THE HINDU

Online edition of India's National Newspaper

Thursday, August 05, 2010

Date:05/08/2010 URL: http://www.thehindu.com/2010/08/05/stories/2010080561110600.htm

---

Meet exposes ryots to organic farming methods

MADURAI: A workshop on using organic farming techniques to cultivate flowers, paddy and vegetable cultivation was organised at Arul Anandar College in Karumathur near here by National Bank for Agriculture and Rural Development (NABARD). Funded under its Farm Innovation Promotion Fund (FIPF), this programme saw more than 200 farmers from in and around Madurai taking part in it. It was conducted by Model Integrated Organic Farm and Training Centre in association with Arul Anandar College and Vaigai Farmers Association. Inaugurating the programme, NABARD Assistant General Manager R. Shankar Narayan urged farmers to utilise modern farming techniques to increase yield. They should look for ways to take up inter-cropping, drip irrigation and System of Rice Intensification (SRI) methods of paddy cultivation. Farmers should also utilise NABARD's Farmers Clubs to obtain technical inputs and details on how to cover their risks.

Date:05/08/2010 URL: http://www.thehindu.com/thehindu/seta/2010/08/05/stories/2010080552201400.htm

---

FARM QUERY

Contract casuarina farming

Where can I get details on contract casuarina farming in Tamil Nadu?

Jayavel,Tamil Nadu

Farmers in Erode, Namakkal, Tiruchi, Thanjavur, Tiruvarur, Cuddalore areas are doing this farming. You can contact the Dean, Forest College and Research Institute, Tamil Nadu

Agricultural University, Mettupalayam- 641 301, Tamil Nadu, email: deanformtp@tnau.ac.in, phone: 04254 – 222010 for your details.

Date:05/08/2010 URL:
http://www.thehindu.com/thehindu/seta/2010/08/05/stories/2010080552791800.htm

---

Management of shoot and fruit borer in brinjal

Shoot and fruit borer, is the most destructive pest of brinjal.

The larva of brinjal shoot and fruit borer burrows into the petioles and tender shoots. It results in drooping of leaves and shedding of flower buds.

Severe damage is mainly caused to the developing fruits by the caterpillars as they tunnel inside the fruits.

A single caterpillar may destroy as many as 4-6 fruits. Damaged fruits show circular exit holes.

The entry holes on the brinjal fruit can also be seen plugged with excreta thus making the fruits unfit for consumption and marketing.

Life cycle

The pest is active all through the year in places having moderate climate. The moth is a medium sized adult with brown and red markings on the forewings.

Female moth lays about 250 eggs singly on tender shoots and developing fruits of brinjal.

The caterpillar is pink in colour and covered with sparsely distributed hairs all over the body.

Fully grown larva measures about 20 mm long and pupates in a tough silken cocoon on the plant itself. Entire life cycle is completed in 3-6 weeks.

There are five overlapping generations in a year. Grow less susceptible varieties such as pusa purple round, brinjal long green, pusa purple cluster, brinjal round white and annamalai.

Management

Continuous cropping or ratooning may be avoided. Adjust the time of planting by transplanting up to 4th week of June. Dip the roots of the seedlings for 3 hours in imidacloprid solution prepared at 1ml/lit before transplanting.

Carry out shoot clipping operation at weekly interval. Collect and destroy affected shoots and fruits.

Apply neem cake at 250kg/ha at 30 days after transplanting. Keep pheromone traps at 12 nos./ha

Spray azadirachtin 0.03 per cent profenophos 0.05 per cent or carbaryl 50WP at 2g/lit starting from one month after transplanting at 15 days interval.

Soil application of carbofuran 3G at 30kg/ha 10 days after transplanting is also very effective. Cultivation of brinjal under protected cultivation (net house condition) is found to reduce the incidence of shoot and fruit borer.

J. Jayaraj& S. Manisegaran Agricultural College and Research Institute Madurai

Date:05/08/2010 URL: http://www.thehindu.com/thehindu/seta/2010/08/05/stories/2010080552901800.htm

---

FARMER'S NOTEBOOK

A farmer's curious nature results in a new cardamom variety

M. J. PRABU

Till date more than 20,000 seedlings have been marketed

Better yield: Joy Peter of Idukki, Kerala, with his newly developed variety.

“Our economy is based on agriculture and innovative farmers are very much essential for food sustenance, but unfortunately they do not get enough respect and recognition,” says Mr. Joy Peter a progressive cardamom farmer from Idukki district in Kerala.

Possessing a scientific bent of mind and curious nature, Mr. Joy spent most of his time experimenting in the field so as to substantially increase the production and income from his farm.

He used to grow and experiment with arecanut and coconut crops. “But since cardamom was more profitable, I decided to concentrate on it,” he says.

Colour retention

The new cardamom variety developed by him named Panikulangara Green Bold No.1 (PGB-1) retains its green colour and size even after drying and yields 6-8 kg of capsules per plant.

In his 50 acres Mr. Joy grows pepper, coffee, vanilla, clove, nutmeg and arecanut in 30 acres and cardamom in 20 acres.

Earlier, the farmer cultivated traditional Mysore, Malabar, and Vazukka varieties of cardamom.

“I noted two plants from Vazukka variety bearing thick long leaves, and vigorous growth. I separated two clones each from two plants and planted them in my kitchen for further observation.

“I separated about 12 clones and obtained 70 plants by clonal propagation. From these I developed another 1,000 plants. I noticed an increased and uniform production of tillers in them,” he says. The variety can be cultivated under drought conditions and is less prone to pest attack, according to the farmer.

More tillers

Productive tillers in (PGB-1) are comparatively higher than Mysore and Malabar varieties.

As the capsules of innovator's variety are bolder (80 per cent of the capsules are of more than 8mm size) than Mysore and Malabar varieties, farmers growing this variety (Panikulangara Green Bold No.1) have the advantage to generate more profit.

Mr. Joy started commercializing the variety from the year 2000 and so far has sold more than a lakh of seedlings to farmers in Kerala, Karnataka, and Tamil Nadu.

The Indian Cardamom Research Institute, Spice Board, in its report mentions that the tillers (in PGB-1) are comparatively higher than traditional varieties.

