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Fatehabad farmers see nuclear plant as a liability

CHANDIGARH: The agitating farmers of Gorakhpur-Kumharia village of Haryana have decided to stage an indefinite dharna outside the mini secretariat at Fatehabad, over 300 km from here, to protest against the acquisition of over 1,400 acres by the government for a nuclear power plant there.

“We are not against technology; we just don't want it to be at the cost of farmers. We will convey this to the Prime Minister, Congress president Sonia Gandhi and Congress general secretary Rahul Gandhi,” said Hans Raj, president of the Kisan Sangharsh Samiti spearheading the stir.

Speaking to The Hindu over phone from Fatehabad, he said: “We have already handed over a memorandum of our demands to the Deputy Commissioner and addressed it to President Pratibha Patil, Prime Minister Manmohan Singh and Haryana Chief Minister Bhupinder Singh Hooda.”

Apart from a section of farmers not ready to part with their land at any cost, there are many whose objection is to the price being offered. “In the proposed power plant, over 500 acres of land which is ‘most fertile' and fetches over Rs. 20 lakh per acre in market but the government rate is Rs. 11.65 lakh per acre which is unfair. The land must be bought at a fair price,” said another farmer.

Fatehabad MP Ashok Tanwar on Monday assured a group of farmers that they would be given adequate compensation for their land if they register their complaints.

Krishan Swaroop Gorakpuria, State vice president of the All India Kisan Sabha said there were many villagers ready to sell land but wanted a better deal.

"There is only one important demand — land should be compensated by providing land and employment. No matter how much money is given, it will vanish after a generation."

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Fossils of banana leaves, peepal trees found near Indore

Indore: A group of researchers has claimed to have found over six-crore-year-old fossils of banana leaves, peepal and coconut trees during an excavation in Dhar district, about 100 km from here.

The researchers belong to the Mangal Panchaytan Parishad.

Parishad head Vishal Varma told PTI that his group also found conch-shaped organisms found in water and grass that was buried for ages.

The fossils were found at the same place where his group earlier searched fossils of dinasour eggs and its bones.

The Madhya Pradesh government has decided to set up a fossil park in this area.

Evidence of the existence of a lake, spread in an eight km area, was also found in the region with proofs of it being submerged in volcano's lava.

Mr. Varma also claimed that 24 places were found where lava got accumulated.

These fossils indicated the existence of rich bio-diversity in the region, he said.

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SHGs struggle to repay loans

L.Renganathan

Rs. 185 crore advanced to over 8,000 groups under various schemes in Karur

KARUR: The much –acclaimed women self help groups, whose credit worthiness had been coming in for strong and unreserved praise from every quarter, are now facing severe strain .

Mindless fixing of targets for creating maximum number of SHGs and extending maximum credit for them have coupled with the reckless interplay of the micro finance credit institutions have made the SHGs come out of the pole position they held with the bankers.

The SHG concept took off superbly as it sought to infuse self confidence on the economic front for women, especially those in the rural areas. The governments too encouraged voluntary organisations to create a large number of women SHGs and banks to lend credit to them liberally. They backed those efforts with the formation of the Tamil Nadu Women's Development Corporation to coordinate and take forward the movement. In the past four years, the credit linking of the groups with financial institutions moved at a rapid pace. In Karur district, so far over 8,000 SHGs have been formed and more than Rs.185 crore has been advanced to them under various schemes such as revolving fund and fund for economic activities. A lot of subsidy too was given to the groups and the members availed themselves of huge financial credits which they were repaying promptly till a few months back.

Things started going downhill as far as repayment was concerned when the banks started lending more for the micro finance institutions which in turn began lending to the SHG members in large scale at a higher rate of interest.

Now Micro finance institutions have began to tighten the grip on SHG members demanding that they be repaid first and the banks the next.

