

### **Synthetic rubber production down 11% in April**

PTI



New Delhi, July 30:

India's synthetic rubber production fell by 11 per cent to 8,285 tonnes in April this year, while its consumption declined by 5 per cent to 35,150 tonnes during the period, latest Rubber Board data said.

In April 2011, rubber production stood at 9,262 tonnes, while consumption of the commodity was 36,890 tonnes.



During the month under review, consumption by the auto tyre industry also fell by 8 per cent to 25,834 tonnes from 28,062 tonnes in the year-ago period, the data said.

Import of synthetic rubber declined up by 5 per cent to 26,420 tonnes in April, 2012, from 27,868 tonnes in the same period previous year.

The total stock of synthetic rubber in the country at the end of April, 2012, stood at 49,880 tonnes.

Synthetic rubber is mostly used in the manufacture of tyres, besides in cycle tyres and tubes, footwear, belts and hoses, among other items.

The country's synthetic rubber consumption rose 3 per cent to 4,23,350 tonnes last fiscal against 4,11,830 tonnes in the 2010-11 fiscal, while production rose marginally to 1,10,599 tonnes from 1,10,340 tonnes in the same period.

During 2011-12, consumption by the auto tyre industry rose by 3 per cent to 3,07,365 tonnes from 2,98,414 tonnes in the year-ago period.

Synthetic rubber import went up by 8 per cent to 3,27,625 tonnes in 2011-12, from 3,02,030 tonnes during 2010-11.

### Poultry may cost more as feed rates jump



Mumbai, July 30:

Eggs and chicken are likely to cost more in the coming months following 69 per cent jump in poultry feed prices this year due to lack of rainfall and higher global rates.

Average prices of poultry feed consisting of oilseed cakes, rice bran, grounded maize and soya rose by 69 per cent year-on-year in July, up from 18 per cent in June, due to lack of rainfall and higher global prices, research firm Nomura said in a report.

Feed is a key input in poultry farming and this sharp price increase suggests that cost of eggs and chicken (protein food items) may rise sharply in coming months, according to the report.

If farmers choose to substitute poultry feed with cereals then prices for cereals could rise as well, it said.

Rising feed prices are an early indicator of the potential impact that the deficient monsoons could have on food prices.

As delayed monsoons hurt production of vegetables, cereal and oilseeds, wholesale price index (WPI) food (primary and manufactured) inflation, which is currently 9 per cent year-on-year, is expected to rise into double digits in the coming months. This will keep both WPI and consumer price index (CPI) inflation elevated above the central bank's comfort zone, the report said.