

# THE HINDU

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Tuesday, August 24, 2010

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## Private agriculture lands to come under NREGS ambit

Special Correspondent

*Priority for farmers belonging to SC and ST communities*

PUDUKOTTAI: The Mahatma Gandhi National Rural Employment Guarantee Scheme would cover works on agricultural lands of farmers belonging to the scheduled castes and tribes besides those below poverty line.

The Union Ministry of Rural Development in a circular to all State governments said that works on provision of irrigation facility and land development could be taken up on fields belonging to these categories of farmers.

The Union Ministry had also given its approval for taking up similar works on farm lands owned by beneficiaries of land reforms or the Indira Awas Yojana, small and marginal farmers.

The circular stipulated that priority should be given to the lands belonging to the SC and ST . On completion of the works on their fields, the benefit could be extended to small and marginal farmers.

The Union Ministry also laid down a few guidelines for the works on small and marginal farmers' lands.

Works such as water conservation, water harvesting such as construction of dug wells and farm ponds and recharge structures on existing wells could be taken up.

M. Sebastian, District president of Tamil Nadu Farmers Association, Alankudi, said the extension of the Mahatma Gandhi National Rural Employment Guarantee Scheme to private

lands would benefit farmers in the lower strata. He appealed to the district administration to direct all the village panchayats to identify the beneficiaries and execute the works immediately.

The beneficiary should possess an identity card issued by the competent authority.

The Grama Sabha should identify and approve the list of beneficiaries.

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### **Banana expo throws light on cultivation methods**



**Going bananas:A farmer looking at an six-foot banana bunch at the expo.**

TIRUCHI: Farmers from different parts of the state had a rare opportunity to understand the best practices in banana cultivation at an exhibition on banana, organised as part of the Foundation Day of the National Research Centre for Banana at Podhavur near here on Saturday.

The exhibition aimed at providing first-hand information to the farmers about the success of the crop in a few belts across the state.

About 10 stalls were set up by various leading firms manufacturing pesticides and fungicides, to resolve the problems faced by banana cultivators.

The tissue culture banana variety brought by SPIC Agro Biotech Centre, Coimbatore, was the centre of attraction at the exhibition.

Two bunches of giant-sized tissue culture 'grandnaine' species harvested by D. Indhurani, a farmer of Karaipudhur village in Palladam taluk in Coimbatore , attracted all the visitors. One of the bunches had 17 hands with 306 fruits.

Its weight was 58 kg. Another bunch, weighing 54 kg, had 16 hands with 288 fruits. The farmer had been cultivating banana on about 10 acres and had successfully raised the tissue culture variety, says K. Velmurugan, Marketing Officer, SPIC Agro Biotech Centre.

He said tissue culture banana variety was gaining popularity.

Another stall put up by Tari Bio-Tech, Thanjavur, proved that fertiliser and fungicide manufacturing industry keeps pace with the outcome of the latest research programmes.

New bio-control agent

The NRCB had recently released a bio-control agent 'beauveria' to control the pest infection caused by banana stem weevil.

The Tari Bio-Tech had manufactured and marketed 'beauvericide' to control the weevil.

The Foundation Day was also marked by lecture sessions in which farmers got their doubts clarified on pest control and fungus management in the crop.

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**Effective environmental biotechnology stressed to combat global warming**

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*"Health of human beings and animals under pressure"Technologies for preserving aquatic*

TIRUNELVELI: Development of appropriate and most effective environmental biotechnology is the need of the hour to combat the impact of global warming on livelihood and to conserve the alarmingly depleting biodiversity, T.J. Pandian, National Professor and Bhatnagar Awardee from the Madurai Kamaraj University has said.

He was delivering inaugural address in the recently held national symposium on 'Recent developments in environmental science and technology,' organised by the Sri Paramakalyani Centre of Excellence in Environmental Sciences of the Manonmaniam Sundaranar University at Courtallam.

Dr. Pandian noted that the healthiness of human beings and animals was under an immense pressure and was facing serious threat, owing to the impact of global climatic change.

Every individual, particularly experts in the field of environmental biotechnology, should contribute to abate pollution and to develop a new world without contaminants. He observed that the depletion of aquatic and terrestrial biodiversity in a rapid fashion was due to the impact of global warming and explained novel technologies available for preserving the aquatic animal species.

S. Manickam, Registrar, MSU, presided and released the proceedings of the symposium. Dr. Pandian received the first copy.

Dr. Meyyappan, Circle Head, Indian Bank, felicitated while G. Kumaresan of the Centre of Excellence in Genomics of Madurai Kamaraj University, Salom Gnana Thanga of Department of Environmental Sciences, Kerala University, and others delivered special lectures.

About 90 research papers on various topics such as global climatic change, air pollution control, bioremediation, toxicology, bio-fuel and biopolymers from wastes, biodiversity conservation, agricultural biotechnology, genes and environmental monitoring and waste recycling were presented and discussed by delegates from Pune, Kottayam, Thiruvananthapuram, Puducherry and from various educational institutions across the State. A.G. Murugesan, organising secretary of the symposium, introduced the theme and welcomed

the gathering. C. Sathesh Prabu, joint organising secretary, proposed a vote of thanks.

Published: August 22, 2010 23:48 IST | Updated: August 22, 2010 23:48 IST TIRUCHI, August 22, 2010

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## Forest department proposes to raise teaks on 3,7000 hectares

*Rs. 2.93 crore sanctioned by the government for implementation in Tiruchi Circle*



**green cover:Teaks raised by the Forest Department along the banks of the Uyyakondan river in Tiruchi.**

TIRUCHI: The Forest Department will raise teak plantations on 'padugai' lands on a total area of 3,700 hectares in various divisions in Tiruchi Circle during the current fiscal.

