

ERODE, June 13, 2012

**Procurement price for turmeric fixed at Rs. 4,000 a quintal**

S. RAMESH

*Many growers, however, express disappointment*



New initiative: Farmers in Erode hope that the government's announcement will increase the price of turmeric in the open market. —PHOTO: M. GOVARTHAN

The State Government has announced that it will procure turmeric from the farmers directly at the rate of Rs. 4,000 a quintal.

The Tamil Nadu Co-operative Marketing Federation (TANFED) will carry out the procurement, official sources here say.

The Government has issued an order in this regard recently and arrangements are being made for the procurement of yellow spice from the farmers in the district, one of the largest turmeric producing regions in the country.

Official sources said the procurement would be carried out till the end of this month. "We are planning to set up procurement centres at three places. Once the arrangements are in place, we will start buying the turmeric," Collector V.K. Shanmugam told *The Hindu*.

The Government had taken up this initiative as the turmeric growers were severely affected due to the drastic fall in the prices. The turmeric prices, which stood around Rs. 17,000 a quintal two years ago, fell down to Rs. 3,000, leaving the growers to face heavy losses.

Since the prices of the spice tumbled, the growers were urging the government to fix minimum support price (MSP) for their produce and start procuring the turmeric. "We are happy that the government responded to our pleas," District Secretary of Tamil Nadu Farmers Association T. Subbu said.

Many growers, however, expressed disappointment over the rate fixed by the government. "The fixing of Rs. 4,000 is definitely a better price when compared to the open market. But, providing Rs. 4,000 a quintal will still leave the turmeric growers to suffer losses. Farmers spend over Rs. 8,000 to produce a quintal of turmeric," Mr. Subbu pointed out. Turmeric Farmers Association of India, while welcoming the initiative, wanted the government to revise the procurement price upward so that it would benefit thousands of growers in the State. The neighbouring government in Karnataka offer Rs. 5,000 a quintal, association President P.K. Deivasigamani pointed out.

Meanwhile, farmers here hope that the government's announcement will increase the prices in the open market.

NAGAPATTINAM, June 13, 2012

### **Farmers seek assured 3-phase power for cultivating Kuruvai**

*Delay in release of water from Mettur hits farming in 2-lakh acres*

With uncertainty over early release of Cauvery water looming large, the farmers of the delta have sought assured 3-phase power supply from the government during the Kuruvai season.

Farmers hopes for an early release of water from Mettur Dam has begun to wane with the conventional water release date of June 12 giving them a pass this time around.

Under these circumstances, the federation of delta farmers' associations have urged the government to ensure adequate 3-phase power to take up farming through ground water irrigation.

According to Aarupadhi Kalyanam, general secretary, federation of delta farmers' associations, the over one lakh pumps in use in the delta region includes 57,000 in Thanjavur, 26,000 in Nagapattinam and 21,000 in Tiruvarur.

This infrastructure supports cultivation over two lakh acres throughout the region. A major part of Kuruvai cultivation relies on pump irrigation that sources water from underground .

According to Mr.Kalyanam, timely release of water would ensure a production of eight lakh tonnes across delta region. However, if the government provides 20-hour three-phase power to the farming community, a productivity of four lakh tonnes through the delta may be assured. Besides paddy, sugarcane, and other horticultural crops would stand to benefit.

Kuruvai cultivation hinges largely on ground water and power shortage has hit agricultural activities very badly. According to Arupadhi Kalyanam, preparation works for Kuruvai commences by April. This year, however, farmers had delayed setting up nurseries following government's assurance that power scenario would improve in June with wind power generation.

Farmers have spaced out raising nurseries to coincide with improved power scenario, however, they still get only about three to six hours of three-phase supply. This has turned Kuruvai cultivation inconceivable, says Mr.Kalyanam.

Further, based on the assurance from the government, farmers have prepared nurseries that are 20 to 35 days old in several parts of the region , and awaiting transplantation.

“However, fields are yet to be irrigated and wet-ploughed for transplantation of nurseries,” says Mr.Kalyanam.

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- *Water from Mettur dam is normally released on June 12*

- *Over one lakh pumps in use in the delta region*

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BIDAR, June 13, 2012

### **Workshop for sugarcane growers in Bidar**

The Bidar Zilla Panchayat and Bapu Rural Development Society organised a workshop for sugarcane growers on sustainable technology usage at Kanaji village in Bhalki taluk on Sunday.

Society president Kashinath Patil said the economy of the district depended on the sugarcane crop to a large extent as it was cultivated on over 40,000 acres.

“However, due to outdated cropping techniques, the yield is just 25 to 30 tonnes per acre, which is less than the State average. Farmers can get higher yields with lower costs by using sustainable technologies and optimum water management,” he said.

Technical expert Madhukarrao Nyalkal, leaders such as Hanmanthrao Patil Shesherao Bhadroji, Baburao Joldabka, Manikappa Pawadshetty and Vijaykumar Karkapalli were present.

Published: June 13, 2012 00:00 IST | Updated: June 13, 2012 05:21 IST

### **Life turns sour for sweet lime farmers**

Horticulture farmers raising mostly lime, sweet lime and mango plantations in the district, who lost heavily due to the severe drought and heat-wave conditions, staged a demonstration near the Collectorate here on Tuesday, displaying several bone dry trees.

The ryots were led by M. Sudhakar Reddy, president, and M. Nagarjun Reddy, general secretary, ‘Pandla Thotala Rythu Sangham, who said the horticultural plantations in the district had suffered a loss of Rs.1,000 crore.

The leaders estimated that 75,000 acres of sweet lime, 10,000 acres of lime and 1,000 acres of mango were damaged due to adverse weather conditions.

The loss suffered by the farmers was all the more, as the sweet lime plants were ready for harvest.

TIRUCHI, June 13, 2012

## **Flood control project: aqueduct work resumes**

S. GANESAN

Construction of an aqueduct, one of the important components of the flood prevention project, has resumed in the city with the Public Works Department (PWD) planning to complete it in the next four months.

Construction of the aqueduct came to a halt over a year back, pending government approval for a few design changes. The aqueduct, a unique structure in terms of design and size in the State, runs for a distance of 360 metres, built over 36 piers at a gap of 10 metres each. The structure will have a capacity to carry about 700 cusecs of water. The pier caps have been constructed but critical works of joining the entry and exit points of the duct remain incomplete.

### **Rs.253.71-crore project**

The structure is one of the components of the Rs.253.71-crore flood control project executed by the Public Works Department in Tiruchi, Karur and Ariyalur districts. The aqueduct will regulate water flow into the Uyyakondan river at the Puthur weir and also flood discharge from the Koraiyar directly into the Kudamuritti river, thereby preventing flooding of low-lying colonies in the city.

The confluence of two rivers at the spot, from where the Kudamuritti river originates, often witnesses a huge surge of flood discharge during monsoon at the weir. The existing regulatory system is found to be inadequate to handle the flood discharge.

With the release of the water being closed in the Uyyakondan river since June 1, the PWD authorities were planning to utilise the closure period to complete the works on the riverbed before the next irrigation season.

“We have planned to complete the works at the ground level before the release of water for next season so that work can go on the higher level even after the release of water,” a PWD officer told *The Hindu* .

**Link across river**

PWD sources said that once the aqueduct was completed it would also provide a link across the Uyyakondan river to the Koraiyar river bank. Thus, a new motorable road would be established between Dheeran Nagar on the Dindigul National Highway and the Cantonment area.

