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Scheme should be available for all farmers

Coimbatore: Energy efficient motors should be given to all farmers in the State free of cost, according to the farmers' associations here.

Chief Minister M. Karunanidhi announced on Sunday that small and medium farmers in the State would get energy efficient motors for their pump sets free of cost to replace the existing inefficient high energy consuming motors.

President of Tamizhaga Vivasaigal Sangham M.R. Sivasamy said about three lakh farmers were expected to benefit from this scheme. For others, the government would provide 50 per cent subsidy to change to energy efficient pump sets.

Mr. Sivasamy expressed apprehension that the pump set manufacturers could increase the prices because of the availability of subsidy.

All farmers should be eligible for replacing the existing pump sets with energy efficient ones.

Further, the State Government should take steps to address all the problems faced by farmers. Providing power or pump sets to farmers free of cost would not solve all the problems faced by them. Many of them were slowly leaving agriculture as they were hit by several factors such as labour shortage, he said.

Vazhukkuparai Balu, who represents another farmers' association here, said the scheme should not differentiate between small and other farmers. If a small farmer had one pump set, a large-scale farmer might have more than one pump set. They would not be able to spend for replacement of all the pump sets.

Hence, pump sets should be given free of cost to all farmers.

Efforts should be taken to ensure that pump set manufacturers do not increase the prices because of the subsidy available.

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Improving Vaigai dam water level cheers ryots

Bright prospects to release water for irrigation of first crop

THENI: With continuous rainfall in the catchment areas for the past three days and considerable inflow into Periyar dam, Public Works Department engineers have been withdrawing sizable quantity of water to improve storage level in Vaigai dam, the prime irrigation and drinking water source for the five southern districts.

Such efforts had started paying good dividends. Water level in Vaigai dam had gone up to 48.33 feet restoring hopes of thousands of farmers in five districts. If this trend continued, the PWD engineers would not find any difficulty in releasing water for irrigation of first crop under Vaigai dam ayacut.

With poor or no rainfall in the catchments, water level was around 26 feet, abysmally low in the dam last month.

Entire storage in the Vaigai dam was kept intact till date.

Inflow into the dam was 805 cusecs and the discharge 41 cusecs only. Storage was 1,782 mcft.

At the same time, storage level had come down to 118.8 feet from 120 feet in Periyar dam. Inflow into the dam was 738 cusecs and the discharge 1,174 cusecs. Storage was 2,412 mcft.

Delayed release of water from Periyar dam had delayed the sowing and transplantation work in some pockets, particularly in the tail-end areas of the valley.

Agriculturists in the valley had faced difficulties in raising seedlings which delayed further process.

Hundreds of acres in the tail-end areas of the valley were at transplantation level only with farm workers engaged in transplanting work.

But transplantation was almost over in many pockets of Uthamapalayam and Cumbum.

Even as majority cultivable lands were covered with lush green paddy plants, some pockets remained dry owing to nil agriculture activities.

Farmers in certain areas had not even prepared the field till date leaving it barren.

Majority of farmers had adopted System of Rice Intensification method for raising paddy in this season, thanks to the high yield, less production costs and excellent awareness created among farmers. Requirement of water and labour was also very less compared to the traditional method. The SRI system eliminated labour shortage considerably, said farmers in Uthamapalayam.

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No improvement in Siruvani level

COIMBATORE: From a position of cautious optimism, the Coimbatore Corporation seems to be slipping towards despair on the drinking water supply front as there is no improvement in the water level in the Siruvani Dam.

The dam was just about half full (as against the full reservoir level of around 51 ft) on July 30. The level has risen by around four feet since then. But, this is in contrast to the situation last year. Water began overflowing from the dam on July 19 last year.

When there was not much gain from the South-West Monsoon in mid-July this year, water managers said things could improve in the first or second week of August. “This opinion continues; we hear that the monsoon may turn vigorous around August 20,” Mayor R. Venkatachalam says. But, he admits that the present situation triggers fear of a monsoon failure. “Water was overflowing from the dam at this point of time last year. But, the water level is only around 29 ft now,” the Mayor says. “There is only a thin flow in the falls that bring water to the dam from the upper reaches of Siruvani hills.”

The dam recorded 10 mm rain for 24 hours till Monday morning. This was the first rainfall since August 11. There was very negligible rain prior to that also.

Some semblance of heavy rain came in the form of 35 mm on August 4, 40 mm on July 30 and 48 mm on July 28. While the suburbs seem to be in a slightly better position with alternative schemes (Aliyar Scheme and Bhavani Scheme), the Corporation limits appear to be in a disadvantageous position. The Pilloor scheme, which had saved the city when the Siruvani level dipped, is proving to be inadequate.

“The demand for drinking water has gone up manifold, but our resources (the quantum under the two schemes) remain the same. There is immense stress on the existing schemes and we have no option but to endure this situation. Relief can come only when the Pilloor Phase II scheme (under implementation now) is completed,” the Mayor says.

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Need for integrated approach to watershed development stressed

‘Conservation should be linked to livelihood support system'

Sharing views:The Technical Expert, National Rainfed Area Authority, A.K. Sikka, inaugurating a training programme in Udhagamandalam on Monday.

Udhagamandalam: The need for a coordinated and integrated approach to watershed development and soil management was emphasised by the Technical Expert, National Rainfed Area Authority, Alok K. Sikka here on Monday.

Inaugurating a six-day capacity building programme on ‘Preparation of detailed project report for planning a watershed development programme as per the common guidelines formulated by the Government of India' organised by the Central Soil and Water Conservation Research and Training Institute (CSWCRTI), he said that conservation and livelihood issues should go hand-in-hand while implementing watershed development programmes.