It is less prone to thrips, borers, and azukal disease and can be grown without much care.

Drought resistant

The report further adds that being a short duration variety, 75 days after flowering, it is tolerant to drought and resistant to stem borer also. The crop requires less shade and bears 110-120 number of tillers. The yield per plant is 6-8 kg of capsules that retain an attractive green colour even after drying.

Lack of adequate irrigation facilities poses a major constraint for cardamom cultivation in Idukki district. But the (PGB-1) grows well under rainfed condition and hence is suitable to be grown in the areas where there is a lack of irrigation facilities.

Better than others

Cardamom Research Station, Kerala Agriculture University mentions that the (PGB-1) variety is blight disease resistant and moderately tolerant to thrips, stem borer, and other leaf diseases. The number of tillers is more and capsules less compared to the traditional Njallani variety.

The success of (PGB-1) spurred Mr. Joy to continue research and the farmer developed a cross between (PGB-1) and a wild ginger variety and named it Panikulangara No 2.

Good growth

The cross exhibited good growth and a common disease afflicting cardamom called azhkal (shoot rot) did not occur in this variety.

"Till date I have marketed about 23,000 seedlings of Panikulangara No 2," says the farmer.

The Krishi Vigyan Kendra, Santhapara, Idduki and Prasar Bharti, All India Radio felicitated the farmer for adopting modern agriculture techniques.

For more details contact Mr. Joy Peter, Panikulangara, PO Vattiar, Kallar, Idukki Kerala, phone: 04864278202, mobile: 9961812833.

Date:05/08/2010 URL: http://www.thehindu.com/2010/08/05/stories/2010080561050500.htm

---

JAIPUR: Chief Minister Ashok Gehlot flagged off nine mobile soil testing laboratories at Pant Krishi Bhavan here on Wednesday to provide the facility of on-the-spot analysis of soil in agricultural fields in remote villages along with recommendation for the use of manure and fertilisers in correct proportion.

The mobile labs, launched under the National Soil Health and Productivity Management Project through public-private partnership, are expected to make a significant contribution to a better crop yield as well as remunerative prices for the agricultural produce.

Addressing the gathering, Mr. Gehlot said: “The introduction of these laboratories is [a way of] paying gratitude to farmers who deserve respect like any other citizen.”

He called upon the farmers to adopt the latest techniques in their fields with the help of agricultural scientists.

Second green revolution

“The time has come for the second green revolution in the country which will bring self-sufficiency to the farmers. The first green revolution was the result of historic decisions taken by [the then] Prime Minister Indira Gandhi,” said Mr. Gehlot.

The Chief Minister said the proposed law on right to food security would be brought into force in 120 districts across the country under the public distribution system.

“Farmers would play an important role in the implementation of the new legal right”, he added.

Mr. Gehlot saw the interiors of mobile laboratories and handed over the agreement papers to seven private agencies running the labs. The vans with the lab facilities have been given to agencies from places such as Jaipur, Udaipur, Bikaner and Nawalgarh.

Agriculture Minister Harjiram Burdak said technicians and agricultural experts travelling with the labs would detect the nutritive elements in the soil and suggest use of appropriate fertilisers.He said 14 permanent soil testing labs would be constructed in the State this year.

Published: August 4, 2010 14:13 IST | Updated: August 4, 2010 14:13 IST Chandigarh, August 4, 2010

Area under guar unlikely to reach 3 lakh hectares in Haryana

The Hindu An agricultural scientist with the guar crop. Area under guar crop in Haryana is unlikely to reach targeted level of 3 lakh hectares this season due to shift in area by farmers to other crops. File Photo

Area under guar crop in Haryana is unlikely to reach targeted level of 3 lakh hectares this season due to shift in area by farmers to other crops like pulses, paddy and bajra.

Traders said that fall in guar acreage may lead to firming up of guar seed and guar gum prices in coming months.

“We do not think the area under guar crop will reach 3 lakh hectares this season ... rather it (area) will restrict to 2.50 lakh hectares primarily due to shifting of area to other crops by farmers,” Sirsa based Guar trader Prem Kandoi said on Wednesday.

“Farmers prefer to sow bajra, pulses like moong and moth and even paddy for fetching remunerative returns,” an expert pointed out.

Haryana, which contributes 25 per cent of country’s guar output, had set a target to sow guar over 3 lakh hectares this season with estimated production of 3.60 lakh tonnes against 2.52 lakh hectares brought last year.

Sowing of guar crop starts in June end which goes till first week of August.

With decline in area under guar, prices of guar seed and guar gum are likely to soar in the month of September, traders said. “There is a huge shortage of guar seed being witnessed in the market which will cause increase in its prices,” a trader said.

Against the current level of Rs 2,310 per quintal, experts estimate rates of guar seed to touch a level of Rs 3,000 a quintal in September. “If there is no rain in September then the prices will further soar,” said a guar trader. The rate of guar gum is ruling at Rs 5,525 a quintal in spot market.

Haryana, the second largest producer of guar seed after Rajasthan, sows guar mainly in southern belt of the state including Sirsa, Hisar, Bhiwani, Rewari, Narnaul, Dadri and other areas adjoining Rajasthan.

Area under guar surged from 2.95 lakh hectares in 2006-07 to 3.41 lakh hectares in 2007-08. In 2008-09, it achieved record output of 6.02 lakh tonne with an area under cultivation of 3.71 lakh hectares.However, in 2009-10, guar area shrunk to 2.52 lakh hectares with output of 3.29 lakh tonne.Guar is a raw material to produce guar gum. Guar gum is used as a thickening agent and additives in food products such as soups, sauces, milk and cheese products, processed meat products etc. It also has a use in textile, pharmaceutical and paper industry.

Business Standard

Thursday, Aug 05, 2010

FCI may lower wheat lot size to bring small traders to spot exchanges

Dilip Kumar Jha / Mumbai August 5, 2010, 0:54 IST

Unfriendly policies and a lukewarm response to wheat sales through national spot exchanges have forced the Food Corporation of India (FCI) to consider lowering the minimum stipulated quantity to sell the commodity under the Open Market Sales Scheme (OMSS) to 10 tonnes from the current 100 tonnes. The move is aimed to attract participation from small traders.

A source familiar with the development said: “The decision is almost finalised and will be notified soon.”