“Initially we borrowed only from the banks but the micro credit organisation that tied up with our sponsoring NGO began to lend us liberally. Suddenly we found ourselves marooned by loans and the micro finance units started applying pressure on us to repay the loans promptly. That's why we are defaulting on repayments to banks and not that we'll cheat them," observes K. Chinnammal of Krishnarayapuram, a woman SHG member. The same story prevails elsewhere in the district and official sources confided with The Hindu here that the banks are urging the district administration to take prompt and immediate actions to stem the slide in repayment. The repayment rate that was hovering around 95 per cent some years back making the SHGs darling of the bankers in the district has come down to just around 75 per cent at present. When asked, industry sources aver that the loan advance amount has gone up significantly and so has the number of groups which have been extended credit.

The governments have to revisit the policy of forming SHGs and lending them more money on a mass scale. Rather lending should be done on a case–to-case basis as it was some years back so that women SHGs get back to their prompt repayment days .

More than the SHG members others surrounding them have benefited a lot from the current situation and that should be reversed, the sources said.

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Meeting to decide on cotton export quantity

The Hindu EXPERT VIEW: Dr. Rahul Khullar, Secretary, Union Commerce Minstry (centre) with P.K. Chaudhery, Additional Secretary and Director- General of Foreign Trade (right) and M. Rafeeque Ahmed, chairman, TN Council, FICCI, at the open house on new 'Foreign Trade Policy' in Chennai on Saturday. Photo: R. Shivaji Rao

The Ministry of Commerce, along with the Agriculture and Textiles Ministries, will hold a meeting next week to decide on the quantity of cotton, which will be allowed to be exported freely, said Rahul Khullar, Secretary, Ministry of Commerce, here on Saturday.

Participating in an open house organised to clarify on the newly announced foreign trade policy, Dr. Khullar said the Agriculture Ministry would come up with the total cotton production estimate in the country. The Textiles Ministry would submit the quantity required for domestic consumption.

After arriving at the actual quantity, surplus from the cotton production would be allowed to be exported freely. For this there is no need to obtain a licence, pay customs duty or tax. “The objective of the meeting is to ensure balance of interest on both sides.” The government is not interested in allocating quota for cotton export. It will only fix the quantity to be exported freely up to a limited point, he said.

The new Foreign Trade Policy was formulated and announced to arrest the down trend in the exports, said P.K. Chaudhery, Additional Secretary and Director General of Foreign Trade. After announcing the new policy, a sectoral review was held and need-based additional changes were made.

With the government's initiative, the decline in the export was arrested and it started showing signs of improvement. In the new policy, more than 250 additional products were added. But, the additional support provided by the Finance Ministry could not be sustained, he said.

M. Rafeeque Ahmed, Chairman, TN Council, FICCI, and Ajai Sahai, Director General and CEO, Federation of Indian Export Organisation, were among those who spoke. The programme was jointly organised by the FIEO and FICCI.

Mon,30 Aug 2010

Weather

Chennai - INDIA

Today's Weather

Cloudy

Monday, Aug 30

Max	Min
29.6°	23.7°

Rain: 00 mm in 24hrs
Humidity: 84%
Wind: Normal
Sunrise: 5:57
Sunset: 18:22
Barometer: 1004.0

Tomorrow's Forecast

Cloudy

Tuesday, Aug 31

Max	Min
35°	26°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Sep 1	**Sep 2**	**Sep 3**	**Sep 4**	**Sep 5**
31° | 26°	33° | 26°	33° | 26°	33° | 28°	32° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy

Business Line
Business Daily from THE HINDU group of publications
Monday, August 30, 2010

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Back **Crude oil, metals poised for price increase**

US economic data hold the key for commodities prices.

Crude and base metals are so poised that from the time US economic data begin to turn positive, there could be a big jump

G Chandrashekhar

Mumbai, Aug 29

Macroeconomic data have always impacted commodity price performance; but of late the effect of such data seems to have intensified. Crude and industrial metals markets – growth-induced commodities – are turning out to be examples of how softer-than-expected data pressure prices down.