METTUR, June 13, 2012

### **Mettur dam not opened for irrigation**

The Mettur dam could not be opened on June 12, the customary date of releasing water for delta irrigation, in view of poor storage and discouraging inflows.

According to Public Works Department (PWD) sources, the storage at 4 p.m. on Tuesday was 41.223 tmcft, which was “dismally low”. The water level stood at 79.26 feet against the mandatory 90 feet for opening the dam with an inflow of 1385 cusecs.

The dam discharges 1165 cusecs, mainly for drinking water purposes. “We receive little or nil discharge from Karnataka reservoirs,” said a senior official. Last year, the dam was opened a week ahead of June 12.

MANGALORE, June 13, 2012

### **Proposal to boost cultivation of paddy kept in cold storage**

*It had urged the Government to declare a Kerala model package to D.K.*



**SOWING HOPE:** About Rs. 8.52 crore has been sought for Dakshina Kannada for three years from 2013-12 to implement the package for promoting paddy cultivation.

A year ago, offices of the Joint Director of Agriculture and the Deputy Commissioner here urged the State Government to declare a Kerala model package to Dakshina Kannada for preventing

area under paddy cultivation from shrinking further. The Government has put a proposal in this regard in cold storage, according to official sources.

The then Joint Director of Agriculture here sent the proposal to the Commissioner for Agriculture on May 11, 2011. Later, the office of the Deputy Commissioner wrote about the proposal to the Principal Secretary, Department of Agriculture, on June 11, 2011, the sources told *The Hindu* .

The sources said that the proposal sought Rs. 8.52 crore to the district for three years from 2013-12 to 2013-14 for implementing the Kerala model package for promoting paddy cultivation. The proposal recommended to the Government to create a five-member group of farmers in each gram panchayat for promoting paddy cultivation. As in Kerala, farmers in the district should be given between Rs. 5,000 and Rs. 20,000 per hectare as incentive for taking up paddy cultivation. The sources said that the proposal drew the attention of the Government to four components in the Kerala model. They were support for upland (rain-fed cultivation) rice production under food security project, scheme to cultivate paddy on fallow land by women's groups, sustainable development of paddy-based farming system and macro-management of agricultural work plan.

The proposal stated that under the food security project for upland paddy cultivation, each farmer should be given Rs. 5,000 per hectare as incentive. If women's groups cultivated paddy in fallow land, they should be given Rs. 10,000 as incentive. Women's groups should be given Rs. 5,000 per half acre for preparing paddy seedlings. For sustainable development of paddy-based farming system, farmers, who had discontinued paddy cultivation for over three years, should be given Rs. 5,000 per hectare to revive it.

The letter by the Joint Director stated that the Karnataka Development Programme Review Committee in the district at its two meetings on March 15, 2011 and on April 11, 2011 had resolved to urge the Government to declare the Kerala model package to the district. It stated that area under paddy cultivation in the district dwindled from 38,291 hectares in 1999-2000 to 32,408 hectares in 2010-11.

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## Chennai - INDIA

### Today's Weather



Partly Cloudy

Wednesday, Jun 13

Max Min

41.2° | 26.1°

Rain: 00 mm in 24hrs

Sunrise: 6:35

Humidity: 55%

Sunset: 18:03

Wind: Normal

Barometer: 1002

### Tomorrow's Forecast



Rainy

Thursday, Jun 14

Max Min

36° | 30°

### Extended Forecast for a week

Friday Jun 15	Saturday Jun 16	Sunday Jun 17	Monday Jun 18	Tuesday Jun 19
37°   29°	34°   28°	37°   28°	34°   28°	34°   29°
Rainy	Rainy	Rainy	Rainy	Rainy

## THE ECONOMIC TIMES

13 JUN, 2012, 07.30AM IST, SUTANUKA GHOSAL & MADHVI SALLY, ET BUREAU

### Basmati, wheat fall on tepid demand, adequate supplies

KOLKATA/AHMEDABAD: Wholesale grain markets trended weaker over the last couple of days as prices of select grains led by basmati rice and wheat declined on adequate supplies against reduced offtake by stockists and retailers.



Expectations of a higher output this year have also put pressure on wheat and basmati rice prices.

Wheat production rose to a record 252.56 million tonne (mt) in 2011-12 , up from 241.56 mt in the previous year. Similarly, basmati paddy production has gone up to 7.7 million tonne in 2011-12 from 7.21 million tonne in previous year. Rice production in 2011-12 increased by 7.1% to 102.75 million tonne, which includes 4.5 million tonne of basmati rice.

Marketmen said an adequate stock position against weak demand from stockists and retailers mainly led to a fall in prices. Arvind Gupta, director of Modern Flour Mills, said: "When prices go down, retailers hold back their decision to procure further as they feel that there will be a further drop in prices. This is happening now." Modern Flour Mills provides flour to a host of retailers and big corporate houses.

"Wheat prices have gone down below the minimum support price of Rs 1,285 per quintal and are now hovering in a range of . 1,100 to. 1,165 per quintal. The Pusa 1121 basmati paddy variety is available at the wholesale market at Rs 2,500- Rs 2,700 per quintal, which is nearly 25-30 % lower than previous year," said PS Yadav, secretary of Narela APMC in New Delhi.

Yadav attributes a drop in basmati rice price due to a lower offtake by importing countries like Iran. "Lower exports of basmati rice have put pressure on the price," he added. Wheat prices in Uttar Pradesh have gone down drastically to Rs 850 - Rs 1,000 per quintal. In New Delhi markets, however, prices have remained stable at Rs 1,225 a quintal, almost similar to previous year.

"Unlike the previous year when traders had created an inventory, traders are now procuring according to their requirement ," said Narendra Gupta , a trader at Delhi's Naya Bazar. Similarly, the wholesale price of Pusa 1121 paddy and traditional basmati are hovering around Rs 2,900 a quintal and Rs 2,700 a quintal respectively.

"We expect the market to remain stable and not much volatility in prices," said Vijay Setia, past president, All India Rice Exporters association. Exporters are optimistic on non-basmati rice

exports, which are quoting at \$430 to \$500 a tonne compared to \$1,000 to \$1,100 a tonne for traditional and Pusa 1121 basmati varieties.

13 JUN, 2012, 01.55AM IST, TAPASH TALUKDAR,ET BUREAU

### **Investors, traders return to market after guar fiasco**

MUMBAI: Commodities trade at Indian exchanges has bounced back from a slump and expected to expand further as strong regulatory action has brought back traders and investors who were bruised by the controversy about guar gum, which had surged 1,000% before its trade was banned.

Officials and analysts said steps to curb speculation, facilitate hedging and discipline the market have borne fruit. "Our motto is to promote hedging in commodity market and preventing speculation," said Ramesh Abhishek, chairman of Forward Market Commission, the regulatory body for commodities futures trading.

Investors have approached commodities brokerages after staying away for about two months after they lost heavily in the speculative guar trade between November 2011 and March this year.

Traders and speculators gained an estimated 2,000 crore as the price of a quintal of guar rocketed to 98,350 from 12,000 in this period, according a report submitted to the government.

Trading in guar futures was stopped on March 27. "Our clients had disappeared after the guar gum episode. Now they are coming back after seeing actions initiated by the market regulator," said Ravindra Rao, AVP, commodity research, Motilal Oswal Commodities. "It has boosted our confidence to expand client portfolios in the next six months," he added.

