

ADILABAD, July 4, 2012

## Troubled times for cotton farmers



Dry spell: Seeds being re-sown in a cotton field in Adilabad.— PHOTO: BY ARRANGEMENT

Whatever the compulsions of the government in causing a steep rise in the cost of agricultural inputs, poor cotton farmers in Adilabad seem to be headed towards dire straits. The increased investment coupled with the unfavourable monsoon, only 50 per cent of the normal rainfall recorded so far, is bound to break their backbone this year.

While seed cost Rs. 950 a packet instead of the Rs. 750, the price of fertilizer such as DAP has gone up from Rs. 550 for a bag in kharif last year to Rs. 1,260 at present. The price of a bag of potash has also risen from Rs. 600 to Rs. 800 besides, the hike in labour remuneration which has gone up from Rs.100 to Rs. 150 for a woman and Rs. 200 to Rs. 250 for a male.

“The investment was Rs. 22,000 per acre this year, up by Rs.7,000 when compared to last season. Many of us have already started reinvesting on seed as about 70 per cent of those sown initially were lost to the dry spell,” sums up farmer Kurma Devanna of Pusai in Jainad mandal as he spoke about the problems facing cotton farmers in the area.

The situation for tenant farmers is more severe as they have to additionally bear the cost of tenancy. Most of them in the district are also being denied crop loans this season as they are unable to produce required certificates from the owner farmers.

“Only a huge increase in the minimum support price (MSP) of cotton can save the day for farmers as there is no hope of the yield being good,” opines B. Goverdhan Reddy, a TRS farmer leader.

SALEM, July 4, 2012

### Revised Kisan Credit Cards distributed to farmers

*This will enable farmers to get a loan up to Rs. 3 lakh*



Beneficiaries: Farmers with the re-launched Kisan Credit Card in Salem on Tuesday.—Photo: P. Goutham

Farmers in the district would be able to avail of agricultural loan through the revised Kisan Credit Card Scheme (KCC) and also allow them to access ATMs. This was made possible as five customers of Indian Bank of branches in Salem and Namakkal districts were issued the KCC in Ayodhyapattinam here on Tuesday.

The new biometric KCC can be used as ATM or debit card and also used in point of sales in places to purchase fertilizers or any household items.

Speaking after distributing the KCC, Collector K. Maharabushanam said that Salem was one of the four districts in the State selected for conducting the pilot study for implementing KCC and farmers in the district should lead in the State by utilising the service of the scheme.

The card, developed by National Payment Corporation of India, would enable the farmers to get a loan of up to Rs. 3 lakh without any collateral security and the validity period was extended from three to five years.

Speaking on the occasion Executive Director of Indian Bank S. Rajkumar said that with the onset of South West Monsoon and in order to boost credit to agriculture for Kharif season, the bank was organising Intensive Farm Credit Campaign till August in Salem and Namakkal districts.

During the three campaign period held in Omalur, Attur, Velur and Ayodhyapattinam, agricultural loans to 5,169 beneficiaries to the tune of Rs. 36.47 crore were distributed that includes revised Kisan Credit Cards, farm mechanisation, poultry, land development, minor irrigation or pipe line, self help groups taking up agricultural activities and jewellery loans.

The bank has planned to conduct a total of 18 special camps during June and August. A loan amount of Rs. 5.62 crore was distributed to 422 beneficiaries. Mr. Rajkumar was confident of achieving the target for disbursement of agricultural credit in the above said period.

ERODE, July 4, 2012

### **Turmeric farmers in Erode stage demonstration**

Turmeric farmers resorted to a demonstration on Tuesday protesting against the unauthorised collection of entry fee at the Regulated Market premises near Sunnambu Odai here on Tuesday. A group of farmers from Pennagaram in Dharmapuri district took over 35 tonnes of turmeric in eight trucks to the market on Monday night. When they attempted to unload the spice and take it inside the market, the guards at the front gate demanded entry fee, farmers said. They had refused to pay the charges saying it was illegal. "The Regulated Market committee did not authorise the collection of entry fee," farmers said.

On Tuesday morning, the farmers staged a demonstration protesting against the unauthorised collection of entry fee. They wanted the committee to probe into the incident and take stern action against the guards.

Superintendent of the Committee N. Mani pacified the agitators and assured them that appropriate action would be initiated against the erring personnel.

## **Sugarcane farmers seek better price**

*Appeal to State Government to increase the price to Rs. 3,000 per tonne*

Members of the Mohanur Sugar Mill Sugarcane Farmers Association have appealed to the State Government to increase the price of sugarcane to Rs. 3,000 per tonne.

The association's general body meeting that was held recently also resolved to urge the government to make the cooperative sugarcane mills bear the cane cutting and transportation charges.

General Secretary of the association N.K. Natarajan said that cutting cost accounted for 25 per cent to 50 per cent of the price offered for a tonne of sugarcane, which is now at Rs. 2,000 per tonne, and farmers are forced to bear it.

### **Dividends**

He said that the government should direct the profitably running cooperative sugarcane mills to give dividends to its members.

"The cooperative mill in Mohanur has not given subsidy for cultivation and peeling to the farmers for more than five years and steps should be taken to extend these benefits to farmers to boost sugarcane cultivation.

### **Fertilizer shortage**

The Union and State Governments should bring the peaking fertilizer prices under control and put an end to the heavy shortage of fertilizers that we are facing," he added.

### **Laying**

#### **road**

Mr. Natarajan said that the mill has set aside cess for laying roads in the sugarcane cultivable areas but there roads have not been laid or repaired for more than a decade and these works should be carried out without further delay.

The members also asked the mill administration to set aside money for education cess to support the education institutions run by the mills when they run into a crisis.

- 
- *Urge sugarcane cooperative mills bear the cane cutting and transportation charges*
  - *Members also wanted the mill administration to set aside money for education cess*
- 

Published: July 4, 2012 00:00 IST | Updated: July 4, 2012 04:08 IST

### **Inflow into Periyar dam goes up; farmers happy**

#### *Farmers in Cumbum Valley kick-start agricultural activities*

Three-fold increase in inflow into Periyar dam shot up its storage level marginally, cheering farmers in the Cumbum Valley and forcing them to kick-start their agricultural activities in full swing thanks to heavy to moderate downpour in the dam site as well as in catchment areas on Monday night.

Inflow into Periyar dam rose to 943 cusecs when compared to roughly 300 cusecs on the previous day. The storage in the dam was 1,279 mcft.

Discharge was 200 cusecs for irrigation of first crop in the double cropping area stretching between Gudalur, near Thekkadi and Veerapandi, six km from Theni.

Farmers said that the rain god responded to their all-faith prayer immediately and showered His blessings. Periyar dam received 95 mm of rain and Thekkadi recorded 29.2 mm of rainfall last night.

The rainfall continued to rock the dam site and the catchment areas on Tuesday also. Even though water was released from Periyar dam on June 25, water did not reach Chinnamanur till date.

Farmers hoped that the water in the Periyar river would cross Chinnamanur tonight.

In the meanwhile, the Agriculture Department has massive plans to bring 10,600 acres, almost 75 per cent of total cultivable areas in the valley, under system of rice intensification method to boost paddy production and scale down production costs. In the first cropping season, 50 per cent of the target will be achieved and the rest in the second cropping season, officials said.