FCI chairman Siraj Hussain, in a recent meeting with Business Standard, had hinted that the corporation was liberalising warehousing policies to make them industry-friendly. The policy will be liberalised to the Central Warehousing Corporation (CWC) standard, which is sufficient to attract participation from small traders.

Currently, a minimum quantity of 100 tonnes is stipulated for selling wheat through spot exchanges under OMSS. But, the price fixed by the government is higher than the spot price. So, it is not economically viable for millers to buy wheat under OMSS.

Financial Technology-promoted National Spot Exchange (NSEL) sold about 2,400 tonnes in three auctions, while National Commodity and Derivatives Exchange-promoted NCDEX Spot could not participate in the wheat tender.

“The idea is to bring small flour millers, with a capacity to the tune of 10 tonnes, under the FCI sales scheme. Owing to their lower capacity, they have been barred from participating in OMSS tenders. Through this approach, FCI will be able to sell more wheat and prices of processed wheat products, including flour, sooji (semolina) and maida (processed flour), may come down in the open market,” sources said.

Early last month, NSEL had urged the corporation to consider lowering down the minimum stipulated quantity, so that small flour millers with a capacity of 10 tonnes could participate. FCI, however, allows lifting of a minimum three tonnes and maximum of nine tonnes from one depot at one point of time after showing their identity proof. But, if small flour millers want to lift more than nine tonnes in one day from one location, they need to participate in tenders.

In many cases, however, flour mills could not buy directly due to the absence of FCI godowns in the nearby location.

“This is a welcome move”, said Anjani Sinha, managing director and CEO of NSEL, adding, “Majority of our members, who were barred from direct participation in FCI tenders, will now be able to procure as much wheat as they want.”

NCDEX Spot Head Rajesh Kumar Sinha said, “The move will attract more participation, which will yield in competitive bidding price.”

Millers defy sugar federation, sell below benchmark

Dilip Kumar Jha / Mumbai August 05, 2010, 0:49 IST

Mills have defied the Sugar Federation directive asking them not to sell the sweetener below the Rs 2,700 per quintal benchmark price.

According to sources, mills have reportedly sold white sugar at Rs 2,450-2500 per quintal to raise working capital and pay salaries.

On July 23, the Maharashtra State Federation of Co-operative Sugar Factories (Sugar Federation) had issued a statement – following a first-of-its-kind meeting with representatives of sugar federations in Gujarat, Karnataka, Tamil Nadu, Andhra Pradesh and Uttar Pradesh – that the nearly 500 members should restrain from selling sugar below the benchmark price.

“Mills have different priorities. A majority of them lowered prices due to levy fears while others did not want high inventory level,” said a senior official with the Indian Sugar Mills Association.

According to existing norms, the residual quantity from monthly quota release automatically turns into levy quota that fetches mills Rs 13 per kg, almost 50 per cent lower than the current prevailing price in the spot market.

“Given the vagaries in the nature of sugar mills, how do you expect them to adhere to directives of the federation amid uncertainty of policy decisions? Since, the government continues to control the sugar industry, anti-industry policies can hammer you anytime. Hence, the benchmark price can not prevail in this industry,” the official added.

Prakash Naiknavare, managing director of the Sugar Federation, however, had ruled out any attempt to make a syndicate. “This was just an appeal,” he had said. Finding the benchmark price significantly higher than the prevailing price in spot markets, bulk consumers and stockists abstained from fresh booking. As a consequence, stockpiling continued through the week beginning July 24. Now, the excessive quota is being released by mills as the government did not allow any time extension.

“We had requested the food ministry to extend the release period by a week. But, the ministry did not taken a final decision in this regard. This means, the monthly period will remain intact,” said Vinay Kumar, managing director of National Federation of Cooperatives Sugar Factories.

Maharashtra to back loans to revive closed sugar mills

Sanjay Jog / Mumbai August 5, 2010, 0:47 IST

Rs 300-crore loan aims to restart 34 cooperative mills.The Maharashtra government will provide a default guarantee for a Rs 300-crore loan to revive 34 cooperative sugar mills, closed for two years.

The banks concerned have agreed to make the loan available to enable these mills to participate in the next cane-crushing season that begins October 1.

Of the Rs 300 crore, Rs 80 crore is for pre-seasonal operations and Rs 220 crore is the short-term loan for restarting crushing.

Harshvardhan Patil, state cooperation minister, told Business Standard, “These mills can revive, especially when there will be excess sugarcane availability (in the coming season) for crushing. In all, 168 mills, 130 cooperative (including the 34 now-closed ones) and 38 private mills are expected to take part in the ensuing season. These mills would help crush the entire 75.2 million tonnes of cane (expected) within 200 days starting October 1. Banks have agreed to give the loans immediately.”

The crushing programme of the mills concerned would be monitored by a joint committee, including bank representatives, beside the loan utilisation. The 34 mills have agreed to amicably settle pending disputes with their labourers.

Prakash Naiknavare, managing director of the Federation of Cooperative Sugar Factories of Maharashtra, the largest sugar producer in the country, said sugar mills in the state were poised to produce 8.65 million tonnes of new sugar, at an average recovery of 11.5 per cent. During 2009-10, mills crushed 61.44 mt cane to produce 7.1 mt of sugar.

A monitoring committee under the chairmanship of the commissioner of sugar and comprising managing directors of the Federation of Coops, the State Cooperative Bank and the Vasantdada Sugar Institute would regularly review and analyse the field monitoring.

Haryana paddy area likely to meet target

Vikas Sharma / New Delhi/ Chandigarh August 05, 2010, 0:34 IST

Despite floods damaging considerable area under paddy in Haryana, agriculture department is hoping the area under paddy in Haryana is certain to reach the target.

Haryana had set a target of 1,150,000 hectares under paddy this year, however the torrential rains ensuing floods had resulted in damage of 270,000 hectare area posing a threat to the state.

Officials in Haryana agriculture department maintained, paddy area in Haryana had already crossed 1,100,000 hectares and was expected to touch 1,130,000 hectares till August 4 as per rough estimates. However, final data was yet to be compiled.

They added that in all probability the target area under paddy was likely to be met , even though it would fall short of last year-area of 1,205,000 hectares.

