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ICRISAT chief for cultivation of GM crops

Staff Reporter

'Biotechnology is an efficient scientific solution to increase crop productivity, enhance income for small farmers'

William D. Dar, Director General of International Crops Research Institute for Semi-Arid Tropics (ICRISAT), has said that biotechnology will play an indispensable role in empowering the rural sector by helping increasing the food production multi-fold to meet the needs.

Speaking at a workshop organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) here on Friday, Dr. Dar said biotechnology was an efficient scientific solution to increase crop productivity, to enhance income for small farmers and to improve nutrition in developing countries such as India.

"India is facing a paradoxical situation where it has over 60 million tonnes of foodgrain reserves on one hand and about 42 per cent of the country's children are malnourished on the other due to lack of nutritious food," he observed. There was a need to overcome such a strange situation, he felt by stressing the need to move beyond Bt cotton and embrace GM food crops, which could contribute the fight against poverty enormously.

Project Director of National Research Centre on Plant Biotechnology P. Anand Kumar said two golden rice varieties with vitamin-A -- *Swarna and Jaya* would be tested in open fields in 2013 and the Bt pigeon pea and chickpea would be released for field trials in 3-4 years.

Dinesh Kumar of Directorate of Oilseeds Research, S. Sivakumar of ITC Agribusiness Division, S.V.R. Rao of Nuziveedu Seeds and several others spoke.

VISAKHAPATNAM, July 9, 2012

Climate in Vizag is conducive for lychee cultivation

RAVI.P. BENJAMIN

Fruit in huge demand among the health - conscious



Popular fruit: A vendor selling lichees in Visakhapatnam market.— Photo: C.V. Subrahmanyam

The lychee fruit in revolutionary red colour which stormed the city fruit market recently had been the cynosure of all eyes for about a month or so. The lovely looking, tempting, and tasty fruit soon disappeared from the market as fast as it appeared, the reason being, it is scarcely supplied by fruit traders from Muzaffarpur in Bihar. The fruit cultivation has nominal presence in Padmapuram Gardens near Araku Valley but outside it, horticulture farmers hardly knew anything about it.

Andhra Pradesh Micro Irrigation Corporation (APMIC) project director Ram Mohan Rao told *The Hindu* that the climate in the district, especially in tribal areas, was ideal for growing lychee fruit plants which are in huge demand among health conscious people and fruit lovers. The moderate climate in the district is conducive for raising the plantations. The fruit has the market potential for its commercial cultivation and can be a revenue earning proposition. If horticulture farmers come forward to raise the plantations in the district, a project can be formulated and incentives being given to various horticulture crops can be applied to it by extending subsidies and incentives from the APMIC and the Department of Horticulture, he said.

The fruit contains on average a total 72 mg of vitamin C per 100 grams of fruit. On an average 9 lychee fruits would meet an adult's daily recommended vitamin C requirement.

A cup of liquid fruit provides, among other minerals, 14 per cent daily value of copper, 9 per cent of phosphorus, and 6 per cent daily value of potassium for a 2000-calorie diet. Like the most plant-based foods, lychees are low in saturated fat and sodium and are cholesterol free. It is known for being a fruit with hot properties and excessive consumption of the fruit can, in certain extreme cases, lead to fainting spells or skin rashes.

The lychee fruit otherwise called Litchi Chinensis, is the sole member of the soapberry family, Sapindaceae. It is a tropical and subtropical fruit tree native to southern China, Taiwan, and Southeast Asia, and now cultivated in many parts of the world.

The fresh fruit has a delicate whitish pulp with a fragrant flavour. Since the aroma is lost in canning, the fruit is usually eaten fresh. An evergreen tree reaching 10–28 metres tall, the plant bears fleshy fruits that are up to 5 cm in length and 4 cm wide. The outside of the fruit is covered by a pink-red, roughly textured rind that is inedible but easily removed to expose a layer of sweet, translucent white flesh. Lychees are eaten in many different dessert dishes and are especially popular in China, throughout Southeast Asia, along with South Asia and India. The fruit has a history of cultivation going back as far as 2000 BC according to records in China. India is the largest producer. However, China and Taiwan come next to India in production, producing approximately 1,31,000 tonnes and 1,01,000 tonnes respectively. Although authentic data on production of lychee is not available, the total world production is estimated to be around 6.5 lakh tonnes.

There are many stories of the fruit's use as a delicacy in the Chinese Imperial Court. It was introduced to the west in 1782. Lychee is most liked and relished fruit of India and is cultivated in an area of 63,300 hectares and total production is around 3,81,000 tonnes.

Horticulture assistant director Ramanjaneyulu said lychee cultivation will be taken up with the cooperation of ITDA and the tribal farmers will be motivated in this regard. The ITDA farm already has a small extent of lychee cultivation in its farm.

BHARANANGANAM (PALA), July 9, 2012

Need to preserve native livestock breeds stressed

The national conference on native livestock breeds, which concluded here on Sunday, called for reorienting the country's top-down breeding policies to community-based development of indigenous breeds.

Jointly organised by the Vechur Conservation Trust and the National Biodiversity Authority, the conference brought out the 'Bharananganam Declaration' which noted that five decades of cross-breeding in India has "led us nowhere" and that such practices have led to worrying trends in other countries.

The declaration proposes the identification and mapping of indigenous breeds according to agro-ecosystems. The creation of strong incentives for conservation and development has also been stressed so as to ensure that the breeds, which are on the verge of extinction or in rapid decline, can be revived. It also emphasises the importance of extending support to the prevailing extensive production systems by providing secure access to grazing resources through community tenure rights and implementation of the Forest Rights Act.

Nearing extinction

Inaugurating the valedictory session of the conference, P.C. Chacko, MP, noted that a large number of animals were on the verge of extinction and emphasised the need to identify techniques to preserve the biodiversity for the future. He said that the unique strengths and advantages of many local livestock breeds were being neglected and that such breeds required immediate attention.

He also said that the voluntary efforts being made by various organisations, including the Vechur Conservation Trust, deserved recognition since their activities have been crucial in preventing many livestock breeds from becoming extinct.

Mr. Chacko also launched a project on conservation of native livestock breeds at the Cheruvally Estate in Kanjirappally. Sosamma Iype, managing trustee, Vechur Conservation Trust, presided

over the session. Former Milma chairman Prayar Gopalakrishnan inaugurated the Vechur Cattle Breeders' Association and distributed certificates.

S. Ramkumar, director of entrepreneurship, Kerala Veterinary and Animal Science University; Ilse Kohler Rohlfson, League for Pastoral People; Joseph Pulikunnel, Hosanna Mount; Gopikrishna, Joby George and Jayan Joseph also participated in the event.

THIRUVANANTHAPURAM, July 9, 2012

Easy way to extract banana fibre

T. NANDAKUMAR

NIIST's inexpensive technology makes use of enzymes to separate fibres



Way forward:Banana fibre extracted using the technology developed by the CISR-NIIST

The National Institute for Inter-disciplinary Science and Technology (NIIST) here, a laboratory of the Council of Scientific and Industrial Research (CSIR), has developed a technology for extraction of banana fibre, the raw material for a range of eco-friendly products.

The indigenously developed process know-how is for 'clean extraction of banana fibre from pseudo stems (leftover banana trunk after harvest) and empty bunches.' The fibre can be used to make yarn, paper and paper cups, cordage, tea bags, handbags, and footwear.

Patent sought

An international patent has been sought for the process know-how, a spokesman for the CSIR-NIIST said. It has already been licensed to three parties, including one based in the Philippines. The CSIR-NIIST expects the process to become acceptable at the local level, the spokesman said.

The alternatives

Banana fibre is generally extracted through a cumbersome manual process. By using a metal scraper (flat and blunt blade), the pseudo stem sheaths are scraped and the fibre is separated.

An individual at work can extract just about 500 gm in this manner; the mechanical process yields 10 times the quantity but with heavy damage to the fibre.

The CSIR-NIIST technology involves an anaerobic (without oxygen) process. The fibres are separated by enzymes produced through microbial action in an anaerobic reactor.

Waste into biogas

The organic wastes get converted into biogas in the process. The process water is recirculated.

Under optimum conditions, separation of the fibres gets completed in a week's time, says V. Manilal of the Process Engineering and Environmental Technology division at the NIIST. The fibres are washed and dried in sunlight to bring down the moisture content considerably.