Recent flow of the US data in particular have raised renewed concerns about growth and have in turn pressured crude prices down to levels that not many could have imagined a month or two ago. Yet, we have seen any number of times how commodity prices overshoot to the downside or upside based on external factors, only to eventually regain a sense of balance. The growing consensus that crude market has currently overshot to the downside based merely on US-centric data and in disregard of market fundamentals and demand growth in other major economies seems to be justified. The story of base metals is no different. The US data have drowned out solid Chinese and European data. Simply put, a big price spike is waiting to happen. Crude and base metals are so poised that from the time economic data, especially from the US, begin to turn positive or better-than-expected, there could be a big jump. It is of course anybody's guess when it would happen.

Within the commodities complex, it is well known that agricultural markets are not so much susceptible to economic growth concerns. Currently, weather aberrations are driving the grains markets up because of output declines and tightening market balances. It is clear that the signs of recovery witnessed last two-three months were transient and not sustained. Going forward, growth signals need to be watched carefully. The US still remains central to propel global economic growth; and so, the nature of US data will have a bearing on global commodities. As always, caution is recommended.

Gold: Thursday and Friday last, the yellow metal eased somewhat after reaching elevated levels of around $1,245 an ounce. High prices have no doubt curbed Indian demand. However, investor interest stays robust evidence of which is provided by ETP holdings of gold and silver hitting another high. Physically-backed gold ETP holding are tantalisingly close to 2,100 tonnes and that of silver, in excess of 13,000 tonnes. The last quarter of the year is usually a seasonally strong period of demand. In addition to continued global growth concerns as well as inflation apprehensions, the possibility of an improvement, albeit slight, in physical demand, is sure to prop gold up. So, current prices may be considered as a solid base from which the yellow metal may make further gains.

Base metals: Macroeconomic pessimism combined with seasonally quiet period (third quarter) has kept base metals complex on leash. Although the US data are far from boosting confidence, economic data from Europe and China are positive. The market has, however, chosen to ignore them. In the last quarter, demand is expected to pick up and China's destocking phase may end. In the event, whether shifting expectations regarding US economic performance will dominate tightening market fundamentals remains to be seen. However, any sentiment-led price declines would offer excellent buying opportunities, especially in case of copper, tin and lead.

Crude: The market continues to stay almost totally focussed on the US. Last week crude was buoyed by better-than-expected US unemployment report that somewhat alleviated fears of a significant slowdown in the US economy. The market is precariously hanging on to sentiment and has virtually overlooked tightening fundamentals. Should sentiment improve, there is a huge upside risk to crude prices because the oil demand remains robust. The timing of the event is of course open to debate.

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Back **Cotton cheer**

The upcoming season provides a great opportunity for Indian cotton to win globally. New Delhi must ensure that trade and tariff policies stay undisturbed.

The Government deserves to be complimented for opening up raw cotton exports once again from the new season beginning October, despite pressure from industry groups. India's credibility as a reliable supplier of cotton to the world market took a beating in recent months because of changes in government polices (imposition of export duty and suspension of contracted shipments) but the lifting of export suspension coupled with bright crop prospects has now sent a clear message to the global marketplace about India's intent to be back in the trade, which it ought not to have deserted in the first place.

Among various kharif season crops, cotton prospects look the brightest on current reckoning. For the first time on record, acreage has crossed the magical 100 lakh hectares to touch a new high of 105 lakh hectares (10 lakh hectares more than last year's), with a very significant part planted with genetically modified seeds. There is tremendous optimism among growers and other stakeholders as the country is poised to harvest an unprecedented crop for 2010-11 season, tentatively estimated at around 325 lakh bales. Such a large output opens up many possibilities for those along the value chain; but it also means prices may be at risk of a collapse because of an underdeveloped supply chain. Sharp price declines have to be prevented at any cost as numerous growers' fortunes are at stake. The anticipated crop size may prove to be too much for any procurement agency to handle, but if concurrently the textile mills do build inventories and exporters weigh in, it may be possible to hold cotton prices around the minimum support price during the peak arrival time from mid-November to mid-February. Abundant availability means the user industries will have no reason to complain; indeed the onus is on them to export an increased volume of value-added yarn, or cloth or garments.