DK Aggarwal, president of Commodity Participants Association of India, said he expected a rapid growth in membership. "Now, the scenario seems to be changing. We expect a 50% rise in our membership from the current 300 in the next one year," he said.

The value of total trade across exchanges has risen 40% to 8,41,752.29 crore during the May 15-31 period from 6,02,812.18 crore in the same period last year. The previous three fortnights

saw trade decline 15%, 9% and 1% respectively. The market is expected to expand further.

"The market looks quite positive now and we expect the trading volume to jump by 5% to 10% from next month as significant interest has been shown by new investors. Also, monsoon will give us a comprehensive view on productivity that will boost the interest of investors," said Naveen Mathur, associate director, currencies & commodities, [Angel Broking](#).

Analysts said regulatory steps such as staggered delivery, in which sellers have to file their intention of delivering the stock 28 days before the contract expires, is helping curb speculation.

Earlier, the longest period for staggered delivery contract was 15 days.

"Staggered delivery, declaration of warehouse stocks, restriction of position limits of members and clients, imposition of special margins to prevent excessive rise in futures prices and review of contracts have brought stability to the markets in the last two months," said Aurobinda Prasad, head research, Karvy Comtrade.

The regulator is in the process of setting up an advisory committee of stakeholders, including farmers, cooperatives, exchanges, exporters, traders and market analysts, to improve price discovery and trade monitoring mechanisms.



### **Cabinet nod for 3,070 posts in Horticulture Department**

WEDNESDAY, 13 JUNE 2012 00:22

In an important decision towards giving a fillip to agriculture and horticulture, a Cabinet meeting chaired by Chief Minister Shivraj Singh Chouhan on Tuesday sanctioned creation of 3,070 posts in Horticulture Department. These include staff sanctioned for Narmadapuram division as well as Alirajpur and Singrauli districts.

Agriculture and horticulture development is among top priorities of the State Government. These posts have been sanctioned in view of immense possibilities in horticulture sector and making Madhya Pradesh a pioneer state in this sector. These include two post of Additional Director at the directorate-level and eight joint directors at the division-level. After analysing possibilities of

constant increase in horticulture crop area, posts of 20 Deputy Directors and 30 Assistant Directors have been sanctioned in districts.

For giving a fresh impetus to horticulture at development block-level, 376 posts of Senior Horticulture Development Officer and 379 Horticulture Development Officer have been sanctioned. Besides, 1,099 posts of Rural Horticulture Extension Officer have also been sanctioned.

Posts of one Assistant Director Statistics for maintaining statistics and monitoring assessment of schemes, one Assistant Programmer for extension of information technology and one Assistant Director for establishment and accounts works have also been sanctioned.

Thus, 3,070 regular posts have been sanctioned for live contact with farmers and achieving targets of schemes. These include the staff sanctioned for Narmadapuram division as well as Singrauli and Alirajpur districts.

The Cabinet accorded administrative sanction of Rs 117.28 crore for development of 43.78 kilometre Ratlam-Sailana-Banswara Highway No: 39 on BoT basis.

The Cabinet accorded ex-post fact approval to power purchase agreement to purchase 65 per cent power from 2x800 MW Dada Dhooni Wale Thermal Power Project to be set up by joint venture company Dada Dhooni Wale Power Limited of Madhya Pradesh Power Generating Company and BHEL. It was also decided that if investors do not come forward for investing share capital in the project, then the State Government will invest 26 per cent to total share capital as investments towards share capital as per provisions of MoU.

The Cabinet decided to give guarantee by the State Government amounting to Rs. 1,868.81 crore, which is equivalent to 120 per cent of the loan sanctioned by Rural Electrification Corporation for feeder separation project.

The Cabinet decided to transfer 1.967 hectare land to Industries Department for establishment of cement industry by JP Cement Limited, Babupur at village Birhuli in Raghuraj Nagar tahsil of Satna district.

The Cabinet permitted surrender of two sanctioned posts of Assistant Engineer in the office of Commissioner New & Renewable Energy and replace them with posts of Executive Engineer.

With this, Services of senior and experienced officers will be available to the Commissioner's office on contract/deputation basis.

# Business Standard

Wednesday, Jun 13, 2012

## FCI faces renewed stock glut

Foodgrain piles jump 25.6% to all-time high in central pool regional GMs authorised to hire more private godowns

Dilip Kumar Jha / Mumbai June 13, 2012, 0:55 IST

Foodgrain storage under the administrative control of the Food Corporation of India (FCI) has risen 25.6 per cent over last year to a record high, due to bumper production and excessive purchase by the government-owned procurement agency.

A recent report by the Food and Agriculture Organisation (FAO) of the United Nations forecast India's wheat output to rise two per cent to 88.3 mt this year from 86.9 mt in 2011. Agriculture Minister, Sharad Pawar estimated production at a record 88.31 mt in the 2011-12 crop year (July-June) against 86.87 mt in the previous year.

Overall foodgrain production is estimated to rise only three per cent to 252.6 mt this year as against 244.8 mt last year, but the former would still be a record.

<b>STOCKING POINT</b>			
Commodity (as on June 1) million tonnes			
	2011	2012	Change (%)
Rice	27.66	32.15	<b>16.24</b>
Wheat	37.83	50.17	<b>32.61</b>
Coarse grains	0.12	0.09	<b>-22.95</b>
<b>Total</b>	<b>65.60</b>	<b>82.41</b>	<b>25.64</b>

Source: Food Corporation of India

To overcome the deficit of covered storage space, FCI has empowered its Regional

General Managers (RGMs) to hire private godowns for a year, extendable by another year.

Total grain stock in the central pool had swelled to 82.4 million tonnes as on June 1, compared to 65.6 mt in the corresponding period last year. Barring coarse grain, which forms around one per cent of overall stock, the piling up of inventory has recorded a massive jump. That of coarse grain, however, has declined 23 per cent to 90,000 tonnes, as compared to 120,000 tonnes as on June 1, 2011.

Overall procurement of wheat by FCI had surged to 34.3 mt as on June 1, a rise of eight mt from the same time last year. The norms require an FCI buffer stock of rice of 9.8 mt and a strategic reserve of two mt as on July 1. The comparative figure for wheat is 17.1 mt and three mt. The available stocks are 250 per cent higher than required under buffer norms.

During the last rabi marketing season (RMS), wheat procurement was 28.3 mt. The estimate for the current RMS was 31.8 mt but this had been surpassed by May 24. The estimated total this time is around 36 mt.

“Procurement has hit a record high on bumper output. Due to poor offtake from states, stockpiles have been swelling,” said an FCI official.

The government had liberalised its norms to hire more private godowns under a two-year guarantee scheme, due to paucity of storage space with Central Warehousing Corporation (CWC) and the State Warehousing Corporations (SWCs). While CWC owns less than 10 mt of storage space, SWCs across all states would not have enough space to accommodate all the grains procure. FCI has been facing a storage crunch for years.

“RGMs have been empowered to hire private godowns on one-year guaranteed hiring, extendable at the same terms for another year. However, hiring under this scheme is to be resorted to after ensuring that no vacant storage capacity of CWC/SWC is available at the desired place,” said the official. “Simultaneously, efforts are on to seek long-term solutions by way of constructing our own godowns and silos under the five-year Plans. Godowns are also being got constructed under the Private Entrepreneurs Guarantee Schemes, under 7-10 years guaranteed hiring.”