Pointing out that till recently only piece-meal measures had been taken, he said that since the needs are growing conservation should be linked with the livelihood support system.

Adverting to the dwindling land and degradation of natural resources, he said that there was a huge gap between supply and demand. It can be bridged only through effective management, he said and added that the people should be involved.

Referring to the importance being given by the government to soil management and watershed development, Dr. Sikka aid that during the tenth plan the amount allotted for treatment of affected and vulnerable areas was Rs. 19,250 crore. The amount set aside for the eleventh plan was about Rs. 20,000 crore. It is expected to cover about 30 to 35 million hectares.

Stating that under the Mahatma Gandhi National Rural Employment Guarantee Act, assets in the form of water harvesting structures had been created, he said that it should be clubbed with watershed development projects.

Pointing out that the Centre is for converging all the programmes to achieve maximum results, he said that it has also set in motion the process of decentralization. A watershed development fund has also been created. He lauded Tamil Nadu for bringing into being a State Watershed Development Agency.

Stating that the Nilgiris is part of one of the most important biosphere reserves, he said that it was ideal for holistic and integrated watershed development efforts.

Referring to the landslides that occurred here recently, he said that one of the contributory factors was change in land use.

Focus should be on sustained development, channel management and protection of vegetative cover. Soil management in forest and non-forest lands should be done simultaneously.

The Nilgiris Collector, Archana Patnaik, who presided said, the Nilgiris needs watershed management more than any other district and added that proactive measures should be taken for preventing landslides.The head, CSWCRTI, O.P.S. Khola, who welcomed the gathering, said that the objective of the programme was to upgrade skills of officers representing various districts.Senior Scientist S. Manivannan proposed a vote of thanks.

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High Court quashes three food adulteration cases

Finds fault with Food Inspctors for lodging complaints after undue delay of two to three years

MADURAI: The Madras High Court Bench here has quashed three cases registered against seven traders of Fast Moving Consumer Goods (FMCG) in Madurai and Tirunelveli for having sold packaged wheat flour, honey and Mysore gram without adhering to certain provisions of the Prevention of Food Adulteration (PFA) Act, 1954.

Passing identical orders in all the three petitions filed by the traders, Justice R. Mala found fault with the Food Inspectors of Madurai and Tirunelveli Corporations for having taken two to three years, from the date of inspection and seizure of the goods, to lodge the complaints against the traders before the judicial magistrates concerned under the PFA Act.

The judge said that the undue delay in filing of complaints had led to the denial of an opportunity to the traders to obtain samples of the seized products and subject them to another examination at the Central Food Laboratory.

The prosecutors were duty bound to give an opportunity to the accused to re-examine the goods as per Section 13 (2) of the PFA Act.

She recalled that the Supreme Court in Girishbhai Dahyabhai Shah's case (2010) had acquitted a curd seller from Ahmedabad in Gujarat from an adulteration case because the prosecution had taken 15 months to provide the samples to him.

Further, the Madras High Court too in 2009 had held that grave prejudice would be caused to the accused if the samples become unfit for analysis due to the delay.

Further, reports issued by Public Analysts, who examine seized products on the request of Food Inspectors, should contain specific reasons as to how customers were being misled due to misbranding of products by the accused.

It was not enough to state that seized products were misbranded because they were not labelled in accordance with the Rules framed under the PFA Act, Ms. Justice Mala said.

In one of the three present petitions, the Madurai Food Inspector had inspected a provision store on December 26, 2006 and seized packaged wheat flour.

The sample was sent to the Public Analyst on January 3, 2007 and a report was received on January 21, 2007.

However, a complaint was lodged with the Judicial Magistrate No. V here only on March 8, of this year.The two other petitions related to Tirunelveli Corporation.In one of those cases, the public analyst's report on Mysore gram was received on September 28, 2007 but a complaint was lodged only on August 27, 2009.In the third case, the analyst's report was received on November 22, 2007 but the complaint was lodged belatedly on May 26, 2009.

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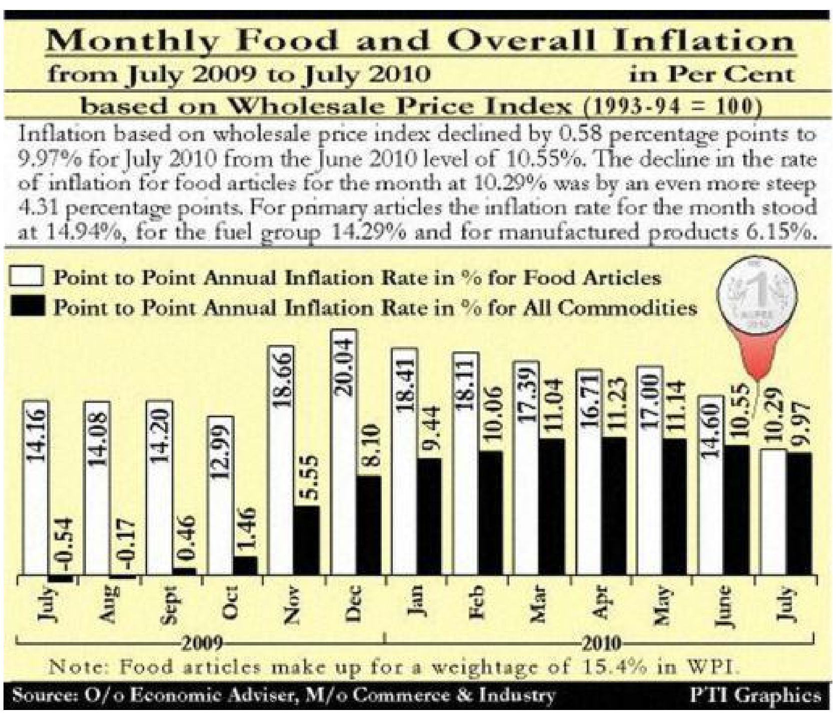
Inflation slips to 9.97 % in July



NEW DELHI: After a five-month long spell of spiralling prices, WPI (wholesale price index) based headline inflation slipped to single digit at 9.97 per cent in July from 10.55 per cent in June to give some indication of a moderation and raising hopes of a further decline in the months ahead this year.