On their part, exporters will have to rise to the occasion by maximising shipments even while ensuring that export price realisation is maximised. One way to prevent price undercutting may be to impose a minimum export price that can be reviewed from time to time. Globally, cotton production is set for a big rebound with larger crops in the US, China, Brazil, Turkey and other countries in addition to India. Fierce competition from the US and other origins to capture markets is widely anticipated. Consumption too is trending up worldwide. Despite a higher domestic crop, China's cotton import requirement is expected to increase by a fifth, opening the export window for Indian cotton a little wider. The upcoming season provides a great opportunity for Indian cotton to win globally. New Delhi must ensure that trade and tariff policies stay undisturbed.

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Back **Jute body to study harvesting in Bengal drought-hit areas**

Shobha Roy

Kolkata, Aug 29

Indian Jute Mills' Association (IJMA) plans to undertake a spot study of the jute harvesting in drought-hit Murshidabad and Nadia districts in West Bengal.

The study, to be under taken by IJMA, in association with the Jute Corporation of India Ltd (JCI), private sellers and mills, would assess the extent of damage to jute crops caused by the poor monsoon in the current season, according to Mr Manish Poddar, Chairman, IJMA. “The team, comprising representatives from IJMA, JCI, private sellers and mills, will leave on Saturday for the two districts which account for a majority of jute production in the State,” Mr Poddar told Business Line.

Deficient rainfall

Though the sowing of jute crops during the current year had surpassed expectation, the harvesting has received a setback due to the deficient rainfall in various key jute-producing districts of West Bengal.

The production of jute, therefore, is likely to drop to some extent, according to senior officials in the industry.

The West Bengal Government had recently declared 11 out of 18 districts as drought-hit and allocated Rs 50 crore to tackle the situation caused by a rain deficit of about 30 per cent.

The 11districts are Purulia, Bankura, Murshidabad, Birbhum, Burdwan, Hooghly, West Midnapore, South 24 Parganas, North 24 Parganas, Nadia and Malda.

Both Nadia and Murshidabad are key jute producing districts andaccount for almost 60-65 per cent of the total jute production in the country.

Though delayed harvesting was a possibility in some cases, however, there was a fear of crops getting damaged.

Moreover, the quality of the fibre might also suffer, senior officials pointed out.

Delayed harvesting

According to estimates available, sowing of raw jute had witnessed a substantial rise and was estimated at about 115-120 lakh bales during the current year, against about 90 lakh bales in 2009-10.

There has been a 30 per cent deficit in rainfall in various key jute producing districts of the State.

The inadequate rainfall in various parts of the State would pose serious problems in harvesting of the crop as retting would not be possible in scanty water.

Delayed harvesting would damage a sizeable amount of crop and the production could drop to some extent at about 100-105 lakh bales, senior officials said.

Quality may be hit

The process of retting usually begins by August 1 and gets completed by September 15.

Post harvesting the jute has to undergo retting process, which needs plenty of water.

Insufficient monsoon will impact the quality of jute produced as the retting would have to be done in muddy water.

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Back **Pepper futures down on bearish sentiments**

G K Nair

Kochi, Aug 29

All out efforts to pull the pepper prices down during the week appears to have succeeded at the weekend. However, there was some resistance due to tight supply situation world over this year. The firmer trend in other origins indicates demand is outweighing supply.

Vietnam is said to have exported substantial portion of its crop this year while Indonesian harvesting is almost complete and a good quantity is reported to have been sold. Total availability would now depend on the Brazilian crop in September/October. Overseas buyers were not maintaining big inventories because of the huge investment involved. They were buying only hand-to-mouth to meet their immediate requirements on the hope that the prices may drop when the Indonesian new crop enters the market. Contrary to their expectations prices were vacillating between $4,000-4,500 a tonne and it is likely to stabilise at this level or move up when the overseas buyers become active in the market to cover for their winter requirements.