As for rice, FCI has procured 16.2 per cent more (including unmilled paddy) at 32.15 mt

this year as compared to 27.7 mt last year. The FCI official said all RGMs have also been delegated powers to sanction hiring rates up to a certain extent, similar to the rates offered by private bulk grain stockists.

Fresh hiring under this scheme shall remain open till March 31, 2013, and then be reviewed.

### **Natural rubber imports on the rise as output drags**

**George Joseph / Kochi June 13, 2012, 0:57 IST**

Natural rubber (NR) production dropped five per cent in April–May while consumption improved by 1.2 per cent. Imports too, rose sharply while a serious shortage of quality sheet rubber, especially RSS-4 grade, hit the local market.

According to provisional data from the Rubber Board, cumulative consumption in April and May increased to 163,500 tonnes as against 161,495 tonnes in the same period last year. Total production in the two months dropped to 110,700 tonnes as against 116,500 tonnes earlier.

The fall in production in May was rather moderate at 2.8 per cent, compared to 7.2 per cent in April. This was thanks to consuming industries performing better in May as the monthly usage registered 3.1 per cent increase. In April, consumption was down 4.7 per cent compared to the same month last financial year.

The widening gap between supply and demand in the local market was the main reason for the sharp rise in imports. In May, production was just 58,000 tonnes, while consumption edged up to 83,000 tonnes, leaving a gap of 25,000 tonnes over the two months. In April and May, rubber-based industries, especially tyre companies, imported 35,298 tonnes as against 22,811 tonnes in the same period of the previous year. For the first time, India's total imports crossed 200,000 tonnes in 2011-12 at 205,050 tonnes, up from 188,337 tonnes in 2010-11.

According to experts, at this pace, imports would strengthen further, with total imports

during the financial year crossing 250,000 tonnes.

Around 20 per cent of India's demand in 2011-12 was met through imports. Besides the serious shortage in the local market, the price advantage in the global markets, too, attracted industrialists to depend on the overseas markets for supply.

Citing the decent carry-over figure, the Rubber Board contends there is no serious shortfall of rubber in the country. According to latest estimates, the total stock is 222,000 tonnes. But according to the Automotive Tyre Manufacturers Association (ATMA), the actual saleable stock is hardly 100,000 tonnes. So, it is imperative India would depend more on imported rubber to bridge the shortage.

Most farmers are not ready to produce quality sheet rubber as this requires neat processing. During the last financial year (2011-12) total production was 899,400 tonnes and consumption 966,215 tonnes, leading to higher prices in India compared to international markets. As consumption increases sharply while production remains rather static or rises only marginally, there is a mismatch in the demand-supply scenario. For example, in April, consumption increased 4.7 per cent while production decreased 7.2 per cent.

The static nature of acreage and the snail's pace of growth in re-plantation, have put the country in a tight spot. According to projections, India needs more than two million tonnes of rubber by 2020, while production might be in a range of 12-13 lakh tonnes only. Clearly, NR imports will be on the rise in the coming years.

### **'Bt cotton improved condition of farmers over last decade'**

**BS Reporter / Chennai/ Hyderabad June 13, 2012, 0:46 IST**

The use of Bt cotton seeds has had a positive impact on the overall socio-economical development of the farmers in the country, including in Andhra Pradesh, over the last decade, says a study.

Cotton production in Andhra Pradesh has increased 79.45 per cent per hectare with hybrid Bt cotton seeds, while the area under cultivation and cotton productivity have increased 9.45



per cent and 2.32 per cent respectively, leading to a 575 per cent increase in net returns for the farmers. According to the findings of a nationwide study called 'Socio-Economic Impact – Assessment of Bt Cotton in India', jointly conducted by the Council for Social Development, an Indian research institute, and farmer organisation Bharat Krishak Samaj (BKS).

The study reveals a significant influence of hybrid Bt cotton seeds on farming choices in Andhra Pradesh with increased productivity and yield, higher returns, reduction in pesticide consumption and the overall improved standards of living, Ajay Jakhar, chairman of BKS, said addressing reporters here.

According to the study, Andhra Pradesh constitutes 15 per cent of the total area under Bt cotton in the country with 1.7 million hectare during 2009-11.

At the pan-India level, cultivation of hybrid Bt cotton seeds, which began in 2002-03, has seen the average income of farmers increasing almost 375 per cent, the average cotton yield by 4.95 per cent, cotton areas by 4.91 per cent and production by 9.25 per cent across India's major cotton-growing states, the study said.

Cotton production in the country has risen through the wide use of Bt cotton seeds and has benefited farmers. The hybrid Bt cotton seeds helped make India a net exporter of cotton from a net importer, and the cotton exports to grow by over 75 per cent between 2002-2009, the study added.

The study has been conducted by taking more than 1,050 farmers and 300 agricultural labourers from nine states in India as samples.

### **India coffee exports at 5.5 mn bags in FY13, down 5%: USDA**

**Higher world prices, weak rupee, programmes designed to facilitate exports reasons for fall in export estimate**

**Press Trust of India / New Delhi June 12, 2012, 16:59 IST**



India's coffee exports are likely to fall by 5% in 2012-13 marketing year, but shipments would cross 5 million bags for the third consecutive year

on the back of a weak rupee and high global prices, United States Department of Agriculture (USDA) has said.

According to the latest USDA report, shipments of the brew from India are pegged to fall by 5% to 5.51 million bags (3.30 lakh tonnes) in the 2012-13 marketing year from an estimated 5.82 million bags of 60 kg each (3.49 lakh tonnes) in the current marketing year (October-September).

"Helped by higher world prices, a weaker rupee and programmes designed to facilitate exports, India's coffee exports are expected to exceed 5 million 60 kg bags for the third-consecutive year in 2012-13," it added.

Assuming international prices remain high, marketing year 2012-13 exports are forecast 5.5 million, as strong global prices are expected to prompt foreign buyers to again seek Indian coffee as they pursue more varied supply options, USDA noted.

The US farm body has pegged shipments of the brew to fall marginally in the current marketing year as compared to the previous year.

India's coffee exports are expected to decline by 1% to 5.82 million bags in the current marketing year from 5.87 million bags in the 2010-11 marketing year.

USDA has forecast that production in India is expected to fall marginally to 5.1 million bags (3.06 lakh tonnes) in the next marketing year from an estimated 5.3 million bags (3.18 lakh tonnes) in the 2011-12 marketing year.

"Both Arabica and Robusta production are forecast slightly lower under the assumption that weather conditions will be normal or average," it added.

For the current marketing year, coffee production is estimated at 5.3 million bags as the crop benefited from well-distributed rains during much of the growing season in addition to pre-season rains that helped establish early growth and support soil moisture levels, USDA said.

In the main producing state of Karnataka, good weather and high prices encouraged producers

to improve their plant husbandry practices. Weather conditions in the states of Kerala and Tamil Nadu were similarly favorable, it noted.

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# THE HINDU Business Line

Fresh demand pulls up fine sugar



Mumbai, June 12:

Sugar prices on the Vashi terminal market improved by Rs 10 a quintal for the fine variety on Tuesday on higher demand. The *naka* rate increased by Rs 10 a quintal for M-grade, while S-grade was unchanged. Volume increased at the upper level as mills continued selling. Market sources said the sentiment improved on increase in retail demand and report of possible lower production in Maharashtra next season year due to lower acreage. Demand for the fine variety has gone up after the onset of monsoon. Fresh buying lifted the market mood at the upper level.