The downtrend, largely on account of a discernible halt in the rise in prices of certain food and non-food items, has come as a respite for the government which has been at pains to explain to the people and Parliament the reasons for the unprecedented rise in prices and the steps that have been and are being taken to arrest the price spiral.As per the WPI revised data, headline inflation moved to double digits in February this year at 10.06 per cent and inched up further to 11.14 per cent in May from the provisional estimate of 10.16 per cent.It pulled back marginally to 10.55 per cent (provisional) in June and has since slipped to single digit in July.

The return of overall WPI inflation to single digit, as per the data released here on Monday, had a confident Finance Minister Pranab Mukherjee hoping that the downtrend would continue. “Of course, it [headline inflation] will moderate,” he said, while stressing that apart from the Reserve Bank's monetary policy action, the statistical ‘base effect' and seasonal factors also helped in moderating the rate of price rise.

“Policy rates had some impact but there are also base factors”, he said.While reiterating that the inflation level would touch 6 per cent by December, Planning Commission Deputy Chairman Montek Singh Ahluwalia felt that the July number at 9.97 per cent was “still too high”. “I am glad that it is down below the double digit range... It will go to six per cent by December…We are not out of the range where inflation is not a problem... but it is now moving in the right direction,” he said.

Essentially, the fall in inflation in July can be attributed to a year-on-year decline in prices of essential items such as potatoes (- 44 per cent), vegetables (-14.50 per cent), onions (-6.85 per cent), edible oils (- 0.34 per cent) and cement (- 8.36 per cent) during the month.

Meanwhile, the index of food items in July, as compared to June, rose by 0.9 per cent as the effect of the fall in prices of potatoes, onions and other vegetables was largely neutralised by the uptrend in prices of rice (one per cent), mutton (three per cent) and eggs (2 per cent).However, in spite of the lower overall inflation in July, food inflation computed on a weekly basis surged back to double digits at 11.40 per cent for the week ended July 31.

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Pranab hopeful of further decline in inflation

The Hindu Union Finance Minister addresses the press in New Delhi. File Photo: R.V. Moorthy

Finance Minister Pranab Mukherjee expressed confidence that inflation would come down further even as the rate of price rise after a gap of five months came down in single digit at 9.97 per cent in July."Of course, it will moderate," he told reporters, when asked about the possibility of inflation sliding further in coming months."Policy rates had some impact (on sliding inflation) but there are also base factors," Mukherjee said expressing satisfaction over declining inflation.The Minister attributed slide in inflation of food items to seasonal factors "particularly in respect of some food items like fruits, vegetables and milk".After remaining in double digits since February, the wholesale price-based inflation fell to single digit at 9.97 per cent in July, owing to decline in prices of certain food and non-food items.The inflation was at 10.55 per cent in June, while for May it was revised upwards to 11.14 per cent from the provisional number of 10.16 per cent. Inflation entered the double digits in February when it climbed to 10.06 per cent, as per the final figures.Inflation has become a political sensitive issue with the Opposition raising in within and outside Parliament. Led by NDA, the opposition parties organised an all India strike on July 5 to protest against rising inflation and the hike in prices of petroleum products.

By PTI

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Inflation falls to single digit at 9.97% in July

NEW DELHI: Wholesale price-based inflation fell to single digit at 9.97 per cent in July, owing to decline in prices of certain food and non-food items.

The inflation was at 10.55 per cent in June, while for April it was revised upwards to 11.14 per cent from the provisional number of 10.16 per cent.

Inflation was in double digits at over 10 per cent in the last four months to June.

In July, onion prices dipped by 6.85 per cent, while edible oils became cheaper by 0.34 per cent compared to the same period last year. Vegetable prices fell by over 14 per cent and that of potato by over 44 per cent on year-on-year basis.

Cement prices fell by 8.36 per cent and that of non-metallic mineral products by 4.81 per cent on yearly basis.

Business Standard

Tuesday, Aug 17, 2010

Veg oil inventory rises on higher crushing, imports

Dilip Kumar Jha / Mumbai August 17, 2010, 0:42 IST

Farmers begin releasing stocks, as expectations rise of a bigger harvest.

The inventory of vegetable oils rose 9.5 per cent last month due to high imports and more domestic production. The inventory on August 1 was estimated at 1.215 million tonnes, 105,000 tonnes more than the 1.11 million tonnes a month ago. The current stock at various ports is estimated at 635,000 tonnes (crude palm oil at 275,000 tonnes; refined, bleached and diodised palmolein at 65,000 tonnes; degummed soybean oil at 235,000 tonnes and crude sunflower seed oil at 60,000 tonnes). About 580,000 tonnes is in the pipeline.

Data by the Solvent Extractors Association (SEA) show July imports at 800,644 tonnes, a 6.3 per cent rise from 732,232 tonnes in the previous month and a sharp increase of 34 per cent from the 596,024 tonnes imported in the corresponding month last year. SEA Executive Director B V Mehta attributed low pipeline inventory in the previous months as a major reason for high imports. In the July quarter, vegetable oil imports rose 11.5 per cent to 2.09 million tonnes as compared to 1.88 mt in the previous quarter. In the same quarter of the previous year, imports were 2.13 mt. Similarly, soybean crushing by domestic mills has risen substantially to 45-50 per cent of capacity from 35-40 per cent a month before, as farmers have started releasing stocks from the previous season.