There were reportedly selected buyers from Canada for MG1 at $4,400-4,500 a tonne (c & f) and it gives the impression that there could be orders coming to India when the parity becomes competitive, trade sources claimed. In India, availability is tight, evident from the fact that nobody was forthcoming to sell even after the prices crossed Rs 200 a kg. Some quantity of graded pepper was available on the exchange platform and with the investors. As the festival and wedding season is set to begin in India, the domestic demand would also pick up in the coming days. The country is estimated to have a monthly demand of around 4,000 tonnes of pepper.

‘AGAINST FUNDAMENTALS'

The scenario , therefore, appears to be grim. There is a likelihood of the domestic demand becoming stronger as the days pass by, trade sources claimed. But the futures market continued to remain highly volatile and in that process small and medium players got wiped out. “In fact, it appears to be going against the fundamentals,” market sources told Business Line.

There was no selling pressure on the spot as physical pepper was not available, they said.

Growers in Pathanamthitta and Idukki districts, two main pepper growing districts of Kerala, alleged that the futures market is in the hands of gamblers and they were trying to deprive the growers of remunerative prices. Mr Joshua Daniel, President, All Kerala Pepper Karshaka Samithi, had urged the Prime Minister in a representation to introduce some mechanism to arrest this kind of gambling, he told Business Line. He said already the growers are burdened with high cost of production due to exorbitantly high labour inputs and low productivity due to erratic weather.

The next crop, he claimed, is going to be 25 per cent less. Already, the Indian pepper output has been on the decline in recent years and remained almost stagnant at around 50,000 tonnes, he said. The country's domestic market could easily absorb 40,000-45,000 tonnes of pepper and yet the growers are deprived of remunerative prices, he alleged attributing this predicament to the futures trading. All the contracts during the week on the NCDEX fell sharply. September, October and November contracts fell by Rs 1,199, Rs 1,206 and Rs 1,128, respectively, to close at Rs 20, Rs 115, Rs 20, Rs 333 and Rs 20,563 a quintal.

Total turn over increased by 15,721 tonnes to 1,39,260 tonnes. Total open interest dropped by 706 tonnes to 17,070 tonnes. Spot prices in tandem with the futures market trend fell by Rs 600 to close at Rs 19,600 (un-garbled) and Rs 20,100 a quintal from the previous weekend closing. Indian parity in the international market at the weekend closing stood at $4,500- $4,525 a tonne (c & f) for Europe and $4,600- $4,625 for the US, trade sources said.

According to the International Pepper Community (IPC) the black pepper market gained momentum during the week and prices increased at all origins except India as against last week. In Brazil, Indonesia, Vietnam and Sri Lanka, prices increased locally as well as in f.o.b. In India, the prices decreased during the week, as speculators exit their position. On an average, however, the price was still higher when compared to that of previous week. In Sarawak, local prices were stable while f.o.b prices decreased by 2 per cent, but still maintained the highest position. The high prevailing price is mainly driven by the tight global supply situation. It is predicted that the situation will continue till the end of this year. Pepper harvest in Indonesia is almost complete.

Buyers are anxious on the development of upcoming crop in Brazil in September/October. Vietnam is likely to have almost exhausted their material from this year crop. It is reported that Vietnam has released around 80,000 tonnes during January–July 2010, while production from this year crop is reportedly only 90,000 tonnes.

The market for white pepper was also encouraging this week. In Brazil, Indonesia, Vietnam and China, white pepper prices increased, Vietnam recording the highest increase of 6 per cent locally. In Sarawak, local prices increased, but f.o.b price decreased by 2 per cent.

