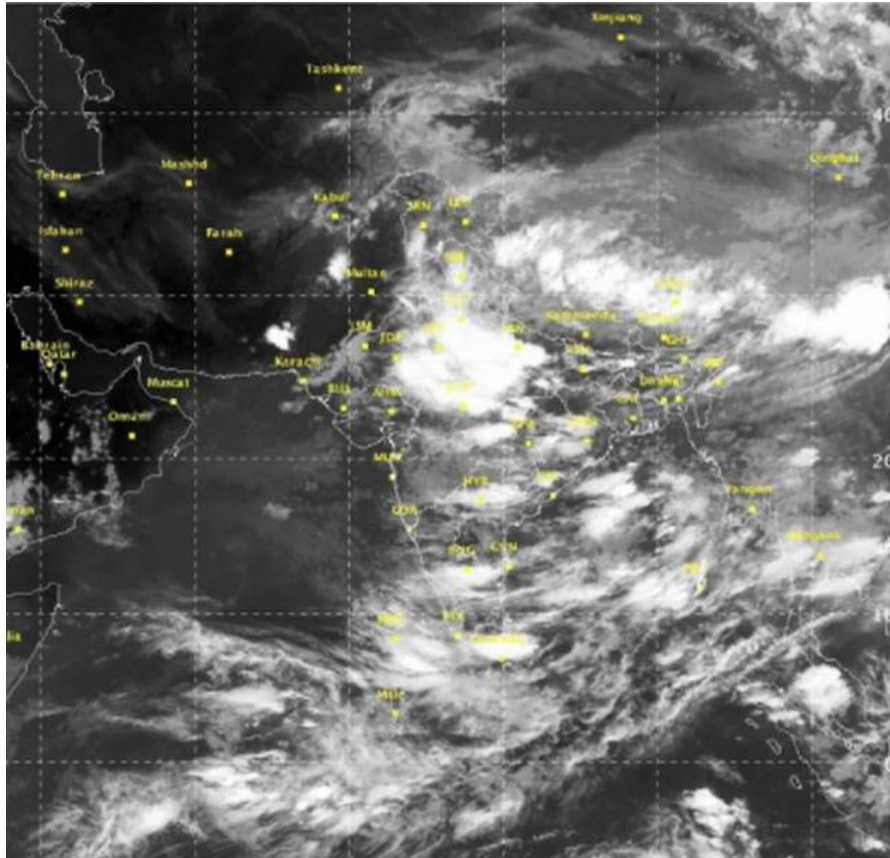


08.08.2017

THE HINDU BusinessLine

Rains confined to N-W, East India



An expected low-pressure area failed to materialise over East India but a preparatory cyclonic circulation is anchoring monsoon easterlies from the Bay of Bengal into the region.

It is in turn interacting with prevailing westerlies from the opposite side, triggering rainfall at a number of places over Himachal Pradesh in the North-West and over East and North-East India.

Rains for the North

Thunderstorms hovered over Haryana, Chandigarh, Delhi, West Uttar Pradesh and West Madhya Pradesh even as the causative cyclonic circulation is seen moving slowly into Uttar Pradesh and Delhi over the next couple of days.

Meanwhile, the East Coast from Andhra Pradesh to South Tamil Nadu has been brought under the cover of a helpful trough (an elongated low-pressure area), bringing rain to parts of the region.

An India Met Department (IMD) update said that thunderstorms developed over a stretch from Coastal Andhra Pradesh to Tamil Nadu and Puducherry.

An evening satellite picture showed clouds hanging over Ooty, Erode, Salem, Thiruvannamalai, Vellore, Kumbakonam and Tirunelveli in Tamil Nadu, Mysuru in Karnataka, and Kollam in Kerala.

Clouds along coast

Clouds were also spotted over Hyderabad, Kothagudem, Khammam and Warangal in Telangana, Eluru and Peddipalam in Coastal Andhra Pradesh, and a number of places in Odisha.

The enhanced activity over the East Coast of India and adjoining East India is generally associated with a weak phase of the monsoon. Normally, during an active monsoon, an offshore trough develops off the West Coast to anchor the rains.