On the other hand, continued selling by millers to reduce stocks has kept supplies ample. Higher output this year has led to more inventory pressure on millers, sources said.

Continued absence of demand from neighbouring States has forced millers to sell in local markets. Consequently, the futures market ruled range-bound. In Vashi market, 50-52 truckloads arrived while 47-48 truckloads were despatched locally. Freight rates were unchanged on routine demand. On Monday, 18-20 mills offered tenders and sold about 75,000-80,000 bags to local traders at Rs 2,775-2,840 (Rs 2,775-2,840) for S-grade and Rs 2,850-2,930 (Rs 2,850-2,920) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 2,910-2,981 (Rs 2,912-2,981) and M-grade Rs 3,001- 3,151 (Rs 2,992-3,141).

**Naka delivery rates:** S-grade Rs 2,870 -2,910 (Rs 2,870-2,910) and M-grade Rs 2,950-3,020 (Rs 2,950-3,010).

### Rumours on Tanfed's purchase boost turmeric

Our Correspondent



Erode, June 12:

Spot turmeric prices decreased Rs 100 a quintal on Tuesday. "Due to arrival of low quality turmeric the price of the Hybrid Salem Variety fell by Rs 360 a quintal, but because of the rumour that the State procurement agency, Tanfed, will buy the turmeric at Rs 4,000 a quintal, the price improved by Rs 340 in the Erode Cooperative Marketing Society. The prices in other

markets showed a decrease of Rs 100 a quintal”, said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said though the arrival has touched 11,500 bags the prices did not improve. Most of the traders and bulk buyers did not procure any turmeric, only the stockists purchased 60 per cent of the arrivals. The traders and exporters received information that the Tanfed will buy a sizeable stock to increase the turmeric price in the market. Meanwhile the Turmeric grower farmers said if the Government arranges for the purchase at Rs 4,000 a quintal, they will sell very limited stock. On Tuesday no stock was procured by the Tanfed creating disappointment among the farmers. At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 2,259-3,511 a quintal; root variety at Rs 2,239-3,398.

**Salem Crop:** The finger variety was sold at Rs 3,809-4,009 a quintal; root variety at Rs 3,395-3,695. Out of 1,830 bags that arrived 851 bags were sold. At the Regulated Marketing Committee, the finger variety was sold at Rs 3,200-3,649; root variety at Rs 3,089-3,539. 1082 bags were sold as against the arrival of 1139 bags. At the Erode Cooperative Marketing Society finger variety was sold at Rs 2,400-3,969; root variety at Rs 2,316-3,590. Of the 998 bags kept for sales, 977 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society finger variety was sold at Rs 2,379-3,760 a quintal; root variety at Rs 2,319-3,507. All the 360 bags were sold.

## Demand, futures buoy edible oils



Mumbai, June 12:

Groundnut oil rose by Rs 20 for 10 kg while soya refined oil, rapeseed oil and cotton refined oil increased by Rs 2 , taking cues from the firm futures markets. About 2,000-2,500 tonnes of palmolein were sold by domestic refineries. For indigenous oils, traders preferred to fulfil old commitments and stay away from fresh bets as prices are firm at the producing level.

Liberty sold about 600-700 tones of palmolein at Rs 602-603 for delivery up to July 15 July, sources said. Ruchi sold about 1,700-1,800 tonnes of it at Rs 595-598 for delivery between June 20 and July 31. Liberty quoted soya oil at Rs 700 and sunflower refined oil at Rs 720. Ruchi quoted soya refined oil at Rs 7,00-705 and sunflower refined oil at Rs 718. Allana sold palmolein at Rs 602. Resellers were quoting palmolein at Rs 603-604.

**Malaysian crude palm oil's** July contracts closed at MYR 2,959 (MYR 2,989), August at MYR 2,965 (MRY 2,989) and September at MYR 2,961 (MYR 2,986) a tonne. On the National Board of Trade in Indore, soya refined oil's June contracts closed at Rs 722 (Rs 719.20) and July at Rs 729.40 (Rs 725.30).

**The Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 1,200 (1,180), soya refined oil 697 (695), sunflower exp. ref. 650 (655), sunflower ref. 715 (715), rapeseed ref. oil 797 (795), rapeseed expeller ref. 767 (765) cottonseed ref. oil 671 (669) and palmolein 599 (599).

#### Offtake by bulk buyers propels wheat



Karnal, June 12:

Fresh buying pushed Dara wheat prices up while desi wheat varieties managed to maintain their previous levels amid slack buying on Tuesday.

Bulk buyers and flour mills took fresh positions by buying at current levels as Dara wheat was ruling almost Rs 125 below the minimum support price, said Mr Sewa Ram, a wheat trader. Demand for flour is sluggish in the region and market may continue to rule around current levels for the next few days, he added.

The Dara variety went up Rs 30 a quintal and quoted at Rs 1,190-1,200 a quintal.

Around 50 tonnes of dara variety arrived from Uttar Pradesh and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,190 a quintal while delivery at chakki was at Rs 1,200.

On the other hand, desi wheat continued to rule flat. Tohfa variety ruled at Rs 2,250 a quintal, Bhojan King was quoted at Rs 2,140, Rasoi bhog was at Rs 1,850 while the Nokia variety traded at 2,080 a quintal.

On the National Commodity and Derivatives Exchange, wheat for July delivery decreased by Rs 2 to Rs 1,168 a quintal; it had touched a low at Rs 1,167 on Tuesday. Spot wheat prices on MCX, increased by Rs 6.3 to Rs 1,294.6. Indian wheat futures are likely to remain steady at lower levels this week, said market experts.

### **Flour Prices**

Despite an uptrend in wheat, flour prices remained unchanged and quoted at Rs 1,200 for a 90-kg bag. Chokar continued to rule firm and sold at Rs 650-660 for a 49-kg bag.

### **Nuts scarcity heats up groundnut oil**

Rajkot, June 12:

Despite higher arrival of summer crop groundnut, mills are feeling scarcity of nuts for crushing.

However, prices remained unchanged on Tuesday after a two-day rise.

Groundnut oil for 15 kg new tin was traded at Rs 2,075-2,080.



Telia tin stood at Rs 1,900-1,905 for 15 kg and loose groundnut lost Rs 5 to Rs 1,240-1,245 for 10 kg. About 80-100 tonnes of groundnut oil were traded from mills in Saurashtra.

About 80,000-90,000 bags of groundnut arrives every day in Gujarat quoting Rs 850-1,050 for 20 kg.

Cotton oil also remained flat in Rajkot. Cotton oil wash was ruled at Rs 627-630 for 10 kg and cotton oil new tin ruled Rs 1,080-1,090 for 15 kg. About 350-400 tonnes were traded.

According to a Rajkot-based edible oil trader, groundnut oil demand in retail market is almost nil as the price is too high.

### Spot rubber slips on global cues



Kottayam, June 12:

Physical rubber prices declined further on Tuesday. The prices fell in tune with the overall weakness of the commodity in the domestic and international markets. The onset of monsoon in



the major growing areas is expected to cushion the prices while the gloomy economic outlook and sluggish auto sales might curtail the demand for the commodity.

Sheet rubber surrendered to Rs 184.50 (186.50) a kg as quoted by the traders. The grade weakened to Rs 185 (187.50) a kg both at Kottayam and Kochi according to Rubber Board.

