

## Farmers can pursue TNAU course from next month

Special Correspondent

*Through open education learning mode*



education matters:P. Murugesu Boopathi, Vice-Chancellor, Tamil Nadu Agricultural University, (centre) taking a look at the terrace garden at the TNAU-Anbil Dharmalingam Agricultural College and Research Institute near Tiruchi on Monday. G. Kathiresan (left), Dean of the college, is also in the picture.

TIRUCHI: The Tamil Nadu Agricultural University (TNAU) has conceptualised a three-year degree course 'Bachelor of Farm Technology' through its open education learning mode to educate and empower farmers over 30 years of age.

The course spread over six semesters will commence next month, P. Murugesu Boopathi, Vice-Chancellor, said on Monday

Addressing media persons after inaugurating a terrace garden at the TNAU - Anbil Dharmalingam Agricultural College and Research Institute here on Monday, Dr. Murugesha Boopathi said those with a minimum qualification of SSLC will be admitted to the course.

The syllabus for the first semester would focus on fundamental principles of agriculture such as soil health, contents of water, study on climate and application of organic nutrients.

In the subsequent semesters, the course would deal with advanced topics of agriculture, horticulture, home science and food processing techniques.

On conducting contact classes, the Vice-Chancellor said the TNAU's network in terms of research stations and Krishi Vigyan Kendras all over the state would facilitate students to attend contact classes in their nearest town. Ten contact classes would be held for each semester, he added.

#### Imported cane harvester

With a view to assist cane growers, the TNAU had imported a sugarcane harvester from China worth about Rs.1.50 crore.

Explaining its advantages, he said unlike the conventional practices, the harvester would cut both erect and lodged sugarcane by properly lifting them and chopping the green top.

The conventional method is to cut the sugarcane into pieces necessitating transport to sugar mills within eight to ten hours for ensuring higher sugar recovery. The harvester ensured both speed and quality in cutting process.

With a cutting capacity of 20 to 25 tonnes an hour, the harvester could be operated for about eight to ten hours a day.

The imported equipment will soon be assembled and put to operation, he said.

The Centre, under its National Agriculture Development Programme, had sanctioned Rs. six crore for the purchase of four harvesters, he added.

The TNAU was popularising the concept of roof garden and terrace garden among urban

masses. "It supports urban food production and reduces carbon-di-oxide emission."

G. Kathiresan, Dean of the College, said a wide variety of horticultural plants could be utilised for developing roof gardens. Horticultural crops of 'PKM-1' drumstick; 'PKM-1' tomato, brinjal; 'K2' chillies had been raised on the terrace garden in the college.

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### Farmers' support vital for food security: Swaminathan



**MSSRF Chairman M.S. Swaminathan (5th from left) with the panel members at an international conference on eliminating hunger and poverty in Chennai on Monday.**

CHENNAI: Farmers' wholehearted support and their economic wellbeing are vital for creating a sustainable food security system in the country, according to eminent agriculture scientist M.S. Swaminathan.

Wrapping up a session on food and nutrition security, held as part of a three-day conference on hunger and poverty here on Monday, he said those who expressed their views on the proposed national food security law should keep in mind the plight of farmers, who constituted two-thirds of the population.

### Statutory rights

Contrasting the Right to Food with other statutory rights such as the Right to Information, Dr. Swaminathan, who is the chairperson of the M.S. Swaminathan Research Foundation, said

that while the Right to Information Act could be implemented with the help of files, the Right to Food law could be implemented only with the help of farmers.

“Otherwise, you can [only] have a wishful thinking,” he told the delegates at the conclusion of the conference.

Describing the proposed law as the most complex legislation, Dr. Swaminathan counselled caution while enacting it. The debate on the legislation should not degenerate into calculating the below the poverty line and above the poverty line population.

The country's rich biodiversity should be capitalised for successful implementation of the food security law.

#### Coordination

Greater coordination among the Union Ministries of Agriculture, Health, Women and Child Development was necessary for not only saving money but also getting the maximum out of the important schemes of the Union government, he said.

Referring to the outlay of Rs.22,000 crore for the National Horticulture Mission, Dr. Swaminathan said that if the authorities had only included one home scientist with experience in nutrition in every district of the country, nutrition could be mainstreamed with the Horticulture Mission.

This would be the “horticultural remedy for nutritional malady.”

The Union Food Processing Ministry should see to it that food parks were set up where home science colleges were located.

Partha Das Gupta, principal adviser (agronomy), Syngenta Foundation for Sustainable Development, referred to a project being implemented in different States and said there was no one-to-one correlation between the average annual rainfall and high productivity.

The System of Rice Intensification by itself was not a magic wand; its success lay in proper implementation.

## Child under-nutrition

Victor Aguayo, chief, Child Nutrition and Development of Unicef, said the progress in child under-nutrition in India had been extremely slow. Comparing India with China and sub-Saharan African countries, he pointed out how India was behind the other nations in nutritional parameters.

He called for an improvement in breast-feeding practices, complementary food and feeding practices, feeding for children who were sick and/or undernourished and nutrition for adolescent girls and women.

Soumya Swaminathan, coordinator (Research for Neglected Priorities) of the World Health Organisation, explained how countries such as Mexico, Brazil and China were able to effectively tackle the problem of stunted growth.

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## Oil palm cultivators seek intervention scheme

L. Renganathan

KARUR: Upset with the strong dip in the oil palm fruit procurement price in the recent past, the oil palm cultivators in Tamil Nadu have urged the State Government to implement a market intervention scheme and offer a just price for their produce.

“The price of an oil palm bunch should be fixed at Rs. 5,000 a tonne if the farmers have to find viability in raising the crop. The crushing firm is also awaiting the word from the State Government on the pricing issue keeping the farmers on tenterhooks,” said Cauvery Delta Farmers Welfare Association Working president Mahadanapuram V. Rajaram. Oil palm cultivation has been carried out in the State since 1995 and governments have been extending subsidies to the tune of Rs.23,000 per hectare for three years. While there are numerous palm oil crushing units in Andhra Pradesh, Goa and Karnataka, there is only one unit in the state at Varanavasi in Ariyalur district. Though there are claims that more such units are to come nothing has come into effect yet.

Due to enormous import of palm oil, the price in the country that was reigning at Rs. 50,000 per tonne slid to Rs. 30,000 around the same time the following year. That had a cascading effect on the purchase price of the oil palm fruit, which is the raw material for palm oil. The crushing mills that were paying Rs.5 per kg reduced the purchasing price to Rs.4 a kg leading to an outcry from the oil palm growers. The State governments subsequently put a market intervention scheme to protect farmers' interests.

Seeking a similar remedy, the oil palm farmers in Tamil Nadu have been pressing the State government but so far their petitions had received the stock reply that their interests would be protected. Some oil palm farmers had even threatened to destroy their fields, vexed with the attitude of the authorities.

Following that the only palm oil producing company has come forward to pay Rs. 250 per tonne as incentive from July 2010 for the oil palm fruit bunches supplied by the farmers and the advances and the incentives would be adjusted against the final price that would be fixed by the State government, according to Mr. Rajaram who is also the Karur District Coordinator of Association of Oil Palm Farmers of Tamil Nadu.

He also noted that oil palm cultivators are looking up to the State government to fix a remunerative price for their produce by putting in place a market intervention scheme.

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### **Need for amending State Agricultural Council Act stressed**

THANJAVUR: The need for amending suitably the Tamil Nadu State Agricultural Council Act 2009 was stressed at a seminar on the Act organised by the Centre for Cauvery Delta Development Studies (CCDDS) here on Sunday.

Explaining the outcome of the seminar, S. Ranganathan, Chairman of CCDDS told The Hindu on Monday that the purpose of the seminar was to elicit clear ideas of various stake holders such as agriculture professionals, farmers including those who do organic farming and natural farming, agriculture officers both retired and presently working, research scholars from various Universities and colleges about the Act.

Participants clearly expressed that there is some misinterpretation of certain clauses of the Act among a section of farmers and people. They said that the definition of Agriculture Practitioner and Agriculture Professional need substantial clarification.

The Act aims to establish Tamil Nadu Agricultural Council which will have 20 elected members from among the registered agriculturists, five members from the faculty of agriculture and related education institutions like horticulture and forestry, two members from agriculture department, one member from horticulture and engineering and one agriculture entrepreneur. The council shall meet every quarter in a year.

There will be a secretary who will also act as a treasurer and will manage the affairs.

The council shall have an executive committee. The purpose of the council is to regulate agriculture practitioners. The council also has the power to withdraw the recognition granted to agricultural institutions if they are not in conformity with the regulations.