While releases intensified since May after a favourable monsoon raised hope for a bumper kharif crop, farmers and stockists were still holding 1.2-1.5 mt soybean, said Rajesh Agarwal, coordinator of the Indore-based Soybean Processors Association. According to an estimate, farmers have released over two mt in the three months ended July. Agarwal hoped another million tonnes soybean would be released before the start of the 2010 kharif harvesting. The apex trade body, the Central Organisation for Oil Industry & Trade, put total output last season at 8.5 mt, compared to 9.5 mt in the previous year, due to favourable climate. This year, soybean output is estimated at 9.5 mt, despite a 3.75 per cent decline in acreage at 9.31 million hectares. India's soybean meal exports were 160,000 tonnes in July. Estimating about 200,000 tonnes domestic consumption, total meal availability was estimated at 360,000 tonnes last month.

This means soybean crushing could be 500,000-550,000 tonnes, said Agarwal. Confirming higher capacity utilisation, an official of the country's largest oilseed crusher, Ruchi Soya Industries, said, "Availability of beans has certainly increased, as farmers and stockists found it not worth holding any more." Soybean prices for near-month delivery on the NCDEX have surged 13 per cent since July 1 and traded at ' 2,145 on Saturday.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

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Easing processed foods push inflation down to single digit

WPI for July at 9.7% as primary articles too aid trend.

An easing of price levels of manufactured food products (processed foods) and some primary food items aided the downward trend in the headline inflation.

Our Bureau

New Delhi, Aug. 16

While the annual headline inflation has finally slipped into single digit in July, the silver lining for consumers could be the continuing downward trend in the price levels of processed food such as sugar, butter, coffee powder and gur on a month-on-month basis.

The annual Wholesale Price Index-based inflation increased 9.97 per cent in July, against a year-on-year surge of 10.55 per cent reported during the previous month, despite a big jump in fuel-based inflation and a surge in primary food items during the month.

INFLATION for MAY UP

The rate of inflation was recorded at minus 0.54 per cent during the corresponding month of the previous year. The annual reading for May was, however, revised up to 11.14 per cent from the provisional estimate of 10.16 per cent.

Manufactured food items

An easing of price levels of manufactured food products (processed foods) and some primary food items aided the downward trend in the headline inflation. The sequential inflation in manufactured food products was down 0.61 per cent in July after a 1.25 per cent dip in May. Manufactured food inflation was unchanged in June on a sequential basis, according to the data released by the Commerce and Industry Ministry on Monday

On a sequential basis, the index for the Primary Articles group gained 1.85 per cent from the previous month as the index for the ‘Food Articles' group was up 0.91 per cent due to higher prices of maize, poultry chicken, condiments and spices, mutton, urad, gram, milk, eggs, fish-inland, jowar, wheat, bajra and rice. However, the prices of moong, fruits and vegetables, coffee, masur, arhar as also fish-marine declined.

RUBBER DEARER

The index under the ‘Non-Food Articles' category grew by 0.80 per cent, due to the higher prices of raw rubber, castorseed, raw silk, fodder, groundnutseed, raw jute, copra, sunflower, rapeseed, mustardseed, gingellyseed and tobacco, while those of nigerseed, raw cotton and linseed dropped.

The index for the ‘Minerals' group rose by 19.25 per cent, due to the higher prices of iron ore, magnesite, steatite, fluorite and asbestos; but, those of manganese ore, feldspar and barytes declined.

The Fuel and Power index was up by 3.21 per cent from the previous month, due to the higher prices of kerosene, liquefied petroleum gas, petrol, high-speed diesel oil as also aviation turbine fuel, while those of furnace oil, naphtha and light diesel oil fell. In case of the Manufactured Products, the ‘Food Products' group index declined due to lower prices of bran (all kinds) (6 per cent), sugar and butter (3 per cent each), khandsari (2 per cent) and coffee powder and gur (1 per cent each). However, the prices of sooji (5 per cent), groundnut oil and rice bran oil (4 per cent each), imported edible oil and maida (3 per cent each), cotton seed oil (2 per cent) and coconut oil, atta, sugar and sweet meat confectionery, biscuits and soyabean oil (1 per cent each) moved up. The data showed that food articles spiked slightly at 14.94 per cent in July on a year-on-year basis, against 14.6 per cent in June. Fuels increased 14.29 per cent in the month under review as against 14.32 per cent in June. The Manufactured Products index was up 6.15 per cent on a year-on-year basis during July.

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NGO, Monsanto Fund team up to increase farmers' income

Hyderabad, Aug. 17

United Way of Mumbai, a not-for-profit organisation, in association with NGOs Action for Food Production (AFPRO) and Forum for Rural Development (FORD), has joined hands with Monsanto Fund to improve incomes of small and marginal farmers in 14 in Anantapur district.

As part of this initiative, Mr N. Raghuveera Reddy, Andhra Pradesh Minister for Agriculture, inaugurated a programme at Madakasira on Monday.

“I hope this programme improves the incomes of small farmers. We need more such partnerships between the private sector and civil society organisations to accelerate the development of the farming sector in India,” he said.

Capacity enhancement

The project focused on capacity enhancement in Gangalavaipalem and Govindapuram gram panchayats and self-help groups to better access and leverage government schemes to improve agricultural production and livelihood of small and marginal farmers in the project areas.

The project targeted to benefit about 5,700 people, a United Way (Mumbai) press release said.

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TN move on farmers' pumpsets, a booster to units in Coimbatore

Mr R.R. Ranghanathen, President, SIEMA.