The State government has sanctioned Rs. 2.93 crore to implement the scheme which commenced in 2008-09 financial year. Physical targets have been set regarding the area to be covered for raising teak saplings on 'padugai' lands in Tiruchi, Thanjavur, Tiruvarur and Nagapattinam forest divisions, besides the area covered by the Tiruchi Social Forestry Division.

In Tiruchi forest division, teak saplings would be planted on 300 hectares in 2010-11, while the target given for Tiruvarur and Thanjavur divisions are 1,600 hectares and 925 hectares respectively. Teak plantations would be raised on 400 hectares in Nagapattinam division and

the target set for the Tiruchi Social Forestry Division is 475 hectares.

Forest officials in Tiruchi division have set out on the task of planting teak saplings on certain stretches along the Uyyakondan River here. A total number of 60,000 teak saplings would be planted in Tiruchi division during the current year, say Forest Department authorities adding that Rs. 23.78 lakh has been earmarked to execute the scheme.

The fund allocated this fiscal for Tiruvarur is Rs 1.26 crore, while it is Rs. 73.35 lakh for Thanjavur and Rs. 31.79 lakh for Nagapattinam. The Tiruchi Social Forestry Division has been given Rs. 37.60 lakh.

The State government had accorded administrative approval and sanctioned Rs. 35.31 crore to implement the scheme for a period of six years from 2008-09 to 2013-14 covering a total area of 20,700 hectares in Tiruchi, Thanjavur, Tiruchi Social Forestry, Madurai, Sivaganga, Dindigul and Villupuram divisions. The authorities say the objective of the scheme was not only to create timber resources in the State by planting teak on 'padugai' lands but increase tree cover outside the reserve forests and prevent erosion in canal and river banks as well. The scheme would be implemented in 6,900 hectares across the State this financial year.

### **Special micronutrient to boost banana productivity**

The Hindu T. Soundiah, Collector, presents an award to G.Nathar Meeran, Uthamapalayam, for the Best Banana Farming at the National Research Centre for Banana (NRCB), near Tiruchi. . M.M. Mustaffa, Director of the NRCB is in the picture. Photo: M. Moorthy

The National Research Centre for Banana (NRCB) at Podhavur village near Tiruchi, a unit of the Indian Council of Agricultural Research, New Delhi, has released a special micronutrient, 'banana sakthi,' for enhancing crop productivity.

This is one of the major outcomes of researches taken up at the NRCB this year, said M. M. Mustaffa, director. He was speaking at the inaugural of an exhibition-cum-seminar on banana conducted as part of the foundation day celebrations of the NRCB on Saturday. Mr. Mustaffa said that the nutrient was a solution comprising a mixture of zinc, iron, copper and boron and should be sprayed on leaves during the fourth and fifth months of the season.

Giving away the 'banana sakthi' to farmers present on the occasion, he said that there was a strong need for supplying micronutrients to the crop. Continued application of chemical fertilizers coupled with lack of awareness of its importance had resulted in serious shortfall of micronutrients, he said.

On other research findings, Mr. Mustaffa said that NRCB had evolved bio-control agents to control the banana wilt, a major disease in the crop. This apart, four nematodes posed a challenge and the NRCB had evolved and released the bio-control agent for each nematode.

The NRCB also worked on a special research programme to control the pest infection caused by banana stem weevil. "We have released a special bio-control agent, 'beauveria,' which had gone a long way in controlling the problem.

On the current research programmes, he said the NRCB had initiated special efforts to contain the problem caused by the bunch-top virus and also for evolving a technology for setting up post-harvest handling and storage besides ripening of the produce.

In fact, it had been planned to start ripening centres at three centres including Tiruchi and Theni.

Banana farmers and a service organisation working for the cause of ecology were honoured with the annual award.

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**THE ECONOMIC TIMES**

Tue, Aug 24, 2010 | Updated 05.40AM IST

23 Aug, 2010, 03.44PM IST, REUTERS

**Wheat futures edge lower; export curbs to stay**

MUMBAI: India wheat futures edged lower on Monday afternoon, weighed by a bumper crop and ample stocks, and on comments that export restrictions on the grain will continue, analysts said. September wheat on the National Commodity and Derivatives Exchange (NCDEX) was trading at 1,246.80 rupees per 100 kg, down 0.16 percent at 3:26 p.m., after hitting a low of 1,243.2 rupees. India is not planning to lift a ban on exports of wheat and non-basmati rice as food inflation levels have made it necessary to prop up domestic availability, trade minister Anand Sharma said on Monday.

"We have a bearish outlook for the week on wheat as even the government has deferred plans for exports," said Veeresh Hiremath, senior analyst with Karvy Comtrade. Indian government estimated in mid-July India's wheat harvest at a record 80.71 million tonnes.

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, 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. Selling could be done at 1,250-1,255, targeting 1,230, maintaining a stop loss of 1,265, said Hiremath.

### **Select edible oils recover on millers buying**

23 Aug, 2010, 03.43PM IST,PTI

NEW DELHI: Select edible oil prices recovered up to Rs 50 per quintal on the wholesale oils and oilseeds market today on buying by vanaspati millers to meet the on-going festive season



demand.

Trading sentiment turned better as palm oil futures climbed after the biggest weekly drop in more than 10 months lured some investors and as rival soybean oil advanced on concerns that dry weather will reduce yields in the US, the largest grower and exporter.

However, non-edible oils remained flat in restricted buying activity.

Traders said fresh buying by vanaspati millers and retailers to meet the festive demand mainly led to recovery in select wholesale edible oil prices.

Meanwhile, palm oil futures for the November-delivery contract added 0.9 per cent to 821 dollar a metric tonne on the Malaysia Derivatives Exchange.

In the edible section, mustard expeller oil (Dadri) gained Rs 50 to Rs 5,300 per quintal.

Soyabean refined mill delivery (Indore) and palmolein (rbd) rose by Rs 30 each to Rs 4,930 and Rs 4,900, while crude palm oil (ex-kandla) edged up by Rs 20 to Rs 4,150 per quintal.