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## **Naveen accused of leaving farmers in the lurch**

*Demo held under the banner of Chasi Surakhya Abhijan*

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*75 per cent of lift irrigation projects lying defunct Fixation of Minimum Support Price demanded*

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BHUBANESWAR: Farmers' leaders, civil rights activists and intellectuals here on Monday came down heavily on Naveen Patnaik government for its failure to check farmers' suicides in the State.

A demonstration, which was coincided with August Kranti Diwas, was staged in front of the Governor's House demanding the highest priority be given to agriculture sector on which more than 80 per cent of population relied.

Addressing the gathering, Former Union Minister Braj Kishore Tripathy said although the

Naveen Patnaik government had been in power for three consecutive terms, agriculture had never been its priority.

“According to National Crime Bureau Records, between 2001 and 2008 as many as 2,611 farmers have committed suicide. The toll is going up with every passing day. Hundreds of tribals and dalits are being displaced in order to facilitate industries,” Mr. Tripathy said.

Similarly, veteran journalist Rabi Das said the State government was indiscriminately handing over surface and groundwater and forestland to industrial houses.

Leaders launched a scathing attack on the Naveen Patnaik government saying the State was the poorest State in the country, but in corruption related to mineral resources the State held top spot.

They alleged the volume of agricultural land had come down from 61.08 lakh hectare land to 56.04 hectare land and as per the understanding with industrial houses, the agriculture land would come down by 10 lakh hectare in 10 years.

“The poor state-of-the-affairs in agriculture sector could be gauged from the fact that about 75 per cent of lift irrigation projects were lying defunct.

Electricity being used for agricultural purposes had come down from 5.5 per cent to 1.3 per cent. Infrastructures for preservation of agriculture products are absent and seeds are not being provided in time,” said Mr. Tripathy.

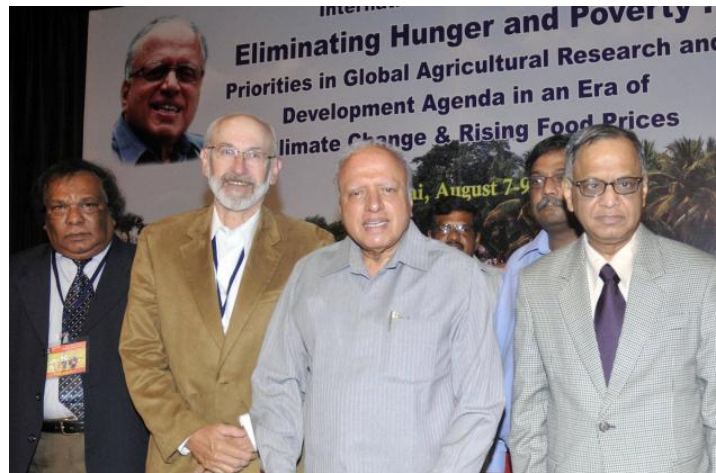
As per reports six farmers had committed suicide during past 45 days and many more farmers were on the brink of taking extreme steps, said Ziauddin Hidustani, a social activist who came from Kandhamal.

The demonstration, which was staged under the banner of Chasi Surakshya Abhijan, demanded special package for agriculture sector, fixation of minimum support price, no diversion of water meant for agriculture to industries and identification of every village as unit in insurance scheme.



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**“Fruits of progress have eluded the rural poor”**



K. Pichumani From Left: Rohan Rajapakse, Executive Director, Sri Lanka Council of Agri Res. Policy, Dennis P Garrity, M.S. Swaminathan, Chairman, MSSRF and N.R. Narayana Murthy, Chairman and Chief Mentor, INFOSYS Technologies Ltd at the International conference on Eliminating Hunger and Poverty in Chennai on Sunday. Photo:

"The message from this is that unless we do something quickly to alleviate the conditions of those who depend on agriculture, we will not be able to see inclusive growth," Infosys Technologies Chairman Narayana Murthy said

A higher order of political leadership, a transparent and accountable bureaucracy and activist citizen forums are imperative for effectively addressing hunger and poverty in India, N.R. Narayana Murthy, chairman and chief mentor of Infosys Technologies, said on Sunday.

Addressing a policy forum at the international conference on "Eliminating hunger and poverty" hosted by the M.S. Swaminathan Research Foundation (MSSRF), Mr. Murthy said the dark side of India's growth story had been that fruits of progress in terms of GDP growth, rising exports or global recognition had not touched the rural poor dependent on agriculture for a livelihood.

While over 65 per cent of the population was dependent on agriculture, the sector's

contribution to GDP had come down from 30 per cent in 1990 to about 18 per cent now. “The message from this is that unless we do something quickly to alleviate the conditions of those who depend on agriculture, we'll not be able to see inclusive growth,” Mr. Murthy said.

As policy options, Mr. Murthy advocated measures to make agriculture more remunerative even while reducing the proportion of people dependent on agriculture for a livelihood. Evolving a form of market-driven pricing mechanism for farm products was the key to creating revenue pathways for small farmers. It was also important to frame policies that exempted the rich and targeted the poor through direct subsidies, he said.

Chairing the session, Dennis Garrity, who chairs the Global Steering Group of the Alternatives to Slash and Burn Partnership for the Tropical Forest Margins, said the experience of some poor countries in policy formulation and effective implementation for food security provided much to learn for other countries.

Bui Ba Bong, Minister for Agriculture, Vietnam, outlined his country's transition from a grain-deficit situation to becoming the world's second biggest exporter of rice. Farmers' right of land possession, opening up of the economy, investment in rural infrastructure and technology production and transfer were the important features of Vietnam's “Doi Moi” policy, he said.

Citing small farm sizes, low profit from rice production and climate change consequences as among the challenges in food security, Mr. Bong said raising farm incomes and technology upgradation in agriculture were among the key measures to achieve food security.

Rohan Rajapakse, Executive Director, Sri Lanka Council of Agricultural Research Policy, said the government was engaged in several measures to strengthen agriculture, which was the lifeline for 70 per cent of the nation's rural population, contributed 12 per cent to the GDP and made up for 32 per cent of employment. The government's tax policy, fertilizer subsidy and building market linkages were central to “Mahinda Chintana” scheme that set a 10-year framework for a stronger agricultural sector.

C. R. Rajendran, Principal Director, Asian Development Bank, said the bank had devised an operational plan to address the major issues of availability, accessibility and utilisation in the region. “Productivity, connectivity and resilience are the pillars of the plan,” he said.

M.S. Swaminathan, chairman, M.S. Swaminathan Research Foundation (MSSRF), said public policy, farmers' enthusiasm and technology transfer were fundamental to strengthening agriculture. The national policy on farming had, three years ago, shifted emphasis from production to raising net farm incomes.

Reversing the paddy and poverty paradigm was vital to addressing the challenge of retaining farmers in agriculture and attracting youth to the occupation. "For youth to become interested in agriculture, farming has to be intellectually stimulating and economically rewarding," he said.

MSSRF scientist V. Selvam was convenor of the session.

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#### **'EU 2010 harvest to remain stable despite flood and drought'**



AP Cereal crops burn in Russia after weeks of searing heat and bad droughts. File photo

Cereal harvests in the European Union are set to remain stable this year and crop yields are likely to rise despite droughts and flooding hitting many parts of Europe, experts in Brussels said Wednesday.

The first half of 2010 saw weather turmoil, with blizzards, floods and droughts spreading across Europe. But European Commission experts say that that bad weather was matched by

unusually good weather in other areas, meaning that overall production should not suffer.

The tonnage of cereal produced per hectare this year is likely to be 5 per cent above the five-year average, and 0.7 per cent above last year's figure, experts in the EU executive predicted.

However, the amount of land used for cereal cultivation fell by 3 per cent compared with 2009, meaning that total output should be on roughly the same level as last year, the forecasts said.

The forecasts predict that Spain, Latvia, Lithuania, Romania and Bulgaria should all enjoy bumper wheat and barley harvests, with only drought-stricken Greece and Portugal seeing below-average yields.

But experts stressed that their forecasts were based on data gathered before July 10, and that later droughts and floods could therefore change that picture.

"The problem with agricultural forecasts is the weather, because we don't know what's going to happen," commission agriculture spokesman Roger Waite said.

The commission report did not attempt to predict how the likely crop yields would affect grain prices. Russia, one of the world's top grain exporters, is currently enduring the hottest and driest summer in 130 years, with devastating effects on its crops - something which is expected to push grain prices higher.

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### **Wheat futures decline marginally**

Wheat futures prices eased marginally by Rs. 3, or 0.23 per cent, to Rs. 1,287.40 per 100 kg today after speculators reduced their positions driven by government's plan not to impose import duty on the grain.