R. Yegya Narayanan

Coimbatore, Aug 16

The announcement of the Tamil Nadu Chief Minister that the State Government would foot the bill of the small and marginal farmers to replace their power-guzzling pumpsets with energy efficient ones is expected to give a major fillip to the pump and motor industries in Coimbatore region that accounts for a lion's share of the pumpsets market in the country.

The move is also expected to significantly reduce the loss that TNEB suffers due to the free supply to the farmers because of the savings in power consumed due to the shift to more energy-efficient pumps. The Chief Minister had also stated in his speech on the occasion of the Independence Day that other farmers would be given 50 per cent subsidy to replace their pumpsets, all of which the industry feels would usher in significant investment by the industry in ramping up capacity.

Mr R.R. Ranghanathen, President of the Southern India Engineering Manufacturers' Association (SIEMA), Coimbatore, when asked about the total production of pumpsets in Coimbatore region that is likely to benefit from the new scheme, said that the agricultural pumpsets falling under the category could be around 75,000 to 1 lakh unitsa month. . From the announcement made, it could be presumed that they could be 3 and 5 HP monobloc pumpsets for open well application and for submersible application in open well and bore wells covered under 5 HP and 7.5 HP in some cases.

He said that the approximate price range of the models was Rs 20,000-30,000 based on the type and HP, apart from duties and taxes. There were other costs for accessories such as pipes, cables, control panels, etc.

When ,asked whether the pump industry would prefer to supply the products directly to the Government as in the case of free TVs or to the farmers, Mr Ranghanathen said as the pumpsets required proper installation and after-sales service was crucial, the industry would prefer to execute the work only through their authorised dealers.

Fresh investments

Mr Ranghanathen, commenting on the likely fresh investment by the manufacturers in Coimbatore region to meet the surge in demand for farm pumpsets to implement the scheme announced by the Chief Minister, said for supplying 12 to 15 lakh pumpsets, it would take a minimum two to three years. But if the Government wanted to implement it in a year, the pump manufacturers would require a minimum investment of of Rs 150 crore by different units and a lead time of a minimum of 4 months to get the needed infrastructure in place.

BIS Licences

Farmers will be given 50 per cent subsidy to replace their pumpsets, all of which the industry feels would usher in significant investment by the industry in ramping up capacity. —

Answering a question, he said the pump manufacturers in Coimbatore region had more than 300 BIS licences, covering nearly 65 per cent of BIS marked pumpsets. He said the industry would make a representation to the Government to “give entire orders to our Coimbatore units”. On the question of offering any price concession, he said he would have to discuss it with the manufacturers/members.

On the savings in power cost, he said theconsumption would come down by a minimum of 20 per cent to a maximum of 35 per cent with the installation of energy efficient pumps. SIEMA was of the view that the entire pumping system should be changed in conformity to BIS/IS:10804 standard and not merely the pumpsets, to get the maximum benefit.

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Harvest season

Erratic crop: A farmer in his paddy fields near Thrissur, Kerala, on Monday. The first day of Chingam (August 17, Tuesday) is celebrated as Farmers Day (Karshaka Dinam). Chingam marks the dawn of a new farming year. The harvest festival is in this month. (This year Onam is on August 23). Due to unseasonal rains, the crop this year has been erratic, as in some places crops have only been planted while, at other places, the harvest was complete.

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Limited arrivals, stocks hold jeera steady

Rajkot, Aug 16

Jeera prices ruled comparatively steady on the spot market and gained slightly in futures trade due to lack of demand from both export and domestic market.

On the National Commodity and Derivatives Exchange, jeera August future were down by Rs 21 to Rs 14,105 a quintal.

At Unja mandi, jeera prices ruled almost steady at Rs 2,300-2,676/20 kg.

Arrivals were marginally up at 2,000-2,500 bags compared with 1,600-2,000 bags previously. Arrivals were lower due to rains.

But supplies from stockists increased as they booked profits at higher levels.

Demand for inferior quality jeera was seen from south Indian dealers at lower levels.

“Demand has come down from local buyers. Buyers are expecting more fall in prices due to the absence of export demand. However, lower arrivals and stocks restricted the downside. Jeera price will be range-bound for a few days,” said Mr Ajay Kumar Kedia of Kedia Commodities from Mumbai.

According to Mr Kedia, prices may rise to Rs 14,900 by the end of this week.

According to market sources, jeera stocks currently are projected to be lower at around 14 lakh bags compared with 16-17 lakh bags in the same period a year ago. (Each bag weighs 55 kg).

Jeera stocks in the NCDEX warehouses, stood at 4,976 tonnes as on 7 August.

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Sugar declines on lower offtake

Mumbai, Aug 16

Spot sugar prices at Vashi spot market declined Rs 15-20 a quintal on lack of retail and upcountry demand on Monday.

On Saturday, a sudden spurt in price encouraged traders to book profits. Selling pressure from stockists at naka delivery trade pushed down the prices by Rs 30-35. Naka delivery prices increased Rs 100 a quintal.

On Monday, local lifting of sugar was lower than arrivals keeping prices under check but traders expect sugar demand to increase sharply in the next 2-3 days for Raksha bandhan and Govinda festival. Demand will continue to next month because of Ganeshotsav.

The likely demand for the next couple of weeks and mills tendency not to sell at lower level will keep the sugar prices range-bound, said Mr Hemant Dedhia of Kavita Trading Co.

Mills sold about 50,000-55,000 bags (100 kg each) to local traders on Saturday in the price range of Rs 2,495-2,510 for S-grade and Rs 2,540-2,565 for M–grade.

At present, demand and supply position in the market is in balance. Continued rains in Mumbai also arrested the retail demand of Vashi market, Mr Dedhia said.