It also encouraged mechanisation of transplanting to overcome labour shortage. Already, progressive farmers have started using laser technology to level the field for using machines for transplantation.

Strong gale shook Gudalur and Cumbum in the last 24 hours. Age-old trees, electric cable posts and lamp posts were uprooted and metallic sheets on the roof of small houses were blown off. Drumstick crops in some parts of the district were damaged. Vegetable plants at flowering stage at Thevaram were affected in the gale.

The strong wind, that caused much trouble to farmers, was a boon to wind power generating units in Andipatti and Gandamanur blocks. The sky was overcast in many parts of the district this morning.

- 
- *Officials plan to bring 10,600 acres under system of rice intensification method*
  - *Strong wind, a boon to wind power units in Andipatti, Gandamanur blocks*

---

BIJAPUR, July 4, 2012

**Focus on research in agriculture, not on giving subsidy to farmers: expert**

*'Disseminate research findings among farmers like China does'*



Eli Verad

Eli Verad, an Israeli agriculture expert and agro-economist, has said that the Indian government was giving more importance to agriculture subsidy than giving importance to research and innovation in the field of agriculture to make farmers self-reliant and also augment agricultural production.

“Subsidy should indeed be given to farmers but it should not be the primary focus as it does not provide lasting and effective solution to the problems in the agricultural sector in India”, he said.

Mr. Eli Verad who was here to participate in workshop for sugarcane farmers, told *The Hindu* that India should focus on research and disseminate the research findings among farmers just like the China government does.

“Unlike India, the Chinese government does not offer several financial benefits to farmers, instead it spends a significant portion of its budget on research and innovation to ensure that farmers use modern methods to increase agricultural productivity, which in turn adds to the revenue of the country”, he said.

Mr. Eli Verad, Research and Development Head, Netafim Irrigation Pvt. Ltd., also works for several international universities. According to him, Indian agro-economists do not focus on micro-irrigation, soil analyses and nutrient management of crop. Indian agro-economists are more bothered about crop yield rather than critical aspects that determine the quantity and quality of the crop.

“India has attained success in the field of information technology and bio-technology, but it is necessary for the country with the second largest population in the world to conduct extensive research in the field of agriculture”, he noted.

Mr. Eli Verad, who hails from Israel, said that his country has pioneered in drip irrigation system and used it effectively. He suggested that if India adopted drip irrigation system, it could save a lot of water.

“On an average, Indian paddy growers use 15,000 to 20,000 litres of water to produce one kg of rice. By adopting drip irrigation system, the same quantity of rice can be produced using 4,000 litres of water”, he said.

According to him, cultivation of paddy increases carbon emission. If drip irrigation is adopted to grow paddy, it will not only increase the yield by 20 per cent but will also reduce carbon emission.

Mr. Eli Verad said that as a research fellow, he was concentrating more on enhancing the strength of roots of plants as he felt that the both the quality and quantity of foodgrains could be augmented if root system is strengthened.

In reply to a query, Mr. Eli Verad said that organic farming method should be adopted on a larger scale.

- 
- *'Cultivation of paddy increases carbon emission'*
  - *'Adopt drip irrigation system to save water'*

---

NEW DELHI, July 4, 2012

### **Rice crop unlikely to be affected, says Pawar**

GARGI PARSAI

A 31 per cent deficient and somewhat delayed southwest monsoon is a matter of concern but isn't worrisome, Union Agriculture Minister Sharad Pawar told journalists here on Tuesday.

The Minister said scanty rain had hit cultivation of coarse cereals but production of rice crop was unlikely to be affected, as the monsoon was expected to revive next week. In Punjab and Haryana, rice was cultivated under irrigated conditions.

Besides, paddy sowing had progressed well in Odisha, Chhattisgarh and coastal Andhra Pradesh, which received good rains.

Surplus food stock can help the government make available sufficient quantities to States, and offload wheat and rice in the open market, if the situation so demanded. "At an appropriate time, the government can take a decision to enter the open market [to release foodgrains]," Mr. Pawar said.

"Till July 2, the country was deficient by almost 31 per cent in monsoon rainfall, but the situation is expected to improve from next week," he said.

"It is true that cultivation is affected in States that go in for early sowing, such as Maharashtra, Karnataka, Rajasthan, Madhya Pradesh, and parts of Uttar Pradesh and Bihar, but compared to normal years, the situation isn't worrisome."



The crop year 2011-12 was a year of “record foodgrain production” at 252.56 million tonnes, due to a good monsoon.

Widespread deficiency in rains in western and central India had affected coarse cereals, particularly maize, bajra and jowar.

The worst-hit States were Karnataka, Rajasthan, and parts of Maharashtra.

“This,” he said, “may result in some diversion of land to oilseeds and pulses, which is a good thing, [as the country is deficient in these two commodities and imports large quantities every year].”

States were ready with contingency plans, and farmers had been asked to go in for alternative crops like pulses, oilseeds, and direct sowing of paddy if the monsoon didn’t revive till the middle of July.

Sowing of rice, pulses, and cotton could continue till the beginning of August.

“The farmer knows if and when to shift [to alternative crop],” Mr. Pawar said.

NEW DELHI, July 4, 2012

### **Monsoon gaining momentum, says IMD**

P. SUNDERARAJAN

Monsoon is once again gathering momentum. It moved into some parts of Madhya Pradesh and Maharashtra on Tuesday and the India Meteorological Department forecast that it could advance further and cover some more parts of Gujarat, Madhya Pradesh, Uttar Pradesh and Uttarakhand over the next three days.

IMD spokesperson S.C. Bhan told *The Hindu* that Delhi and its neighbourhood could also start getting rains from Saturday. “Rains over Delhi are likely to be moderate and continue for about three days,” he said.

The new surge comes as a great relief as the overall monsoon at the all-India level continues to be grim: the cumulative rainfall since the beginning of the season remains deficient in over 78

per cent of the total geographical area of the country as of Tuesday evening. In 30 per cent of the country's total area, the deficiency is more than 60 per cent.

Delhi and other parts of the northwest region continue to lead the table in terms of deficiencies.

The region as a whole has a deficiency of a whopping 71 per cent. Within the region, the Haryana-Delhi-Chandigarh belt and west Uttar Pradesh topped the list with a deficiency of 92 per cent, followed by Punjab (84 per cent), west Rajasthan (83 per cent), east Uttar Pradesh (78 per cent), Himachal Pradesh and east Rajasthan (76 per cent), Uttarakhand (62 per cent) and Jammu and Kashmir (42 per cent).

The new momentum can help reduce these massive deficits. It, however, remains to be seen to what extent the deficits will get neutralised.

Central India and the south-peninsular region, though certainly not being in an envious position, are in a somewhat better situation. Central India has an overall deficit of 36 per cent, while the south-peninsular region has a deficit of 26 per cent.

Within Central India, rainfall is deficient by 77 per cent in the Gujarat region (barring the Saurashtra-Kutch area), 75 per cent in the Saurashtra-Kutch belt, 59 per cent in East Madhya Pradesh, 58 per cent in West Madhya Pradesh, 43 per cent in central Maharashtra, 41 per cent in Marathwada, 27 per cent in Vidarbha, 23 per cent in Chhattisgarh, 12 per cent in Orissa and nine per cent in Konkan-Goa.