However, expectations of increased export to Asian countries as a drought ridden Russia temporarily stopped exports.

At the National Commodity and Derivatives Exchange counter, wheat for delivery in October

contracts fell by Rs. 3, or 0.23 per cent, to Rs. 1,287.40 per 100 kg, with an open interest of 11,180 lots.

Similarly, the delivery of September contracts drifted by Rs. 1.60, or 0.13 per cent, to Rs. 1,270 per 100 kg, with an open interest of 26,900 lots.

The grain for delivery in August contracts fell by Rs. 1.20, or 0.10 per cent, to Rs. 19,330 per 100 kg in an open interest of 19,330 lots.

Analysts attributed the fall in wheat futures prices to the government's plan of not imposing duty on wheat import as of now but experts speculate it may allow more export to Asian countries after drought hit Russia temporarily halted exports.

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*By AP*

*09 Aug 2010 10:56:25 AM IST*

### **Wheat rots in India as world prices at 2 yr high**

MUMBAI: A wheat stockpile in India that could feed 210 million people for a year is starting to spoil because the government lacks enough warehouses to store it — a lightning rod for local discontent that could send ripples through the world market for the grain.

According to a government estimate obtained by The Associated Press, 17.8 million metric tons of wheat are exposed to the elements — stored outdoors, under tarps in India's pounding monsoon rains. The wheat could alleviate hunger in a nation where one in two children are malnourished. Instead it is going to the dogs. As it wastes, it promises to drive global wheat prices, up 78 percent since June, even higher.

The government, faced with options more unpalatable to it than rotting food, has been letting the mountain of wheat grow. Exporting the grain would be politically explosive because food inflation has been in the double digits for months. The government buying less wheat from

farmers in a country where over half the population makes its living off the land is equally untenable. Selling more at subsidized prices to the poor is off the table because it would add to a swelling fiscal deficit.

"The government is acting like the biggest hoarder," said Biraj Patnaik, a principal adviser to the Supreme Court on right to food issues. "It's unconscionable and unacceptable," he said. He says that wheat — about 30 percent of the country's total grain reserves — could feed some 210 million poor Indians for a year.

He calculates that the government has spent about \$5.5 billion on the wheat it now leaves out in the rain.

"You're going to end up losing as much money on food grains that go bad than the subsidies would incur if they distributed it to the poor," he said. "It's completely irrational and illogical not to distribute it right away."

Siraj Hussain, the chairman of the Food Corporation of India, which manages distribution, declined to comment Friday, saying he is prohibited from speaking to the media while Parliament is in session.

The impact doesn't stop at India's borders.

Global wheat supplies have been squeezed by drought and fires in Russia, heavy rains in Canada and locusts in Australia. Russia's decision this week to ban exports rocketed wheat prices to a two year high.

September contract wheat was trading at \$7.91 a bushel Friday, up 78 percent from a June 9 low of \$4.44 per bushel. "If it continues at this rate, we may have it doubling," said Jason Britt, president of Central States Commodities Inc., a brokerage in Kansas City, Missouri.

The 17.8 million metric tons of wheat, which is almost as much as France consumes in a year, and now beginning to spill from wet sacks in India is counted as part of global wheat stocks. If it rots it could drive prices up further because it would register as a decrease in global stocks, even though it is not intended for export, Britt said.

India is the world's second largest producer of rice and wheat, but it tightly controls exports. In 2007 it banned exports of wheat and non-basmati rice, except for humanitarian purposes.

If India decided to export its languishing stock — a politically unlikely scenario — it could help cool prices in a jittery global market.

"That would most definitely in my honest opinion put the brakes on a rally for the moment," Britt said. "When you're talking about supplies tightening as rapidly as they are, that could have a fairly sizable difference on the psychology of the market."

By next March, the government expects to be stocking more than twice the amount of food grains as prescribed by food security norms, according to the document obtained by The AP. The amount of grain stored outside has nearly doubled in the last two years.

The northern states of Haryana and Punjab, India's grain basket, have 173,668 metric tons of wheat that's been sitting under tarps for three or more years, and another 5.0 million metric tons is now being pummeled by its second monsoon, according to the document.

All that grain — by itself enough to feed about 60 million poor Indians for an entire year — is unlikely to be edible for long. Punjab state officials have admitted that 49,000 metric tons of wheat is already unfit for human consumption.

India's Hindustan Times newspaper first exposed the government's storage shortfall late last month.

Meanwhile, an estimated 80 million to 200 million Indians go to sleep hungry each night, and high food inflation is a messy political issue.

Opposition parties have staged debilitating strikes over prices, and shut down parliamentary debate all last week demanding an immediate discussion of spiraling inflation.

The Food Corporation of India maintains that it cannot distribute grains to the needy because states don't have enough local storage capacity. Already overstuffed state warehouses haven't even been able to take adequate rat control measures.

In recent weeks, the government has decided to release more subsidized rice and wheat to the states, but it's unclear whether it will end up in people's stomachs.

Only about a quarter of subsidized rice and wheat allocated to the states from January to May was actually distributed, according to the document.

Government officials have said they plan more storage space, and India plans to boost humanitarian grain exports.

But critics say that's too little too late. A growing chorus is calling on India to throw its food chain open to greater foreign investment, a politically contentious step they believe would increase efficiency and lower prices.

P.M. Sinha, a former PepsiCo executive who chairs the agricultural committee of FICCI, a business lobby, is pushing for tax and bank lending incentives to encourage private-sector development.

The problem now, he said, is that the government doesn't pay warehouse owners enough rent — meaning there's no incentive to build new warehouses.

The Ministry of Commerce says it will cost 76.9 billion rupees (\$1.7 billion) to build the

additional 35 million metric tons of food storage India needs.

In a July paper, it suggested that loosening restrictions on foreign investment in India's retail sector — where big corporations like Wal-Mart, Carrefour and Tesco are barred from selling directly to consumers — could be the best way to get more storage space built.

Yet others think that is a very bad idea, for India's millions of small shopkeepers as well as its poor.

"The government can absorb losses on food," said Patnaik, the Supreme Court adviser. "The private sector cannot. They have no intention to keep prices down."

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## THE ECONOMIC TIMES

### Food min extends sugar sale deadline for domestic millers

9 Aug 2010, 2223 hrs IST, Prabha, ET Bureau

NEW DELHI: The food ministry has extended the period for domestic millers to sell sugar from the July quota upto August 31. The decision was taken

in response to pressure from the industry, which has been pleading for additional time on the contention that sugar price has fallen below production price and that offtake was exceptionally low. Bulk consumer offtake in particular was especially low, millers said.

Justifying the decision, a government official said "After all, millers did import sugar at high prices to meet an estimated shortage of the essential commodity within the country at the time. Besides, stock holding limits imposed on bulk consumers worsened the situation for them after estimates were reworked upward."

In fact, in the third week of July, millers decided to hike ex factory price by 4% in order to keep production price on an even keel. However, traders approached the food ministry against this move which they dubbed "price cartelisation" for an essential commodity. Subsequently, the food ministry released a record free sugar quota of 17 lakh tonnes for



the month of August in a bid to checkmate the cartelisation attempts, besides giving mills time only until the end of July to sell their July free sale sugar quota.

The developments boosted sugar price per quintal by close Rs 200 initially and traders expressed the apprehension that retail prices could go up by Rs 3/kg. Production prices, according to industry, dropped subsequently on account of the huge August quota which increased open market supply and reduced offtake.

However, wholesale prices by August 4 bounced right back to the same level as on July 24, after industry cartelisation boosted wholesale prices by Rs 50/qlt in just one day. Traders said that festival demand was pick up sales and the pace would pick up further.

According to government rule, sugar millers are to complete non levy sugar sales target within a month. Despite this, the food ministry has decided to extend the time limit for millers to sell the July free sale sugar quota. An official said that the decision was taken because the government was convinced of the millers's argument regarding bulk consumers.

After the Centre imposed stock holding limits to curb the rising prices of sweetener that touched nearly Rs 50/kg in January this year, bulk consumers started to meet their requirements through imports. The food ministry's stock holding limit prevented bulk consumers from stocking more than 15 days of their requirement.

irms up on seasonal demand, silver gains

### **Wheat almost steady; bumper crop offsets exports**

9 Aug 2010, 1420 hrs IST, REUTERS

MUMBAI: India's wheat futures were almost steady on Monday afternoon as bumper output and stocks offset market talk of increasing exports to Asian neighbours as a drought forced Russia to temporarily halt shipments, analysts and trade said. The September wheat contract on the National Commodity and Derivatives Exchange was down 0.13 percent at 1,270 rupees per 100 kg at 1:18 p.m.