Brilliant white

The fibre obtained is brilliant white in colour and has little pith residues. The CSIR-NIIST claims that the process is inexpensive, pollution-free, and avoids damage to fibres.

It also has the potential to generate employment and can offer higher earnings for farmers. For details, the CSIR-NIIST can be contacted on phone 0471-2515388.

TIRUCHI, July 9, 2012

Delta farmers can brace for only one crop

G. SATHYAMOORTHY

Met department confident of considerable rains this month



High and dry: A view of the Grand Anicut in Thanjavur district bereft of water.— Photo: M. Srinath

The Grand Anicut (Kallanai), the major distribution point of water for a number of canals that feed the delta irrigation, does not look grand now. Built by the Chola King Karikala around the first century AD, it is one of the oldest water diversion or water regulator structures in the world that's still in use.

The purpose of the dam is to divert water of the Cauvery across the fertile delta region for irrigation via canals.

The Tiruchi district gazetteer speaks of the Cauvery “overflowing” in July and August. With nil flow from the Mettur Dam, one could see only parched sands this year at the Grand Anicut.

Normally, by this time of the year, the anicut would be pretty busy as the water would have been released for irrigation from the Mettur Dam for kuruvai crop (short-term crop of 90-105 days). The normal date of release for kuruvai has been June 12 for long and in 2011 Mettur Dam was opened a week ahead of schedule.

Now it is almost a month behind schedule and the Stanley Reservoir (Mettur Dam) is yet to get a drop of water from Karnataka. With South West Monsoon playing truant, the upper riparian State Karnataka itself is yet to get copious inflows in the Cauvery.

As on Sunday, the Mettur level was only around 77 ft against the full level of 120 ft and the storage was hardly 39 thousand million cubic feet (tmcft) against the total capacity of 93.4 tmcft.

Official sources, who do not want to be identified, were categorical that it would be suicidal to open the Mettur Dam at present for kuruvai as there is no certainty that the dam would be able to provide adequate water — at least 100 tmcft to 115 tmcft.

Hardly two thirds of water would be able to reach the tail end of the delta like Tiruvarur and Nagapattinam districts. The sources advise the farmers to brace themselves up only for one crop this year — that is samba. “It is possible to raise samba on about 19 lakh acres in 11 districts,” they said.

As the Meteorological Department is confident of considerable rains during this month, we can hope for some inflows into the Mettur Dam in a few days, at least from the Kabini, they added.

TIRUCHI, July 9, 2012

Unscientific practices leave behind bad odour for jasmine growers

G.SATHYAMOORTHY

At least 50 per cent of jasmine farmers have now leased out their lands due to labour scarcity; price fluctuation adds to woes

Not a bed of roses: On an average, there is considerable demand for jasmine flowers for at least 150 days a year. The picture shows farmers picking flowers at a village near

Tiruchi. PHOTO: M. SRINATH

: Tiruchi district, one of the major producers of jasmine in the State, is reeling under highly unscientific practices and incredible fluctuation in prices. The flower, which fetched around Rs.1,500 to 1,600 a kg last October-December, which was an offseason, is now selling at around Rs.150 to 160.

“If your jasmine reaches Srirangam Market or Gandhi Market here at 6 a.m., the price is higher by at least Rs.10 a kg than what it could fetch just 10 minutes later. What could fetch you around Rs.100 a kg in the morning, could fall even to Rs.30 kg in the afternoon,” laments Puliur Nagarajan, president of Tiruchi District Horticultural Producers’ Association.

According to him, at least 1,000 acres in the district are under jasmine involving more than 2,000 farmers. At least 50 per cent of jasmine farmers have now leased out their lands as labour has become scarce.

Cost of cultivation

“My entire family of eight members is involved,” points out R.Thangavalu, who is a fourth generation jasmine farmer.

The cost of cultivation works out to Rs.50, 000 per acre and the plants survive for almost 10 to 15 years if maintained properly.

V.Raju, a major commission merchant in the Srirangam market, says Srirangam and Gandhi Markets handle at least three to five tonnes of jasmine each every day. He admits that there is a phenomenal fluctuation in prices. “There is absolutely nothing scientific about the pricing mechanism. It is all pure supply and demand.”

Besides, the price skyrockets during marriage season (about 110 days), amavasai, pournami, and pradosham. Thus, on an average, there is considerable demand for at least 150 days a year.

The major reason for daily fluctuation is that merchants from several far-off places come here for procurement . They want to reach their destination before noon so that they could sell it at the earliest because the flower loses its value as hours trickle by.

Not scientifically measured

For the past four centuries, the jasmine which has been brought to these two major markets had not been scientifically measured at all.

“Everything was done only by hand. It is only about five years ago, after a long struggle, we could introduce electronic weighing system which has made the transaction transparent,” points out Mr.Nagarajan.

Disturbing question

The most disturbing questions facing these farmers are whether it is possible to fix a stable price at least for a few hours a day and how to avoid the system of “dharma poo” (charity flower) and to bring down commission.

The literal race they engage every morning in taking the flowers to the markets has even led to fatal accidents, they lament. The reason for the “race” is the difference in price, they admit.

Mr.Raju says it is possible to fix a time frame – say between 6 a.m. and 9 a.m. when the price would remain constant. “It all depends upon the unity of the farmers and we traders can do nothing about it.” He wonders why farmers are unwilling to sell to perfume companies in Nilakkottai and Madurai who are prepared to pay Rs.70 a kg even in the afternoon.

“Dharma poo”

The system of “dharma poo” and the commission rate hinge on the system of “interest-free advance” that the farmers receive from the traders. “We give them even Rs.1lakh and more. There is no bond and nothing in writing. But everything is done in a gentlemanly fashion. That is why we in Srirangam market charge 12 paise (12 per cent) commission whereas in Gandhi market, they charge slightly more because they give heftier advance.”

Similarly, “dharma poo” is a system which is hated by farmers. Under this, the trader takes for himself about 200 to 300 gm of flowers by hand from each lot as soon as the flowers land. “It is accepted by the farmers themselves. If they are against it, they could as well ask us to stop it,” says Mr.Raju.

“As an individual I am agreeable to waive dharma poo and reduce my commission to 10 per cent provided they don’t demand advance,” says Mr.Raju.

Farmers agree that there is no unity among them regarding “advance”. “Almost all want advance and are hence unable to wriggle out of the system,” they admit. Hence their misery would continue.

KARUR, July 9, 2012

Farmers demand State to renovate Pugalur Channel

L.RENGANATHAN

17,000 acres adjoining Cauvery depend on it for irrigation

Aycutdars of the Pugalur Channel that irrigates thousand of acres of fertile lands in Karur district along the River Cauvery banks want the State government to initiate immediate steps to renovate the Channel that feeds tracts of land where banana, paddy, turmeric, betel vine, sugar cane and coconut trees raised.

The channel takes off from the Right Bank of River Cauvery near the Jedarpalayam Bed Regulator to the west of Karur district and runs all through Karur district for a distance of 21 miles to drain into River Cauvery again beyond Nerur.

While the Channel's registered aycut is 8,500 acres, sources concede that more than 17,000 acres of fertile land adjoining Cauvery depend on the channel for irrigation.

An important feature of the Channel is that water flows down for 11 months in a year except during June when maintenance works would be taken up usually.

Though an old canal, the Pugalur Channel suffered immensely due to industrial pollution plaguing part of the Karur-Tirupur region for several years.

That was due to the unique feature of the Channel actually crossing the polluted River Noyyal near its confluence with River Cauvery at Noyyal Kombupalayam and emerging out to carry polluted water to fertile fields.

For several years the aycutdars fought the polluters bitterly and were able to persuade the State government to construct an inverted siphon across the River Noyyal at the crossing spot to convey unpolluted water from Cauvery to the fields in Noyyal, Semangi, Nadayanur, Velayuthampalayam, Pugalur and adjoining areas in Karur district.

The PWD River Conservancy Division undertook the job and completed it at an estimated cost of Rs. 88 lakh a few years back.

Apart from that the Pugalur Channel has remained neglected and in several stretches the wall linings have eroded, footbridges have collapsed, sluices and shutters have got corroded and damaged. It has been quite sometime since proper maintenance work has been undertaken to ensure that the Channel carried designed quantum of water, say the aycutdars.

They report heavy water loss, thereby creating scarcity especially in the tail end areas such as Mettupalayam and Sevanthipalayam.