Within the south-peninsular region, Tamil Nadu-Pondicherry continued to lead the table with a deficiency of 49 per cent, followed by Rayalaseema (47 per cent), south interior Karnataka (46 per cent), north interior Karnataka (43 per cent), Kerala (29 per cent), Telangana (18 per cent), coastal Andhra Pradesh (13 per cent), and coastal Karnataka (five per cent).

The east and north-east are the only regions in the entire country to have received bountiful rain so far. The region, which consists of Bihar, West Bengal and the north eastern States, has a deficiency of only 11 per cent, which is considered to be within the 'normal' range.

**IMD sanguine**

The IMD, however, exudes confidence that the monsoon across the country will be normal this year at 96 per cent of the long period average with a model error of plus or minus four per cent as forecast by the department, on the grounds that there were still three more months to go for the season.

“Monsoon never has a linear progression. There are active and weak phases. So far, it had been weak. It does not mean it will remain weak for ever.”

KOLKATA, July 4, 2012

### Climate change taking a toll on global production of tea

INDRANI DUTTA

Climate change is taking a toll on global tea production with a decrease in crop being reported in almost all major tea producing countries. Between January and May this year a drop of 64.4 million kg, marking a 12.4 per cent drop over the same period in 2011, has been noticed. The total production stood at 456.7 million kg in the 10 countries whose statistics were reviewed

The drop has been sharpest for countries like Kenya, where a shortfall of 22.4 per cent has been reported in the first four months in 2012. India, the world's largest producer of black tea, has suffered a 14.4 per cent drop in the first four months, according to statistics just released by the industry regulator. In this period, production stood at 143.3 million kg. And in June, excessive rainfall in Assam, which accounts for half of India's output, is threatening to affect the crop while raising the sceptre of a pest attack.

Erratic rainfall this year and persistent drought conditions since last year are believed to have contributed majorly to this shortfall. Some smaller tea-producing countries like Uganda lost nearly half their tea crop in the first five months of this year.

Indian Tea Association chairman C. S. Bedi told *The Hindu* that dry weather since October had debilitated tea bushes. While irrigation is a way of reducing the impact, no irrigation system can substitute for the quantum of rainfall needed for a tea bush, which is a perennial crop, some of which are 70 years old, he added.

Mr. Bedi, also the former Tea Research Association (TRA) chairman, said the TRA has turned its attention to climate change with it becoming a huge issue and a blueprint has been drawn up for mitigation and adaptation to changed weather patterns.

“Although earlier droughts came every alternate year, now they have become more frequent,” he said, sharing his apprehension about the impending effect of El Nino, adding, “Already we are seeing a rain deficit in the current monsoon spell.”

The industry is not only losing volume but also quality. India, which produces some of its best teas — called first flush — during the earlier part of the year, has already lost some of its most valuable crop due to the erratic rainfall and the prospect of second flush does not appear too good either, planters say.

The world average for tea auction prices has shown a rising trend, especially in countries which have a crop shortfall. Kenya’s Mombasa auction centre has prices appreciating by a wide margin in rupee terms, with a smaller variation in dollar terms.

Tea consumers in India have already started feeling the pinch with packets of loose tea going up alongside the established labels. However, profits are unlikely to rise in tandem as volumes are becoming lower.

NEW DELHI, July 4, 2012

### **20 lakh tonnes of wheat to be exported**

The Centre on Tuesday allowed export of 20 lakh tonnes of wheat from its stocks to make way for storage of the new crop.

The decision was taken by the Cabinet Committee on Economic Affairs (CCEA) chaired by Prime Minister Manmohan Singh.

Minister of State for Consumer Affairs, Food and Public Distribution K.V. Thomas said the CCEA approved export of two million tonnes of wheat at a floor price of \$228 (approximately Rs. 12,400) per tonne.

The CCEA decided to immediately allow 90,000 tonnes of wheat export from the bids received by the state-run public trading firm STC in its recent tender.

For export of the remaining quantity, the CCEA decided to set up a committee headed by the Commerce Secretary, Mr. Thomas said. The Food Corporation of India has in its stocks about 50.1 million tonnes of wheat against the buffer norm of 21.2 million tonnes.

NEW DELHI, July 4, 2012

### **'Safe ethylene being used now for ripening of fruits'**

Health Minister A. K. Walia on Tuesday noted that in less than a year of implementation of the Food and Safety Standard Act, Delhi has seen growing use of health-friendly chemical namely ethylene for ripening of fruits.

“There has been a decline in the use of hazardous chemicals for ripening of fruits. Now 80 per cent of bananas and 25 per cent of mangoes consumed in Delhi are being ripened with ethylene. We now appeal to wholesale traders to realise their moral responsibility to the society and make more investment in building infrastructure for ensuring availability of safe fruits to the citizens,” said Dr. Walia.

The Minister has also asked the Agricultural Produce Marketing Committee (APMC) to prepare and distribute public education folders and pamphlets to create mass awareness about the subject.

Published: July 4, 2012 00:00 IST | Updated: July 4, 2012 04:18 IST

### **De-worming of livestock**

Staff Reporter

De-worming and reproductive camps for livestock, organised by the Department of Animal Husbandry will be held in Krishnagiri and Dharmapuri districts on July 7.

The programme was part of the State-wide exercise conceived for all livestock in general and for those given under the State government's free livestock scheme.

A release from Krishnagiri district administration said that 14,228 people received goats from the government.

Each woman under poverty line was given four goats costing Rs. 12,500.

---

## Chennai - INDIA

### Today's Weather



Clear

Wednesday, Jul 4

Max Min

37.7° | 26.8°

Rain: 00 mm in 24hrs

Sunrise: 5:45

Humidity: 71%

Sunset: 18:39

Wind: Normal

Barometer: 993

### Tomorrow's Forecast



Rainy

Thursday, Jul 5

Max Min

35° | 26°

### Extended Forecast for a week

Friday Jul 6	Saturday Jul 7	Sunday Jul 8	Monday Jul 9	Tuesday Jul 10
34°   28°	33°   28°	33°   27°	32°   27°	33°   27°
Rainy	Rainy	Rainy	Rainy	Rainy

## THE ECONOMIC TIMES

3 JUL, 2012, 05.15PM IST, ET BUREAU

### Sugar production likely to fall by 4% in 2012-13: ISMA

PUNE: Indian Sugar Mills Association (ISMA) lowered its all India sugar production estimate for 2012-13 by close to 4% as it expects output in biggest sugar-producing state Maharashtra to decline by about 16%. ISMA has estimated that the sugar production in the ongoing 2011-12 season will be 260 lakh tonne. Till June this year, 257 lakh tonne has been produced.

The industry body estimates that sugar production in secondlargest producer Uttar Pradesh will go up due to a gain in acreage. "The area under sugar cane in UP has increased from 22.52 lakh hectare last year to 24.25 lakh hectare. But the output in Maharashtra and Karnataka will decrease due to inadequate rainfall," it said.

From about 90 lakh tonne in 2011-12, ISMA expects, Maharashtra's production will slip to 76 lakh tonne. Maharashtra Cooperation Minister Harshvardhan Patil had announced in June that the state government expects the sugar production to decline to 80 lakh tonne in 2012-13 from 90 lakh tonne in the current season. However, sugar cane is being diverted on a large scale to fodder and the monsoon rainfall has been inadequate in the western Maharashtra region.