On Monday, the total arrival at Vashi market was at 40-45 truckloads (10 tonnes) and lifting was at 35-36 truckloads. Mills offered tenders at Rs 2,475-2,500 for S–grade and Rs 2,525-2,575 for M–grade (including excise) a quintal.

According to the Sugar Merchants Association, spot market rates were S–grade Rs 2,590-2,630 (Rs 2,590-2,640), M–grade Rs 2,610-2,680 (Rs 2,630-2,700). Naka delivery rates: S–grade Rs 2,5502,575 (Rs 2,600-2,620), M–grade Rs 2,6002,650 (Rs 2,640-2,675) a quintal.

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Slack demand pounds turmeric

Erode, Aug 16

Spot prices of turmeric dropped despite prices gaining in the futures market. Prices and sale in the regulated market fell drastically. In the regulated market prices fell by Rs 572/quintal for the finger variety. It was sold at Rs 14,129/quintal on Monday. The root variety was sold at Rs 14,009/quintal, Rs 557 lower than the weekend price.

Demand for turmeric has declined. As such, sales were lower. Out of 736 bags that arrived, only 279 were sold.

In the private turmeric market, prices of both varieties of turmeric fell by Rs 300/quintal. The finger variety was sold at Rs 14,000-14,100/quintal and the root variety at Rs 13,800-14,000/quintal.

Few bulk buyers purchased the product to stock them now with an intention to sell the product in September for higher prices.

Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association, said: “We are expecting that the new crop will arrive for sale in the first or second week of December, a month before the usual period as many farmers have raised the crop earlier due to the attractive price it is fetching. " At Nizamabad, the prices increased to Rs 14,658 a quintal. On the NCDEX, August futures increased Rs 544 a quintal to Rs 14, 106, while September futures were up Rs 424 to Rs 13,592. October futures gained Rs 320 at Rs 13,190 and November Rs 252 at Rs 12,798.

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Excess rains, pest attack hit July tea output

Santanu Sanyal

Kolkata, Aug 16

The Indian Tea Association (ITA), representing the tea producers in North India, and the United Planters' Association of South India (UPASI), representing those in South India, have reported lower crops in July, primarily due to the adverse weather condition.

Quick estimates on the basis of reports from ITA members suggest a decline in production of about two million kgs. In July, the members reported 46.85 million kgs (mkg) compared with 48.

83 mkg in the same month a year ago and the bulk of the decline was recorded in Assam gardens. The crop in Upper Assam, particularly in the Doom Dooma area, has been hit by excessive rainfall and pest attacks.

All the major tea companies operating in the region, namely, McLeod Russel, Warren Tea, Assam Company, Apeejay Tea and others reported lower production. McLeod Russel, the largest producer of tea having 50 gardens in Assam, suffered a production loss of about half a million kgs of tea in July this year vis-à-vis the same month last year.

According to UPASI, its members reported a total production at 18.6 mkg in July, lower by two million kg from 20.6 mkg in July last year. The drop was recorded mainly on account of lower production caused by heavy rainfall in the Nilgiris and Munnar. However, till June (that is, from January to June), the cumulative production in South India at 126.7 mkg was up by 15.2 mkg over 111.5 mkg in the same period of last year.

Some of members of the Tea Association of India, representing nearly 170 gardens, all in North India and with a total production of about 100 mkgs, too reported lower production in July but the actual position would be known towards the end of this month.

July was the third consecutive month when the North Indian crops suffered a loss due to the heavy rainfall and pest attack. The decline started in May with June proving to be particularly bad and the crop loss was estimated at over 10 mkgs. The outlook for August too does not appear to be encouraging with poor weather persisting in several parts. With only five months of the tea season left including the tail-end production of November and December, ITA apprehends that North Indian production in the current year may fall short of 735 mkg registered in 2009.

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Compulsory jute packaging for sugar, foodgrains

POLICY REVERSAL.

Kolkata, Aug 16

The Cabinet Committee on Economic Affairs on Monday reversed the 25 per cent dilution proposed by the Ministry of Textile on jute bag use and has restored 100 per cent reservation in the mandatory Jute Packaging Materials Act (JPMA) for 2010-11 for packaging food grain and sugar.

The Standing Advisory Committee (SAC), chaired by the Union Secretary, Textiles, had recommended a 25 per cent dilution in JPMA for 2010-11 in June.

The Textile Ministry had also sought dilution to the tune of 25 per cent recently. However, the Cabinet overruled the recommendation on Monday.

The SAC had recommended 25 per cent dilution earlier in 2009-10 as well; however, the Cabinet overruled the recommendation and favoured 100 per cent reservation for both foodgrains and sugar till June 30.

The Union Finance Minister, Mr Pranab Mukherjee; the Union Railway Minister, Ms Mamata Banerjee; and the West Bengal Chief Minister, Mr Buddhadeb Bhattacharjee, among others played a key role in getting the Textile Ministry recommendation reversed, said Mr Manish Poddar, Chairman, Indian Jute Mills' Association.

During the 61-day strike between December 14, 2009 and February 12, the Ministry of Textiles was forced to recommend dilution to the tune of about 80 per cent in JPMA in order to be able to meet the total requirement of jute bags for packing foodgrains.

The Textile Ministry was of the opinion that production would be lower than consumption during current year.

However, spurred by higher prices and favourable weather conditions, raw jute production has increased substantially than anticipated.

Based on estimates available, raw jute production is likely to be about 115-120 lakh bales (180 kg) against the earlier projection of 107 lakh bales, an increase of over 12 per cent.

Production is almost 33 per cent higher than that in 2009-10, at about 90 lakh bales.

The higher prices and good weather, adequate water, sunlight and humidity were some of the key reasons for the excellent crop this season, Mr Poddar had earlier pointed out.