Three traders said there is a likelihood of India allowing more exports to Asian buyers as Russia's absence from the overseas markets will boost prices. Russia is the world's third biggest exporter of wheat. U.S. wheat futures gained about 25 percent in the previous week as Russia's move to temporarily halt grain shipments sparked a buying frenzy.

"India may release more grains to neighbouring countries like Bangladesh.... they have already started the process," said an executive with a multinational trader. India has allowed the export of 300,000 tonnes of non-basmati rice and 200,000 tonnes of wheat to Bangladesh, a government statement said on Friday, as good rainfall and higher planting have boosted crop prospects.

India, which curbed grain exports in recent years to head off domestic price rises, made the announcement after two global suppliers cancelled deals to ship some 65,000 tonnes of Black Sea wheat to Bangladesh after Russia curbed grain exports.

Bangladesh, the world's fifth-biggest wheat importer, is expected to buy more than 3 million tonnes of the grain this year against 2.2 million tonnes the previous year. Trade expects India to allow up to 3 million tonnes of exports by end of December to manage stocks. "Even if India increases exports the price may not rally sharply as we have massive stocks and expect a record production," said an analyst with Agriwatch Research.

Food Corp of India had stocks of 33.58 million tonnes of wheat as on July 1, against buffer norms of 17.1 million tonnes, government data showed. The U.S Department of Agriculture estimated India's wheat output at 80.7 million tonnes, in a report released on Tuesday, while the Indian government estimated it at 80.71 million tonnes, a record harvest.

## **Pepper set for a breather after bull run**

9 Aug 2010, 1307 hrs IST,REUTERS

MUMBAI: Indian pepper, up nearly 40 percent since January, has been priced out of the export market while domestic demand stays weak, through industry officials pin some hopes on a festival fillip from later this month. Vietnam, Brazil and Indonesia are major overseas competitors and Indian prices are 10-12 percent higher than them, industry officials said.

In Kochi, a major trading hub in Kerala, spot prices have risen nearly 37 percent since the beginning of the calendar year on lower stocks, National Commodity and Derivatives Exchange data (NCDEX) showed. "The bull run is over now. Overseas demand has come down significantly as other countries are offering much cheaper," said Jojan Malayil, CEO, Bafna Enterprises, a Kochi exporter.

"Prices may fall to 178-180 rupees per kg in coming months as India has negligible chance of a comeback on the export front again." In India, the third largest pepper producer in the world after Vietnam and Indonesia, the crop sown in May-June is harvested from December to February. "Indonesia is quoting lower as it is the arrival season there. August contract may fall by 700-800 rupees from the current levels of 19,100-19,200 rupees per 100 kg," said Nalini Rao, analyst with Angel Commodities, predicting the fallout on derivatives trade.

Nearly stagnant output in the last 3 years has seen imports climb and exports decline. In 2009-10 India's estimated pepper imports jumped 63 percent to 17,500 tonnes, while exports fell 22 percent to 19,750 tonnes. India's pepper exports fell 5 percent to 4,650 tonnes in April-June 2010 from the same period a year ago.

Kerala is India's leading pepper-producing state, contributing around 96 percent of total output, followed by Karnataka.

## **FESTIVE FILLIP**

Despite bracing for a slackening, the festive season beginning later this month and extending till October, is likely to boost domestic demand.

"A bounceback is likely after some correction in the market on local demand amid a squeeze in supplies," said Manikant Khona, a trader from Kochi. India's pepper output in 2010 is expected around last year's levels, a Reuters poll of eight traders, exporters and analysts showed in January. Rainfall in Kerala was 37 percent more than normal in the week ended August 4, helping proper growth of pepper vines in the state, India's biggest producer.

### **Soyoil hits new highs on demand, palm oil**

9 Aug 2010, 1427 hrs IST, REUTERS

MUMBAI: Indian soyoil futures extended last week's gains to fresh contract highs on Monday afternoon, tailing firm global markets and good buying in domestic spot markets. A revival of meal exports also buoyed soybean and rapeseed, analysts said. "Cost of imported oil is increasing day by day... stockists demand has also increased keeping in mind the string of festivals in the coming months," said an analyst at Religare Commodities Ltd.

Malaysia crude palm oil futures soared at midday on Monday to hit a seven-month high on strong demand from China and concerns that dry weather in the United States may stunt oilseed rival soybean crops.

Demand for edible oils usually goes up in India during August-October period due to holy Muslim fasting month Ramadan and Hindu festivals like Ganesh puja and Diwali. U.S. soybean futures were up 0.76 percent at 1:45 p.m. September soyoil on India's National Commodity and Derivatives Exchange (NCDEX) was up 1.75 percent at 517.95 rupees per 10 kg, after hitting a contract high of 519.3 rupees.

In the Indore spot market, soybean jumped 33 rupees to 2,108 rupees per 100 kg, while soyoil rose 6.55 rupees to 504.3 rupees per 10 kg. The September soybean on NCDEX jumped 1.47 percent to 2,180 rupees per 100 kg. India's July oilmeal exports rose over a third from a year earlier, reversing the falling trend of the last eight months as a weaker currency helped boost sales to China, Japan and South Korea.

The country's soymeal exports surged 186 percent to 166,632 tonnes in July. September rapeseed edged up 0.27 percent to 564.75 rupees per 20 kg. In the Jaipur spot market in Rajasthan, the country's top rapeseed-producing state, the price rose by 3.25 rupees to 555.05 rupees for 20 kg. Gains were, however, capped by higher acreage under oilseeds and favorable weather, which have boosted hopes of better output this season, analysts said.

## Business Standard

Tuesday, Aug 10, 2010

### Wheat prices slide again

Reuters / August 10, 2010, 0:52 IST

US wheat futures fell 4.3 per cent on Monday, extending their losses to nearly 12 per cent in two sessions as traders take profits from a near-doubling in prices in just over a month.

With a key US Department of Agriculture stocks and production report out on Thursday and the impact of a Russian decision last week to ban exports still to be felt, the market looks set for another volatile week.

“Obviously the market is very unsure as to where it needs to be trading,” said Malcolm Bartholomaeus, a market analyst.

Chicago Board of Trade wheat for September delivery dropped 4.34 per cent to \$6.94-¼ per bushel by 0300 GMT, adding to a 7.6 per cent fall on Friday. The December contract dropped 4.01 per cent to \$7.25.

December wheat jumped to \$8.68 on Friday, the highest price since August 2008, after Russia suspended grain shipments on Thursday due to its worst drought in over a century.

## Flour mills may stop wheat imports on soaring prices

Bloomberg / August 10, 2010, 0:52 IST



Bread and cookie makers in India, the second-biggest wheat producer, may stop buying from Australia and Ukraine as global prices surged to a 23-month high after a heat wave slashed the harvest in Russia.

Flour mills, which planned to import 300,000 tonnes in the year ending March 31, will source part their requirement from the local market, M K Dattaraj, former president of the Roller Flour Millers Federation of India, said in an interview.

Millers in southern states that rely on supplies from producing states in central and northern regions bought about 50,000 tonnes of Australian prime wheat in the three months ended June 30 through ports in Tuticorin and Kochi as the grain was \$20 cheaper than the local equivalent, Dattaraj said. The same wheat is \$50 more expensive now, making it unprofitable for Indian processors, he said.

“International prices have gone up so much, now there is no parity at all,” Dattaraj said today. “It’s not possible at all to import now.”

Wheat has advanced 34 per cent this year as a heat wave in Russia, dry weather in Kazakhstan, Ukraine and the European Union and flooding in Canada hurt crops. Russia banned grain exports from August 15 to the end of this year amid the most severe drought in at least 50 years.

### **Domestic boost**

Increased purchases by flour mills in the local market may boost domestic prices. Wheat for August delivery has fallen 5 per cent from a six-month peak on June 12 on the National Commodity and Derivatives Exchange. India in June said it will sell 5 million tonnes in the open market to cool prices.

“If demand comes suddenly, traders may raise the price,” said R K Garg, president of Roller Flour Millers Federation of India. The price gain will be marginal as India has enough stocks, he said.

### **Sugar firms face a problem of plenty**

Sanjay Jog / Mumbai August 10, 2010, 0:47 IST



Call for allowing exports, tariff protection, removing curbs on futures trading.

The sugar industry is facing a problem of plenty. Initial estimates indicate all-India production in 2010-11 in the range of 25-28 million tonnes, due to good monsoon and excess cane production.