ISMA has termed it as preliminary estimates. In its release, ISMA has said: "Sugar production for 2012-13 season works out to be 250 lakh tonne, of which 78 lakh tonne is expected to be from UP, 76 lakh tonne from Maharashtra, 30 lakh tonne from Karnataka"

3 JUL, 2012, 05.18PM IST, TAPASH TALUKDAR,ET BUREAU

### **Rising farm input costs may trigger NBFC growth**

MUMBAI: The rising demand for money in rural India to buy costly agriculture inputs this season will probably push gold loan NBFC's (non-banking finance companies) growth by 15-20% despite RBI's directive to lend only 60% of gold value to consumers from the earlier 75%. "We are in the consolidation phase right now. That includes going slow on opening new branches. Our business, especially from rural side, hasn't been slowed and that is making us to grow by 10-25% this fiscal year even after RBI's regulatory measure," says Oommen K Mammen, general manager (finance), Muthoot Group. The country's biggest gold loan financier has achieved over 55% growth last year. The margins might take a hit this year as the company will only open 250 branches - 30% lesser than the previous estimate.

Thrissur-based Manappuram Finance is also confident after it provisioned for Rs 141.56 crore and made repayments of Rs 33.88 crore. The company's assets under management (AUM) has reached Rs 11,630 crore in FY12 from Rs 7,549 crore in FY11. "We have been getting significant responses from all our branches and are expected to grow 15%," says a top official of Manappuram Finance.

Recently, Crisil Ratings has reaffirmed A1+ rating for longterm growth. "Regulatory clarity and growth moderation will increase the confidence of stakeholders including banks and other investors in the sector," says Nagarajan Narasimham, director of Crisil Ratings.

Analysts believe that a crash in gold prices may have dual impact on business fundamentals.

"Any correction in gold prices would moderate the AUM growth and the asset quality risks may also go up," said Kunal Shah of Edelweiss Research in his recent report.

However, the share prices of NBFCs have consistently performed positive in the last two trading sessions. Muthoot Finance rose 5.65% to be traded at Rs 141 per share in BSE on Monday, whereas Manappuram was down 2.39% at Rs 30.60 per share after posting a plunge in the previous sessions.

RBI had asked banks in April to reduce the exposure to any single gold loan NBFC from 10% to 7.5% of their capital funds, and removed the priority sector status of these loans. The regulator sought to bring transparency in the business model of gold loan companies that grew by more than 85% in the last year.

Recently, the gold loan companies formed a self-regulatory organisation to bring more fairness and transparency in the Rs 1-lakh-crore industry. "The gold loan companies are planning to bring new initiatives for better practices and sustain consumer confidence," said Mammen.

Farmers Need More Money Now Higher demand for money in rural India this farming season will probably push gold loan NBFC's growth by 15-20% Muthoot Group, the country's biggest gold loan financier, has achieved over 55% growth last year Manappuram Finance, a Kerala-based NBFC, is expected to grow 15% this year Recently, Crisil Ratings has reaffirmed A1+ rating for longterm growth in this sector

---



Government agricultural farms, lie unexploited in state

Author: Diana Sahu, ENS Published Date: Jul 3, 2012 12:14 PM Last Updated: Jul 3, 2012 12:14 PM

Even as the State Government owns 57 agricultural farms, the Agriculture Department is unable to fully exploit them. Among these 57, five are lying completely unused. They are located in Balasore, Kalahandi, Koraput, Balangir and Jagatsinghpur.

While the sorry state of affairs is attributed to various reasons, large-scale encroachment and labour problems are the two major problems plaguing the remaining 52 farms. This apart, many farms are located in hilly and difficult terrains and do not have irrigation facilities which make them unfit for cultivation. Sources said of the total 5,000 hectares (ha) of total government-owned farm land, only 1,400 ha is being put to use. In the 2011-12 fiscal, 1,029 ha was cultivated of which, paddy was grown in 861 ha. While around 23,000 quintals of paddy were collected from this area in 2011-12, the figure was 21,000 in 2010-11 and 25,000 quintals the year before. Besides paddy, cash crops and pulses are being grown in these farms.

Department sources said due to unavailability of labour force during cropping seasons, productivity in these farms is curtailed to a large extent. "Take into consideration transplantation work which continues for 20 days. During this time, labourers arrive to work in our farms only towards end of the 20 days period as they find working elsewhere profitable than at Government farms. To worsen things further, farmers residing in areas close to the farms do not allow officials to mechanise the agricultural works," said Director of Agriculture, R S Gopalan. This apart, encroachments on the farms have been stumbling blocks for the Department. A majority of the farms do not have boundary walls which makes it easier for people and private organisations to encroach on the lands. The agriculture farm at Balia in Balasore is a pointer. "This farm is located in a prime area and has been largely encroached on by private bodies. The situation is such that it is now difficult for us to demarcate the farm land," the Director further said. Similar is the situation with Deras farm on the outskirts of City. "Earlier, we owned 500 ha of land in the

Deras farm, but now the area has shrunk to a meagre 17 ha and the rest has been leased to private bodies or other organisations. It has come to our notice that the land leased out is not put to any use and the situation is such when we want to increase crop productivity,” Gopalan added. Though the Department had last year planned to outsource some of the government farms for developing them, the idea has not yet got State Government’s nod. On an experimental basis, the Agriculture Department has in this crop season given a total of 200 ha in seven farms to Odisha Agro Industries Corporation Ltd. (OAIC) to bring them under cultivation and produce seeds. “If this arrangement clicks, then we plan to give another 100 ha of land to OAIC in the next crop season and subsequently increase the area under cultivation,” said Gopalan. This apart, the Agriculture Department is trying to put the unusable land in Government farms under plantation and involve progressive farmers in the cultivation process to boost the productivity of these farms.

Copyright © 2012 The New Indian Express. All rights reserved.

---

## Business Standard

Wednesday, Jul 04, 2012

**India extends ban on milk import from China for one year**

**BS Reporter / Mumbai July 4, 2012, 0:48 IST**

The government has extended ban on import of milk and its production from China for one more year. A notification to this effect was issued by the Directorate General of Foreign Trade late Monday evening which says that milk and its products would continue to be banned from China until June 23, 2012 or further orders, whichever is earlier. The prohibition of import includes chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient.

The prohibition on import of milk and its products from China was originally imposed September 24, 2008 with reports that the milk products imported from China contain melamine – a banned substance injurious to health. The ban was extended since then time to time.

There were reports that milk sold in China was laced with melamine. Unfortunately, it is possible accumulates in the body and causes toxicity problems - basically damaging the kidneys and forming stones (solid deposits within the kidneys or bladder). Infants fed regularly with milk containing melamine will be particularly susceptible to these effects. As we have seen tens of thousands have been affected and several have died in China. Why this problem is not more widespread, given the rather large number of infants potentially having been drinking contaminated formula-milk for months is unclear.

Dairy farmers have been feeling the squeeze for years, particularly in parts of the world where technological advancement has been slow in coming and so their profit margins on their milk output have not been lifted by improved efficiency.

In order to boost profits milk has been diluted. However, this brings with it the problem of falling quality - dilute with water and measurable concentrations of milk proteins, fats, and sugars fall.