“Authorities are parroting that a proposal to renovate the Pugalur Channel at an estimated cost of Rs.20 crore has been forwarded to the State government. The plan envisages renovation of the channel, concrete lining of walls, repairs to drainage sluices, shutters, cross bridge and masonry structures. When that would gather momentum to see the light of day depends on the State government and we would urge the Chief Minister to look into our grievance and implement the plan expeditiously for the benefit of all farmers in the region and the aycutdars,” say water users.

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- *Runs all through Karur district for a distance of 21 miles to drain into Cauvery beyond Nerur*
 - *Water flows for 11 months in a year except during June when maintenance work is taken up*

KOCHI, July 9, 2012

A fruitful visit to coconut farms

It was a novel experience for several participants of the Cocotech meeting of the Asian and Pacific Coconut Community (APCC), organized by Coconut Development Board (CDB) here, when they were taken to farm sites in different parts of the State as part of a field visit during the just-concluded five-day meet. Most of them appreciated India's continuing efforts at developing the coconut sector which contributes substantially to the rural economy.

The delegates visited the Indo-German activated carbon manufacturing unit assisted by the CDB, at Eloor; a coconut inter-crop plantation at Cherthala; the Central Coir Research Institute (CCRI) of the Coir Board at Kalavoor; and a coir mats manufacturing unit at Alappuzha.

One of the interesting features of the field visit was the demonstration by Friends of Coconut Tree, a group of people trained by the CDB to look after coconut palms.

The trained persons undertake palm care and harvesting operations.

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Ban sought on tobacco cultivation

A memorandum demanding ban on cultivation of tobacco in India, particularly in Andhra Pradesh and Karnataka, was submitted to Union Minister of State for Health and Family Welfare Sudip Bandopadhyay when he was here on Friday.

Anti-Tobacco Forum member Vasanthkumar Mysoremath handed over the memorandum to the Minister. It was brought to the Minister's notice that India, as a signatory to the World Health Organisation's Framework Convention on Tobacco Control (FCTC), was lagging behind in honouring its protocol commitment to gradual elimination of tobacco worldwide.

Increase in growers

"The number of growers in Karnataka increased from 18,751 in 2000-01 to 41,737 in 2010-11 and the acreage from 29,852 hectares in 2000-01 to 1,18,989 ha in 2010-11," Mr. Mysoremath said in the memorandum, copies of which were released to the press here.

In a release, Mr. Mysoremath said Mr. Bandopadhyay received the memorandum and recalled his statement about planning to ban tobacco worldwide in a few years.

Mr. Mysoremath also presented a compendium titled 'Tobacco Kills'.

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Diary sector registers 30% growth: Chandy



Chief Minister Oommen Chandy, Excise Minister K. Babu and Benny Behanan, MLA, at the foundation stone laying ceremony for expansion of the Milma dairy at Tripunithura on Saturday.— Photo: Vipin Chandran

Chief Minister Oommen Chandy has said that Kerala will approach the Union government once again to include dairy sector in the national employment guarantee scheme. The State had already raised a demand in this respect earlier, he said. Mr.Chandy was laying the foundation for expansion of Milma dairy unit at Tripunithura near here on Saturday.

He said dairy sector had registered 30 per cent growth last year thanks to the supportive measures initiated by the government. It would be possible for the State to achieve self-sufficiency in the sector if the pace of growth continued in the coming years.

Dairy Development Minister K.C. Joseph said the State should become self-sufficient in production of milk and eggs during the 12th Plan. A Rs.26-crore plan for setting up a modern packaging plant at the Ernakulam Milma unit would be submitted to the Union government.

Union Minister of State for Consumer Affairs, Food and Public Distribution, K.V. Thomas, who launched new varieties of 'milk peda', said that failure in raising production of commodities to meet the demand was one of the key reasons behind food inflation. Excise Minister K. Babu who inaugurated the new website of Milma, said a new 66 kv electrical substation would be set up for the dairy plant. About 15 acres of land was available for the purpose, he said.

K.P. Dhanapalan, MP; Benny Behanan, MLA; Hibi Eden, MLA; P.T. Gopalakurup, Kerala Cooperative Milk Marketing Federation Chairman; Eldose Kunnappally, district panchayat president; R.Venugopal, Tripunithura Municipal chairman; M.T.Jayan, Milma Ernakulam union chairman, and others spoke.

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Free seed supply for alternative crops?



options in the face of monsoon failure: Bharat Lal Meena, Principal Secretary, Agriculture Department, interacting with farmers in Mysore on Saturday.— Photo: M.A. Sriram

Bharat Lal Meena, Principal Secretary, Agriculture Department, said here on Saturday that the State government was contemplating distributing free seeds to farmers to cultivate alternative crops in view of the scanty rainfall that had caused crop failure in the State.

He was speaking to presspersons here after conducting a review meeting of the progress of his department. The overall agricultural production could be down by 14 per cent as per the present estimate and it would have to be reviewed again since there had been no change in the climatic pattern, he said. After initial rain in April, there has been no rain in May and June, Mr. Meena said. The district administration has been directed to ensure adequate quantity of seeds and fodder.

In Mysore, seeds that were sowed in April would most-likely be damaged. Officials reported that there could be a loss ranging from 50 to 90 per cent. Mr. Meena said he was looking into what farmers termed the “unscientific” crop insurance scheme. He agreed that if there was no rain in July it would certainly affect food production in the State.

Deficient rainfall to the extent of nearly 30 per cent at this point of time, as compared to last year, was a point of concern, he said, adding that contingency plans were being readied to encourage farmers to take up short-term crop cultivation in the State. Mr. Meena stated that more than 10,000 farmer facilitators had been nominated for the purpose of taking up various agricultural extension programmes in the State. Mr. Meena later interacted with the farmers and farmer-representatives at a programme held at the zilla panchayat hall here. The event was organised by the Apna Desh Association, Bangalore, in association with the Departments of Agriculture and Department of Cooperation.

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- *No rain in July will affect food production in State: Bharat Lal Meena*
 - *Contingency plans being readied to encourage farmers to take up short-term crop cultivation*

IRUNELVELI, July 8, 2012

Underweight fertilizer bags add to farmers' woes

Farmers who have already been hit hard by the unprecedented rise in fertilizer price are now facing another serious problem of being compelled to buy 'underweight' fertilizer bags that fall short of one or even two kilogram against the specified quantity of 50 kg.

Since the domestic fertilizer production cannot meet the local demand, the Union Government has made arrangements for importing potash, urea, di-ammonium phosphate and complex fertilizers by Indian Potash Limited (IPL) and Rashtriya Chemicals and Fertilizers (RCF) through Tuticorin port. As the fertilizers are imported by these fertilizer majors in bulk, the chemical nutrients are being manually packed in 50 kg bags by labourers hired on contract basis. And, these labourers are being paid for the number of fertilizer bags they pack during their shift.

Since the fertilizers are being manually packed, the farmers complain that the 50 kg bags contain one or even 2 Kg less than the quantity printed on the bag and hence a farmer, who pays for 50 kg will get only 48 kg.

In other words, if the farmer buys a bag of di-ammonium phosphate for Rs. 1,250, he will be losing Rs. 50 a bag if it falls short by 2 kg.

“At a time when we are at the receiving end owing to successive monsoon failure and unprecedented rise in fertilizer price, we’re facing this serious problem, which too causes sizable loss to agriculturists. When we object or raise questions about this problem, the licensed retailers just reply that the problem lies only with the importer involved also in packing the fertilizer and not with the seller And it is true. Our repeated appeals to the officials of Department of Agriculture are yet to wake them up. We firmly believe that the entire quantity of fertilizer being obtained through this scientifically-designed corrupt practice is being sold or utilized somewhere and this illegal trade benefits a powerful person. Hence the State or the Central Government should order for a high-level enquiry to find out the people behind this illegal sale of fertilizer, which is the very purpose behind the marketing of underweight fertilizer bags,” alleged N. Sundaram, a farmer from Tirunelveli Town area. However, farmers, while levelling charges against the fertilizer bags being marketed by IPL and RCF, give clean chit to the Complex fertilizer bags being marketed by Southern Petrochemical Industries Corporation Limited.

While accepting the farmers’ complaints, the retailers too point their fingers against the IPL and RCF for this problem. “Reacting to the complaints, N. Ramachandra, Chief Manager, IPL, told *The Hindu* that manual packing of fertilizers was the reason behind this problem. Endorsing Mr. Ramachandra’s views, Mouli Shankar of RCF also admitted that the contract labourers hired for packing the fertilizers alone should be held responsible for this problem.