Following are today's quotations in Rs per quintal: Oilseeds: mustard seed 2,500-2,600 and groundnut seed 2,100-2,850.

Vanaspati ghee (15 litres tin) 750-860. Edible oils: Groundnut mill delivery (Gujarat) 8,400, groundnut Solvent refined (per tin) 1,450-1,460, Mustard Expeller (Dadri) 5,300, Mustard Pakki ghani (per tin) 710-865, Mustard kachi ghani (per tin) 865-965, Sunflower 6,300, Sesame mill delivery 5,900, soybean Refined mill delivery (Indore) 4,930 Soyabean degum (Delhi) 4,700, Crude Palm Oil (Ex-kandla) 4,150, Cottonseed mill delivery (Haryana) 4,650, Palmolein (RBD) 4,900, Rice bran (phy) 3,750 and Coconut (per tin) 1,050-1,080.

Non-edible oils: Linseed 4,150, Mahuwa 4,050, Castor 7,800-7,900, Neem 3,750-3,850, Rice bran 3,300-3,400 and palm fatty 3,225-3,300.

Oilcakes: groundnut de-husk 800-850, sesame 950-1,150, Mustard (new) 1,025-1,050, Mustard 1,200-1,210 and Cottonseed 1,075-1,175.

23 Aug, 2010, 03.41PM IST,PTI

### **Bajra slips on reduced offtake**

NEW DELHI: Bajra prices declined by Rs 10 per quintal in lacklustre trade on the wholesale grains market today due to reduced industrial offtake.

Elsewhere, other grains moved in a tight range in the absence of worthwhile buying activity and pegged around previous levels.

Traders said fall in industrial demand against adequate stocks position led to fall in wholesale bajra.

23 Aug, 2010, 02.13PM IST,PTI

### **Soyabean futures up on fresh buying**

NEW DELHI: Soyabean prices improved marginally by Rs 8.50, or 0.41 per cent, to Rs 2,070 per quintal in future trade today on fresh buying by speculators.

At the National Commodity and Derivatives Exchange(NCDEX) soyabean price for November month contract moved up by Rs 8.50, or 0.41 per cent, to Rs 2,070 per quintal, clocking an open interest of 97,900 lots.

The September month contract also went up by Rs 7.50, or 0.36 per cent, to Rs 2,080 per quintal, having an open interest of 1,42,610 lots.

## Weather

Chennai - INDIA

### Today's Weather



Cloudy

**Tuesday, Aug 24**

Max Min

29.6° | 23.7°

Rain: 00 mm in 24hrs

Humidity: 94%

Wind: Normal

Sunrise: 5:57

Sunset: 18:25

Barometer: 1003.0

### Tomorrow's Forecast



Rainy

**Wednesday, Aug 25**

Max Min

31° | 25°

### Extended Forecast for a week

Thursday

**Aug 26**



32° | 26°

Rainy

Friday

**Aug 27**



32° | 26°

Rainy

Saturday

**Aug 28**



31° | 27°

Rainy

Sunday

**Aug 29**



29° | 25°

Rainy

Monday

**Aug 30**



31° | 26°

Rainy

# Business Standard

Tuesday, Aug 24, 2010

## **Maharashtra to rope in more mills to crush cane**

**Reuters / Mumbai August 24, 2010, 0:43 IST**

India's top sugar producing state, Maharashtra, plans to press into service 20 additional sugar mills in new season beginning from October 1 to ready for an expected 22 per cent jump in cane availability, two government officials and one industry official told Reuters.

The state government took the decision after assessing cane availability in the state in a meeting with all stake holders on Sunday, the three officials, who attended the meeting, said.

"For 2010-11 we are estimating availability of 75.2 million tonnes of cane. To crush this cane government has decided to start 20 sugar factories, those were not functional last year," a senior official at state's Sugar Commissionerate office said on Monday.

"This is a conservative estimate. Actual cane supplies may be higher than this, if weather remains conducive."

The state has about 190 mills, mostly co-operative, and in 2009-10 only 143 were operational, while the rest remained closed due to financial problems and lower supplies of cane.

The government plans to operate 163 mills in 2010-11 season and for the additional 20 mills, the state government will stand as a guarantor for bank loans, the officials said.

## **Solvent extractors question edible oil export ban**

**Press Trust Of India / New Delhi August 24, 2010, 0:35 IST**

Solvent Extractors' Association (SEA) on Monday questioned the merits of holding back edible oil exports while allowing raw material and by products exports.



“The oilseeds (raw material) and oilmeals (by products) are freely exportable. There is no justification or logic to restrict export of edible oils,” SEA said in a statement.

In view of the demand-supply gap, the government had banned bulk export in early 2008, but shipment in consumer packs up to five kg totaling 10,000 tonnes per annum is still allowed to meet the demand of Indians staying abroad. The ceiling for the current oil year, ending October, has already been exhausted and as such, no quantity is available for export during the next three months.

“We have requested Food, Consumer Affairs and Commerce Ministries to review the policy for export of edible oil both in consumer pack and in bulk as the condition in which the ban was imposed no longer exists,” SEA said.

The export of edible oil, if freely allowed, is unlikely to increase more than 50,000 to 60,000 tonnes per annum, which is hardly 0.35 per cent of India’s total consumption of 145 lakh tonnes, it said.

“This is a very meager quantity and will not have any impact on the domestic supply position. However, this would help the domestic industry to recapture the lost export market,” it added.

The move would also give a better signal to the farmers during the current sowing season and shall check the falling price of oilseeds, if any, during harvesting.

As a result of huge and growing demand-supply mismatch, India has to depend heavily on imports to meet over 50 per cent of domestic edible oil requirements, which is likely to be nine million tonnes in 2009-10.