With a total production of about 120 lakh bales, carryover of about 12 lakh bales from 2009-10 and likely import of three-to-five lakh bales, the total availability is likely to work out to about 135 lakh bales, according to a senior official in the jute industry.

Taking the domestic consumption of raw jute for this year at same level as that of 2009-10 – 10 lakh bales and likely export of two lakh bales – the net raw jute availability for mill consumption will be about 123 lakh bales which would be just about sufficient to meet mill requirements if mills run at full potential, the official pointed out.

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Pepper futures surge ahead on buying support

G. K. Nair

Kochi, Aug. 16

Pepper futures, on Monday, shot up on good buying support and bullish reports from overseas.

“Bullish reports from other producing countries that have taken a ‘U' turn today, has influenced the market. As a result, bear operators covered back their sales. Besides, there was no availability of spot pepper. At the same time, there were enquiries from Europe where buyers have opened shop after the holidays.”

There were just “buying and selling on paper to square up their positions,” market sources told Business Line.

Additional margin

In addition, there were apprehensions about the availability of material with the sellers, as they usually protest when the 3 per cent additional margin is introduced.

"However, today, nobody is talking about it," sources said.

On the spot, small quantities of high-range pepper were sold at Rs 190 a kg while such quantities of pepper from the plains were sold at Rs 189-190 a kg.

Primary market

Not much activity took place in the primary markets as the dealers feared that they would not be able to replenish their stock if they sold what they are holding now.

August contract on the NCDEX shot up by Rs 349, to close at Rs 19,313 a quintal.

September and October contracts increased by Rs 392 and Rs 402 respectively, to close at Rs 19,565 and Rs 19,800 a quintal.

Total turnover increased by 10,480 tonnes to 16,709 tonnes. Total open interest dropped by 99 tonnes to 17,083 tonnes. August open interest fell by 1,035 tonnes to 3,918 tonnes while September increased by 817 tonnes and October moved up by 85 tonnes.

Spot prices

Spot prices, in tandem with the futures market trend and buying support, increased by Rs 200 to close at Rs 19,000 (ungarbled) and Rs 19,500 (MG 1) a quintal.

Indian parity in the international market moved up to $4,375 a tonne (c&f).

As the overseas markets opened after the holidays, the prices of pepper in other origins such as Vietnam shot up by about $300 a tonne, an overseas report said.

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Cashew prices rise on domestic, overseas demand

G K Nair

Kochi, Aug 16

Cashew prices increased on good demand last week, while domestic prices for brokens ruled substantially higher.

Prices increased 7 per cent last month. Last week, prices surged 10 cents a pound, trading sources said.

During the week, W320 was sold by small/medium processors for up to $3.10-3.15 (f.o.b) and by large processors, for up to $3.20 (f.o.b).

Some sales to off-markets were reported at a few cents higher as well. Other prices were: W240 at around $3.35-3.40, W450 at around $3, splits/butts at around $2.70-2.75, LP around $2(f.o.b).

"If we looked at kernel price data for the last three years, we will find it interesting," Mr Pankaj N. Sampat, a Mumbai dealer told Business Line.

Trends

Except for two major aberrations – June/July 2008 (supply crisis) and October/November 2008 (financial crisis) – the trend for more than two years has been periodic dips and spikes, with the range being higher after each spike, said Mr Sampat.

Considering the low inventories and the pattern of regular buying by all markets, it seems that a "trend breaker" will take place only if there is a substantial easing of the supply tightness or a big decline in usage, either due to a general decline in the consumption of nuts or a big shift to other nuts if the differential widens, he said.

"Asian demand – which is a spot demand – is fairly good and the need of major importing countries to keep buying for nearby shipments is providing support to the market," he said.

The trend of forward-contracting seems to be for shorter periods and lower volumes.

Difficulties in forecasting usage in view of higher prices, an uncertain economic situation and the tight raw cashew nut (RCN) situation means that everyone wants to be cautious.

Volatility

As a result, the volatility will continue and pricing decisions will be difficult.

Spot RCN prices in India (resale market) were a little softer, as factories in Kerala will close next week for festival holidays. However, the general trend is steady as there is no new material to be traded.

New crop Indonesia RCN is quoted at very high levels.

“It is too early to talk about East Africa prices but there is a feeling that the season will open at a high level (traditionally South crops have opened higher than closing of North crops),” he said.

Unless processors are able to get higher prices for 2011, they may not be able to participate if the RCN prices are too high, he said.

Traders reiterated what they it said last week: “Although we are not overly bullish about the long term (too many variables and change in the market structure makes it difficult to predict the trend beyond a few months), we feel that the market will continue to move around the current levels with the possibility of some price increase in the next two to three months.”

“Any dip, in the meantime, will be an opportunity to cover part of the needs — at least for next 2-3 quarters,” they added.

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Bearish trend in edible oils

Mumbai, Aug 16

Edible oil prices witnessed bearish trend on Monday. Groundnut, soya, sunflower and cotton oil stabilised on the encouraging progress in the kharif crop.

In line with international markets, palmolein price declined sharply by Rs 13 for 10 kg on lower Malaysian exports data and bearish trend on the Malaysia Derivatives Exchange. Rapeseed oil declined by Rs 2. The volume of trade was thin. Resellers' selling pressure weighed on market sentiment.

A wholesale trader said that Liberty had started giving delivery of old contracts to traders from JNPT port, easing the shortage of imported oils.

Most of the traders kept away from fresh buying, on lack of local demand.

In palmolein resale, selling pressure from local stockiest and bearish news from Malaysia kept trade volume limited to 80/100 tonnes in the price range of Rs 481-476 in decline mode.