NAMAKKAL, July 8, 2012

Egg rate above Rs. 3, but farmers facing loss

M.K. ANANTH

Gone are the days when farmers called it a golden period when egg rate crossed Rs. 3. Data available with the National Egg Coordination Committee (NECC) indicates that wholesale price of egg crossed the Rs. 3 mark for the first time in the second week of January 2011, when it touched Rs. 3.02.

“In those days farmers got Rs. 2.82 per egg in hand as 20 paise is deducted towards handling and transportation but this still fetched a profit of nearly 50 paise as the average production cost was about Rs. 2.30 to Rs. 2.35 an egg,” an NECC source said.

On Saturday, the NECC reduced wholesale egg rate by 15 paise to Rs. 3.05. On Thursday egg rate was reduced by 13 paise – from its highest price of Rs. 3.33 – to Rs. 3.20. “The money that reaches our hand has dropped from Rs. 3 an egg on Friday to Rs. 2.85 on Saturday and this means a loss of 10 to 15 paise an egg even when the price stood above Rs. 3,” a leading farmer lamented.

President of the Tamil Nadu Poultry Farmers’ Association R. Nallathambi told *The Hindu* that the reason for the reduction on Saturday was to avoid stagnation of the perishable commodity.

Stock

“Traders have reduced the stock intake heavily, hoping to get egg at a lesser rate. We expect the price reduction to push more eggs into the market,” he added.

“It is not a bright time for the poultry farmers here as the escalating feed price has taken the cost of production of an egg to Rs. 2.95 to Rs. 3 for farmers who have their own feed grinding/production units,” Mr. Nallathambi said.

Farmers said that the cost of production is way beyond Rs. 3 for units have to repay loans that they obtained to setup the poultry farms.

Chairman of the NECC (Namakkal Zone) Dr. P. Selvaraj said that this fall in price was expected when the price was climbing the ladder.

“It is witnessed annually during Shravan festival in North India,” he said and added that the price could fall by 10 to 15 paise more in a week. “It will remain low for the next six weeks till Shravan comes to an end on August 19.

“From then the goods day for the poultry industry will be back as price will increase again and stabilise till the second week of January or for a few more days till the winter season extends,” he added. The Chairman expressed confidence that by then poultry farmers will be able to make up the loss they had suffered now.

BANGALORE, July 8, 2012

Farmers oppose cut in milk procurement price

The Karnataka Rajya Raitha Sangha and Hasiru Sene have threatened to launch a protest in front of Bangalore Milk Union Ltd. (BAMUL) on July 10 against the decision to reduce milk procurement price by 50 paise from this month.

BAMUL should restore earlier prices and seek a hike of Rs. 4 in the selling price of milk from the government, the organisations demanded.

Sangha and sene leader C. Puttaswamy told presspersons here on Saturday that the union’s action had added to the woes of farmers who were already finding it difficult to make a living because of the failure of the monsoon and the sharp increase in the cost of inputs.

It was “irresponsible” of BAMUL for not marketing about 1 lakh litres of excess milk produced this season in Bangalore, he said.

Production cost

The cost of milk production had increased. In such a situation, the unions should seek a hike in the selling price, he demanded.

The sangha and the sene also blamed the government and milk unions for the non-expansion of the market in the State. The government had tacitly allowed mushrooming of private milk sellers, they alleged.

KANNUR, July 8, 2012

Poultry processing unit to come up at Mundayad

A poultry processing unit and a hatchery will be started by the Meat Products of India (MPI) at the regional poultry farm of the Animal Husbandry Department at Mundayad here as part of the government's plan to enhance the capacity of the farm.

The two units, estimated to cost Rs.1 crore, will be set up on a one-acre site inside the farm. An amount of Rs.25 lakh has been set apart in the Plan fund for the project, and the project report has been prepared.

The poultry processing unit is envisaged to have a capacity of processing 5,000 kg of poultry meat a day. The hatchery is planned to produce chicks for sale to local farmers so that the MPI can buy the chickens back for the processing unit.

Agriculture Minister K.P. Mohanan visited the farm on Saturday along with MPI chairman E.J. Augustine and managing director Ani S. Das to discuss the proposal for starting the units. A.P. Abdullakkutty, MLA, accompanied the Minister.

For local people

The Minister said during his visit that the new facilities at the farm were meant to ensure availability of adequate good quality chicken meat and eggs to the people here. The MPI's ready-to-cook meat in hygienic packages would be available in shops once the meat processing unit here started production, he said.

Mr. Mohanan said the government's objective was to achieve self-reliance in the production of chicken meat and eggs.

Work on the hatchery and the meat processing unit would be started in three months of the preparation of the detailed project report. The processed chicken from the unit would be available in the market in one year, he said.

The new facilities were expected to enhance the capacity of the poultry farm.

KANNUR, July 8, 2012

Farm fair

A five-day agricultural fair being organised by the Kerala Initiative to Save Agriculture and Nature (Kisan) began at Town Hall here on Saturday. Inaugurating Agrifest 2012 here on Saturday, K. Sudhakaran, MP, called upon farmers to encourage organic farming and new technologies. He also stressed the need to attract the youth to agriculture. Kisan chairman T.O. Mohanan presided over the inaugural function.

KOZHIKODE, July 8, 2012

New scheme for fresh water fish farming

Fisheries Department plans to improve fish production in the State with a project, launched here on Saturday, to initiate fresh water fish farming in 150 hectares.

The project is being implemented in association with Fish Farmers Development Agency.

Central government has already offered support sanctioning Rs.43 crore for the project.

Inaugurating the project, M.K. Raghavan MP said success of the project would depend on the support it received from officials and people's representatives.

Highlighting the scope for enhancing fish production with the help of local bodies, he said inland fisheries should be developed by making use of the opportunities available in villages.

Mr. Raghavan also distributed subsidies being made available to beneficiaries of various schemes undertaken by Fish Farmers Development Agency.

T.K. Thankamani, chairperson for standing committee of district panchayat for development, Corporation Councillor P. Kishenchand, and fisheries joint director S. Ajayan also spoke at the function.

• *Fish farming to be taken up in 150 hectares*

• *Central grant of Rs.43 crore for project*

KARIMNAGAR, July 8, 2012

Ryots to be provided 50 p.c. subsidy on drum seeders

The district administration has decided to give a fillip to the paddy cultivation by encouraging the farmers to use drum seeder machines for direct paddy plantation for good yield.

Through the drum seeder machine, the farmers can avoid the transplantation process, labour cost, minimise water and fertilizer usage. The machine weighing around 8 kilograms would be of much use to the farmers as they can take up plantation of germinated paddy whenever the water is available. A farmer can complete sowing of paddy in one acre of land within three to four hours.

Accordingly, the district administration had decided to distribute 500 drum seeder machines in the district. Presently, it has 100 machines and the administration would launch the distribution of the drum seeder machines from Tuesday onwards tentatively. Each machine costs Rs. 5,000 and the administration will provide 50 per cent subsidy.

Collector Smita Sabharwal said that they had decided to take up paddy transplantation using the drum seeder machines in about 80,000 hectares during this khariff season. She said that the drum seeder machines would benefit the farmers in several ways and the farmer can take up sowing in spite of shortage of labour force for transplantation of paddy nursery.

She said that the farmers should not keep more water in the fields after taking up transplantation through drum seeder. She said that the drum seeder technology of sowing would help good yield and early harvesting by around 10 days than the traditional manual labour transplantation of paddy.

KOLKATA, July 8, 2012

Mamata seeks Manmohan's intervention on fertilizer prices

Chief Minister Mamata Banerjee has urged Prime Minister Manmohan Singh to look into the fertilizer pricing policy to ensure a fair price for fertilizers.

"I strongly believe that the Government of India can do more in controlling fertilizer prices in the interest of farmers....," Ms. Banerjee said in a letter to the Prime Minister.

This is particularly true for small and marginal farmers who constitute 95 per cent of the State's farm community, she said.

Drawing the Prime Minister attention to the steep increase in fertilizer prices over the past two years, Ms. Banerjee said the rate of increase in fertilizer prices was very high.