The country is estimated to produce 26.32 million tonnes of oilseeds in 2009-10 against the projected demand of 49.35 million tonnes.

**Arabica coffee futures near 13-year high**

**Reuters / London August 24, 2010, 0:42 IST**

Arabica coffee hit a near 13-year high on Monday, buoyed by bullish technical charts, while sugar was steady.



Cocoa was slightly lower with the improving West African crop prospects weighing on prices.

Benchmark December arabica peaked at \$1.8865 in early trading, on follow-through buying from Friday's rally, which dealers and analysts said attracted speculative buyers.

"Prices are getting most support from speculative financial investors, who expanded their net long positions in the week ending 17 August by nearly 4,000 contracts to a good 39 thousand contracts, the highest level since winter 2007-08," Commerzbank said in a daily market report.

Arabica coffee futures have gained almost 40 per cent since a fund-driven rally began in June.

New York coffee is expected to rise further to \$1.9180 a lb, as an upward wave "C" is progressing, Reuters analyst Wang Tao said.

The rally is also being supported by tight supplies of high quality arabica beans, causing roasters to draw down exchange stocks.

"In the nine months to July, visible stocks at coffee importing countries fell sharply as roasters scrambled to obtain decent quality coffee," Kona Haque, analyst at Macquarie Bank said.

"The sharpest fall in stocks has been in mild arabicas following continued underproduction from Colombia."

Central American and Colombian coffee crops were disappointing last year and are expected to recover in 2010-11.

"We are still convinced that this rally is not lasting and the situation will ease in the fourth quarter," Commerzbank said.

ICE December arabicas traded up 0.75 cent at \$1.8580 a lb while Liffe November robusta coffee was up \$11 at \$1,802 a tonne, as at 1053 GMT.

Sugar futures were steady, underpinned by continued port delays in the world's number one producer Brazil and strong nearby demand.

Dealers said a strong performance this session, with raw sugar prices staying around the key 20 cent a lb level, could indicate further upside.

"The technicians seem to be suggesting a close above 20c tonight or in the next couple of sessions will result in a test of the resistance at 21c," Thomas Kujawa at Sucden Financial said. Although Brazil's port congestion eased last week, with the line up of ships awaiting loading falling, dealers said it would still take some time to clear.

On the demand side, Iraq has issued a tender for a minimum of 200,000 tonnes of white sugar, according to the website of the Iraqi Foodstuffs Company.

London October white sugar traded up \$2.70 at \$578.10 per tonne. ICE October raw sugar was up 0.03 cent at 19.98 cents a lb.

Cocoa prices traded lower, with an improving supply outlook weighing on prices.

Dealers said favourable weather conditions could lead to a record Ivory Coast main-crop. Ivory Coast cocoa port arrivals picked up in August with exporters estimating around 13,000 tonnes of beans were delivered to the West African state's two ports between August 16 and August 22 up from 1,320 tonnes in the same week a year ago. ICE December cocoa traded down \$8 at \$2,819 per tonne. Liffe December cocoa down 11 pounds at 1,988 pounds a tonne

### **Wheat futures shed 0.21% on ample stocks**

**Press Trust of India / New Delhi August 23, 2010, 14:49 IST**



Wheat futures traded Rs 2.60, or 0.21 per cent, lower at Rs 1,246.20 per 100 kg today, as traders reduced their positions following a bumper crop and ample stocks at the spot markets.

At the National Commodity and Derivatives Exchange counter, wheat for delivery in September contracts fell Rs 2.60, or 0.21 per cent, to Rs 1,246.20 per 100 kg, with an open interest of 30,270 lots.

The grain for delivery in November month contracts also shed Rs 1.60, or 0.12 per cent, to Rs 1,285 per 100 kg, with an open interest of 6,650 lots.

Analysts said a bumper crop and ample stocks at the physical markets mainly kept pressure on the wheat futures prices.

### **Refine soya oil rises on spot demand**

**Press Trust of India / New Delhi August 23, 2010, 13:14 IST**

Refined soya oil prices rose by Rs 4.40, or 0.90 per cent, to Rs 493 per 10 kg in futures trade today as traders indulged in enlarging their positions to meet the on-going festive season demand.

Restricted arrivals from overseas markets also supported the rise in prices.

At the Multi Commodity Exchange, refined soya oil for October month contract rose by Rs 4.40, or 0.90 per cent, to Rs 493 per 10 kg with a business volume of four lots.

Similarly, the oil for delivery in September month contract gained by Rs 2.20, or 0.45 per cent, to Rs 494.05 per 10 kg with a business turnover in 105 lots.

Analysts said increased buying by speculators to meet the festive season demand in the domestic market, mainly led to rise in refined soya oil prices at the futures trade.

## THE HINDU **Business Line**

Business Daily from THE HINDU group of publications

Tuesday, August 24, 2010

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**Export ban on non-basmati rice, wheat to stay for now**

*Sharma assures SEZ investors on tax breaks in new regime.*





Export push: The Minister for Commerce and Industry, Mr Anand Sharma, with the Minister of State, Mr Jyotiraditya Scindia, during the release of Annual Supplement to the Foreign Trade Policy in the Capital on Monday.

New Delhi, Aug. 23

India is not looking to lift the export ban on wheat and non-basmati rice for now, the Commerce and Industry Minister, Mr Anand Sharma, has said.

The export restrictions on these commodities were put in place a couple of years ago on the onset of high food inflation to ensure domestic availability.

“As of now, there is no proposal to rollback the restrictions on exports of commodities including non-basmati rice and wheat. Basmati rice exports will continue to be allowed. An appropriate view will be taken once the monsoons are over,” Mr Sharma told a press conference after unveiling the annual supplement 2010-11 to the foreign trade policy 2009-14.

Inflation

Mr Sharma also highlighted that the current food price inflation implied that the Government needed to pay close attention to domestic availability. Food price inflation has remained in double digit for several months in a row despite the policymakers' assurances that they would get a handle over the situation and that wholesale price index (WPI)-based inflation would come down to 5-6 per cent level by end December this year.