The floods last month caused considerable damage to the paddy crop, in the state.

Officials maintained timely steps had already been taken and farmers were advised to raise the paddy nursery of short duration or Basmati varieties immediately and transplant it before the first week of August. Direct seeding of basmati variety is also being advocated to the farmers to curtail the overall maturity period of the crop

The state government had made provisions for supplying seeds of Basmati varieties at subsidised rate in the flood-affected areas.

The agriculture department added, this year the area under basmati was anticipated to rise on account of floods. They said basmati area in Haryana could touch 65 per cent of the total paddy area as against 50 per cent area projected earlier.

Farmers in districts of Sirsa, Fatehabad, Ambala, Kurukshetra, Kaithal and some parts of Karnal who suffered losses to the crop on account of water deluging the fields, would opt for basmati sowing leading to increase in the area under basmati.

Select oil rises on firm global cues

Press Trust of India / New Delhi August 4, 2010, 15:01 IST

Select edible oil prices rose by Rs 20 per quintal in the wholesale oils and oilseed market today on buying by vanaspati units amid firming global trend.

Elsewhere, edible and non-edible oil prices moved in a tight range on alternate bouts of trading and settled around previous levels.

Trading sentiment turned better after reports of palm oil climbed to the highest level in more than four months in Malaysia.

Marketmen said fresh buying by vanaspati millers and reports of firming global trend mainly led to a rise in palmolein and crude palm oil prices.

In the edible section, soyabean refined mill delivery (Indore) and soyabean degum (Delhi) gained Rs 20 each to Rs 4,880 and Rs 4,620, while crude palm oil (ex-kandla) and palmolein (rbd) traded higher by the same margin at Rs 3,970 and Rs 4,670 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) 8,500, groundnut Solvent refined (per tin) 1,400-1,410, Mustard Expeller (Dadri) 5,300, Mustard Pakki ghani (per tin) 705-860, Mustard kachi ghani (per tin) 860-960

Sunflower 6,300, Sesame mill delivery 5,900, soybean Refined mill delivery (Indore) 4,880
Soyabean degum (Delhi) 4,620, Crude Palm Oil (Ex-kandla) 3,970

Cottonseed mill delivery (Haryana) 4,500, Palmolein (RBD) 4,670, Rice bran (phy) 3,750 and Coconut (per tin) 1,050-1,080

Non-edible oils:
Linseed 4,100, Mahuwa 4,000, Castor 7,650-7,750, 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

Refined soya oil futures trade higher as demand rises

Press Trust of India / New Delhi August 4, 2010, 12:25 IST

Refined soya oil futures moved up by Rs 2.05 to Rs 489.70 per 10 kg today largely on the back of pick up in demand in spot markets.

At the Multi Commodity Exchange, refined soya oil for August month edged up by Rs 2.05, or 0.42 per cent, to Rs 489.70 per 10 kg with an open interest of 613 lots.

However, refined soya for September month held steady at Rs 493.60 per 10 kg in 184 lots.

Market analysts said pick up in demand in spot markets due to festive season led to rise in refined soya oil prices at the futures market.

Crude palm oil futures rise on spot demand

Press Trust of India / August 04, 2010, 12:06 IST

Crude palm oil futures rose by Rs 3.50 to Rs 400.20 per 10 kg today as traders enlarged their positions tracking strong cues from spot market.

At the Multi Commodity Exchange, crude palm oil for August month rose by Rs 3.50, or 0.88 per cent, to Rs 400.20 per 10 kg with an open interest of 1,602 lots.

Similarly, the oil for delivery in September month gained Rs 3.50, or 0.89 per cent, to Rs 397.50 per 10 kg in 1,715 lots.

Market analysts said traders enlarged their positions on expectations of pick up in demand in the spot market in view of festive season mainly pushed up crude palm oil prices.

Mentha oil futures up on spot demand

Press Trust of India / New Delhi August 04, 2010, 12:03 IST

Mentha oil futures rose marginally to Rs 713.30 per kg today as speculators created fresh positions after a pick up in demand in spot market.

At the Multi Commodity Exchange, mentha oil for August month rose by Rs 0.30, or 0.04 per cent, to Rs 713.30 per kg with an open interest of 4,853 lots.

Similarly, the oil for delivery in September month traded higher by Rs 0.20, or 0.03 per cent, to

Rs 724.30 per kg with a business turnover of 3,548 lots.

Marketmen said firming trend in spot markets on the back of pick up in demand helped mentha oil futures to trade slightly higher.

Cardamom futures down 2.5% on sluggish demand

Press Trust of India / New Delhi August 04, 2010, 12:01 IST

Cardamom futures fell by Rs 29.70 to Rs 1,150 per kg today as traders reduced their positions, tracking weak cues from spot markets.

At the Multi Commodity Exchange, cardamom for far-month October dropped by Rs 29.70, or 2.52 per cent, to Rs 1,150 per kg with an open interest of 1,129 lots.

Similarly, the spice for delivery in August month also fell by Rs 14.80, or 0.97 per cent, to Rs 1,511 per kg in 1,540 lots.

Marketmen said fall in demand and increased arrivals in physical markets led to fall in cardamom prices at futures market.

India's tea export dips 15% in June

Press Trust of India / New Delhi August 04, 2010, 15:57 IST

Tea exports fell by around 15 per cent to 12.7 million kg in June this year due to dip in production in both northern and southern parts of India. During the same month last year, India had exported 14.9 million kg of tea, the Tea Board said in statement.

The contribution of North India to the export basket fell to 4.9 million kg from 6.6 million kg in June last year. South India also failed to match its last year's tally as exports slid to 7.8 million kg from 8.3 million kg.

Fall in exports is in line with dip in production during the month as a result of a massive 11.9 million tonnes output fall in Assam. The North-Eastern state contributes more than half to the country's total annual production.

Production in North India, mainly in Assam, fell due to heavy rainfall and pest attacks since February this year.

Industry sources said that the tea estates in Assam have also reported that production in July has also been adversely impacted due to continuing heavy rains and the slow recovery of estates from the severe Helopeltis pest attack.

Registering a fall of 11.8 per cent, country's total tea production in June stood at 104 million kg against 118 million kg in the same month last year.