"During the last six months, the price of Murate of Potash (MOP) has increased by about 50 per cent, the price of Single Super Phosphate (SSP) has increased by about 30 per cent while that of Boronated SSP has increased by 25 per cent," she said.

The Chief Minister said such high rate of price escalation for such a critical input has led to increase in product prices too which made the entire process unremunerative for the farmer.

"This will affect not only the livelihood of farmers, but also encourage unbalanced use of nutrients, thereby affecting the agricultural production as a whole," the letter said.

hindustantimes

Mon, 09 Jul 2012

weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Monday, Jul 9

Max Min
38.3° | 25.4°

Rain: Trace

Humidity: 62%

Wind: Normal

Sunrise: 5:45

Sunset: 18:39

Barometer: 993

Tomorrow's Forecast








Rainy

Tuesday, Jul 10

Max Min
35° | 28°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
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Jul 11	Jul 12	Jul 13	Jul 14	Jul 15
				
34° 28°	33° 28°	32° 28°	32° 27°	32° 27°
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES

9 JUL, 2012, 06.06AM IST, NIDHI NATH SRINIVAS, ET BUREAU

Rain in Brazil to impact global food prices

The bulls are back! From Goldman Sachs to hedge funds and index traders, bets on a second global food price shock are gathering steam as bad weather decimates crops in farming giants USA, Brazil, Argentina, India, Russia, the EU and Australia that feed the world.

A heat wave and drought have threatened to reduce output of corn by 2.5% in the US Midwest, the world's top exporter. Heat has also shriveled wheat in Australia, China and the Russian Federation. The FAO has slashed its 2012 world cereals output.

Rain has affected the sugarcane harvest in Brazil, the world's top producer, at a time when its production has slid to a three-year low. Rain has also affected sugar shipments from Australia, the world's third largest shipper. The condition of the US soyabean crop, the world's biggest, has fallen to its worst since the drought year of 1988. Other suppliers Brazil and Argentina have reduced output due to a La Nina-driven drought.

Hot weather has suddenly set the market alight. The S&P GSCI gauge of 24 commodities, which had tanked to a 20-month low on June 21, is since up 10%. Wheat is at a 14-month high, its biggest three-week rally since April 1996. Corn has gained 30%, its biggest rally since 2008. Soyabean has reached the highest since July 2008. Sugar has touched an 11-week high.

So are we heading back to the terrible crisis of 2008 when the world almost ran out of food? Or even the price spike of February 2011, which contributed to the Arab Spring? Not so fast.

Weather is improving in the US Corn Belt. Rain and cooler days have been forecast. US corn farmers have planted more area than last year that might compensate for lower production per acre.

Moreover, Brazil expects a record corn crop this year, which would add to the globally traded volumes. The return of dry weather in Brazil would limit the damage to sugarcane. Even if harvests in the major exporting nations are partly lost, there will still be no shortage. The world has ample wheat, corn, rice, sugar, and edible oils, says the FAO.

Demand is not soaring like it did in 2008. Corn, for instance, is mainly fed to animals and used in ethanol. Demand for meat and milk, especially in Asia, is sluggish because of the overall economic slowdown, while the profit margin in ethanol is squeezed by dull crude oil prices. Consumer confidence in the developed economies has plummeted.

Unlike 2008, the world is in no mood to pay the earth for food. Since weather is the only factor propping up prices, news of improved yields can easily prick this bubble. Of course, the bulls won't give up easily. Other commodities such as energy and metals are suffering. Crude is down 13% this year. Faltering demand and sharp falls in industrial metals prices since last August have forced producers to cut output.

IMF has warned it will trim growth forecasts. Bad weather is the only good news right now in the commodity market and punters want to milk it for every drop.

Indian bulls are equally delighted. Our sugar, corn, soyabean meal, rice and wheat are high-cost commodities that normally sell at a discount to the world market because of quality. Higher global prices mean better margins for exporters. But India's own weather market will make it a short-lived opportunity.

The monsoon situation is precarious. Almost half of the pulses and oilseeds, and more than

40% of the paddy planted across India, along with 34% of the sugarcane standing in Uttar Pradesh fields, appear vulnerable to damage from deficit rains. There is a good chance that the monsoon may falter in end-July and August, when crops reach pollination, which may further affect yields.

Rapid exports and possibility of reduction in fresh supply has already pushed up wholesale prices. With state elections round the corner, the Central government will be under tremendous political and RBI pressure to fight food inflation. Exports may be the first casualty even if the demand-supply numbers don't indicate an actual shortage.

The sharp rise in global prices is reviving memories of the 2008 food crisis. But that is where the similarity ends. The other price drivers of 2008 - high demand, financial investment activity, expensive energy and fertilizers, biofuels, and export restrictions - are muted now. Hot and dry days across the world have the bulls snorting with joy. But gains from weather are notoriously fickle. The wise would pack an umbrella.

9 JUL, 2012, 05.58AM IST, TAPASH TALUKDAR,ET BUREAU

Truant rains may spoil the party for Guar farmers

MUMBAI: Deficient rains in parts of Rajasthan may spoil the party for overenthusiastic farmers who have expanded guar acreage this kharif season. Rainfall over the state is scanty with a deficit of 72% that might cut guar production by 10-15%, estimates Central Research Institute for Dryland Agriculture, a national institute which carries out basic and applied research in rain-fed farming.

However, the institute says the output may go down up to 25% if the state doesn't receive sufficient rainfall till July-end.

"Guar crops may be impacted if there is no sufficient rainfall till July-end," said Dr B Venkateswarlu, director, CRIDA. The institute has said maize and sorghum yield may fall whereas good rainfall would ensure normal production of soyabean and cotton. Rajasthan contributes nearly 80% of total guar production in India and the crop requires 4-5 regular rains till it is sown.

About 80% of the crop is sown in rain-fed regions such as Jodhpur, Balmer, Bikaner and Jaisalmer which are awaiting rains. Farmers in irrigated regions such as Ganganagar, Hanumangarh, Bharatpur and Alwar have sown the crop with the help of stored water.

Rajasthan is expected to double guar acreage to 60 lakh hectares from 30.5 lakh hectares last year on good returns. Guar gum prices soared to Rs 34,000 per quintal earlier this year from Rs 3,000 per quintal a year ago whereas guar seeds were sold at Rs 350 per kg than Rs 30 per kg a year ago.

"There is a big concern among farmers as a large number of them are dependent on rain for this crop," said PK Hisariya, president, All India Guar Gum Growers Association.

Last year, US-based oil and gas firms bought huge volumes of guar gum which is used as a sealant in oil and gas production. Guar gum is traditionally used in the making of sauces, ice cream and confectionaries.

9 JUL, 2012, 05.52AM IST, ET BUREAU

Sugar traders bullish as prices may keep steady this season

LONDON: Sugar traders are the most bullish in six months after prices moved to within five percentage points of exiting a year-long bear market as rain delayed cane processing in Brazil, the biggest producer.

Nine of 11 analysts surveyed by Bloomberg said they expect raw sugar to keep rallying next week and two were bearish, the highest proportion of bulls since January 6.

Futures reached an 11- week high of 22.69 cents a pound in New York last weekend. Hedge funds increased wagers on rising prices by 29% to the highest since April in the week ended June 26, US Commodity Futures Trading Commission data show.

The sweetener has been in a bear market since September as forecasters from Rabobank International to Macquarie Group predicted a third annual glut. Prices rallied 15% since the start of June after above-average rainfall in Brazil's main growing region increased concern about shortages.

Copersucar, which owns mills in the country, said July 2 it took delivery of about 112,000 tonne of raw sugar against the ICE Futures US exchange's expired July contract.

"The sugar turnaround has been fast because the short-term supply issues in Brazil are bullish," said Keith Flury, an analyst at Rabobank in London. "We are in a weather market."

Raw sugar is still 6.7% lower since the start of the year at 21.74 cents in London, extending a 27% retreat in 2011. If it closes at that price, it would be a 15% gain since June 4.

The Standard & Poor's GSCI Agriculture Index of eight commodities rose 8% after grain prices rallied because a US heat wave is wilting crops. The MSCI All-Country World Index of equities advanced 3.7% and Treasuries returned 2%, a Bank of America index shows.

Brazil's centre south, which normally accounts for about 90% of the country's output, will produce 485 million tonne of cane in the 12 months through March 31, Macquarie reported on June 11, cutting its previous estimate of 500 million tonne.