SEZ units

To a query on tax breaks for special economic zones (SEZs) in the proposed Direct Taxes Code (DTC), Mr Sharma expressed confidence that the concerns of industry would be addressed when the final version of the DTC is sent to Parliament.

“I have already discussed this with the Finance Minister and also with the Prime Minister. The Finance Minister is fully sensitive to our concerns and also the apprehensions of the industry and investors,” Mr Sharma said.

He assured industry and investors in SEZs and SEZ units that their benefits will be fully protected and policy stability will be ensured when it comes to SEZs that have already been notified and those that will be notified before the DTC comes into force.

The Commerce Secretary, Dr Rahul Khullar, later said that the Commerce Ministry was working on a “compromise solution” with the Finance Ministry on the issue of tax breaks for SEZ units in the proposed Direct Taxes Code regime.

Mr Sharma said that the financial implications of the export incentives (bonus incentives and add on to focus product schemes) announced on Monday would be about Rs 1,050 crore. The Rs 1,050 crore will not be money voted as demand for grants through Parliament.

“What we are doing here is issuing scrips as incentives. This is not in the nature of an expenditure. It is what is called tax expenditure — that is you are foregoing revenue and not actually spending any money. The tax expenditure is done through an executive order,” official sources [said.krsrivats@thehindu.co.in](mailto:said.krsrivats@thehindu.co.in)

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## **Leaf teas gain at Coonoor auction**

P.S. Sundar

Coonoor, Aug 23

Prices increased Rs 2 a kg for leaf offers while they slid to the same extent for dust teas at

Sale No: 33 of the auctions of Coonoor Tea Trade Association.

Teas worth Rs 1.56 crore remained unsold because 21 per cent of the 11-week low offer of 14.02 lakh kg was withdrawn due to lack of buyers.

#### CTC TEAS

In all, 98 marks of CTC teas from bought-leaf factories fetched Rs 100 and more. "Our Broken Orange Pekoe Fanning (BOPF) topped CTC leaf and dust teas, fetching Rs 146 a kg. Our Red Dust (RD) topped dust market fetching Rs 142. Totally, eight of our grades got Rs 121.50 and more," Mr Dinesh Raju, Managing Partner, Darmona Tea Industry, told Business Line.

Homedale Estate got Rs 140, Professor Rs 139, Deepika Supreme Rs 137, Vigneshwar Estate Rs 135.50, Hittakkal Estate Rs 134, Blue Mont Estate, Kannavarai Estate and Shanthi Supreme Rs 133.50 each.

#### ORTHODOX TEAS

Among the orthodox teas from corporate sector, Curzon got Rs 195, Tiger Hill clonal Rs 155, Kairbetta Rs 152.50, Havukal Rs 149, Glendale Rs 145, Coonoor Tea Rs 144, Quinshola and Sutton Rs 142 each, Thaishola and Highfield Rs 140 each. In all, 29 marks got Rs 100 and more.

"Whole leaf orthodox leaf grades got Rs 5-10 a kg more. Others gained Rs 1-2. High-priced CTC leaf was irregular. Mediums and plainers gained Rs 2-3. Primary orthodox dusts lost Rs 5-10. High-priced CTC dusts eased to Rs 10, better medium Rs 2-3. Plainers eased Rs 1-3," an auctioneer said.

Quotations held by brokers indicated bids ranging Rs 32-38 a kg for plain leaf grades and Rs 80-120 for brighter liquoring sorts. They ranged Rs 32-38 for plain dusts and Rs 90-137 for brighter liquoring dusts.

On the export front, Pakistan bought in a wide range of Rs 32-72 a kg and the CIS, Rs 31-63. Some teas were bought for European ports for Rs 42-55.

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### **Mission bears fruit**



Glut: A fruit seller with his stock of pomegranate at Charminar in Hyderabad, selling it at Rs 70 for every ten. Production of pomegranate, grown in Anantapur district in Andhra Pradesh, is estimated to be higher this year. Thanks to the National Horticulture Mission (NHM) impetus in 2005-06 ensuring area expansion, rejuvenation of old orchards, integrated pest and nutrient management, vermin-compost units, organic farming and protected cultivation for horticulture, the market is full of the pearly fruit .

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**<http://www.thehindubusinessline.com/2010/08/24/stories/2010082452681700.htm>**

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### **Imported edible oils rise with global cues**

Mumbai, Aug. 23

Prices of imported edible oil increased Rs 3 on reports of prices firming up in the world

markets and higher soyabean import figures from China on Monday.

Indigenous oils such as rapeseed oil and cottonseed oil were down by Re 1 for 10 kg. Oil extractions price also declined on lack of demand.

Sluggish retail demand at local level and selling pressure at producing centres weighed on market sentiment. Stockists are currently busy in resolving August contracts of imported oils.

In palmolein, about 150 to 200 tonnes of resale trade took place in the range of Rs 462-464/10 kg. In other edible oils, the volume was negligible. The undertone of market was steady.

Malaysia's September crude palm oil futures ended 11 ringgit (MYR) higher at 2,717 (2,706) MYR, October rose by 20 MYR to 2,628 MYR and November closed 16 MYR higher at 2,560 MYR a tonne.

In line with Indore NBOT, soya oil futures also rose. NBOT September futures were at Rs 493.70 (Rs 490) and October was at Rs 490.30 (Rs 487).

On the Mumbai commodity exchange spot rate were: Groundnut oil Rs 850 (Rs 850); soya refined oil Rs 483 (Rs 480); sunflower expeller refined Rs 530 (Rs 530); sunflower refined Rs 580 (Rs 575). .