Meanwhile, an IMD outlook suggests that a strong low-pressure area/depression forming over land over North India could signal a revival of the monsoon in another week's time. The system is shown as evolving over East India and travelling across Jharkhand, Madhya Pradesh, Gujarat and Rajasthan, bringing the whole of Central India and North-West India under a renewed spell of heavy to very heavy rain.

Good news for west coast

The 'low'/depression would also likely bring heavy rain to the West Coast, though the intensity of the rain would reduce towards the South over Coastal Karnataka and Kerala.

The US Climate Prediction Centre sees heavy along the entire stretch of the West Coast, while East and North-East India may share the spoils over the northern half of the country.

(This article was published on August 7, 2017)

Tea prices may see some buoyancy on flat output, rising export demand

India's tea production is likely to remain flat or witness a marginal dip in calendar year 2017 as compared to last year. The country produced 1,267.36 million kg (mkg) of tea in 2016, according to data available with the Tea Board of India.

All India production in June came down by nearly 3 per cent to 143.02 mkg. The drop was mainly on account of a lower crop in North India, which was down by nearly 5 per cent at 116.4 mkg.

Overall tea production in the January-June period of the current calendar year, however, increased by 4.51 per cent to 443.15 mkg over 2016 period.

According to industry experts, while it was a bumper crop in April and May, the flood in North India brought down production in June.



While crop production in July and August this year could be similar to last year, it could come down in September and November, the peak producing months for the crop. Nearly 65 per cent of the country's tea is produced between July and November.

“The production usually goes up or drops between September and November. This year Puja sets in earlier in September, which could herald an early winter. If that happens then the crop could be marginally lower than last year,” said Azam Monem, Chairman, Indian Tea Association.

According to CS Bedi, the flood in Assam has affected the crop. The Tea Board data suggests a 10 per cent drop in crop in the region for June. “Tea leaves require normal sunshine for growth. If this continues then pest attacks could drag down production to some extent,” he said.

Assam, Darjeeling weigh

In calendar year 2016, Assam produced 669.52 mkg of tea, nearly 63 per cent of North India's tea production (1054.51 mkg). During the January-June 2017 period, production of Assam tea was lower by nearly 3 per cent at 195.65 mkg (201.33 mkg in the same period last year).

With total output of 8.13 mkg, Darjeeling accounted for less than 1 per cent of the entire North India production. Unrest in hills has adversely affected the second flush teas, which account for almost 25 per cent of the total production. Output plunged 89 per cent to 0.14 mkg in June (1.33 mkg in June 2016).

According to J Kalyan Sundaram, secretary general, CTTA, there may soon be no Darjeeling tea on offer at the tea auctions. In sale 31, the last auction, only around 10,783 kg of tea was

sold, as compared to 88,314 kg a year ago. “Actual arrivals are dropping. No fresh arrival is happening,” he said.

Lower supply, better prices

The marginal drop in overall supply could help bring about some buoyancy in prices, which has not been in tandem with the demand-supply situation, experts said.

While prices have remained largely stagnant in the last three to four years, costs have gone up by nearly 8-10 per cent annually, exerting pressure on the profitability of bulk tea producers in recent years.

Higher exports

Meanwhile, demand for Indian tea in global markets has risen, with Kenya and Sri Lanka, the major exporters of bulk tea, witnessing erratic cropping patterns this year, said a report put out by ICRA.

While India exports only around 20 per cent of the tea produced domestically, it plays an important role in maintaining the balance between demand and supply and price levels.

“With the kind of shortage in Kenya, we expect exports of Indian tea to be better this year. This in turn will help improve prices,” said Jagjeet Kandal, Managing Director, Amalgamated Plantations.

Export volumes during the first four months of 2017 increased by around 5.7 per cent and realisations also witnessed a modest increase of 5.6 per cent, ICRA said.

“While the export performance in recent months is encouraging, the full-year performance will be determined by the volumes between June to August, when most of the export contracts are finalised,” said Kaushik Das, Vice President and Sector Head, Corporate Sector Ratings, ICRA.