Sugar production in Brazil slid to a three-year low of 36.2 million tonne in the 12 months that ended April 30, according to the US Department of Agriculture.

While the agency anticipates a third annual gain in global stockpiles, it is also forecasting record consumption of 163 million tonne. Demand expanded every year since 1995, USDA data show.

China, the third-biggest user after India and the European Union, may import the most in 17 years in the 12 months ending in September as the government replenishes stockpiles, according to the median of eight trader and analyst estimates last month. Shipments may jump 43% to 3 million tonne.

The options market is also signaling a more bullish outlook. Daily trading volumes for the option conferring the right to buy at 22 cents by late September averaged about 21 contracts in the four months through April, ICE Futures US data show. That jumped to 4,213 contracts on June 21 and was 2,581 on July 3.

The price of the security climbed more than tripled in the past month. Sugar slumped 40% since reaching a 30-year high of 36.08 cents in February 2011 as farmers from Thailand to Brazil planted more cane. Global output will exceed demand by 5.8 million tonne in the season ending in September, compared with about 500,000 tons a year earlier, Macquarie estimates.

Business Standard

Monday, Jul 09, 2012

Coffee exports likely to fall 15% this year

Mahesh Kulkarni / Bangalore July 08, 2012, 0:05 IST

India's coffee exports are likely to decline 15 per cent to about 3,00,000 tonnes in the coffee year ending September, compared with 3,51,992 tonnes in the year ended September 2011.

According to Coffee Exporters' Association of India, the sluggish demand in Europe, the reduced off-take in coffee plantation and a lower crop yield would lead to the decline in coffee exports.

During the nine-month period ended June, coffee exports fell six per cent to 2,65,918 tonnes, against 2,82,056 tonnes in the year-ago period. In value terms, however, exports rose four per cent to Rs 3,927 crore during the period.

“Exporters had estimated exports during the year would decline about 10 per cent. Things moved according to market expectations during the first three quarters of the current coffee year. However, we expect a further drop in the last quarter of the year, and we might end the year with an overall drop of about 15 per cent, with exports of about 3,00,000 tonnes,” said Ramesh Rajah, president, Coffee Exporters' Association of India.

Hoarding by farmers is another factor behind the fall in exports.

Global prices of Arabica parchment fell during the last few months. Currently, its price stands at Rs 8,100/50-kg bag, a drop of about 26 per cent, compared to the price in January.

For the January-June period, coffee exports fell four per cent to 2,08,395 tonnes. Indian-origin coffee exports fell eight per cent to 1,76,196 tonnes, compared with 1,91,632 tonnes in the corresponding period last year, while the price stood at Rs 1,47,881 a tonne, against Rs 1,41,362 a tonne in the year-ago period, a rise of 4.6 per cent.

Exports of Arabica fell 1.6 per cent to 41,918 tonnes, while exports of Robusta declined 6.6 per cent to 1,15,479 tonnes during the January-June period. During the same period, India exported 32,199 tonnes of instant coffee, a rise of 28 per cent over the year-ago period.

India exports coffee to Italy, Germany, Russian Federation, Belgium, Jordan, Greece and the US, among others.

India's cotton output to fall to 7% in 2012-13: ICAC

Sanjay Jog / Mumbai July 08, 2012, 0:03 IST

India's cotton production, after two years of record levels, is expected to decline by seven per cent to 5.4 million tonnes (mt) this financial year, compared with 5.9 mt in 2011-12.

Lower cotton prices will likely drive cotton cultivation area down by 10 per cent to 11 million hectares. However, cotton mill use in India is expected to rebound by seven per cent to 4.7 mt in 2012-13 after a drop of 4 per cent last financial year.

"India's exports are projected at 750,000 tonnes, down 61 per cent from the previous season, due not only to reduced domestic production and increased domestic mill use, but also to a stronger competition with other countries for a smaller global export pie," Terry Townsend, executive director of the International Cotton Advisory Committee (ICAC), told Business Standard

Townsend said the projected reduction in production in India in the current financial year will take place in the context of a similar decline in the world production (down eight per cent to 24.9 mt), driven by a decline in international cotton prices.

Meanwhile, ICAC, which is an association of cotton producing and consuming countries, in its projection, said global cotton trade was expected to drop by 18 per cent to 7.6 mt due to a projected slowdown in Chinese purchases.

The continued accumulation of global stocks and the decline in the volume of international trade will weigh on cotton prices. After a 20 per cent jump to 9.2 mt in 2011-12, the volume of cotton traded internationally is expected to drop 18 per cent to 7.6 mt in 2012-13. Global cotton production is forecast at 24.9 mt for the current financial year, down eight per cent from last season. The decline in prices during 2011-12 has driven cotton plantings down this year in many countries.

“High and volatile prices and a slowing global economy drove demand for cotton yarn down. Increased cotton trade in 2011-12 is due to a near doubling of shipments to China to 5.1 mt,” ICAC said.

“Chinese mills have turned to imports to compensate for the shortage of domestic cotton caused by the rebuilding of the national reserve. In addition, large quantities of cotton were imported by the Chinese government specifically to help rebuild that national reserve. In contrast, cotton deliveries to other countries than China have fallen by 18 per cent in 2011-12,” it added.

According to ICAC, a small rebound in global cotton mill use is projected in 2012-13, on the basis of lower prices and a more robust global economy. This improved demand will boost cotton imports, but not enough to offset the expected drop in demand by China, which now holds large stocks. Imports by China are projected to fall by almost half to 2.7 mt in 2012-13, whereas imports by the rest of the world could rebound by 18 per cent to 4.9 mt.

On the other hand, exports from the US and Francophone Africa are expected to increase in 2012-13, due to increased production. However, most other large exporting countries will experience a decline in their shipments due to a smaller crop and increased competition for a reduced export pie.

Tight supply, buying interest keep pepper hot

G. K . Nair

Kochi, July 8:

Pepper futures saw bull operators taking charge last week. With support from market fundamentals, they pushed prices up. Consequently, all the active contracts showed substantial increase at the weekend close.

Meanwhile, staggered delivery for July started and some of the operators took delivery of valid stocks. But only 80 tonnes were tendered for delivery under the staggered system, market sources told *Business Line*.

“Sellers have no pepper for delivery in spite of the staggered delivery system being in force,” they alleged.

The futures market was firmer on Friday and Saturday. Consequently, domestic buyers who have been holding back anticipating a drop in prices on reports of weaker Vietnamese, Indonesian and Brazilian pepper markets may now enter the markets.

Availability in India is said to be much lower than what was projected earlier officially, the trade claimed. Arrivals at the terminal market from the primary markets continued to remain thin.

On Saturday last, some 22 tonnes of ungarbled pepper arrived and traded at Rs 393 a kg for the pepper from the plains, Rs 397 a kg for pepper from Pulpally and Batherry etc in Wayanad and Rs 400 a kg for high range pepper. It was the highest ever price for ungarbled pepper, trade sources claimed.

Futures prices also moved up significantly at the weekend. July, August and September contracts during the week increased by Rs 1,275, Rs 1,465 and Rs 1,600 respectively to the last traded price of Rs 41,980, Rs 42,565 and Rs 42,950 a quintal.

Total turnover increased by 2,437 tonnes to 12,687 tonnes while the total open interest increased during the week by 300 tonnes to close at 5,177 tonnes.

Spot pepper prices increased last week by Rs 900 a quintal to close at Rs 39,300 (ungarbled) and Rs 40,800 (garbled) a quintal. The situation in Karnataka is also said to be tight. A grower/dealer from Chikmagalur said that the selling price was Rs 400 a kg. Some of the international players having short positions reportedly started covering from Sri Lanka. This has resulted in the prices there moving up from \$6,150 a tonne to \$6,300 a tonne for 525 GL pepper. Since the Indian government has restricted imports of pepper from Sri Lanka duty free to 2,500 tonnes, exporters in the island neighbour are reportedly hesitating to ship out pepper to our country, they said.

Investor seminar on commodities in Kochi

Kochi, July 8:

JRG Wealth Management organised an investor seminar on commodities in association with Multi Commodity Exchange here. The seminar highlighted the opportunities in commodities market with the speakers sharing their insights. Mr K Murukesh Kumar, zonal product incharge of commodity research, JRG Securities Ltd, said the euro zone crisis and decline in economic growth in major economies have affected investor sentiment in many asset classes, driving them to commodity markets, especially bullion. The recent weakness in rupee also added further fuel to the rally in commodity prices, he said.