Dilution by up to 30 per cent has not been uncommon, which is where melamine comes in.

Melamine is a small organic molecule with a high nitrogen content that can easily fool the quality control equipment into thinking that nitrogen (from protein) is present at normal levels and so the milk is passed as good.

Acting on reports by the food standard authority in the US, the American regulator also banned imports of milk and its products from China in 2008.

Despite repeated clarification from the Chinese Authorities of resolving melamine issue, the ban on imports of milk and its products continued in India which saw similar ban on import of Indian seafood into China.

The move came over a week after the Food Safety and Standard Authority of India (FSSAI) had recommended extension of ban on milk and its products on June 22 in view of reports of poor quality standards of milk in China.

The DGFT was awaiting a nod from the Ministry of Commerce for extending this ban further despite the previous suspension period expired on June 24.

## **Wheat procurement at record 37.85 mt**

**Press Trust Of India / New Delhi July 4, 2012, 0:45 IST**

Buoyed by record production of wheat in the country, government's procurement of the key staple food rose by 36 per cent to a record 37.85 million tonnes (mt) in the current marketing season so far.

The government had purchased 27.85 mt of wheat in the 2011-12 wheat marketing season (April-March). Wheat purchase in this season has surpassed government's target of 32 mt.

As per official data, wheat procurement as on July 3 was 37.85 mt and the arrivals stood at 40.13 mt.

Punjab and Haryana have procured nearly 12.83 mt and 8.66 mt of wheat, respectively, in the current season.

Wheat purchase in Madhya Pradesh stood at 8.49 mt, while in Uttar Pradesh it was 5.02 mt. Wheat output in India, is estimated at a record 90.23 mt in the 2011-12 crop year (July-June). The minimum support price of wheat stands at Rs 1,285 per quintal.

## **Rain shortage, power crisis hit paddy plantation in Punjab**

Intense heatwave condition triggering protest from cultivators has compounded the power crisis

**Press Trust of India / Punjab July 03, 2012, 17:45 IST**



Lack of rains and power shortage have severely affected sowing of paddy in Punjab, popularly known as the "rice bowl of the country".

According to the state Agriculture Department sources, paddy has been planted in 55% of the total area only so far in the current season mainly due to scarcity of water.

Paddy sowing in Punjab normally starts after June 10, he said, adding that due to lack of monsoon rains plantation has been delayed.

So far paddy has been sown in only 14.5 lakh hectares, the sources said.

The problem is compounded by power crisis due to intense heatwave condition triggering protest from cultivators.

"Delay in sowing of paddy will affect plantation next season," they said.

Despite shortage of migrant labourers, Punjab had completed plantation of paddy on time at a greater pace last year. But due to lack of rains as well as shortage of migrant labourers, the situation has turned bad this season.

Punjab, which contributes almost 30% of country's rice procurement, produced about 10.5 million tonnes of rice in 2011-12 (July-June).

#### **DSR method being promoted for paddy sowing to save water**

**Press Trust Of India / July 04, 2012, 0:47 IST**

Amid rain eluding north India during the important kharif sowing season, the government of Punjab on Tuesday launched a 'water saving' campaign across the state. It involves encouraging farmers to sow paddy, a water-guzzling crop, by way of direct seeded rice (DSR) method, which results in water saving by up to 20 per cent compared with the traditional method.

This is also aimed at containing the fast depletion of the underground water table, which is chiefly the result of overexploitation of water resources.

#### **Gujarat kharif sowing down 21% on delayed rains**

**Rutam Vora / Ahmedabad July 4, 2012, 0:16 IST**

Delayed rains have hampered sowing of kharif crops, such as groundnut, cotton and paddy in Gujarat, bringing it down by 21 per cent this season.

According to the state agriculture department, till July 2, sowing was recorded at 949,000 hectares, against 1.2 million hectares in the same period a year ago.

Cotton has been sown on about 537,000 hectares, down from 600,000 hectares in the corresponding period last year. Paddy sowing has not been taken up till now. Kharif crop is sown between May and August.

The India Meteorological Department data shows rainfall deficit between 60 per cent and 90 per cent in most parts of the state. The southwest monsoon usually hits Gujarat by June 15.

“Monsoon is delayed and that has affected sowing. But we are hopeful the rains will come within a week. However, we are ready with a contingency plan if it is further delay. But as of now, there is no need to panic,” said B R Shah, director of agriculture, Gujarat state.

According to Shah, groundnut crop would be affected. However, there would not be any big impact on other crops.

The agriculture department has noted that last week only two per cent area was added to kharif crop sowing.

“Cotton sowing is lower compared to last year. Also, lower prices of cotton this year would prompt farmers to shift to other crops like castor and guar. So, the total cotton acreage may fall by 10-15 per cent this year,” said Arun Dalal, a cotton trader in Ahmedabad.

“The farmers are worried. With further delay in rains, farmers would change their cropping pattern. They may prefer guar, castor and urad or other pulses over groundnut,” said Maganbhai Patel from Bhartiya Kisan Sangh.

Besides, cotton and groundnut, the other major kharif crops include bajra, urad, corn, paddy and guar. This year, there has been a sharp increase in corn and guar cultivation. Corn acreage has increased from 15 hectares last year to over 600 hectares so far this year. Guar has been sown on 115 hectares this year against nil last year.

The Met department has forecast light to moderate rains across Gujarat over the next one-two days.

---

## Pepper falls on bearish reports

G. K. Nair, Kochi, July 3:

The pepper market on Tuesday declined on bearish propaganda based on bearish reports from overseas.

Brazil and Indonesia were aggressively offering at lower levels and buyers were spreading such propaganda, market sources told *Business Line*.

There were reports that Brazil has brought more areas under pepper by encroaching upon the forestland and that in turn raised the pepper output in Brazil. Such bearish reports have aided the price fall.

On the spot, 11 tonnes of farm grade pepper arrived and of this, 9 tonnes were traded at Rs 384, 388 and 390 a kg, depending upon the quality, moisture content and area of production.

Some were liquidating while some were switching over. Activities were limited as is evident from the decline in volume.

July contract on the NCDEX decreased by Rs 265 a quintal to the last traded price (LTP) of Rs 40,735 a quintal while August and September contracts dropped by Rs 180 and 190 respectively to the LTP of Rs 41,160 and Rs 41,305 a quintal.

### Turnover

Total turnover decreased by 79 tonnes to 6,044 tonnes. Total open interest declined by 40 tonnes to 4,962 tonnes.

July open interest fell by 271 tonnes to close at 2,493 tonnes while that of August increased by 231 tonnes to 2,372 tonnes. September open interest remained unchanged at 90 tonnes.

Spot prices in tandem with the futures market trend dropped by Rs 200 a quintal and closed at Rs 38,400 (ungarbled) and Rs 39,900 (MG 1) a quintal.

Indian parity in the international market has moved up to above \$7,700 a tonne (c&f) for the Europe and above \$8,000 a tonne (c&f) for the US and remained totally out priced.

All the other main production centres are reportedly quoting much below the present Indian parity.

## Dara wheat up a tad on lower arrivals

Our Correspondent



Karnal, July 3:

Dara variety wheat prices were up marginally on Tuesday due to lower arrivals.