The industry is worried at the prospects of a drastic fall in sugar prices, increased interest burden and lack of storage. Industry sources told Business Standard, “At the beginning of the

crushing season (October), there will be a sugar stock of 9.4 million tonnes, comprising carryforward stock of 3.5 mt, five mt raw sugar imports and 0.9 mt of refined sugar already procured. The stock would increase to more than 11 mt after the crushing season.”

Sources at the Federation of Cooperative Sugar Factories Association said mills would have to tackle a major storage problem in the wake of the rise in production. “Sugar bags either will be stored in the open or in rented godowns. Ultimately, mills will have to incur additional expenses for additional storage. And, there will be an interest burden of Rs 200 per unsold bag. This will put pressure on the finances.”

Federation sources said the Centre needed to act fast and impose a 60 per cent duty on sugar imports, besides creating a buffer stock of five mt. Exports would have to be promoted to take advantage of global prices, they said.

A representative of the Indian Sugar Mills Association, who did not want to be quoted, said the government needed to formulate a long-term policy on export and import of sugar, instead of the present “hotchpotch policy”.

Yogesh Pande, founder-president of the Maharashtra Sugar Brokers and Merchants Association, made a strong pitch for immediate commencement of exports. “Otherwise,” he said, “The situation will become precarious. The industry is expecting huge production, amounting to 27-28 million tonnes. This may rise further. We will end the next season with a huge surplus.”

Since traders are expecting surplus production, he said, the situation would be similar to three years earlier, when prices were Rs 1,100-1,200 per quintal against the current price of Rs 2,250-2,300 per quintal. That dip in prices had forced the industry to export sugar at Rs 900-1,000 per quintal. Subsequently, the government had to give a subsidy for these.

Pande also suggested the Centre remove restrictions on futures trading, stock limits and licensing.

**High global prices may reduce India's wheat import by 37%**

**Press Trust of India / New Delhi August 9, 2010, 17:34 IST**





India's wheat imports may decline 37 per cent to 1,00,000 tonnes this fiscal because of high global prices that have surged on supply concerns in Russia, where a severe drought has hit the crop, trade experts said.

Russia has decided to ban wheat exports from August 15. It produces roughly eight percent of the world's wheat supply and exports about 11 per cent of the global export.

"Earlier, we had pegged wheat imports at 2 lakh tonnes. But now looking at the global price situation, I think imports could touch one lakh tonnes maximum this fiscal," Roller Flour Mills Federation ex-President M K Dattaraj said.

Last fiscal, the country imported 1,58,000 tonnes of wheat, which attracts zero import duty. Flour mills import high protein variety of wheat, mostly from Australia, for making cookies and breads.

Dattaraj pointed out that wheat imports are not feasible at this point of time as global prices have skyrocketed in the last few days because of the development in Russia.

Nearly 50,000 tonnes of wheat has been imported so far this fiscal, while another 50,000 tonnes is in pipeline, he said, adding that more contracts are unlikely.

Wheat Products Promotion Society member Vinod Kapoor was also of the view that there could be some drop in imports if prices continue to be high in the coming days.

"Global prices at the Chicago Board of Trade (CBOT) have risen sharply on anticipation that global supplies might get affected due to crop loss in Russia following drought and wildfire," Kochi-based commodity brokerage JRG Wealth Vice President and Head (Research) Harish G said.

At CBOT last week, prices of the most active September wheat contract touched a high of 841 cents per bushel (a measure of capacity equivalent to 8 gallons), which was up 27 per cent, compared to 661.5 cents in the previous week, he added.

India, the world's second biggest producer of wheat, had produced 80.71 million tonnes in

2009-10 crop year (July-June).

### **Cotton processing unit at Digapahandi**

**BS Reporter / Kolkata/ Berhampur August 10, 2010, 0:51 IST**

A ginning and bale processing unit of cotton will be established in the cooperative sector at Digapahandi in south Orissa's Ganjam district at a cost of Rs 1.2 crore.

This was announced by the officials of the Regulated Market Committee (RMC) while the Chief Minister Naveen Patnaik inaugurated the market yard at Digapahandi for the cotton farmers.

The market yard spread over 6.15 hectares (15.19 acres) of land, is being established under the Technology Mission for Cotton (TMC) under the Union ministry of textiles.

Around Rs 3 lakh is being spent on the development of the market yard. While the TMC had sanctioned Rs 1.50 lakh, the remaining amount would be met from the Rashtriya Krushi Vikash Yojana (RKVY) and RMC.

The market yard will facilitate the cotton farmers in Ganjam district to market their products, the chief minister said while inaugurating the yard. The market yard has all infrastructure facilities including two godowns, each with a capacity of 500 tonnes, as well as cover shed, testing and training facilities for the farmers.

The Kendriya Vidyalaya Sangathan under the Union ministry of human resource development (MoHRD) has decided to open eleven more central schools in the state from this year.

The Union Cabinet's Committee on Economic Affairs (CEA) has recently cleared the proposal for setting up 107 new Kendriya Vidyalayas across the country during the remaining part of the Eleventh Plan Period (2007-12).

### **Gur chakku up in Delhi, khurpa gains in Muzzafarnagar**

**Press Trust of India / New Delhi August 9, 2010, 17:28 IST**

Gur chakku prices strengthened by Rs 100 per quintal in the national capital today on emergence of buying support amid restricted supply.

Muzzafarnagar gur market also showed a rise of Rs 50 in gur khurpa prices on fresh buying support.

Marketmen said pick up in demand along with restricted supply mainly caused the rise in gur chakku and khurpa prices.

In Delhi, gur chakku rose from Rs 2800-2900 to settle at Rs 2,900-2,950 per quintal.

Turning to Muzzafarnagar, gur khurpa gained from Rs 2,550-2,650 to Rs 2,550-2,700 per quintal.

Elsewhere, other gur varieties in delhi, muzzafarnagar and muradnagar ruled flat on some support.

Following are today's quotations in Rs per quintal:

Chakku Rs 2,900-2,950, Pedi Rs 3,000-3,100 and Dhayya N.T., shakkar Rs 3,100-3,200

In Muzaffarnagar: Raskat Rs 1,950-2,000, chakku Rs 2,550-2,700 and Khurpa N.T. In Muradnagar: Pedi 2,850-2,900 and Dhaya N.A

### **Turmeric, jeera up on stockists buying**

**Press Trust of India / New Delhi August 9, 2010, 17:23 IST**

Turmeric and jeera prices rose by Rs 100 per quintal each in the national capital today on fresh buying by stockists as well as retailers.

Tight stocks position as stockists held back stocks in anticipation of better prices also influenced the prices.

Turmeric prices rose by Rs 100 to conclude at Rs 16,100- 19,300 per quintal.

Jeera common and jeera best quality also traded higher at Rs 13,900-14,200 and Rs 15,100-15,600 against previous closing of Rs 13,800-14,100 and Rs 15,000-15,500 per quintal, respectively.

Traders said sentiments turned better following pick up in domestic demand against restricted arrivals, attributing rise in turmeric and jeera prices on the wholesale kirana market here.

Following are today's quotations (per quintal):

Ajwain 14,000-19,000, black pepper common 20,500-20,700, betelnut (kg) 85-105, cardamom brown-Jhundiwali (kg) 775-780 and cardamom brown-Kanchicut (kg) 850-950

Cardamom small (kg): Chitridar 1,200-1,330, cardamom (colour robin) 1,350-1,365, cardamom bold 1,370-1,380, cardamom extra (bold) 1,560-1,580 and cloves (kg) 320-400

Chirounji (new) (kg) Rs 410-450 Dry mango( raipur) Rs 6,000-8,500 Dhania Rs 3,400-8,500 Dry ginger Rs 22,000-25,500 Kalaunji Rs 10,000-11,800 Mace-Red (kg) Rs 1200-1350 Mace-Yellow (kg) Rs 1550-1650

Methiseed Rs 3,200-4,200 Makhana (per kg) Rs 120-160 Nutmeg Rs 525-560 Poppyseed (KG Turkey) Rs 200 Poppyseed (KG MP-RAJ) Rs 200-250 Poppyseed (KG Kashmiri) Rs 180 Red chillies Rs 4,900-9,000

Soya bari pariwar (20 kg) Rs 350-400 Saffron (kg) Irani Rs 1,20,000-1,30,000 Saffron (kg) Kashmiri Rs 1,55,000-1,70,000 Soanf-bold Rs 9,500-15,000 Turmeric Rs 16,100-19,300

Tamarind Rs 2,250-2,600 Tamarind without seed Rs 3,800-5,500 Tea (kg) Rs 60-175 Watermelon kernel (Kg) Rs 235 Jeera common Rs 13,900-14,200 Jeera best Rs 15,100-15,600

### **Menthol rises on fresh buying**

**Press Trust of India / New Delhi August 9, 2010, 17:19 IST**

Menthol prices rose by Rs 5 per kg in the national capital today on fresh buying by consuming industries amid tight stocks.