Meanwhile, in the first six months of the current year, India's total tea exports declined to 83.9 million kg against 74.5 million kg in the January-April period of the last year.

The average price of Indian tea in the export market also fell to Rs 130.84 per kg in June this year compared to 142.46 a kg in the same month last year.

India, the world's second largest producer and the biggest consumer of tea, accounts for about 28 per cent of the global output and 14 per cent of the trade. There are about 1,600 tea estates in India. The sector employs over two million people.

India had exported 190 million kg of tea in 2008-09. The country exports CTC (crush-tear-curl) variety of tea mainly to Egypt, Pakistan and the UK and the premium orthodox variety of tea to Iraq, Iran and Russia.

India faces competition from Kenya and other African countries for exporting CTC tea, while for orthodox variety competition comes up from Sri Lanka and Indonesia.

Pepper, turmeric rise on stockists buying

Press Trust of India / New Delhi August 04, 2010, 16:25 IST

Black pepper and turmeric prices rose by Rs 100 per quintal each in the national capital today on increased buying by stockists as well as retailers amid tight stocks.

Fall in supplies from producing regions also supported the rise in prices. Black pepper prices rose by Rs 100 to settle at Rs 22,600 -22,800 per quintal.

Turmeric prices also traded higher at Rs 16,600-19,700, against previous closing of Rs 16,500-19,600 per quintal.

Traders said increased buying by stockists and retailers followed by pick up in domestic and exports demand pushed up pepper and turmeric prices in the wholesale markets here.

Following are today's quotations (per quintal):

Aiwain 14,000-19,000, black pepper common 22,600-22,800, betelnut (kg) 85-105, cardamom brown-Jhundiwali (kg) 830-840 and cardamom brown-Kanchicut (kg) 940-1050

Cardamom small (kg): Chitridar 1,200-1,300, cardamom (colour robin) 1,380-1,400, cardamom bold 1,430-1,440, cardamom extra (bold) 1,590-1,560 and cloves (kg) 320-400

Chirounji (new) (kg) Rs 410-450 Dry mango(raipur) Rs 6,000-8,500 Dhania Rs 3,100-8,500 Dry ginger Rs 22,000-25,500 Kalaunji Rs 10,000-11,800 Mace-Red (kg) Rs 1200-1400

Mace-Yellow (kg) Rs 1500-1600 Methiseed Rs 3,200-4,200 Makhana (per kg) Rs 120-160 Nutmeg Rs 520-550 Poppyseed (KG Turkey) Rs 200 Poppyseed (KG MP-RAJ) Rs 200-250 Poppyseed (KG Kashmiri) Rs 180 Red chillies Rs 4,800-8,900

Soya bari pariwar (20 kg) Rs 350-400 Saffron (kg) Irani Rs 1,15,000-1,25,000 Saffron (kg) Kashmiri Rs 1,55,000-1,65,000 Soanf-bold Rs 9,000-15,000 Turmeric Rs 16,600-19,700 Tamarind Rs 2,250-2,600 Tamarind without seed Rs 3,800-5,500

Tea (kg) Rs 60-175 Watermelon kernel (Kg) Rs 235 Jeera common Rs 14,200-14,500 Jeera best Rs 15,300-15,800

Mixed trend in sugar prices

Press Trust of India / Mumbai August 04, 2010, 16:28 IST

Sugar prices witnessed a mixed pattern of trading at the Vashi wholesale market here today.

Medium sugar variety moved up on better demand from retailers amidst good stockists offtake.

While small sugar continued to decline owing to stockists offering coupled with ample supply positions.

Medium sugar quality (M-30) rose by Rs 5/10 per quintal to Rs 2,560/2,655 from overnight's closing level of Rs 2,550/ 2,650.

However, small sugar quality (S-30) fell by Rs 5/20 per quintal to Rs 2,530/2,580, as against Rs 2,535/2,600 yesterday.

Following are today's closing rates per quintal, with previous rates in brackets:

Small sugar (S-30) quality Rs 2,530/2,580 (Rs 2,535/ 2,600) and Medium sugar (M-30) quality Rs 2,560/2,655 (Rs 2,550/2,650)

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Thursday, August 05, 2010

Date:05/08/2010 URL: http://www.thehindubusinessline.com/2010/08/05/stories/2010080552541800.htm

---

'Cartelisation' fails to sweeten sugar prices

Monthly release mechanism forces mills to sell at lower price.

The very obligation to sell the quantities released to it for the month rules out the legal possibility of hoarding by any mill (that some do manage to circumvent release orders is a different matter).

Ex-Mill Prices*

	(Rs/Quintal)
July 01	2540-2580
July 15	2500-2510
July 22	2490-2510
July 23	2640-2670
July 24	2640-2670
July 25	Holiday
July 26	2610-2640
July 27	2600-2640
July 28	2570-2600
July 29	2510-2520
July 30	2380-2410
July 31	2340-2370
Aug. 01	Holiday
Aug. 02	2340-2370
Aug. 03	2340-2360
Aug. 04	2330-2350

*S-30, Maharashtra

Harish Damodaran

New Delhi, Aug 4

On July 22, sugar mills from Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra and Gujarat met in Mumbai and "informally" decided not to sell below their production cost.

Since the production cost was reckoned at an average Rs 2,700 a quintal, the mills agreed among themselves to fix this as the floor rate for selling sugar.

Though it was ostensibly a voluntary initiative not binding on any mill, the move drew flak. The industry was accused to resorting to "cartelisation" and "syndication", with the Bombay Sugar Merchants Association urging Government intervention to "stop such restrictive trade practices".

How successful was this effort at "cartelisation"?

The day after the July 22 meeting, ex-factory prices of S-30 sugar in Maharashtra rose by Rs

150-160 to touch Rs 2,640-2670 a quintal – close to the “agreed” Rs 2,700. They remained around these levels for five days.

However by July 29, realisations had dropped to Rs 2,510-2,520 a quintal. Over the next couple of days, the prices plunged further to Rs 2,340-2,370 – below even the Rs 2,490-2,510 levels prevailing on the day the mills apparently resolved not to incur cash losses by selling below production cost.