RSS 4 slipped at its June series to Rs 183.56 (183.70) while the July series improved to Rs 186.40 (185.42), August to Rs 185.50 (184.04) and September to Rs 183.10 (182.60) a kg on the National Multi Commodity Exchange.

The TOCOM rubber futures shed more than three per cent during early trades on growing concerns that euro zone debt crisis would worsen and threaten the demand for the commodity. The Euro Zone agreement to lend Spain up to 100 billion euros to help prevent a run on its banks had initially spurred optimism. But the gains were erased as details of the deal came under scrutiny during the New York session.

RSS 3 (spot) dropped to Rs 186.27 (189.80) a kg at Bangkok. The June futures weakened to ¥249 (Rs 174.91) from ¥251.6 a kg during the day session and then to ¥247.9 (Rs 174.12) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 184.50 (186.50); RSS-5: 180 (183); ungraded: 175 (177); ISNR 20: 181 (184) and latex 60 per cent: 129 (129.50).

### Mixed trend in pepper

G. K. Nair



Kochi, June 12:

The pepper market on Tuesday showed a mixed trend. June dropped while other active contracts moved up in a highly volatile market because of tug-of-war between both the operators.

Some sections of the trade were allegedly wanting to bring the prices down so as to cover for their commitments, market sources told *Business Line*.

As a result, there have been bearish reports aimed at bringing the prices down. Consequently, June delivery opened on a declining trend at lower levels down by Rs 900 a quintal in the opening session itself to move up sharply suddenly. It traded with high volatility and touched the highest price of Rs 40,350 up by Rs 815 a quintal from the lowest price of the day.

Meanwhile, July opened at Rs 40,380 a quintal and then in the beginning of the forenoon session touched the lowest level of Rs 40,000 a quintal, down by Rs380 from the opening price. Thereafter it traded with volatility and uptrend and touched the highest price of Rs 40,450 in the beginning of the closing session.

### **Circular trading**

There was circular trading as evident from the rise in turnover. Additional purchase was seen. Good liquidation was also there.

On the spot market, some 6 tonnes arrived and that was traded in the range of Rs 382 , Rs 385 and Rs 387 depending upon the quality, grade and area.

June contract on the NCDEX decreased by Rs275 to the last traded price (LTP) of Rs 40,160 a quintal. July and August were up by Rs 80 and Rs 155 respectively to the LTP of Rs 40,395 and Rs 40,600 a quintal.

### **Turnover**

Total turnover increased by 1,162 tonnes to 4,181 tonnes. Total open interest increased by 60 tonnes showing additional buying.

June open interest dropped by 399 tonnes to 1,076 tonnes while that of July and August increased by 50 tonnes and 399 tonnes respectively to close at 3,079 tonnes and 1,143 tonnes.

Spot prices in tandem with the futures market trend remained unchanged at Rs 38,200 (ungarbled) and Rs 39,700 (MG 1) a quintal.

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

### **Overseas trend**

According to an overseas report Brazil Asta grade was quoted at \$6,700 - \$6,800 a tonne (fob) Belem depending on exporter/producer. Brazil B1 at \$6,600 - \$6,650 a tonne (fob).

Vietnam was reportedly fluctuating daily with downward trend. However, the local holders were holding back and not accepting any lower level prices. FAQ 500 GL was quoted at \$6,150 - \$6,175 a tonne; Faq 550 GL at \$6,475 - \$6,500 a tonne (fob), VAsta \$6,850 a tonne (fob). White double washed was \$9,000 a tonne (fob).

### **Dollar chana stable amid weak offtake**



Indore, June 12:

Dollar chana was unchanged on Tuesday even as local and export demand has weakened.

Higher global output and a weaker dollar against the euro has reduced overseas demand for dollar chana. Merely 70,000 tonnes have been exported so far this year against a lakh tonnes during the same period last year, trade sources said. Besides, a recent strike in the Mumbai port that delayed 100 containers has worsened the market sentiment.

Local demand has dropped following a general sluggish trend in pulses. Orders are being placed for the cheaper inferior quality, said wholesale trader Mr Sanjay Bansal. With export demand down, the best quality dollar chana is surplus now.

In local *mandis*, dollar chana remained steady at Rs 6,200-7,400 a quintal amid arrival of 2,000 bags. In the container also dollar chana ruled stable with 42/44 count ruling at Rs 8,100, 44/46 count at Rs 8,000, 46/48 count at Rs 7,900 and 58/60 count at Rs 6,500. Kanta chana declined by Rs 50 at Rs 4,300 a quintal; Desi chana also declined to Rs 4,200; Mausmi chana ruled at Rs 4,800-5,200; and annagiri at Rs 4,300-4,500. In *mandis* here, 2,000 bags of chana arrived. Chana dal ruled flat on subdued demand, with average dal being quoted at Rs 5,100-5,125, medium dal at Rs 5,200-5,225 and bold dal at Rs 5,425-5,450 a quintal.

### **Meet on climate resilient agriculture**

Our Bureau

Hyderabad, June 12:

A three-day review workshop of National Initiative on Climate Resilient Agriculture (NICRA) has begun at the Central Research Institute for Dryland Agriculture here on Tuesday.

The workshop would take stock of the progress of the nation-wide project.

It would prepare an action plan for 2012-13, Dr B. Venkateswarlu, Director of CRIDA who heads the initiative, said.

Dr Y P Abrol, noted climate scientist, expressed happiness at the progress and general direction of the programme so far.

The principal investigators, representing 21 leading research institutes in the country, are taking part in the workshop.

Several experts will critically review the outcome and advise the team leads on the future course of research this year.

About 150 scientists working on climate resilient agriculture will deliberate on the topic during the three-day event, a CRIDA press release said.

## Weather-based crop insurance for Maharashtra farmers

Pune, June 12:

The Maharashtra Government has allowed HDFC ERGO GIC Ltd to implement a pilot weather-based crop insurance scheme (WBCIS) for loanee and non-loanee farmers for Mrig Bahar in Kharif 2012. The crops to be covered are orange in Akola and Buldhana; guava in Jalna and Buldhana; and sweet lime in Aurangabad, Jalna, Nanded, Parbhani, Beed and Buldhana districts. The WBCIS offers insurance cover to the farmers against losses caused by aberrant weather conditions during the crop cycle. The claim amount will be settled on the basis of data taken from reference weather stations as mentioned in the scheme and managed by independent third party organisation.

## Salem, Erode to host agribusiness and commodity markets seminar

Mumbai, June 12:

A seminar on Investor Awareness and Education for agribusiness and commodities will be held at Salem on June 15 and at Erode on June 16 to discuss hedging and price risk management in commodity markets.

Representing National Commodity and Derivatives Exchange (NCDEX), Mr M.K. Ananda Kumar, Chief of corporate services and Mr V.V. Ganesan, Vice-President, will speak from a commodity futures exchange perspective and highlight the benefits of commodity futures trading for price risk management and as a vehicle for investment.

Mr G. Chandrashekhar of *Business Line*, will speak on 'commodities as critical driver of India's economic growth and need for hedging price risks'. Senior officials of State Bank of India will speak on the role of banks in commodity markets. They include Mr A.R. Ganesan, AGM, SBI Regional Business Office, Salem, and Mr G. Padmanaban, AGM, SBI Erode.