Fall in supplies from producing belts and a firm trend in futures market also supported the prices.

Menthol bold crystal, menthol flake and mentha oil prices rose by Rs 5 to Rs 865, Rs 820 and Rs 765 per kg, respectively.

Marketmen attributed rise in the prices to fresh buying support from pharma and other consuming industries against tight stocks.

Elsewhere, prices of other chemicals ruled steady on scattered deals.

Following are today's quotations:

Ammonium chloride (50 kg), Rs 1,500-2,400, acetic acid (1 kg) Rs 36-38, ammonia bicarb (25 kg) Rs 450-500, boric acid technical (50 kg) Rs 3,600-4,100, borex granular (50 kg) Rs 2,000-2,500

Caustic soda flake (50 kg) Rs 950-1000, citric acid (50 kg) (China) Rs 2,600-3,000, citric acid deshi (50 kg) Rs 2,550-2,950, camphor slab (1 kg) Rs 320, camphor powder (1 kg) Rs 310

glycerine (1 kg) Rs 100-110, hexamine (1 kg) Rs 80, hydrogen peroxide (1 kg) Rs 33-35, mercury (34.5 kg) Rs 64,000, menthol bold crystal (per kg) Rs 865, menthol flake (1kg) Rs 820 and mentha oil (1 kg) Rs 765

## THE HINDU Business Line

Business Daily from THE HINDU group of publications

Tuesday, August 10, 2010

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**Potato prices drop Rs 20 a quintal**

*Release of stocks from U.P. cold storages.*



Shobha Roy

Kolkata, Aug 9

Potato prices in West Bengal dipped by about Rs 20 per quintal on Monday on account of release of potatoes from cold storages in other States such as Uttar Pradesh.

#### PRICES

The wholesale prices of potato (Jyoti variety) was hovering at around Rs 360-380 a quintal against Rs 400 till about a week ago, according to Mr Patit Paban De, Member, West Bengal Cold Storage Association.

Bengal has been transporting potatoes in large quantities to Bihar, Jharkhand, Orissa, Andhra Pradesh and the North-Eastern States, particularly Assam.

The cold storages across the various parts of Uttar Pradesh were holding on to their stock in anticipation of a possible increase in price of potatoes to be able to get a better deal for their produce.

“However, now the cold storages in UP have opened and have started releasing their produce at a comparatively competitive price compared with Bengal potatoes. This has brought down our exports to these States,” Mr De told Business Line.

#### BENGAL'S EXPORT

The export of Bengal potatoes to these States had dropped by about 60 per cent over the

last one week, he observed.

Close to 41 per cent of the potatoes stored in cold storages across West Bengal amounting to about 24 lakh tonnes have already been released into the market.

Close to 58 lakh tonnes of potatoes have been stored in the 403-odd cold storages across the State this year.

Of the 24 lakh tonnes released, about 10 lakh tonnes have been transported to other States, he pointed out.

“Till now they were holding on to their stock in anticipation of good prices. But now they have also started lowering their prices and this has hurt our export, which has fallen by almost 60 per cent over the last few days,” he said.

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### **Turmeric growers resist selling in falling market**



Our Correspondent

Erode, Aug 9

The turmeric market witnessed an interesting tussle on Monday with farmers unwilling to

sell below Rs 15,000 a quintal and buyers keeping off trade, expecting the prices to fall further.

Prices declined on Monday, in continuation with the trend witnessed since last week. Spot prices moved down in tandem with futures and there was no demand from north Indian traders.

In the regulated market, the finger variety quoted at Rs 14,279-14,775 a quintal. This is Rs 300 less than last week. The root variety was sold at Rs 13,067, a drop of over Rs 280.

Of the 288 bags that arrived, only 52 were sold. This is the lowest sale in recent days, said the authorities.

#### Private market

In the Erode Private Turmeric Market, the finger and root variety turmeric were sold at Rs 14,200-14,300 a quintal. This is Rs 200 less than the weekend prices. (During last weekend, the prices dropped Rs 300).

The demand for the product was very low. Only two or three bulk buyers quoted the price and purchased.

Of the 6,000 bags that arrived in the Private Turmeric Market, Erode Cooperative Marketing Society and Gobichettipalayam Cooperative Marketing society, only 2,800 bags were sold. "The demand for the turmeric from north Indian traders and also local traders are decreasing. For the past 15 days, no orders have been received. This is the main reason for the decrease in price of the turmeric," said Mr R.K. Viswanathan, a senior trader, told Business Line.

He added, "We are expecting further fall of Rs 500 a quintal within 10 days and only after August 20, the orders will be floated for the crop by the upcountry traders."

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**Back Biotech body asks Govt to lift moratorium on Bt brinjal**



G. Chandrashekhar

Mumbai, Aug 9

In a bid to end the impasse and have the moratorium on Bt brinjal lifted, the Foundation for Biotechnology Awareness and Education has submitted a memorandum to the Prime Minister, as also to several concerned ministries and departments that have a say in commercialisation of genetically modified (GM) crops. It has strongly urged them to accept the recommendations of the GEAC (Genetic Engineering Approval Committee) made on October 14, 2009 on the safety of Bt brinjal, lift the moratorium with immediate effect and release it for commercial cultivation without delay.

The memorandum signed by about 40 scientists has also asked the Government to ensure that the research and development activity of the other GM crops under development is not jeopardised by unwarranted intervention and to ensure that the GEAC is allowed to carry out its mandate unhindered until the Biotechnology Regulatory Authority of India becomes fully operational.

The Foundation said that its plea is based on broad scientific consensus on the safety of Bt brinjal following a scientific workshop conducted in New Delhi on July 28. The Ministry of Environment and Forests (MoEF) was influenced more by opponents of agricultural biotechnology than by credible support of bio-security experts, the Foundation has alleged, adding that the moratorium has created a regulatory uncertainty on the development of all GM crops in the country.

'No New Tests Necessary'

Arguing that no new tests are necessary as the product efficacy, bio-safety and environmental safety of Bt brinjal were evaluated for seven years and thoroughly reviewed by many experts, the Foundation has demanded an urgent and definitive action from the government to resolve the uncertainty caused by the moratorium and rescue the Indian agricultural biotechnology from the present impasse.

In an accompanying paper reviewing the order of the MoEF on Bt brinjal, the Foundation

has come down heavily on the Ministry saying that its exercise has obfuscated the entire issue and created a new breed of experts even as decision making has been further politicised with emotion riding roughshod over scientific reason.

“The moratorium may have gladdened those who claim to represent the public, but threatens the deployment of a safe technology aimed to benefit the public. The critical science-based activity of bio-security evaluation of GE crops is now replaced by the whims of the politicians and professional protestors on the street. The MoEF has supported the alarmist and paranoid activism that imagines demons where there are none. At this rate the nation will not be able to derive the full benefit of modern agricultural biotechnology for a very long time to come.”

The industry's anger is palpable. It remains to be seen if the contents of the memorandum would move the government to come up with a clear, time-bound plan for GM crops.

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### **M&M looks beyond tractors**

*To focus on farm productivity thru mechanisation.*

Murali Gopalan

Mumbai, Aug. 9

The Mahindra group is putting in place a growth model for its tractor business which will see agriculture play a key role.

“Our intent is to create and deliver farm-tech prosperity. The way forward is to focus on agriculture productivity through mechanisation solutions, providing education and the right inputs to farmers,” Mr Gautam Nagwekar, Chief Executive of Mahindra Division (Farm Equipment Sector), told Business Line.

## Crop-specific solution

Contract farming is an important aspect of the value-addition exercise and M&M is examining a host of crops such as corn and soya to provide specific solutions. According to Mr Nagwekar, the two challenges are to work with the farmer and then find access to markets, either here or abroad. "The key is to zero in on the business model for contract farming and we are, therefore, looking at crop-specific solutions," he said.

Access to markets is one of the top priorities where in the case of grapes, for instance, M&M has a tie-up with a South African company for retail efforts overseas. "The challenge is to touch thousands of farmers and do contract farming for a crop which adds value," Mr Nagwekar said. From the company's point of view, it makes good business sense because agriculture offers a host of avenues as against a single-minded focus on tractors.

As part of the drive towards creation of farm-tech prosperity, M&M has kicked off the process of converting dealerships into Samriddhi centres housing soil and water testing facilities. Nearly 75 were formed last year with plans to add more this fiscal.