Rates went up by Rs 5 a quintal, despite a decline in demand for flour. Prices were quoted at Rs 1,200-1,210 a quintal.

Around 35 tonnes of the dara variety arrived from Uttar Pradesh. Stocks were directly offloaded at the mills. Mill delivery rates were Rs 1,200-1,205 a quintal, while delivery at *chakki* (flour mills) was Rs 1,210 a quintal.

Mr Sewa Ram, a wheat trader, said that a drastic decline in demand for flour kept prices subdued. The decline was as anticipated, since the market had seen an unexpected rally over the last 10 days, he said. Dara prices moved up only marginally as arrivals from Uttar Pradesh were low, said Mr Sewa Ram. On the other hand, prices of desi wheat varieties remained range-



bound due to lack of trading in the market. The Tohfa variety ruled at Rs 2,230 a quintal, Bhojan King was quoted at Rs 2,110, while the Nokia variety traded at 2,060 a quintal.

According to experts, wheat futures are likely to rise this week, too, on improved demand and low supply in the spot market.

On the National Commodity and Derivatives Exchange, wheat for July delivery was up by a rupee to Rs 1,188 a quintal. It had touched a high of Rs 1,194 earlier on Tuesday. Contracts for August were up by Re 1 to Rs 1,212 a quintal.

### **Flour Prices**

Reduced off-take reduced flour prices by Rs 40. They were quoting at Rs 1,200 for a 90-kg bag. After ruling firm for almost 10 days, Chokar prices were down by Rs 30 due to reduced demand. They were being sold at Rs 610-620 for a 49-kg bag.

### **Selling pressure drags edible oils**



Mumbai, July 3:

Imported Palmolein and soya refined oil decline by Rs 2 and Rs 4 respectively on Tuesday on lack of demand and higher resale selling pressure at the domestic level.

Sunflower refined oil dropped Rs 5 while groundnut oil was down by Rs 10 on bearish reports from producing centres. Rapeseed oil and cotton refined oil increased by Rs 5 each. In the

absence of fresh demand, volumes were thin and isolated, keeping the sentiment steady, said sources.

Local prices were under pressure despite a continuous rise in Malaysian Palm oil futures, which closed higher by 44, 36 and 36 ringgits a tonne.

Chicago soyabeans surged to their highest in almost four years as a US report cut crop condition ratings in a fresh blow to world soyabean oil supplies. According to traders, due to deficient and delayed rain sowing of main oilseeds in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan is either lower or delayed. Farmers are ready with prepared fields but erratic monsoon are delaying sowing, which will lead to shortage in lean season period.

Analyst say palm oil is up, in line with the higher external markets, thanks to the European summit. Extreme hot and dry weather has taken a toll on the US soyabean crops with the USDA on Monday reducing its condition rating for the soyabean crop to 45 per cent (good-to-excellent), compared with 53 per cent a week ago.

The USDA's crop condition rating for soyabean is lowest since 1988. The market is just rising higher. *Ramadan* is coming closer. Traders are also positioning ahead of the Malaysian Palm Oil Board data next week on stocks and output.

Sources said volumes remain thin and isolated on need-based demand. About 80-100 tonnes of Palmolein was resale-traded at Rs 612-613. End-of-the-day Liberty was quoting Palmolein at Rs 617-619, Super palmolein Rs 653, Soya oil Rs 747 and Sunflower refined oil at Rs 750.

Ruchi quoted palmolein at Rs 616 for July and Rs 621-623 for August. Soya refined oil at Rs 740-745 for July. Sunflower refined oil at Rs 740-745. Allana's rate for Palmolein was Rs 620 and Mewah offered at Rs.618. Vaibhavi's rate was Rs 615.

In Saurashtra (Rajkot) groundnut oil dropped by Rs 10 to Rs 1,900 (Rs 1,910) for Telia tin, and Rs 1,240 (Rs 1,250) for "loose" 10kg.

Malaysia's crude palm oil August contracts settled at MYR 3,114 (MYR 3,070), September at MYR 3,124 (MYR 3,088), and October at MYR 3,129 (MYR 3,094) a tonne. On the National Board of Trade – Indore, Soya refined oil July-12 futures decline to Rs 755.00 (Rs 760.00) and August at Rs 768.00 (Rs.771.00).

**The Bombay Commodity Exchange spot rates were (Rs/10 kg):** Groundnut oil 1,190 (1,200), soya refined oil 735 (739), sunflower exp. ref. 670 (670), sunflower ref. 745 (750), rapeseed ref. oil 830 (825), rapeseed expeller ref. 800 (795) cotton ref. oil 705 (700) and palmolein 614 (616).

### Chana may touch record on low output, stockists buying

Our Correspondent



Indore, July 3:

With lower crop output and steep decline in carryover stock this year, chana prices may touch a new high in the coming days.

According to Mr Prakash Vora, a wholesale chana trader, it would not be an exaggeration if chana prices touch the level of Rs 4,800-5,000 a quintal, given the fact that carryover stocks in chana of the past two years has almost got exhausted on account of declining output.

Depleting stock is bound to increase dependency on imported Australian chana which according to the recent deal will cost \$ 710 a tonne and after payment of all taxes on Mumbai port alone the cost will come to Rs 4,200-4,300 a quintal, while its Indore delivery will further go up by Rs 400-500, said Mr Vora.

Decline in arrival and depleting stock have made stockists go on buying spree, anticipating higher returns in the coming days, said a trader. In the past one week, chana (kanta) prices have almost gone up by Rs 200 a quintal. Besides buying by stockists, speculators have also pushed up chana prices in the physical market. Contrary to the past when chana prices in the

physical market were being influenced by higher prices of chana in the futures, the trend has now just reversed as chana prices in the futures are almost Rs 200 a quintal lower than its prices in the physical market.

In the spot, chana (kanta) on Tuesday ruled Rs 4,600 a quintal, while chana (desi) was at Rs 4,500. Arrival in local mandis was recorded at a mere 1,000-1,500 bags. With rise in spot chana, chana dal in the past one week has also perked up by Rs 200 a quintal with chana dal (average) being quoted at Rs 5,600-5,625, chana dal (medium) at Rs 5,650-75, while chana dal (bold) ruled at Rs 5,825-50.

Dollar chana, on the other hand, ruled stable at Rs 6,500-7,500 a quintal on scattered buying support, even as arrivals declined to around 500 bags. Amid subdued export demand, dollar chana in the container also ruled steady with 42/44 count being quoted at Rs 8,500, 44/46 count at Rs 8,400, 46/48 count at Rs 8,300, while 58/60 count stood at Rs 7,000.

According to Mr Ankur Pandya, an Indore-based dollar chana trader, long rally in dollar chana appears unlikely in the coming days, given weak export demand.

### Lower offtake pulls down turmeric prices



Erode, July 3:

Spot turmeric prices decreased on Tuesday due to low demand.

According to traders, medium variety turmeric fetched decreased price, as there was no fresh orders from North Indian traders owing to the rainy season.

Further, futures prices also didn't appreciate. So the buyers quoted reduced price for the commodity.