Organised by *Business Line* jointly with Forward Markets Commission, the commodity futures market regulator under the Union Ministry of Consumer Affairs and the NCDEX, India's largest agricultural commodity futures exchange, the seminar is part of a series of events intend to create awareness among stakeholders including those in physical market such as commodity processors, importers, exporters, local traders and intermediaries. The seminar will be held from 5 p.m. to 7 p.m. on Friday at Hotel LRN Excellency, Sarada College Road, Salem and on June 16 at Club Mellange, Perundurai Road, Erode.

Participation is by prior registration. For Salem please call 9443457133 and for Erode 9894614147 for registration.

### Cashew market steady on pick-up in demand



Kochi, June 12:

Cashew market was steady last week on some buoyancy after three weeks of declining trend.

Average prices were for W240 at around \$3.90; W320 at around \$3.50; W450 and SW320 at around \$3.35; Splits at around \$2.45; Pieces at around \$2.20 all an lb (fob). Business was done on both sides of the average but very limited transactions were reported although there was a fair amount of buying interest at the lower end of the range, according to trade sources in Mumbai.

Domestic market was also steady with some demand emerging as prices have come down by about 5 per cent from the peaks of early / mid May, Mr Pankaj N. Sampat, a Mumbai-based dealer told *Business Line*.

The outlook for the rest of the year continues to be hazy, he said. There are arguments for both sides – prices to drift lower and prices to move up. On the supply side, availability is reduced in

terms of crop size in some origins and kernel yields in others. Bulk of the Raw Cashew Nut (RCN) has been purchased at high prices.

### **demand**

On the demand side, there is concern about the extent of damage to demand on account of higher prices and tough economic conditions in the major importing regions. Since the 2012 supply factors are more or less known by now, the trend for the next few months will depend on what happens on the demand side.

The fact that not much business has been done for forwards is a double edged sword, Mr Pankaj pointed out. If the shellers are not able to hold on till demand comes in, they may well have to reduce prices if there is a need to move stock.

However, since bulk of the current crops has been purchased and there is no much replacement left to buy, there may not be much pressure unless demand is very, very slow.

On the other hand, if buyers need to buy significant volume to fulfil commitments or to make new sales, they may not get adequate cover unless they pay some risk premium to the large shellers for forwards, he said.

### **shipments**

As shipments are starting from Bissau, prices for Guinea Bissau came down to \$1,300-1,350 (c&f) range.

Prices for good quality Benin and Ivory Coast (IVC) are unchanged, but there are lower offers for lower yield parcels.

Some traders have reasonable stocks plus there will be some quantities available for inter-sheller trading but quantities with origin traders is now limited, he said.

Since large shellers do not have much forward sales, they will be in the market to sell whenever there is a spike in prices due to bunched up buying.

This selling interest and the concern about impact of higher prices on demand will put a cap on the price rise.

## Castleton tea fetches record price

Santanu Sanyal



Kolkata, June 12:

The produce of Darjeeling's Castleton tea estate belonging to the Goodricke Group has commanded highest price so far this year for Darjeeling tea.

In a private sale (Invoice DJ 93), organised here a few days ago by J Thomas & Company Pvt Ltd, the tea auctioneers, seven packages of Castleton tea (Grade Moonlight) totaling 56 kgs were sold at the rate of Rs 7200 per kg, entirely for exports. The buyer was D C Ghose & Company, the old tea trading and export house.

Meanwhile, the prime second flush produce of Halmari tea estate located in Moran district of Assam and belonging to Mr Sunil and Amit Daga, continues to attract high price. At the Sale Number 24 at the Guwahati auction on Tuesday (today), the Halmari offerings ( Grade BP, J Thomas catalogue), comprising 12 bags totaling 331 kgs, attracted a price of Rs 336 per kg, highest so far for Assam CTC tea. The buyer was Guwahati-based Prashad Tea House that bought the tea for its clients in Maharashtra. The previous highest price of Assam CTC, recorded last week also in respect of the produce ( BOP grade) of the same garden, was Rs 303 per kg.



At Tuesday's (today) auction at Guwahati, 11 bags totalling 303 kg of BOP grade of Halmari tea ( J Thomas catalogue) were sold at Rs 303 per kg, the last week's highest price. The buyer was Amit Ashish, a Guwahati-based tea trading firm, that bought the tea for its clients in Rajasthan.

## Mozambique team visits Coir Board

Our Bureau



Kochi, June 12:

To explore the possibility of getting technical expertise on coconut and value additions, a high level delegation from Mozambique visited Coir Board and Coconut Development Board offices here.

The delegation headed by Mr José Condugua António Pacheco, Minister of Agriculture, Republic of Mozambique, discussed various matters connected with the development of coir industry, coconut cultivation and the processing sector.

A presentation depicting various facets of the coir Industry was made before the delegation by Mr M. Kumaraswamy Pillai, director (marketing), Coir Board. The Board chairman, Prof G. Balachandran, explained the activities undertaken by the Board for the development of coir industry in the country.

The Chairman also agreed to extend all support to Mozambique government for the development of coir industry in that country with the approval of the Centre under bilateral agreement.

The delegation was impressed on the way of coir industry in India producing wide range of products out of coir and the presentation highlighted the tremendous potential for setting up of coir based industry in places where coconut husk are available.

The team members also appealed to the Government and Coir Board to extend maximum possible technical support for the development of coir industry in Mozambique.

During their visit at Coconut Development Board, the 8-member Mozambique delegation sought expertise for the mitigation of lethal yellowing disease (LYD) and control of rhinoceros beetles, prevalent in major coconut cultivating areas in Mozambique, replanting the coconut garden with disease-tolerant coconut varieties etc.

Mr T.K. Jose, chairman, CDB, made a presentation on activities and major schemes in which India and Mozambique can exchange their ideas for mutual benefit to achieve better results. The Chairman also assured to provide all technical services and support available with the Board to Republic of Mozambique.

Mr Inacio Maposse, director general of the Institute for Agricultural Investment of Mozambique, made a presentation on the coconut situation in Mozambique with a focus on major pests and diseases affecting the tree. He also pointed out that 30 per cent of coconut plantations in Mozambique are affected by LYD diseases.

### **Only 74% tea sold at Coonoor auction**

P. S. Sundar

Coonoor, June 12:

The falling trend in the percentage of absorption of the tea offered at Coonoor Tea Trade Association auctions continued this weekend with only 74 per cent of the 20-week high offer of 12.79 lakh in Sale No: 23 being sold against 89 per cent in the previous week.

Homedale Estate tea, auctioned by Global Tea Brokers, topped the CTC market at Rs 165 a kg. Vigneshwar Estate got Rs 160 and Shanthy Supreme Rs 151. In all, 162 marks got Rs 100 and more.

Among orthodox teas from corporate sector, Chamraj got Rs 230, Curzon Rs 229, Havukal Rs 174 and Kairbetta Rs 171. In all, 37 marks got Rs 100 and more.

“Orthodox leaf market eased Rs 2-4 a kg. High-priced CTC leaf lost up to Rs 10, while others, up to Rs 4. Orthodox dusts eased Rs 2-5. High-priced CTC dusts eased up to Rs 10 while others Rs 2-5,” an auctioneer told *Business Line*.

On the export front, Pakistan bought selectively in a wide range Rs 71-89 a kg and the CIS, Rs 67-95.

Quotations held by brokers indicated bids ranging Rs 67-70 a kg for plain leaf grades and Rs 120-150 for brighter liquoring sorts. They ranged Rs 70-76 for plain dusts and Rs 120-150 for brighter liquoring dusts.