Global commodity prices fall, but Indian firms find the going tough

Arvind Jayaram

No major cost savings due to declining rupee since start of the year

BL Research Bureau:

It is becoming increasingly difficult for Indian companies to remain competitive vis-à-vis their global peers amid a sharp fall in global commodity prices.

Firms in many markets have benefited from a sharp decline in prices of commodities used as inputs for their products.

REDUCED BENEFIT

(in %)

	Year-to-date		From year's high	
	Dollar	Rupee	Dollar	Rupee
Primary Aluminium	-6.6	-1.8	-19.4	-8.5
Copper	-0.7	4.4	-13.8	-6.5
Nickel	-14	-9.6	-25.8	-16.9
Zinc	0.8	5.9	-15.9	-6.6
HR Steel	-3.9	4.1	-9.3	-2.6
CR Steel	-4.9	3	-7.4	-1.1
Dated Brent crude oil	-8.7	-4	-22.5	-15
Newcastle Coal Monthly Active Contract	-20.3	-16.3	-22.5	-16.9
Ethylene	-21.1	-17.5	-36.4	-31.5
Propylene	5.5	10.3	-16.1	-9.6

However, the 4.5 per cent decline of the Indian rupee against the US dollar since the start of 2012 has prevented Indian companies from realising significant cost savings from falling global commodity prices.

Prices of most base metals on the London Metal Exchange (LME) have witnessed a correction in dollar terms. But prices in rupee terms have barely declined or even risen.

For instance, primary aluminium lost 6.6 per cent and copper shed 0.7 per cent in the last six months. But for importing Indian companies, due to rupee depreciation, primary aluminium prices have only declined by 1.8 per cent, while copper prices have gone up by 4.4 per cent!

A similar situation was seen with nickel and zinc too. Nickel prices have declined by 14 per cent since the start of the year, though zinc has gained in dollar terms. In rupee terms, the cost of nickel has only reduced by 9.6 per cent, while the price of zinc has risen by 5.9 per cent.

Steel prices have also undergone a moderation in global markets, but in India, the key infrastructure-building input now costs more than it did six months ago. Dollar prices of hot-

rolled steel have cooled by 3.9 per cent in global markets, but are up by 4.1 per cent translated into rupees.

Similarly, cold-rolled coils have lost 4.9 per cent overseas, but the rupee cost has gone up by three per cent.

The fall in international prices of crude oil, another driver of the Indian economy, has also not benefited India much. Compared to an 8.7 per cent decline in dollar prices, the cost of dated Brent has fallen just four per cent in rupee terms. Prices of most industrial inputs have fallen in response to the sluggish economic outlook for Europe and worries about lower imports by China.

In the case of other industrial raw materials, global prices have fallen sharply enough to yield benefits to Indian users. But the decline in rupee terms is still much smaller.

A 20.3-per-cent decline in prices of benchmark Newcastle Active Monthly Contracts for coal translates into a 16.3-per-cent fall for Indian power producers importing it. In the case of the Indonesian eco-coal benchmark, prices have declined by 12.5 per cent in dollar terms, but only 8.6 per cent in rupee terms.

Plastic producers too have been hit by rupee depreciation. While the cost of ethylene FOB Korea has fallen by 21.1 per cent in dollar terms, it has reduced only by 17.5 per cent in rupee terms. On the other hand, propylene FOB Korea has gained 5.5 per cent in dollar terms since the start of the year, but now costs 10.3 per cent more in rupee terms. Import duties and freight rates too add to costs of imports, reducing the competitiveness of Indian companies. That Indian companies have not reaped much savings on the raw material front is evident from the recent set of quarterly results. Material costs as a proportion of sales for manufacturing companies stood at 52.3 per cent in the March 2012 quarter. That was not much changed from 52.9 per cent in December 2011 and was actually higher than 52 per cent a year ago.

Tea prices dip on higher offerings at Coonoor sales

P. S. Sundar, Coonoor, July 8:

Over 80 per cent of the year's second highest tea offer of 20.91 lakh kg was sold (Sale No: 27) at the Coonoor Tea Trade Association auctions. However, prices fell by about Rs 4 a kg.

Homedale Estate tea, auctioned by Global Tea Brokers, topped the CTC market. It fetched Rs 141 a kg.

Vigneshwar Estate and Shanthi Supreme were each able to get Rs 131. Professor traded at Rs 125 and Hittakkal Estate at Rs 124.

In all, 94 marks earned Rs 100 or more.

Orthodox teas

Among orthodox teas from the corporate sector, Chamraj sold at Rs 217 and Havukal at Rs 166. Curzon fetched Rs 165, and Kairbetta sold at Rs 164,

Highfield Estate sold at Rs 156 and Corsley at Rs 153.

In all, 34 marks fetched Rs 100 or more.

“The orthodox leaf market was irregular with prices oscillating by Rs 3-4 a kg both ways. Some high-grown brokens fetched Rs 5-10 or more.

“High-priced CTC leaf lost Rs 4-5, better mediums lost Rs 2-4 and plainers lost up to Rs 5. Primary orthodox dusts eased Rs 5-10 and others about Rs 1-3.

“High-priced CTC dusts eased Rs 4-5 and better mediums Rs 2-3. Plainers however oscillated Rs 2-4,” an auctioneer told *Business Line*.

Export market

On the export front, Pakistan bought selectively in the Rs 63-96 a kg range and the CIS countries in the Rs 62-111 range.

There was some purchase for European ports at Rs 74-89.

Quotations held by brokers indicated bids ranging from Rs 60-64 a kg for plain leaf grades and from Rs 100-130 for brighter liquoring sorts.

They ranged from Rs 63-67 for plain dusts and from Rs 105-127 for brighter liquoring dusts.

Plea to add dairy sector in national job scheme

Kochi, July 8:

The State government will approach the Centre once again to include dairy sector in the national employment guarantee scheme.

The State had raised the demand earlier, the Chief Minister, Mr Oommen Chandy, said after laying the foundation for expansion of Milma dairy unit at Tripunithura near here.

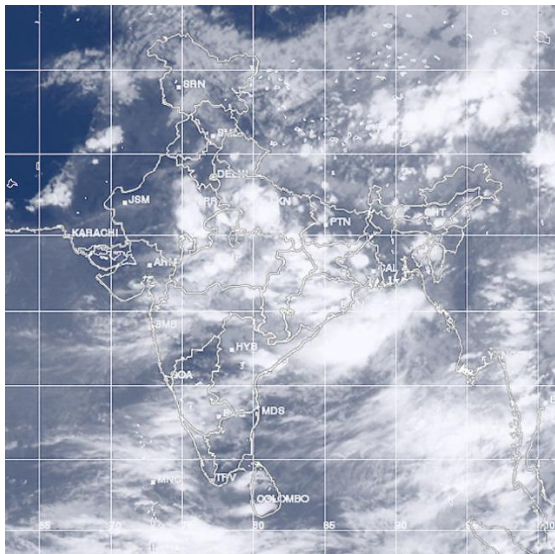
He said the dairy sector had registered 30 per cent growth last year thanks to the supportive measures initiated by the Government. It would be possible for the State to achieve self-sufficiency in the sector if the pace of growth continued in the coming years.

Self-sufficiency

The State Dairy Development Minister, Mr K.C. Joseph, said the State should become self-sufficient in production of milk and eggs during the 12th Plan. A Rs 26-crore plan for setting up a modern packaging plant at the Ernakulam Milma unit would be submitted to the Centre, he added. The Union Minister of State for Consumer Affairs, Prof K.V. Thomas, who launched new varieties of 'milk peda', said that failure in raising production of commodities to meet the demand was one of the key reasons behind food inflation. The State Excise Minister Mr K. Babu, who inaugurated the new Web site of Milma, said a new 66 kv electrical substation would be set up for the dairy plant. About 15 acres of land is available for the purpose, he said.

Heavy rain regime over east and central India withers

Vinson Kurian



Thiruvananthapuram, July 8:

Monsoon has more or less gone into a 'mute' mode with the heavy rainfall regime over central and east India withering.

The deficit in east and northeast India has risen to 14 per cent, while adjoining central India has totted up 26 per cent as on date.

Deficit scenario

There has been a slight improvement in the northwest, with the deficit situation 'improving' to 43 per cent from 47 per cent a day ago.

The situation over southern peninsula is hardly any better with a deficit of 31 per cent.