Medium variety turmeric too fetched decreased prices. Traders said they received only minimum orders from the local turmeric powder producers and 'masala' firms. The turmeric growers said that they are in need of money, so they brought limited quantity of turmeric for sale, sold a portion of the same for decreased price. They said out of 8,800 bags,, only 60 per cent were sold. Only 500 bags of root variety out of 2,100 were purchased. The Hybrid Salem crop price was decreased by Rs 292 a quintal; finger variety in Gobichettipalayam Cooperative Marketing Society saw a price cut of Rs 250 a quintal. At the Erode Turmeric Merchants Association Sales yard, the finger variety fetched Rs 2,499-4,149; root variety Rs 2,209-3,881 a quintal.

**Salem crop:** The finger variety was sold at Rs 3,541-4,711; root variety Rs 3,439-4,175.

Of the arrival of 1,354 bags, only 824 bags were sold. At the Regulated Marketing Committee, the finger variety was sold at Rs 3,569- 4,215, root variety Rs 3,551-4,019 a quintal. Of the arrival of 1,445 bags, 1,388 were sold. At the Erode Cooperative Marketing Society, finger variety was sold at Rs 3,100-4,476 a quintal; root variety Rs 3,100-3,893 a quintal. All the 1,321 bags of turmeric kept for sales were sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety was sold at Rs 3,259-4,201 a quintal, root variety Rs 2,769 3,819 a quintal. All the 327 bags of turmeric were sold.

### Sugar prices up on retail demand



Mumbai, July 3:

Spot sugar prices at the Vashi market shot up Rs 30-40 a quintal on Tuesday, tracking a Rs 10-20 increase in mill tender rates and due to lower output projections for 2012-2013 on deficient monsoon.

Naka rates went up by Rs 30 a quintal on higher beginning-of-the-month local demand. The sentiment was firm, said traders.

Mr Jagdish Rawal of B. Bhogilal and co. said: "higher retailers demand in the beginning of the month and slower pace of selling by mills on expectations of higher demand and higher price in coming days brightened the sentiment. Deficient rain across the country and concerns over production and yield is another factor fuelling the bull run.

He said the crushing season is now over and the new season will start from October. There have been reports of some fresh buying in Maharashtra from Gujarat, Rajasthan and Madhya Pradesh.

If purchases from the East (which is generally done in rail rake form) also join, which is lacking for in Maharashtra, then prices may rise faster.

The Government has declared 45 lakh tonnes of free sale quarterly quota for the July-September. In India, sugar demand is usually higher during festivals such as Ramadan, Raksha Bandhan, Janmashtami, Ganeshotsav and Navaratri – Durga Puja, etc.

Meanwhile, the Indian Sugar Mills Association (ISMA) has trimmed the forecast for initial sugar production for next season year by 10 lakh tonnes to 250 lakh tonnes despite higher cane acreage. It is mainly due to inadequate rains impacting yield and recovery in main producing States, Maharashtra and Karnataka. Sugar production in 2011-2012 (October-September) is expected at 260 lakh tonnes. According to Agriculture Ministry data at the end of June total 52.22 lakh hectares were covered under sugarcane cultivation compare to 49.92 lakh hectares last year.

At the Vashi market, arrivals were higher at 50-52 truckloads and local dispatches were 50-51 truckloads. On Monday 27-28 mills sold about 1.00-1.25 lakh bags (each of 100 kg) at higher price of Rs 2,920-2,980 (Rs 2,900-2,950) for S-grade and Rs 3,010-3,070 (Rs 3,000-3,050) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,022-3,081 (Rs 2,991-3,041) and M-grade Rs 3,100- 3,241 (Rs 3,066- 3,211).

**Naka delivery rates:** S-grade Rs 2,985 -3,030 (Rs 2,960 -3,000) and M-grade Rs 3,085-3,170 (Rs 3,060-3,130).



## Groundnut oil ruled unchanged on lower demand

Our Correspondent



Rajkot, 3 July:

Groundnut oil was traded stabled as demand was declined after sharp rise in the price during last week.

According to edible oil traders, groundnut oil was increased over Rs 60 in last week as delay in rain. It reduced the demand in the oil. However price will declined as rain come in groundnut growing areas.

Groundnut oil was stood at Rs 2,080-2,085 per 15 kg tin. Loose groundnut was traded lower by Rs 5to Rs 1,225-1,230 per 10 kg, teliya tin was declined Rs 8 to Rs 1,880-1,881 per 15 kg tin. It was traded on Rs 1,190 per 10 kg in Mumbai. About 50-70 tonnes of groundnut oil was traded in various mills of Saurashtra.

Like groundnut oil, cotton oil also remained unchanged on Rs 1,135-1,145 per 15 kg tin. Cotton oil wash was stood at Rs 655-658 per 10 kg. About 200-250 tonnes of cotton oil was traded here on Tuesday.

Millers said, “Delay in rain was the main cause for price gained in last week otherwise there is no reason for it. Mills are getting proper stocks of groundnut for crushing. Now rain has come in groundnut growing area which may pull down groundnut oil price in coming days.”

### Turmeric futures move up



Scanty rains in the turmeric growing regions is likely to impact output for the coming year, say market players.

Mumbai, July 3:

Turmeric futures on the NCDEX gained 3 per cent to Rs 4,240 a quintal.

Opening at Rs 4,130/quintal on Tuesday, the August contract touched a day's high of Rs 4,272 and a low of Rs 4,120.

There is strong buying interest as production is expected to fall sharply next year. Market players expect scanty rains in the turmeric growing regions to impact output for the coming year.

Exports remained buoyant throughout the year. In March, exports jumped 7 per cent to 6,300 tonnes from 5,900 tonnes in the same period last year.

For the fiscal ended March 2012, exports were up 62 per cent to 79,500 tonnes against 49,250 tonnes registered last year. This was largely due to good demand amid low prices.



## Govt clears export of 2 mt wheat to ease space crunch

New Delhi, July 3:

To make storage space for fresh crop, the Government on Tuesday cleared the export of two million tonnes of wheat from its buffer stock. The decision comes in the wake of reports of rotting food grain as Government go-downs overflow with a record 82 million tonnes of rice and wheat against the storage capacity of only 64 million tonnes. Speaking to reporters after the meeting of the Cabinet Committee on Economic Affairs (CCEA), the Union Food Minister, Mr K.V. Thomas, said "CCEA has approved export of two million tonnes of wheat from Government stock with floor price of \$228 (about Rs 12,400) a tonne." It was also decided to immediately allow 90,000 tonnes of wheat export from the bids received by the Government-run trading company, STC. For the remaining quantity, the CCEA had decided to set up a Committee headed by the Commerce Secretary. Although the Food Minister said that there was no subsidy or losses in wheat exports, sources said the export of 2 million tonnes of wheat would involve an outgo of Rs 1,263 crore. India, the world's second largest wheat producer, had harvested 90.23 million tonne in the 2011-12 crop year (July-June). This has led to record procurement of nearly 38 million tonnes so far this year. In September last year, wheat exports through private trade had been allowed. Since then about 1.3 million tonnes have been shipped.

## Cotton body decides to quit trading altogether

Suresh P. Iyengar



*Move will put Cotton Association of India out of Forward Markets Commission's purview*

Mumbai, July 3:

The Cotton Association of India, earlier known as the East India Cotton Association, was the first to be given permission to launch cotton futures in 1997. This was after the then National Democratic Alliance Government decided to resume futures trading that had been banned since the late 1960s.