### **Water level in Mettur dam at 79.26 feet**

PTi

Salem, June 12:

The water level in the Mettur dam stood at 79.26 feet against its capacity of 120 feet. Both Inflow and outflow were poor at 1158 cusecs at 1401 cusecs, respectively, and there was not enough water for release to delta areas, PWD sources said.

Last year, the storage level on the same day was 113 feet, they said.

### **Coconut oil gains on monsoon effect**

V. Sajeev Kumar



Prices in Kerala have gone up to Rs 59 per kg against last week's Rs 57 per kg. In Tamil Nadu also, the rates have moved up to Rs 57 against Rs 54.

Kochi, June 12:

Coconut oil prices in the Kerala market improved slightly this week, thanks to short covering from traders anticipating monsoon rains.

The prices in Kerala had gone up to Rs 59/kg against Rs 57 last week. The rates in Tamil Nadu also moved up to Rs 57 from Rs 54.

Mr Prakash B. Rao, Vice-President, Coconut Oil Merchants Association (COMA), said that usually traders expect the market to firm up during monsoon. In anticipation of that, short covering resulted in coconut oil prices going up, he said.

He said corporates are still not active in the market and are waiting for the market to decline further to start fresh buying. However, the supply of coconut decreased in the Kerala market while higher arrivals were reported from the Tamil Nadu markets. The supply of coconut oil and copra will be affected if the monsoon rains progress as on schedule, he said.

Copra prices moved up both in the Kerala and Tamil Nadu markets. The prices in Kerala stood at Rs 4,000 a quintal against Rs 3,800 quoted last week.

The prices in Tamil Nadu were ruling at Rs 3,800 (Rs 3,400 last week). The prices of edible oils, such as palm oil and palm kernel oil which are close substitutes of coconut oil, also fell this week due to rupee fluctuation against dollar.

Palm oil quoted at Rs 64/kg against Rs 72 last week, and palm kernel oil at Rs 70 against Rs 74 last week. Mr Bharat M. Khona, former Board Member, COMA, said that there is a slow tendency in the market to rise and the market is likely to stabilise in the coming weeks.

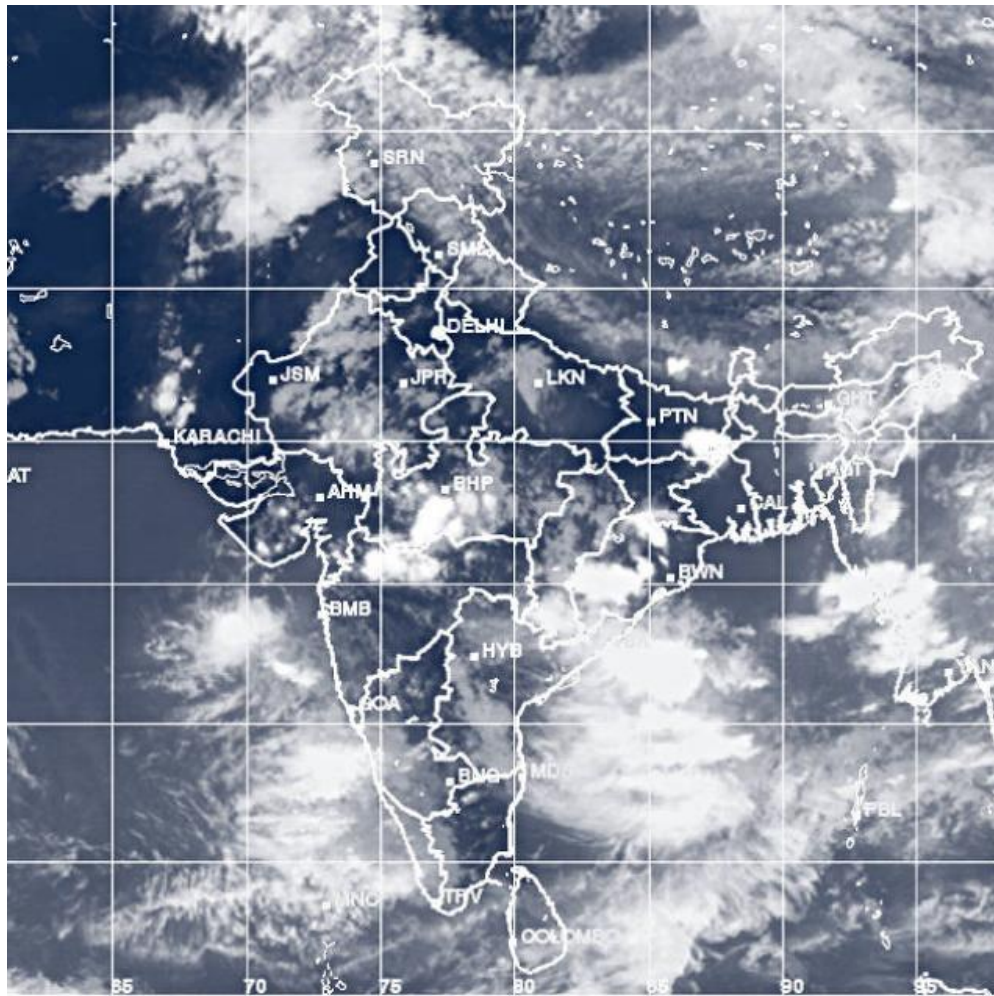
Mr Thalath Mahamood, President, COMA, reiterated the demand for commencement of copra procurement by government agencies for stabilisation of prices in the market.

However, the Coconut Development Board officials admitted that the farmers are not getting the benefit of minimum support price as copra procurement is moving very slowly.

As on May 18, Kerala procured only 742.54 tonnes and Tamil Nadu, 5,583.65 tonnes.

## Reviving monsoon may go into brief sulk yet again

Vinson Kurian



Thiruvananthapuram, June 12:

A partially revived monsoon is expected to last only 'for as long as' a crucial cyclonic circulation in west-central Bay of Bengal manages to.

The caveat is in order since the European Centre for Medium-Range Forecasts sees this circulation off Andhra Pradesh dissipating over the next two days.

### BRIEF LULL

This is now feared to bring another brief lull in monsoon activity; a fresh 'pulse' would materialise early next week.

India Meteorological Department (IMD) has forecast heavy rainfall at one or two places over Kerala, coastal Karnataka, Konkan and Goa during the next two days.

Rain or thundershowers would break out at a few places over coastal Andhra Pradesh and Telangana on Wednesday and increase thereafter.

An exactly similar outlook is valid for one or two places over interior Maharashtra, Orissa and Chhattisgarh as well.

#### HEAVIER ALONG COAST

The US National Centres for Environment Protection is of the view that interior peninsula may not make big gains from this pulse.

The heavier rains are likely to be concentrated along the west coast, the northeast and parts of east India.

Meanwhile, the northern limit of monsoon continued to be pinned down across the peninsula for more than a week now.

The IMD said conditions were now favourable its advance into entire central Arabian Sea and Konkan, parts of Madhya Maharashtra, interior Karnataka, Tamil Nadu and Andhra Pradesh during next three days.

#### STILL STUCK

The IMD cloud imagery showed convective clouds rising over parts north Andaman Sea, central and south Bay of Bengal and east-central and southeast Arabian Sea.

The offshore trough has sprung back to life but lay truncated from the Konkan to south Karnataka coast.

A helpful cyclonic circulation hovered over east-central Arabian Sea off the Konkan coast.

It is in fact this combination that is holding up the partially revived monsoon flows over the Karnataka and Konkan coasts.