During 2009, India exported 21,266 tonnes of pepper valued at Rs 333 crore, a decrease of around 20 per cent in volume from 26,665 tonnes in 2008. Export of black and green pepper products also decreased while export of white pepper increased during 2009. Unit value of export in 2009 was slightly lower compared to 2008. During 2010, export from India is expected to decrease further as indicated by its export performance up to June 2010. During January –June 2010, export of pepper from India was only 8,764 tonnes as against 10,870 tonnes in the same period last year, showing a decrease of 19 per cent.

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Back **Leaf prices up at Coonoor tea auction**

P. S. Sundar

Coonoor, Aug 29

Keeping with last week's trend, prices increased by Rs 2 a kg for leaf offers but slid to the same extent for dust teas at Sale No: 34 of the Coonoor Tea Trade Association auctions on Thursday.

Teas worth Rs 1.52 crore remained unsold because 20 per cent of the offer of 14.17 lakh kg was withdrawn for want of buyers.

In all, 93 marks of CTC teas from bought-leaf factories fetched Rs 100 and more.

“Our Broken Orange Pekoe Fanning (BOPF) topped among all CTC leaf and dust teas fetching Rs 140 a kg. Totally, our 8 grades got Rs 102 and more,” Mr Dinesh Raju, Managing Partner, Darmona Tea Industry, told Business Line.

Shanthi Supreme got Rs 134, Kannavarai Estate Rs 133, Blue Mont Estate and Professor

Rs 132 each, Hittakkal Estate Rs 131, Deepika Supreme Rs 130.5, Homedale Estate and Singara Estate Supreme Rs 130 each.

Among orthodox teas from corporate sector, Curzon got Rs 194, Kairbetta Rs 156, Havukal Rs 151, Quinshola clonal Rs 148.5, Highfield Estate Rs 142.5 and Sutton Rs 140.5. In all, 30 marks got Rs 100 and more.

"Whole leaf orthodox leaf grades got Rs 10-20 a kg more. Better liquoring CTC leaf gained Rs 3-4 while high-priced sorts eased Rs 2-3. Most orthodox dusts eased Rs 2-5 but primary teas gained Rs 2-4. High-priced CTC dusts eased up to Rs 5, better medium Rs 2-4 and browners Rs 1-2. Blacker bolder sorts gained Rs 1-2," an auctioneer said.

Exports

On the export front, Pakistan bought in a wide range of Rs 46-70 a kg and the CIS Rs 31-73. Some teas were bought for European ports for Rs 38-56.

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Back **Coonoor H1 tea turnover falls 3%**

The turnover totalled Rs 177.53 crore (Rs 183.36 crore), posting a decline of Rs 5.83 crore or 3.18 per cent

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P.S. Sundar

Coonoor, Aug 29

For the first time in 2010, turnover at the auctions of Coonoor Tea Trade Association has fallen below last year.

By July-end, the turnover fell by 3.18 per cent compared to last year, reveals an analysis of market reports.

In January-end, the turnover had risen by 36 per cent over last year. By February-end, the increase reduced to 18 per cent. By March, the increase rose to 24 per cent but fell to 19 per cent by April, 7 per cent by May and 1.39 per cent by June.

Prices down

Till July-end, 30 auctions had been conducted.

In all, 2.93 crore kg had been sold against 2.40 core kg last year. But, every kg fetched Rs 15 less to average Rs 60.59. Consequently, the turnover totalled Rs 177.53 crore against Rs 183.36 crore last year, posting a decline of Rs 5.83 crore or 3.18 per cent.

Orthodox teas

In respect of orthodox teas, both the volume sold and prices fetched were lower than last year.

In the seven months, 17.52 lakh kg was sold against 17.63 lakh kg last year. The average price dipped to Rs 71.03 a kg from Rs 87.16.

CTC teas

In respect of CTC teas, a higher volume was sold for a lower price. In all, 2.75 crore kg of CTC teas was sold against 2.22 crore kg last year.

The average price fell to Rs 59.93 a kg from Rs 75.55.