Now, the association wants to get out of trading of any sort, be it futures or forward delivery.

A resolution to this effect was passed by the Cotton Association of India (CAI) extraordinary general meeting recently. It was decided that CAI should be derecognised as a trading body.

The emergence of a vibrant online platform for futures trading in cotton has led to lack of trading interest in the CAI platform.

Mr M.B. Lal, CAI board member appointed by the Forward Markets Commission and former Chairman of Cotton Corporation of India, said a resolution was passed for derecognising CAI as a trading body at a recent special general body meeting.

The move will enable CAI to come out of the purview of the commodity market regulator, Forward Markets Commission. The association has not been able to register even a single trade for the last few years, according to data available on the FMC Web site.

Besides CAI, the other single commodity regional exchanges that have not registered any trade include the Surendranagar Cotton & Oilseeds Association and Sangli-based Spice & Oilseeds Exchange , according to FMC data.

The CAI and the Spice & Oilseeds Exchange are recognised as permanent members. It will now require the Ministry of Consumer Affairs' permission for de-recognition.

Earlier, the board had approached the Forward Markets Commission for de-recognition, but was advised by the regulator to get the approval of the members at the general body meeting.

CAI has about 400 members from the all segments of cotton trade and textile industry including mills, growers, ginner, brokers, merchants, importers and exporters. It was established in 1921 to facilitate cotton trade and regulate cotton futures in Mumbai.

Currently, cotton futures are traded on online commodity exchanges such as the NCDEX and MCX.

The Association played a pivotal role in development and promotion of cotton in India. In 1952, CAI was granted permanent recognition for conducting futures trading in cotton throughout the

country until the ban. However, forward trading was allowed as Non Transferrable Specific Delivery contracts.

The East India Cotton Association was renamed Cotton Association of India in August 2007. Members of the Association used to negotiate over phone and book their consignments in other cotton growing States such as Gujarat, Andhra Pradesh and Tamil Nadu. Seventeen regional cotton associations and four co-operative marketing societies representing all cotton producing regions are affiliated with the CAI and have representation on its Board as associate directors.

## Coconut oil flat on weak demand

Our Correspondent



Kochi, July 3:

Coconut oil prices remained more or less steady in the Kerala market this week at Rs 62 per kg against last week's Rs 63. In Tamil Nadu, the price remained at Rs 60/kg quoted last week.

Mr Prakash B. Rao, Vice-President of the Coconut Oil Merchant Association (COMA), cited limited upcountry buying as the reason for the prices remaining flat. He said that the trend is likely to continue in the coming weeks unless some major buyers re-entered the market.

However, copra prices in Tamil Nadu went up slightly this week to Rs 4,200/quintal (Rs 4,000 last week) and in Kerala to Rs 4,400 (Rs 4,300).

The prices of substitute oils such as palm oil and palm kernel oil also remained more or less steady. The prices stood at Rs 61.50 per kg against Rs 61 for palm oil, while palm kernel oil remained steady at Rs 68.

Mr Bharat N. Khona, former Board Member, COMA, said that the market has started stabilising. However, there is some demand from upcountry buyers and this is expected to continue, he said.

Mr Thalath Mahamood, President, COMA, said copra procurement by government agencies was not progressing well. A majority of the farmers are reluctant to sell copra due to stringent guidelines in the procurement policy, he pointed out.

Government agencies demanding farming certificate for copra procurement is not practical as far as Kerala is concerned. The authorities should, therefore, initiate steps to procure raw coconut instead of copra, which will help farmers get better prices for coconut, he said.

### Discount on cashew brokens doubles

G. K. Nair



Kochi, July 2:

The cashew market saw low to steady activities last week with a few transactions for W240 at \$3.75-3.85 and W320 at \$3.35-3.50 a pound free on board (FoB).

Not much trade took place in with the other grades. Nominal values for other grades W450 and SW320 were at around \$3.30, butts at \$2.55, splits at \$2.45, and pieces at \$2 a pound FoB.

A noteworthy aspect has been that in the last six-eight months, the price differential between wholes and brokens has been widening, Mr Pankaj N. Sampat, a Mumbai-based dealer

told *Business Line*. For a long time, splits/butts were trading at a discount of about 50 cents a pound. Now, with peeling mechanisation becoming widespread (and limited mechanisation in other processes), availability of brokens has increased and the discount has doubled to 100 cents, he said. The lower prices should lead to its wider usage as an ingredient, especially in Asia.

The gap between the lowest and the highest offers on any given day continues to be high, depending on the packer and shipment period, according to market sources in Mumbai. The Indian domestic market picked up slightly this week but the volumes were small.

“We are in the middle of 2012 and can say that the first half has been one of the most volatile six months for the cashew market. The year began with W320 at an average of \$3.55 FoB. By mid/late March, the market was at \$3.20 (a decline of 10 per cent). It started moving up mid April and reached a peak of \$3.80 (rising over 15 per cent) by mid May. In the last three to four weeks it has drifted down to an average of \$3.45, recording a decline of 8 per cent.

#### **RCN stays quiet**

The Raw Cashew Nut (RCN) market was mostly quiet. Shipments from Africa continue to be very slow which means that cashew will arrive in India and Vietnam over a longer period. No change in prices was seen with Guinea Bissau (GB) at around \$1,350 a tonne, Senegal/Gambia at \$1,300, Benin at \$1,100 and Ivory Coast (IVC) at \$1,000 (c&f).

#### **‘Think of the consumer while marketing jackfruit’**

A. J. Vinayak



Mangalore, June 25:

Think of the consumer while marketing jackfruit, advised Mr Shree Padre, Editor of the farm journal, *Adike Patrike*. He was talking to growers at a session of a jackfruit festival organised by Krishi Vignan Kendra here on Saturday. The fruit can be marketed as ready-to-cook, ready-to-eat or as a valued-added product, he said.

Mr Padre has been playing a pivotal role in creating awareness on jackfruit cultivation and value addition for the past several years.

People are reluctant to buy jackfruits as they find it difficult to separate the edible parts, he said. Hence, he said, a grower can supply only the edible parts to consumers. This is already bearing fruit in some villages.

Terming northern India as a big market for jackfruit, he said most of the people there use it in curry preparation. Growers should try to sell the fruit and its value-added products there.

He said many value-added products are possible from this fruit. Some rural entrepreneurs are marketing them at the grassroots level. But not many branded jackfruit items are available now, he said, asking the growers to think on this aspect.

Each region has its own value-added product variety — *panas poli* in Maharashtra, *uppad pachchil* in coastal Karnataka, or *panasa pottu* in Andhra Pradesh.

Giving the example of a rural entrepreneur in Maharashtra, he said that the person was able to market *panas poli* and *amba poli* (made from mango) at almost equal rates. However, the input cost of *panas poli* was less compared with *amba poli*.

In the same way, *uppad pachchil* (unripe edible parts, without seed, in brine solution) is a good business for many people in Karkala taluk of Udupi district. This taluk sends at least 70 tonnes *uppad pachchil* to Mumbai every year, he said.

Mr Padre urged women's self-help groups to look at value-addition to jackfruit as an income-generation activity.

A Mumbai-based ice-cream manufacturer and a Chennai-based hotel chain is using jackfruits as ingredients for preparation of ice cream and milk shake, respectively, he said.