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### **Lower retail demand drags spot sugar**

Mumbai, Aug. 23

Spot sugar prices on the Vashi wholesale market continued to decline on lack of retail demand on Monday. Upcountry buying was thin. Sugar prices fell Rs 10-15 a quintal in

spot, naka and tender delivery rates.

Selling and lifting pressure of time-bound contracts at mill level arrested fresh buying by stockists. Arrival and lifting were low as also the morale, said traders.

Mr Ashok Kataria, a wholesaler, said that absence of fresh demand from retail and upcountry buyers was the reason for bearish mode. Despite Raksha Bandhan, demand has not been as expected and even neighbouring States are not buying. Mills have sold a good amount this month. So there is not much pressure on mills and they are not keen to sell at lower rates.

The total arrival at Vashi was at 25-30 truckloads (10 tonnes each) and lifting was at 25-28 truckloads.

Mills offered tenders at the rate of Rs 2,480-2,510 for S-grade and Rs 2,510-2,550 for M-grade (including excise) a quintal. The response was poor, said market players.

According to the Sugar Merchants Association, spot market rate for S-grade was Rs 2,560-2,610 against Rs 2,575-2,610 on Friday and M-grade was Rs 2,585-2,650 (Rs 2,600-2,660). Naka delivery rate: S-grade Rs 2,540-2,560 (Rs 2,550-2,570) and M-grade Rs 2,565-2,600 (Rs 2,580-2,610) a quintal.

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### **Lower arrivals drive up chana**

Indore, Aug. 23

Chana kanta (raw) prices increased Rs 10 to Rs 2,230- 2,235 a quintal on increased demand with the local mandi witnessing a meagre arrival of about 400 bags of the produce despite the oncoming festival season.

Dollar (kabuli) chana or chickpea prices perked up by Rs 200 at Rs 4,600- 4,700 a quintal

on lower arrivals, though the demand in the international market continues to be weak. Against arrival of 1,500 bags on Saturday, the Indore mandi saw an arrival of about 1,000 bags of dollar chana on Monday.

Sluggishness in new moong continued, following pressure of increased arrival. In the spot market, new moong on Monday quoted Rs 300 lower at Rs 3,800-4,000 a quintal. Against arrival of about 500 bags on Saturday, about 1,000 bags of new moong arrived at the Indore mandi on Monday.

Traders hope further decline in moong prices with increase in its arrival. Production of moong in the country in the current year is expected to be around 10 lakh tonnes against last year's 8.5-9 lakh tonnes.

Last year, about 2 lakh tonnes had been imported from Tanzania, China, Iraq and Verma. Currently, the country has a stock of about 50,000 tonnes of imported moong but with the arrival of new moong in the market, there are few takers for the imported produce at higher rates, said the Madhya Pradesh Dal Mill Association President, Mr Suresh Agrawal.

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### **Profit-booking keeps jeera futures on leash**

Rajkot, August 23

Profit booking in the futures market further pulled down jeera prices, while on the spot market the price ruled steady as arrivals are still lower. On the National Commodity and Derivatives Exchange, jeera September futures came down by Rs 169 or 1.13 per cent to Rs 14,778 a quintal with an open interest of 14,232 lots.

October futures traded at Rs 15,022, down Rs 178 or 1.17 per cent with an open interest of 13,866 lots. The price of jeera at Unja mandi was Rs 2,225-2,778 for 20 kg.

Analysts said the emergence of profit-taking at prevailing prices put pressure on jeera

futures but estimates of lower crop in Syria and Turkey — the major competitors to India — restricted losses in jeera prices at futures trade here.

An Angel broking commodity report said: “Jeera prices in the short term are expected to trade in a range-bound manner with slight negative bias due to weak overseas and domestic demand. However, any significant demand from overseas will help prices to find support and strengthen. Further, there are lower stocks till the fresh arrivals expected in the month of March which will also add to the gains.”

Jeera stocks in NCDEX warehouse stood at 6,098 tonnes as on August 18, 2010.

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

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### **Turmeric growers turn reluctant sellers**

Erode, Aug. 23

With prices of turmeric dropping on hopes of higher production this year, farmers have begun to hold back their produce in order to bargain for better prices.

“The low price in the market for turmeric is discouraging farmers and they are reluctant to sell. Very few bulk buyers participated in the auction. This resulted in poor arrivals”, said Mr R. K. Viswanathan, a senior turmeric trader in Erode.

He said: “Turmeric futures were also quoted at a very low rate and as a result many traders kept away from participating in the spot turmeric auction.”

On the futures market, turmeric dropped 1.5 per cent on Monday.



The price of turmeric showed further fall in the Private Turmeric Merchants Association auction centre, Gobichettipalayam Agricultural Cooperative Marketing Society and Erode Cooperative Marketing Society. The finger variety was sold at Rs 13,700-13,800 a quintal. This is Rs 100 a quintal lower than last week-end price. The root variety witnessed a decrease of Rs 200 a quintal. It was sold at Rs 13,500 to Rs 13,600 a quintal.

Of the 3,400 bags that arrived in the market, only 1,890 were sold.

Mr Viswanathan said that farmers and traders are expecting a rise of Rs 500 a quintal within a week's time.

In the regulated market, bulk buyers who wanted to fulfil their committed orders booked a month ago participated in the auction and purchased all the 324 bags that arrived.

But prices declined. The finger variety was sold at Rs 13,886-14,014 a quintal, Rs 280 a quintal lower than last weekend.

Similarly, the root variety quoted at Rs 13,794-13,906 a quintal, Rs 175 lower. The market authorities expect prices to improve in September.

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**Pepper's bull run seen continuing till Dec**



G.K. Nair

Kochi, Aug 23

The Agricultural Market Intelligence Centre (AMIC) of the Kerala Agricultural University (KAU) has projected that the current pepper season is likely to end on a happy note as the uptrend in prices is likely to continue till the season ends in December.