Monthly Quota

There was a simple reason why cartelisation did not work and has probably failed in the past as well. That has to do with the monthly release mechanism, under which every mill is allocated a particular quota of sugar to sell in a given month.

The very obligation to sell the quantities released to it for the month rules out the legal possibility of hoarding by any mill (that some do manage to circumvent release orders is a different matter).

“As long as the monthly release mechanism exists, there is no way we can cartelise. While we may be able to hold back sales for a few days, at the end of the month there is no choice but to dispose of the entire released quota. The traders know it and that is why they push their purchases to the extent possible to the month-end, when we have no option but to sell,” claimed a Maharashtra-based miller.

Late purchases

While private mills largely follow the open outcry or price discovery route to sell their sugar, cooperative factories do not enjoy even this limited flexibility to decide on their quantum and timing of sales.

Maharashtra's Cooperative Societies Act requires mills to compulsorily float tenders for sale of sugar. Factories typically divide their monthly release quota into four parts, which means conducting weekly auctions, for which notices have to be published in local dailies.

“Through this, the date of auction and quantities on offer are known; very often, traders do not participate in the auctions at the start of the month. They wait till the month-end to submit bulk of their bids. It is they, not we, who cartelise," the miller alleged.

According to him, the opposition to sugar decontrol was mainly coming from traders and industrial users, who have learnt to work the monthly release mechanism to their advantage. "When there is no such forcible sale dispensation for cement, steel or any other industry, why should sugar be treated differently? Cartelisation and restrictive trade practices in this case must be dealt with the same law applying to all industries," the miller added.

Date:05/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/05/stories/2010080552900400.htm

---

Pranab defends Govt's efforts in curbing inflation

Lok Sabha adopts motion on price rise.

Mr Pranab Mukherjee, Finance Minister (file photo).

Our Bueau

New Delhi, Aug 4

The Lok Sabha on Wednesday adopted a motion on price rise and its impact and urged the Government to take further effective action to contain inflationary pressures.

After a stout defence by the Union Finance Minister, Mr Pranab Mukherjee, on the various anti-inflationary measures the Government undertook in the wake of price rise since last year, the

Lok Sabha Speaker, Ms Meira Kumar, said, “this House, having considered the inflationary pressure on the economy of the country, urges upon the Government to take further action to contain its adverse impact on the common man.”

Following a week-long impasse over the mode of debate on the motion a compromise was struck early this week and the House took up the issue on Tuesday with as many as 33 members from all major parties taking part in the debate.

Earlier, Mr Mukherjee, who is also the Leader of the House, reminded the members in his reply that “handling the inflationary pressure and taking corrective steps to lower the adverse impact on the people” were “the collective responsibility of the political leadership of all including the States.” He said the public distribution system (PDS) and implementation of the Essential Commodities Act (ECA) through de-hoarding drives and maintenance of essential supplies, were all with the State Governments.

Mr Mukherjee made a strong case for bringing in the goods and services tax (GST) in order to avoid the cascading consequences of taxes on products, including petroleum products, and sought the cooperation of all. He said that was the reason why the Direct Taxes Code (DTC) was put on the public domain a year ago and feedback from major political parties were incorporated.

He said when the revised DTC draft would be brought to the House, it would be scrutinised by the Standing Committee and would be debated by all. “Nothing can be done at the back of this House,” he asserted.

Referring to food-related inflationary pressures, Mr Mukherjee admitted that pulses and edible oil remained in perpetual short supply and pointed out that even under the oil and pulses mission, the country could not compass gains which it scored in the production of other grains. That was also the reason why a move to identify 60,000 pulses and edible oil villages was made in the Budget.

He also stated that when the minimum support prices of major crops had been hiked year-after-year in order to benefit farmers, there would be some inevitable “cost-push element” to the inflationary pressure.

Thorough review

Mr Mukherjee also pointed out that before putting in place universal PDS, the present state of targeted PDS needs to be thoroughly reviewed and the Prime Minister has announced the setting up of a sub-committee with the State Chief Ministers to revamp the PDS at the recent NDC meeting.

On the Opposition charge that the Government was “insensitive” to the poor, Mr Mukherjee rebutted it saying that if that were so, “it would not have provided the rights backed by legal enactment, entitlement backed by legal enactment, whether it is in the case of jobs for the landless rural poor people, entitlement of right to education at a cost of Rs 2,31,000 crore (the ratio of sharing between the Centre and the States being 65:35).” He also reminded the Opposition that the Government has not changed the central issue price of the foodgrains purported for PDS and asked whether this was not a reflection of its “sensitivity” to the poor.

Later, the Leader of Opposition Ms Sushma Swaraj, said the Government could still reconsider rollback of some recent price hike of essential commodities such as kerosene and LPG so as to give relief to the poor.

geeyes@thehindu.co.in

Date:05/08/2010 URL: http://www.thehindubusinessline.com/2010/08/05/stories/2010080551480800.htm

---

Wheat export window opens

The anticipated shortage in world wheat production and the current high prices open up a window for India to explore wheat export possibilities.

International wheat prices have rallied in recent days to touch 13-month highs in the wake of aberrant weather in some of the major origins. While excessive wet weather has affected planting in Canada's Saskatchewan region and south-eastern Europe, prolonged periods of dry weather and high temperatures in the Black Sea region have raised serious concerns about production prospects in Russia, Ukraine and Kazakhstan as well as north-western areas of EU. Taking note of the developments, the International Grains Council has reduced its forecast of world wheat production for 2010-11 to 651 million tonnes, trailing estimated world consumption of 655 million tonnes. No wonder, milling wheat export quotations in the EU and the Black Sea port region have climbed by around $70 a tonne. The markets are also speculating about possible export restrictions or even an outright ban by Russia and Ukraine. It looks like the rally in wheat is not going to stop here and further price gains cannot be ruled out, especially with heightened speculative activity in the US bourses. India must step in to fill the void, at least partially.

With this a window, albeit a small one, has opened for India to explore wheat exports. At 33.6 million tonnes as of July 1, public stocks with the government (including buffer stocks and strategic reserves) are far in excess of the prescribed minimum of 20 million tonnes. While storage costs keep mounting month after month, some quantities of wheat stored in the open for want of secured warehouse space are actually reported to be rotting. At current domestic costs and prices, Indian wheat would be about Rs 15,000 a tonne or $320 a tonne free-on-board (FOB), which would still be uncompetitive by about 10 per cent.