Towards close, resellers offered at Rs 475. Though main importers such as Liberty, Ruchi, and Allana quoted palmolein rates for next month, they were not quoting rates for nearby delivery.

The sentiment was bearish. Last week's Government sowing data showing increase of 5 lakh hectares in oilseeds cultivation put pressure on indigenous oil prices.

In Malaysia, palm oil price climbed to its highest in 16 months, on concern that heavy rainfall may hurt production, in the first half but in the second half lower palm oil export data pushed down prices sharply on the Malaysia Derivatives Exchange. Malaysia's September crude palm oil futures ended 1 ringgit lower at 2,779 (2,780) Malaysian ringgits. Indore NBOT soya oil futures declined in line with international markets.

NBOT September futures closed at Rs 511.40/10 kg.

Spot rates at Mumbai commodity exchange: Groundnut oil: Rs 870 (Rs 870); soya refined oil Rs 500 (Rs 500); sunflower expeller refined Rs 540 (Rs 535); sunflower refined Rs 585 (Rs 590); rapeseed refined oil Rs 583 (Rs 585); rapeseed expeller Rs 553 (Rs 555); cotton refined Rs 515 (Rs 515) and palmolein Rs 481 (Rs 494) for 10 kg.

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Slow buying, uncertain weather hit rice

Our Correspondent

Karnal, Aug 16

With buying in the rice market being slow, the price of Govinda paddy decreased Rs 30 a quintal. The rice market continued to witness a downward trend on Monday.

Pusa-1121 (steam) ruled at Rs 5,000-5,150 a quintal. Pusa-1121 (sela) was quoted at Rs 4,000-4,050; while Pusa-1121 (raw) was quoted at Rs 5,000-5,150. Pusa (sela) variety was quoted at Rs 3,050 a quintal and Pusa (raw) ruled at around Rs 3,900.

Basmati Sela ruled at around Rs 6,000 a quintal, while basmati raw was quoted at Rs 7,100.

The Sharbati sela variety ruled at around Rs 2,800 and Sharbati steam was quoted at Rs 2,900-3,000.

Permal (PR) sela was quoted at Rs 2,000-2,150; PR (raw) at Rs 2,060-2,250; and PR (steam) at Rs 2,210-2,350. Brokens such as Tibar ruled at Rs 3,450 a quintal, Dubar at Rs 2,800, and Mongra at Rs 2,000.

Mr Amit Kumar, proprietor, Hanuman Rice Trading Company, told Business Line that with the market sentiment being low there is not much buying, which led to the declining trend. Uncertain weather and inconsistent rain were also the reasons, he said.

On Monday, around 2,000 bags (60 kg each) of Govinda paddy arrived in the market.

The early variety paddy ruled at Rs 1,020-1,025 a quintal. The early variety paddy witnessed a rally of Rs 100 a quintal last week, from the levels of Rs 950 at the beginning of the week, to the levels of Rs 1,050 during the weekend. Millers lifted the new arrivals.

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Maharashtra may produce 86.5 lt sugar in new season

25 lakh tonnes more than initially anticipated.

Maharashtra sugar production

(lakh tonnes)

Season (Oct-Sep)	Cane Crushed	% Sugar Recovery	Sugar Output
2000-01	576.49	11.63	67.05
2001-02	483.87	11.60	56.13
2002-03	534.41	11.64	62.19
2003-04	290.77	10.92	31.75
2004-05	194.56	11.39	22.17
2005-06	445.78	11.66	51.97
2006-07	798.84	11.39	91.00
2007-08	761.44	11.92	90.75
2008-09	400.42	11.52	46.14
2009-10	614.47	11.56	71.05
2010-11*	752.15	11.50	86.50

Harish Damodaran

New Delhi, Aug 16

Maharashtra expects to produce 86.50 lakh tonnes (lt) of sugar during the 2010-11 season starting October.

"Our estimate (jointly worked out with State agencies) is that the total cane area this time is 10.22 lakh hectares, which, at an average yield of 81 tonnes/hectare, will lead to production of 827.36 lt. Of this, the mills will crush 752.15 lt, which, on an average recovery of 11.5 per cent, will result in a sugar output of 86.50 lt for the new season," said Mr Prakash Naiknavare, Managing Director, Maharashtra State Cooperative Sugar Factories Federation.

Current produce

During the current season, mills in the State as a whole crushed 614.47 lt of cane and produced 71.05 lt.

These turned out much higher than the initial estimates of 410 lt of cane crushing and 46 lt of sugar production.

It is this 25 lt more-than-initially-anticipated production from the country's largest sugar producer that has contributed significantly to a reassessment of the overall domestic supply position with regard to the sweetener.

“This time, we have taken extra care to arrive at the projections. The agricultural wing of every mill was asked to collate cane area registered by individual farmers with the factory. This data was, in turn, counter-confirmed with the village-level personnel attached to the State Agricultural Department,” Mr Naiknavare told Business Line.

Estimates

According to him, while the cane area estimates will more or remain unchanged, the yield figures are always subject to change.

“There are so many factors that could bring forth higher or lower cane yields, which we have, as of now, assumed at 81 tonnes per hectare.

If that changes, it would obviously alter the production estimates as well,” Mr Naiknavare pointed out.

In fact, given the good monsoon rains in Maharashtra, there are fears (from the industry's perspective) of sugar output in the State even surpassing the record 91 lt-levels of the 2006-07 and 2007-08 seasons.

But it is not only in Maharashtra where the production numbers for 2009-10 ended up being significantly higher than the originally estimates.

Uttar Pradesh, too, was initially expected to produce only 39.6 lt during the season, but the final sugar output turned out to be 51.7 lt, as the cane yields harvested by growers exceeded industry as well as official expectations.