#### INDONESIAN OUTPUT

According to Dr K. Satheesh Babu, Professor and CCPI of the KAU AMIC, the present analysis and market survey indicates that “the second half of the pepper season is usually more influenced by the crop output from Indonesia”.

Anticipating more physical supply, bearish speculations pulled down the prices in early August.

However, available data indicate a lower crop output, cash requirements of Ramadan and volatile global trends compelling Indonesia to offload or contract most of their stocks, he told Business Line.

Vietnam has also liquidated bulk of the current production and is believed to be holding very little physical stock to be carried over, the AMIC said.

This provides ample flexibility for Indian growers, who had a poor crop but better prices this time.

But, most of the small and marginal farmers sold their produce while prices were ruling high in May and June.

#### TIGHT SUPPLY

The physical availability of pepper in the domestic market is tight and only large farmers and upcountry traders are have stocks.

However, the current climatic conditions favour an early crop harvest by November.

The approach of winter, marriage, festival seasons in northern India and Christmas demand from Europe and the US are likely to stir up consumption.

Dr Satheesh Babu said the AMIC has advised the farmers who are holding stocks to synchronise their sales accordingly.

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### **Palm oil can alleviate poverty, foster growth: report**

G. Chandrashekhar

Mumbai, Aug 23

At a time when palm oil is under attack from environmentalists – both genuine and self-appointed – on grounds of damaging biodiversity and creating animal-human conflict, comes a report that outlines the positive role of palm oil in fighting poverty and fostering economic growth.

The important role palm oil can play in African nations such as Nigeria and Ghana has been brought out in a study by Nigeria-based think-tank Initiative for Public Policy Analysis (IPPA), in response to the World Bank Group Palm Oil stakeholder consultation.

#### **LACK OF INVESTMENT**

Although many African nations are naturally well endowed with tremendous biodiversity and varied agro-climatic conditions, lack of investment has characterised the continent's agriculture and agribusiness sector.

As the third largest producer of palm oil after Indonesia and Malaysia, Nigeria provides a clear example of how palm oil can be an effective means of alleviating poverty due to its

high yield, low production costs and nutritional value.

IPPA's report not only highlights the importance for World Bank to stay focussed on its original mission of poverty reduction through economic development, but also argues that imposing burdensome environmental and social guidelines on investment in the production and supply chain of palm oil will unduly shift the core focus of the mission of the World Bank and IFC.

#### TRADE-OFF

Simply put, IPPA's recommendation to the World Bank is that between poverty alleviation and environmental protection, the former must receive primacy.

For developing countries, there is no greater challenge than fighting poverty through economic growth and development.

#### MUTED WEST

Interestingly, of late, the Western-world inspired campaign against palm oil has become muted.

In the last two years, the Malaysian industry lobby has, of course, been active in responding to allegations and communicating its positive role in promoting sustainable practices.

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#### **Row over quality of pepper delivered by commodity bourses**

G.K. Nair, Kochi, Aug 23

A controversy has broken out over the quality of pepper delivered by futures exchanges with traders alleging that inferior quality has been delivered to them and they will have to

incur additional expenses to reprocess the commodity. This comes on the heels of the August contract maturing on August 20 and when delivery of around 1,400 tonnes of pepper is due.

Some traders have alleged that pepper stored in the exchange warehouses in Kozhikode was found to be of inferior quality while substandard materials were unloaded at some of the warehouses on the outskirts of Ernakulam district. Materials certified as good quality when deposited cannot be rejected on revalidation after three months as the person rejecting it will have to justify his decision with valid reasons. "When it has to be done by the same person on both the occasions, the deposited inferior material becomes valid," Mr Heman Kishor, a trader, said.

A warehouse was opened in Kozhikode to accommodate such material coming from Wayanad from where pepper was found to be inferior by warehouse authorities in Kochi, trade sources said.

#### Assays and checks

When contacted, National Commodities and Derivatives Exchange (NCDEX) sources said goods deposited at accredited warehouses are accepted on the exchange platform only after they satisfy the quality parameters stated in the contract specifications. The goods are sampled and tested at the time of deposit by empanelled assayers of the exchange.

The Warehouse Service Provider (WSP) and assayer undertake periodic internal quality checks and audit testing of goods deposited in accredited warehouses to verify the quality with respect to the contract specifications.

#### NCDEX's defence

In addition to such internal controls and checks by WSPs and assayer, the Exchange also conducts random quality audit of goods kept in accredited warehouses to ascertain the conformity of the goods to the parameters mentioned in the contract specifications.

NCDEX sources said there are no complaints regarding quality of pepper received by the exchange. At the time of outbound delivery, if a buyer suspects quality of goods or is

dissatisfied by the quality considering these not according to the contract specifications, he/she is free to ask for re-sampling and testing. Upon submission of request, the buyer is permitted to get the goods sampled and tested, in the presence of his representative, by the warehouse's assayer lab.

The exchange has a robust procedure to allow buyers to confirm the quality of the goods before taking delivery and has implemented measures to redress any concerns on quality on taking physical delivery from the warehouses. Further, the exchange also conducts routine and regular inspections to check the quality of deposits.

NCDEX, in a report updated till August 5, reported availability of 4,279 tonnes of MG-1 pepper at its accredited warehouses at Kochi and Kozhikode. It is stated that the warehouses have implemented necessary systems to ensure maintenance of quality of pepper according to the specifications of the contract.

But, Mr Philip Kuruvilla, Chairman, All-India Spices Exporters Association (AISEA), told Business Line that because of the long storage “the organoleptic inherent quality of the pepper is lost over a period of time. It is an agricultural produce in which deterioration is slow,” he said. When it is stored for long nobody is checking the year of production. When the material is brought to the warehouse nobody knows when the pepper was harvested.

“So much of a long storage can cause problem and there should be a time frame fixed between harvesting and sale. It is not only physical parameters but also the active ingredients need to be taken care of so as to satisfy the end consumers,” he said.