Will the government gather enough political will to encourage wheat export by providing a 10 per cent subsidy? If export prices rise further and the disparity disappears, shipments to South-East Asian and North African countries may materialise on merit. Ongoing wheat imports into southern parts of the country should not be disturbed with tariff restrictions. There is a case for co-existence of import and export, on merit. At the same time, domestic consumers, especially the poor, should be well serviced through open market sales at affordable rates. New Delhi must keep the export option open and closely monitor overseas developments.

Date:05/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/05/stories/2010080553071700.htm

---

Crop hopes, panic sales drag pulses down

Our Correspodent

Indore, Aug. 4

The downtrend in pulses continued on Wednesday amidst hopes of bumper crops and panic selling by the traders.

Chana dal in the spot market market quoted at Rs 2,600-2,675 a quintal, a drop of Rs 50. Masur dal witnessed a decline with its price in local mandi quoting at Rs 3,775-3,800 a quintal against Wednesday's Rs 3,825-3,850. With the arrival of new crop, moong dal is also witnessing a decline with prices plunging to Rs 6,100-6,200 a quintal, a fall of Rs 200.

Tur dal (markewali) which was ruling at Rs 6,800 a quintal a few days ago, has slipped to Rs 5,750- 5,800 a quintal, a fall of Rs 350 from the Tuesday's price.

Amidst hopes of arrival of new crop by the month-end, the downtrend continued in urad dal as well with prices in the spot market quoting at Rs 5,500-5,600. In view of declining demand for pulses in the market and panic selling by traders at the current level, pulse mills in Madhya Pradesh have lowered production by 35 per cent.

According to the Madhya Pradesh Dal Mill Association President, Mr Suresh Agrawal, pulse mills are making use of only 65 per cent of their capacity. In the wake of continuous rains, they are facing problems in drying up pulses. The other reasons which have prompted the mill owners to lower their production are poor power supply and increasing crushing costs.

Madhya Pradesh has a total of 700 pulse mills which have a combined capacity to produce 7,000 tonnes a day. He said increase in coverage of pulse seeds has given the much-needed relief to mill owners. This year total production of pulse seeds in Madhya Pradesh is expected to be around 39 lt.

Date:05/08/2010 URL: http://www.thehindubusinessline.com/2010/08/05/stories/2010080553021700.htm

---

Poor offtake keeps turmeric static

Our Correspondent

Erode, Aug. 4

Turmeric prices ruled stable at the Erode private turmeric market on Wednesday.

After a four-day holiday, the market saw limited activity. Some buyers came to fulfil orders they had committed to earlier and opted to bid.The Finger variety sold at Rs 14,700-14800 a quintal, the root variety quoted at Rs 14600-14700 a quintal, unchanged from last week. Mr R.K. Viswanathan, a senior trader, said: “Virtually there is no upcountry demand and only one or two traders have received orders and to fulfil these orders, they are buying the commodity. The demand in north Indian towns will increase only after August 15. Prices are expected to go up then and also the sales will be encouraging.”

Anticipating lower demand, the farmers are bringing only limited quantity of turmeric to the market.

Only 4,000 bags (of 75 kg each) of turmeric arrived at the private merchants association market, Erode Cooperative Marketing Society and Gobichettipalayam Marketing society. Only two or three bulk buyers purchased. The bought a total of 1,980 bags.

Date:05/08/2010 URL: http://www.thehindubusinessline.com/2010/08/05/stories/2010080553051700.htm

---

Sugar displays mixed trend

Our Correspondent

Mumbai, Aug. 4

A mixed trend was witnessed in sugar on Wednesday. Buying support from retailers was thin and demand was dull on the Vashi wholesale market.

Spot prices fell by Rs 5-10 a quintal in S-grade sugar. But M-grade's price rose by Rs 10 on upcountry buying at mill level. At the local level, profit-taking resulted in decline of Rs 5-10 in Naka delivery rate. Mill tender rates were flat.

Sugar mills continued selling at Rs 2,400-level a quintal and above. Trade volume in the market was at routine level.

On Tuesday evening 1.25 to 1.50 lakh bags (100 kg each) of S-grade and M-grade sugar were sold by Maharashtra's mills in the range of Rs 2,400 to Rs 2,490. Mills in and around Pune, Baramati, Satara, Karad, Kolhapur and Sangli were active sellers.

There was talk of a railway rack (about 25,000 bags) of sugar being sold by a mill in Sangli to a buyer in Kolkata.

Rajasthan and Madhya Pradesh traders purchased small quantities in the last two days. Tamil Nadu is buying from Karnataka because of the low cost compared with Maharashtra, said trade sources.

Mills offered S-grade sugar at Rs 2,400-2,450 and M-grade at Rs 2,455-2,500 (including excise) for 100 kg. Wednesday's arrivals at Vashi were 40-43 truckloads (of 10 tonnes each) and lifting was at 38-42 truckloads.

According to the Sugar Merchants Association, on Wednesday spot market rates for S-grade was Rs 2,530-2,580 for 100 kg, (Rs 2,535-2,600) and for M-grade was Rs 2,560-2,655 (Rs 2,550-2,650). Naka delivery rate for S-grade was Rs 2,490-2,510 against Rs 2,500-2,520. M-grade was at Rs 2,530-2,570 from Rs 2,535-2,580 for 100 kg.

Date:05/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/05/stories/2010080553061700.htm

---

Shortage of palmolein for ready delivery

Our Correspondent

Mumbai, Aug. 4

Edible oil markets witnessed mixed trend on Wednesday. International markets were showing firm trend. Malaysia's CPO futures rose nearly to a 5-month high on short covering, weaker ringgit.

Speculative selling pressure pulled NBOT soya futures down. In Mumbai market, soya oil refined declined Rs 2 and rapeseed refined by Re 1. Sunflower expeller refined oil rose Rs 5 as also cotton refined by Re 1 for 10 kg.

Tight palmolein supply

Supply position from port to refineries is very tight and that resulted in shortage of palmolein in market. Traders were expecting delivery from JNPT ports may be become normal but on Wednesday evening, there was a talk that the weights and measurement department has started checking some premises, which halted the whole routine / delivery / loading and unloading work at JNPT.