As expected, the monsoon has failed to deliver after running more than first week into the crucial month of July.

Worryingly enough, there is no forecast of any significant surge in the rainfall regime save the odd rain head active over east Madhya Pradesh currently.

It is forecast to travel to the west into west Madhya Pradesh and Gujarat during the next few days. But global model forecasts see a drying up of the land except in the Himalayan foothills and adjoining east and northeast India and the west coast.

Stray rains are forecast for the southern peninsula, but do not promise to deliver anything more than the ordinary, the forecasts said.

Monsoon watchers are worried over rain prospects in northwest Gujarat, west Rajasthan, Punjab, Haryana, and Jammu and Kashmir.

Meanwhile, an India Meteorological Department forecast for the next two days suggested heavy rains along western Himalayas and part of east India.

A heavy rainfall warning is in place over Himachal Pradesh, Uttarakhand, east Rajasthan, Chhattisgarh and Uttar Pradesh on Monday.

Madhya Pradesh and Orissa would come under heavy rainfall on both Monday and Tuesday.

An extended forecast valid until Sunday next (July 15) indicated rains at many places over the west coast, east and central India, the northeast and Uttar Pradesh.

Thundershowers may also break out at many places over western Himalayan region and at a few places over Punjab, Haryana and Uttar Pradesh.

Global meet on designer rice from today

Hyderabad, July 8:

Directorate of Rice Research and Acharya N G Ranga Agricultural University will hold an international 'Dialogue on Designer Rice' on July 9 and 10.

Food security

To be held at the International Crops Research Institute for Semi Arid Tropics, the event would see plant geneticists and molecular biologists from across the world taking part in the dialogue.

They would discuss prospects of designing rice that would meet future challenges of global food-nutrition-livelihood security.

"Though the current trends of rice production are in pace with the demands of the growing populations across Asia, Africa and South America, changes in the economy and lifestyles of the region are going to be more demanding in quantity and quality of the commodity," Mr B.C.Viraktamath, Project Director of DRR (an arm of Indian Council of Agricultural Research), said here in a press release.

Maximise productivity

"Can the existing rice genotypes meet the future requirements of food and nutrition?"

"Will crop intensification and management practices with the currently available high yielding varieties be able to maximise productivity of the crop to the desired level? These are some of the pertinent queries the conference will attempt to address. The two-day deliberation will capture novel ideas and debate on their feasibility and practicability. A possible roadmap with primordial projects may also be conceived for future action plan and funding, he said.

Inter-cropping can improve coconut farm productivity: Cocotech

V. Sajeev Kumar, Kochi, July 6:

In order to increase coconut farm productivity, national governments of coconut-producing nations should support rejuvenation programmes including intercropping, product diversification and value addition.

The Cocotech meeting, which concluded here on Friday, recommended to its 16-member Asian and Pacific Coconut Community (APCC) countries to take effective steps to ensure that their policies and programmes should benefit small coconut farmers, who are at the bottom of the pyramid. Countries should aim for genuine and inclusive economic growth and sustainable development of the coconut industry.

A committee comprising Heads of Country Delegations in APCC member countries and chaired by the APCC Executive Director formulated the recommendations after deliberating on the issues raised in the technical presentations and question and answer sessions held during the last five days.

The 3-page report recommended the adoption of enabling policies to promote the Indian model of cluster approach and the formation of Coconut Producers Societies (CPS) to facilitate community development and capacity building. It also suggested providing an efficient mechanism for technical and logistical support and enhancing entrepreneurship and viable coconut-based economic ventures.

Recognising the value of the 'advocacy marketing model' as practices by various coconut product manufacturers, the meeting reaffirmed the need for more substantive scientific evidence to support its claim on the health benefits of coconut oil.

While appreciating the achievements made by some APCC countries like India, Sri Lanka, Malaysia, Indonesia and the Philippines, the meeting reiterated previous recommendations on the need for national policy directions to support nutritional researches and clinical trials on coconut oil.

Stressing the importance of private-led growth, the meeting said that the APCC member states should adopt policies that will promote public-private partnership in production of hybrid seed nuts for the massive replanting/rejuvenation programme.

To address the impact of climate change, the meeting recommended that the APCC pursue projects that will demonstrate how coconut farmers can mitigate, adopt and cope with the effects of extreme variations.

It was also decided that the next session of Cocotech will be held in Colombo in 2014.

Training on quality assurance for fisheries sector

Kochi, July 8:

An orientation programme on production and quality assurance in fisheries sector was organised here by the Industrial Fisheries Alumni Association (IFAA), CUSAT.

Stressing upon the importance of upgrading skills and knowledge in the fisheries field, Mr Dominic Presentation, MLA, said that this would ultimately help in ensuring quality of export products and development of the fisheries sector.

He congratulated IFAA for conducting such training programmes for dissemination of knowledge to the supervisors of the fisheries sector, as the seafood industry provides job opportunities to millions.

Mr Edwin Joseph, President IFAA said that the alumni as holding key positions in diverse sectors world over and specifically in the fisheries sector. Alumni have been doing yeoman service to the society and alma mater and fisheries industries.

Mr K G Lawrence, vice-president, Seafood Exporters Association, recalled that earlier the emphasis was more on the quantity of the products exported, but now it has changed to ensuring quality and sustainability. With growing stringent regulations of the importing countries, the exporters are striving hard to sustain the industry, he said.

Nellore fine rice to reach market in August



Hyderabad, July 8:

The availability of rice in Andhra Pradesh is set to go up next month.

Nellore fine rice is expected to reach the market in August, increasing the general availability of rice.

Ms Minnie Mathew, State Chief Secretary, informed the Chief Minister, Mr N. Kiran Kumar Reddy, of this development at a high-level review meeting on price control here on Saturday.

Except in the case of super fine rice and Bengal gram, the rates of dals, vegetables and oils were either stable or showing a slightly decreasing trend compared to the previous week, she said.

Help farmers

The Chief Minister directed the civil supplies department to coordinate with rice millers and to ensure better availability of fine rice stock in Rythu Bazaars at reasonable rates.

Reviewing the rainfall situation amid a delayed monsoon, Mr Reddy asked his ministers to take alternative measures to mitigate the problems of farmers, drinking water scarcity etc.

The officials said delay in the monsoons had occurred even in previous years and that the IMD was forecasting good rains in the coming days. Inflows into the Tungabhadra and Godavari had just started, the officials told the Chief Minister.

Bio-diversity Meet

The Chief Secretary said in the meeting that Rs125 crore has been released for the beautification of Hyderabad City in time for the ensuing International Bio-Diversity Conference to be held in October.

The conference is expected to see around 8,000 delegates from 193 countries. The Chief Minister directed the officials to speed up work on the proposed COP-II plaque, Museum, Park and the possibility of establishment of a world class aquarium promised by the Union Ministry of Agriculture and Fisheries, according to a press release.

Rain is in deficit by a fourth; no major recovery seen

VINSON KURIAN

THIRUVANATHAPURAM, JULY 8:

It is becoming increasingly probable that the monsoon would be in a deficit of at least 25 per cent even as the season runs into the first 10 days of the make-or-break July.

A global weather model indicated that extreme west Rajasthan would be devoid of any significant rainfall right until July 24.

SPELL WITHERS

The hyperactive spell over central and adjoining east India too has moderated, but a rain head from here is predicted to travel west into west towards Gujarat.

The system is located this morning over east Madhya Pradesh; it would travel over west Madhya Pradesh, north Gujarat and adjoining southwest Rajasthan over the next few days.

All these regions would get varying amounts of rainfall, especially parts of north Gujarat, which have not yet seen particularly good rainfall.

Southwest Rajasthan too would benefit, but not west Rajasthan, says the forecast. This region would continue to remain largely dry into the next week.

LITTLE RAIN

During this period, there is a much drying up of large parts of the rest of the country except the west coast and fringes of the foothills of the Himalayas.

Some rains may fall over the peninsular India, especially over the southeast coast after the Bay of Bengal sends in a rain wave.

But this may be too little and too late, and may not be sufficient to cover the 31 per cent deficit in peninsular India.

Meanwhile, the regional deficits are 12 per cent over east India and 26 per cent in central India even after a productive monsoon session during the last week.

The deficit is as high as 47 per cent in northwest India, and this would continue to be a worrying aspect.

The overall deficit for the country as a whole is 26 per cent as of yesterday.