Pepper needs to be treated like, for instance, cardamom as far as the storage life is concerned, he added.

Meanwhile, the President, India Pepper and Spice Trade Association (IPSTA), Mr Kishor Shamji, said: “All along NCDEX is being harping upon their own systems and procedures.”

Trade in general, he said, feels they have a “weak system in place where goods deposited are tested by their own approved assayer who is the official certifying agency”. According to them the testing agency/assayer who have certified and passed the lot twice one at the time of deposit and one at the time of revalidation after three months will never ever give a

different result at the time of delivery. "If the exchange is so confident about their testing methodology and agency, they must come out with a panel of testing labs such as Spices Board, Export Inspection Agency, Regional Agmark Laboratory who are Government agencies," he said.

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### **Basmati vaults to year's high on export demand**

Karnal, Aug. 23

Following export demand, prices for basmati rice increased Rs 100 a quintal on Monday. Prices touched the Rs 5,400 levels, the highest in a year.

Pusa-1121 (steam) ruled at Rs 5,200-5,400 a quintal. Pusa-1121 (sela) quoted at Rs 4,200-4,300, while Pusa-1121 (raw) quoted at Rs 5,200-5,400. Pusa (sela) quoted at Rs 3,300 a quintal and Pusa (raw) ruled at around Rs 4,100.

Basmati sela ruled at Rs 6,200-6,250 a quintal, while basmati raw was quoted at Rs 7,300-7,350.

Heavy rainfall in Punjab and Haryana has affected the market for non-basmati varieties and coupled with low buying, the movement in the prices was minimum.

The Sharbati sela variety ruled between Rs 2,800 and Rs 2,850 and Sharbati steam quoted at Rs 3,050. Permal (PR) sela was at Rs 2,150-2,250; PR (raw) at Rs 2,300; and PR (steam) at around Rs 2,350-2,400. Broken such as Tibar ruled around Rs 3,700 a quintal, Dubar at around Rs 2,950, and Mongra at Rs 2,200.

Mr Sewa Ram, a rice trader, told Business Line that because of export demand, the basmati rice market witnessed a rally. This upward trend is likely to continue for a little longer, he said.

Notwithstanding the low arrivals of paddy, prices had dropped earlier this month. Heavy

rainfall and low procurement are the prime reasons for the low arrivals.

On Monday, only 1,000 bags (60 kg each) of Govinda paddy arrived in the market. The early variety paddy ruled at Rs 1,000 a quintal. According to the traders, moisture in the stock is also a reason behind the declining price trend.

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### Water level in major reservoirs improves

*Coverage of all kharif crops, barring soybean, up.*

Kharif progress*		
(in lakh hectares)		
Crop	2010	2009
Rice	297.50	276.80
Cotton	105.70	95.60
Sugarcane	47.70	41.80
Coarse cereals	197.30	177.30
Maize	71.70	68.80
Pulses	105.80	88.10
Oilseeds	161.4	153.20
Groundnut	48	37.10
Soybean	91.80	93.80

\*As on Aug 20

Source: Ministry of Agriculture

M.R. Subramani

Chennai, Aug 23

With monsoon gathering pace, the storage position in the 81 major reservoirs in the country has begun to improve.

According to the Central Water Commission, the storage position is 49 per cent or 75.048 billion cubic feet (BCM) of the 151.768 BCM capacity as on August 20. This is two percentage points lower than the average position in the last 10 years. Compared with last year, the position, however, is 10 percentage points higher. During the same period last



year, when monsoon played truant, the storage level was 39 per cent of the capacity.

The storage position reflects the monsoon behaviour this year with the water levels being lower in the eastern and central parts of the country where monsoon has been erratic.

In the North, barring Rajasthan where the storage position is 51 per cent lower than normal, the storage position is better. Three of the six reservoirs in the region have water levels exceeding 60 per cent, while the rest below 40 per cent.

In the east, the storage position in 10 of the 15 major ones is below 40 per cent of the capacity, while in the rest it is between 40 and 50 per cent.

In the west, the Isapur reservoir's level is 94 per cent of the capacity. Among the rest of the 18 major reservoirs, the position in 11 reservoirs is above 50 per cent.

In the central parts, the level in Matatila in Uttar Pradesh and Tawa in Madhya Pradesh is above 90 per cent. Of the remaining nine, the storage in three reservoirs is above 50 per cent, while it is above 40 per cent in another two. The level is between 30 and 40 per cent of the capacity in three reservoirs, while being lower than 30 per cent in another three. In the case of Gandhisagar in Madhya Pradesh, the storage position is just 8 per cent of the capacity.

In the South, 23 of the 30 major reservoirs are filled above 50 per cent of the capacity. The position in Harangi in Karnataka is full, while in Almatti it is 93 per cent. The level is near 90 per cent in Tungabhadra, Ghataprabha, Kabini (all Karnataka) and Aliyar in Kerala. But compared with normal storage level, the position is lower than normal in Tamil Nadu, Karnataka and Kerala.

Sowing gathers steam

Meanwhile, kharif sowing is in full swing with the acreage of almost all crops, barring soyabean, rising.

The area under rice that had been trailing at the beginning of the season is now better than last year at 297.50 lakh hectares (lh) against 276.80 lh.

Cotton coverage is at a record of over 105 lh, while sugarcane sowing has increased to 47.70 lh (41.80 lh).

The sowing pattern seems to be on the lines of monsoon behaviour with farmers opting for coarse cereals where rain has been insufficient. In places such as Rajasthan, farmers have gone in for cereals such as bajra to make up for the deficient rainfall.

Coarse cereals coverage has improved to 197.30 lh (177.30 lh), with maize acreage rising to 71.70 lh (68.80 lh).

Oilseeds sowing is up by over 8 lh with area under groundnut rising nearly 11 lh. However, soyabean acreage is down by two lh to 91.80 lh.

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