An alliance has been formed with the University of Wisconsin, US where a senior soil scientist has been roped in for this initiative. His job is to train technicians at the Samriddhi centres on drawing soil samples and testing them. "We then counsel the farmer on the fertilizer to be used to get the best from his farm. There are specific crop specialists based in the area where the Samriddhi centre is located," Mr Nagwekar said.

In addition, M&M has instituted the Mahindra Kissan No 1 award to acknowledge farmers' efforts in this direction. The Mahindra Samriddhi Samman is an event to felicitate them with a cash prize.

Though traditionally inclined towards engineers, M&M has been lately been hiring agriculture graduates as part of its field force for this business. It also has tie-ups with a host of agriculture universities in India.

## Training women

Another recent drive is training women to drive tractors. Nearly 200 were part of this

programme last year and the goal for 2010-11 is to scale it up to 15,000 women. The States that are part of this plan include Kerala, Tamil Nadu and Uttarakhand among others.

Also, with the growing labour shortage on farms, M&M has decided to focus on mechanisation in a big way where it is already seeing the 'initial growth momentum'. It has tied up with Mitsubishi of Japan for rice transplanters where plans are on to localise the design here and look at markets beyond India.

Similarly, harvesters constitute another 'big business area' where Mahindra Swaraj already makes three types at its Mohali plant. Sugarcane cutters are yet another growing opportunity.

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### **Brazil keenly watching Indian sugar dynamics**

*Mainly to pick up price signals in advance.*

G. Chandrashekhar

Mumbai, Aug 9

India is once again the focal point for the world sugar industry as developments here are sure to have a bearing on world sugar trade and prices. In particular, Brazilian sugar exporters are keenly watching developments in India and are poring over various production estimates that are being bandied about, with a view to picking up price signals in advance.

According to the representative of a leading company engaged in production of food and renewable energy operating in Argentina, Brazil and Uruguay, information about India is critical for firming their views on building volumes for next year.

Sugar Output

Although information emanating from India suggests sugar production may reach 24-25

million tonnes next year, it is clear that belief within the South American industry is that India's production will be just enough for rebuilding internal inventories, but not enough to go for exports.

In other words, the world will need Brazil to come up with an excellent 2011 production in order to satisfy worldwide demand.

In addition, Brazilian exporters are banking on drought conditions in Russia that is sure to affect the sugar output.

#### Brazil output

While Brazil is world's largest producer and exporter of sugar, India is the world's second largest producer and the world's largest consumer. Obviously, developments in the two countries at the helm of the sugar market impact global trade and prices.

"Brazilian cane output is estimated at 585 million tonnes and sugar production this year looks close to 34 mt with a 44 per cent mix of sugar and 56 per cent ethanol final number," the company representative said in an email while seeking authentic information about India's sugar market status and outlook.

South American traders are expecting an average price of sugar for the whole year between 16 and 18 cents a pound on the commodity exchanges; and their forecast for July 2011 is 17 cents a pound with volatility, depending on India's news.

#### Indian outlook

Ironically, some sugar mills in India are a little more bullish about international forward prices than the Brazilians.

Clearly, the Indian sugar market fundamentals are going to remain rather tight in 2011. While domestic prices may remain relatively soft until February 2011 because of peak crushing season, planting and precipitation next year still remain a matter of conjecture. There indeed are uncertainties going forward.

So, there is reason to believe, if there is directional change in price it would be to the

upside.

While the current dry conditions in Brazil seem to be supporting cane harvest, there are issues with logistics.

Last July, the country shipped out a record 2.9 mt sugar, which it is believed will be hard to accomplish again if coastal weather conditions play against loading.

“It is and will be an issue every time maximum port capacity is to be tested in Brazil,” the company official said adding current line up in Santos was 86 boats and 37 boats in Parangua port.

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### **Fresh, upcountry offtake perks up sugar**



Our Correspondent

Mumbai, Aug 9

Sugar prices gained sharply on Monday following fresh demand from local and upcountry traders/stockists at lower level.

Spot prices shot up by Rs 10-15 in S-grade and Rs 15-20 in M-grade on the Vashi wholesale market. With an increased buying from neighbouring States, mills have stopped selling at lower price. The Naka delivery rates went up Rs 40-50 a quintal.

Traders said that the Government had extended the July free sale sugar quota till the month-end. They believe the August sale quota could also be extended. There is a talk of 15-20-day extension for August quota. In the last two working days, around 6.50-7 lakh bags (each 100 kg) were sold by Maharashtra mills.

There is good demand from Delhi, Kolkata, Assam and Bihar on a rake delivery basis and from Gujarat, Madhya Pradesh and Rajasthan on truck delivery basis.

Mr Tokershi Dedhia, a wholesaler, said mills got the expected relief from extension for the July quota, arresting the declining trend. Last week, sugar prices dropped Rs 70-75 a quintal.

Around 2.50-3 lakh bags sugar were purchased by local traders and around 8-9 rakes were sold by mills to Delhi, Assam, Bihar, Kolkata traders last week end.

Most of the sugar sold was of S-grade in the price range of Rs 2,340-2,380 (including excise). Mills were offering tenders at the rate of Rs 2,400-2,425 for S-grade and Rs 2,450-2,450 (including excise). Total arrival at Vashi was 38-40 truckload (10 tonnes each) and lifting was 48-50 truckloads.

According to the Sugar Merchants Association, spot market rate was for S-grade Rs 2,500-2,570, (Rs 2,490/Rs 2,550), M-grade was Rs 2,520/Rs 2,620 (Rs 2,505-2,605). Naka delivery rate: S-grade Rs 2,490-2,500 (Rs 2,440/Rs 2,460); M-grade Rs 2,530-2,560 (Rs 2,470/Rs 2,540).

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**Lower arrivals lift rice; basmati down**



Our Correspondent Karnal, Aug 9

The rice market witnessed a mixed trend on Monday.

The price of Pusa-1121 (steam) dropped by Rs 50 and ruled between Rs 5,000 and Rs 5,200 a quintal. Pusa-1121 (sela) was quoted at Rs 4,000-4,100 a quintal; while Pusa-1121 (raw) was quoted at Rs 5,000-5,200. Pusa (sela) variety was quoted at Rs 3,100 a quintal and Pusa (raw) ruled between Rs 3,900 and Rs 3,925 a quintal.

Basmati sela ruled between Rs 6,000 and Rs 6,060 a quintal; while Basmati raw ruled around Rs 7,110 a quintal. The Sharbati sela variety ruled around Rs 2,820 and Sharbati steam was quoted at Rs 2,900-3000. Permal (PR) sela was quoted at Rs 2,000-2,150; PR (raw) at Rs 2,060-2,260; and PR (steam) at Rs 2,210-2,355. Brokens such as Tibar ruled at Rs 3,490 a quintal, Dubar at Rs 2,835, and Mongra at Rs 2,030.

Around 4,000 bags (60 kg each) of Govinda paddy arrived in the market. It ruled at Rs 950-1,035 against last week's Rs 950 a quintal. Millers lifted the new arrivals.

Mr Subhash Chand, a rice trader, said lower arrival lifted the non-basmati variety. Mr Parvin Kumar, a rice miller, told Business Line that low export demand pulled the prices of Pusa-1121 down.

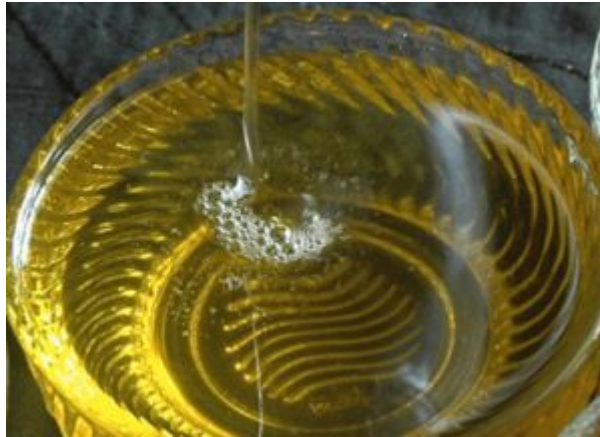
**Date:10/08/2010 URL:**

**<http://www.thehindubusinessline.com/2010/08/10/stories/2010081050921700.htm>**



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## Edible oils on the boil due to higher buying



Our Correspondent

Mumbai, Aug 9

Edible oil prices continued to gain on increased local demand and on positive cues from international markets on Monday.

At the local level, shortage of low-cost imported refined oils such as soya oil and palmolein on ready basis has enabled stockists and speculators to bet .