“With the likelihood of lower tea production outside India in CY2017 and given the trend in international prices, the prospects for exports from India appear favourable,” he added.

(This article was published on August 7, 2017)

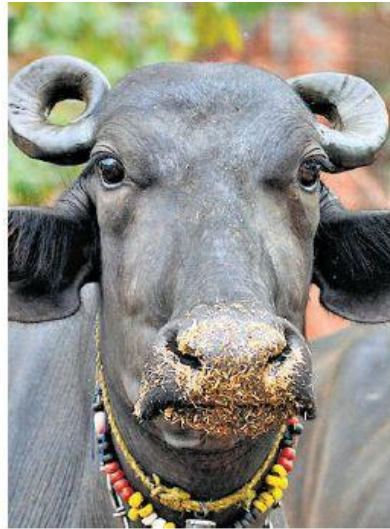
India maps FMD-free zones to unlock markets for buffalo meat

Multifold growth

How buffalo meat exports have risen over the past decade

Year	Quantity (tonnes)	Value (₹ crore)
2016-17	13,30,013	26,303.16
2015-16	13,14,161	26,681.55
2014-15	14,75,540	29,282.58
2013-14	13,65,643	26,457.82
2012-13	10,76,103	17,408.99
2011-12	9,84,957	13,741.11
2010-11	7,26,655	8,613.31
2009-10	4,90,396	5,481.43
2008-09	4,63,727	4,849.35
2007-08	4,84,494	3,560.61

Source: APEDA



Multifold growth

How buffalo meat exports have risen over the past decade

Year	Quantity (tonnes)	Value (₹ crore)
2016-17	13,30,013	26,303.16
2015-16	13,14,161	26,681.55
2014-15	14,75,540	29,282.58
2013-14	13,65,643	26,457.82
2012-13	10,76,103	17,408.99
2011-12	9,84,957	13,741.11
2010-11	7,26,655	8,613.31
2009-10	4,90,396	5,481.43
2008-09	4,63,727	4,849.35
2007-08	4,84,494	3,560.61

Source: APEDA

Once OIE certifies the disease-free areas, India will move to tap China, US, EU

The controversy surrounding sale of cattle for slaughter notwithstanding, the Centre is taking steps to expand the export of buffalo meat to countries such as China and the US, where the commodity is banned due to the existence of foot and mouth disease (FMD) virus in some places in India.

The Department for Animal Husbandry, Dairy & Fisheries has identified FMD-free zones across the country where there is scientific proof of the virus being absent and has sent the list to global standards body OIE for recognition, a government official told *BusinessLine*.

“We hope that once the OIE recognises the FMD-free zones, India can start exporting from such zones to markets such as China, US and the EU, which do not import from the country as certain strains of the virus still exist here,” the official said.

Although OIE guidelines lay down that export of meat, if de-boned, de-glanded and frozen under certain conditions, is safe even from FMD-afflicted areas, certain trade partners are not comfortable with the idea.

In fact, even after extended negotiations for lifting the ban on buffalo meat from India, a team of quality inspectors from Beijing refused to greenlight exports at the last minute as the country is still not free of the virus.

“With an OIE certification, there should be no doubt in the buyer’s mind that exports are indeed taking place from zones that do not have the virus and are totally safe,” the official added.

India is tied with Brazil as the world's top buffalo meat exporter, although exports remained almost static at \$4.2 billion in 2016-17.

Despite the ban on sale of cattle for slaughter in animal markets, exports of buffalo meat grew 4.3 per cent to \$849 million in the April-June 2017-18 period, compared to the same period last year.

Larger exporters unaffected

“The ban on cattle sale for slaughter mostly affected the small players and not the large exporters. Exporters have, therefore, not been hit,” the official explained.

The largest buyers of buffalo meat from India include Vietnam, Malaysia, Egypt, Saudi Arabia, Thailand, Iraq and the Philippines.

With the OIE certification, the Centre hopes to convince countries to lift the existing import bans and thus expand exports by another \$2 billion.

“The demand from China alone would be more than \$1 billion while the EU and the US also have great potential,” the official said.

(This article was published on August 7, 2017)