In the last one week, palmolein prices have gone up 10 per cent in Mumbai. Palmolein rose Rs 15, soya refined Rs 13, Sunflower oil Rs 10, cotton refined oil by Rs 6 for 10 kg. Malaysia's BMD CPO futures rose 65 /70 ringgits (MYR) amid rally in other commodities. A Mumbai-based trader said that acute shortage of ready refined oils in the markets had worsened the situation at the local level. There is buying demand in view of the need to stock ahead of the festival season. Limited refining capacity keeps the market in a shortage situation. Mumbai's main supplier Liberty, Ruchi, Allana were quoting palmolein for forward delivery at sharply higher prices. On ready basis, some resale trade took place. About 150-200 tonnes of palmolein were traded in the price range of Rs 475-495 and about 150 tonnes of super palmolein at Rs 485. Malaysia's Septembercrude palm oil futures ended higher by 65 MYR to 2,762 MYR(2,697 MYR). Indore NBOT soya oil August futures traded at Rs 509.

Mumbai commodity exchange spot rates were: Groundnut oil Rs 865 (Rs 865), soya refined oil Rs 495 (Rs 482), sunflower expeller refined Rs 515 (Rs 510), sunflower refined Rs 575 (Rs 565), rapeseed refined oil Rs 580 (Rs 580) and rapeseed expeller was at Rs 550 (Rs 550), cotton refined was at Rs 506 (Rs 500) and palmolein was at Rs 483 (Rs 468)/10 kg.

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<http://www.thehindubusinessline.com/2010/08/10/stories/2010081050931700.htm>

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### **Profit booking continues in jeera**



Our Correspondent

Rajkot, Aug 9 Profit-booking continued to drag jeera (cumin) prices down on the spot and futures markets on Monday.

On the National Commodity and Derivatives Exchange, jeera August contracts declined Rs 20 to Rs 13,871 a quintal, with an open interest of 6,612 lots. September contracts fell Rs 14 to Rs 14,175, with an open interest of 15,435 lots. At the Unja mandi, the price dropped Rs 25-35 to Rs 2,161-2,651 for 20 kg.

A Mumbai-based analyst said: "Jeera futures was caught between lower arrivals and good monsoon in the major producing regions of Gujarat. But the overall sentiment looks bullish

on the back of better quality of Indian jeera than the other countries as well as lack of supply in the market.”

Mr Ajay Kedia of Kedia Commodity said: “Fresh orders from overseas buyers tracking lower quotes of jeera in international market of Indian origin will provide support to the prices in short term. The higher prices in Syria currently trading at \$3,300 due to crop failure and lower production estimates from Turkey expected to increase the export demand for jeera. Firmness in dollar against the rupee too supported the export prospects.”

According to him, the consumption is expected to increase from mid-August onwards due to upcoming festival season.

Production of jeera in 2010 is estimated around 2.9 million bags from 2.7 million bags in 2009.

Reuters reports: Jeera futures are likely to edge lower on Tuesday, analysts said. “Traders are covering long positions at every rise due to weakness in overseas demand. Bearish cues from other spices also weighed on sentiment,” said an analyst from Angel Commodities.

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**Steady offtake likely to cap fall in cashew prices**



G K Nair

Kochi, Aug 9

Cashew kernel prices are unlikely to decline this year, though there could be small dips when the market is quiet. Such a situation could be attributed to the fundamental factors coupled with the peak consumption in Asia in August-November and the regular buying pattern by the US and Europe for few months at a time.

Therefore, “we can expect good activity in next two to three months,” Mr Pankaj N Sampat, a major Mumbai-based dealer, told Business Line.

#### Asian Consumption

Although consumption in some markets in 2010 will be lower than 2009, overall offtake is unlikely to be affected due to good Asian consumption. “End of 2010 will see lower than normal inventories, especially in the major importing countries, which have been buying few months' needs at a time,” he said. Tightness in supply will ease in the second half of 2011 only if the northern crops are good, i.e., above normal, or, if there is going to be a big drop in demand in the first half of 2011.

“We might see a price decline in second or third quarter of 2011 but it will depend on crops and first half demand,” he said. The only other reason for a reversal of current firm trend would be external factors (economic and financial situation) or a big drop in prices of other nuts.

“Although we are not overly bullish about the long term (too many variables and change in market structure make it difficult to predict the trend beyond a few months) we do feel that market will continue to move around the current levels with possibility of some price increase in the next 2-3 months — any dip in the meantime would be an opportunity to cover part of the needs (at least for next 2-3 quarters),” he said.

#### Markets

Cashew market was quiet this week. Some processors in India and Vietnam sold W320 few cents lower than last week. But in general, price levels were unchanged — W240 was between \$3.3 and \$3.35, W320 around \$3.15, W450 between \$2.95 and \$3, SW320

around \$3, SW360 around \$2.8 , Splits/Butts were at between \$2.65 and \$2.7 (f.o.b).

Large processors in both origins were not willing to accept bids at lower levels — either nearbys or forwards, traders said.

Raw cashew nut market was steady with afloat/spot parcels of Ivory Coast being traded at around \$950 a tonne and Guinea Bissau at around \$1,150 a tonne (c&f). It is too early to say anything about the East African crop/prices. However, it is more or less certain that Tanzania will increase export duty, the traders said. Prices for early shipments from Indonesia are very high, they added.

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## Pepper futures fall



G.K. Nair

Kochi, Aug. 9

Pepper futures on Monday fell sharply after remaining highly volatile on lower quotes from Vietnam and Sri Lanka. Vietnam has quoted \$3,700 a tonne (fob) for FAQ 500 GL pepper and on hearing it, Sri Lanka also started offering at the same price.

Vietnam is reported to have exported 87,000 tonnes of pepper during January–July 2010. Besides, another 10,000 tonnes were moved out of that country through cross-border trade. Even after that, the producing country, which had been projecting a lower production and an availability of below one lakh tonnes, is reported to have 10,000-15,000 tonnes of

pepper in hand, taking the total to 1,07,000-1,12,000 tonnes. This figure could also be misleading, trade sources here said.

#### Protest planned

Add to this, unconfirmed reports said that container transporters were planning to go on strike to protest against the hike in diesel prices from August 1. This coupled with another report that the Customs offices in the Cochin Island will remain closed for two days from the same day for up-gradation of their computer systems also influenced the market to fall because of feared delay in movement of goods, market sources told Business Line.

Imports for value-addition and re-export are done by many stationed at different parts of the country and as such good quantity of bold berries sieved out from the Vietnam pepper could find its way into the Indian domestic market as Wayanadan pepper at a premium price.

Add to this, the material coming from Indonesia and Sri Lanka may allegedly enter the market as “fine powder” at Rs 5 to Rs 6 below spot pepper prices here even when the grinding cost and loss put together comes to Rs 10 to Rs 12 a kg.

#### Import figures

What is surprising is that export figures are officially released frequently, while pepper import figures are not made available by the authorities concerned, trade sources said. Therefore, nobody knows how much volume of pepper is imported from various origins and how much out of it is shipped out. This needs to be made public, they said.

August contract on NCDEX fell by Rs 447 to close at Rs 18,751 a quintal. September and October dropped by Rs 426 and Rs 416 respectively to close at Rs 18,977 and Rs 19,200 a quintal. Total turnover increased by 11,991 tonnes to close at 18,665 tonnes.

Total open interest fell by 656 tonnes. August open interest dropped by 656 tonnes to 7,551 tonnes, while that of September moved up by 40 tonnes and October slipped by 28 tonnes.

Spot prices in tandem with the futures market trend dropped by Rs 300 to close at Rs

18,600 (un-garbled) and Rs 19,100 (MG 1) a quintal. Indian parity in the international market dropped to \$4,325 a tonne (c&f) and yet remained outpriced. All other origins strictly following the Indian futures market said to have reduced their prices. The overseas buyers are still on holidays, they said.

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Tue, 10 Aug 2010

### Weather

Chennai - INDIA

#### Today's Weather



Cloudy

**Tuesday, Aug 10**

Max    Min

36.0° | 25.4°

Rain: 00 mm in 24hrs

Humidity: 70%

Wind: Normal

Sunrise: 05:49

Sunset: 18:35

Barometer: 1004.0

#### Tomorrow's Forecast



Cloudy

**Wednesday, Aug 11**

Max    Min

36° | 27°

#### Extended Forecast for a week

Thursday

Aug 12



35° | 27°

Rainy

Friday

Aug 13



34° | 28°

Rainy

Saturday

Aug 14



33° | 28°

Rainy

Sunday

Aug 15



33° | 27°

Rainy

Monday

Aug 16



34° | 27°

Rainy