Mumbai markets depend upon Liberty and Ruchi for supply of ready palmolein. Delivery from these two refineries has been halted since the last few days. Importers are quoting palmolein for August-end and September delivery, but not for immediate delivery. On ready basis, palmolein was traded between Rs 442 and Rs 445 with increased demand in resale. Volume was very thin at about 150-200 tonnes, said a wholesale trader.

Malaysian, NBOT rates

Malaysia's August crude palm oil futures ended higher by 29 ringgits (MYR) at 2,670 MYR against 2,641 MYR. September was higher by 33 MYR at 2,626 MYR (2,593 MYR) and October closed up by 28 MYR at 2,590 MYR (2,562 MYR) per tonne. Indore NBOT soya oil August futures closed lower at Rs 486.90 (Rs 487.70), and September futures at Rs 494.20.

On the Mumbai commodity exchange, the spot rates were: groundnut oil Rs 850 (Rs 850), soya refined oil Rs 475 (Rs 477), sunflower expeller refined Rs 470 (Rs 470), sunflower refined Rs 535 (Rs 530), rapeseed refined Rs 576 (Rs 577) and rapeseed expeller Rs 546 (Rs 547), cotton refined Rs 495 (Rs 494) and palmolein Rs 444 (Rs 444) per 10 kg.

Date:05/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/05/stories/2010080551781900.htm

---

Pepper futures dive on bearish sentiments

Total turnover increased by 4,149 tonnes. Total open interest dropped by 390 tonnes to 19,282 tonnes.

G.K. NairKochi, Aug. 4

Pepper futures fell on bearish sentiments after witnessing high volatility and closed much below the previous close. Bearish reports from all the other origins quoting much lower were used by the bear operators to pull the market down.

Vietnam said to have exported 12,000 tonnes in July, while its shipments were said to be 75,000 tonnes during January-June. These figures have created the apprehension that it may have more pepper in possession than what was being projected and that has created bearish sentiment in the market, market sources told Business Line.

Meanwhile, Indonesia was offering Lumpong Asta at $3,950-$4,000 a tonne (f.o.b.) Kochi. While others such as Brazil, Sri Lanka were also offering lower against India's parity of $4,400-$4,450 a tonne. Add to this, weak operators who had bought pepper hoping the prices would shoot up suddenly, were liquidating as they could not hold on for long, trade sources said.

Coorg Pepper was reportedly being offered at Rs 203-204 a kg anywhere in India and that also aided the price to drop, they said.

However, on the spot there was no selling pressure as the growers and primary market sellers were not ready to sell at lower rates, they said.

August contract on the NCDEX fell by Rs 393 to close at Rs 19,268 a quintal. September and October dropped by Rs 378 and Rs 358, respectively, to close at Rs 19,497 and Rs 19,730 a quintal.

Total turnover increased by 4,149 tonnes. Total open interest dropped by 390 tonnes to 19,282 tonnes. August open interest fell by 514 tonnes while that of September and October moved up by 15 tonnes and 97 tonnes, respectively. Spot prices fell by Rs 300 in tandem with the futures market trend to close at Rs 18,900 (ungarbled) and Rs 19,400 (MG 1) a quintal.

Date:05/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/05/stories/2010080553031700.htm

---

Lukewarm demand floors wheat

Karnal, Aug. 4

Lukewarm demand in the local market has brought down wheat prices by Rs 15 a quintal in the last two days. The wheat market is witnessing a decline following reports that the Food Corporation of India will offload its stocks in the market through the open market sale scheme soon. Wheat prices are at Rs 1,170 a quintal, the lowest in the recent past against Rs 1,210 during the same season last year. On Wednesday, the Dara variety ruled between Rs 1,170 and Rs 1,180 a quintal and fine variety at Rs 1,200 a quintal.

On the other hand, desi wheat varieties witnessed a price rise. Tohfa variety of Madhya Pradesh ruled at Rs 2,200, Lokwan was quoted at Rs 1,810, kitchen queen new marka at Rs 2,105, Angoor variety between Rs 2,120 and Rs 2,135 a quintal, Nano variety was quoted at Rs 2,060 while the Kangan and Parle-G variety ruled at around Rs 2,175.

Around 30 tonnes of the Dara variety arrived on Wednesday. Small millers and local traders picked up the available stocks at Rs 1,180 a quintal against last year's Rs 1,210.

Mr Subhash Chand, a wheat trader, told Business Line thatwith heavy fresh arrivals from Uttar Pradesh local stockists are also offloading their stocks in the market and there is not much demand in the market. Due to this, the wheat market is witnessing a declining trend, he said. He further said flour millers are waiting for the FCI's announcement on the open sale scheme.

According to the flour millers, the FCI may not go for tenders and could fix prices as it deems fit. But not going in for tenders is a good decision as there would be more transparency in the scheme, they said.

Millers said that prices should be fixed taking into account the market situation as higher rates would not be acceptable.

Bloomberg reports: Wheat futures extended gains in Chicago on speculation Russia will restrict exports after the worst drought in at least 50 years curbed production.

Wheat for September delivery were at the high of the day, up 3.5 per cent at $7.04 a bushel in Chicago.Prices have climbed 6.4 per cent this month, after rallying 38 per cent last month, the most since 1973. Milling wheat futures for November delivery in Paris climbed 2.9 per cent to €210.25 s ($278) a tonne.

THE ECONOMIC TIMES

Sugar prices rise despite supply boost

5 Aug 2010, 0259 hrs IST,ET Bureau

NEW DELHi: Sugar prices have started to recover despite efforts by the Centre to keep a check on them. Prices had plunged by around Rs 200/q last
week. In July-end, the industry had got together to boost ex-factory prices by 4% in order to 'protect' production price, a move that on the very next day pushed up prices by Rs 50/qtl. Since then, prices have recovered to gain by Rs 40/q across varieties.

Traders have been maintaining that the industry decision would push up retail prices by around Rs 3/kg even as food inflation remains high. Following this, the food ministry had announced the release of 19.2 l (including 17 l in free sale quota) of sugar for August. The ministry also refused extra time to the industry to sell its July quota of free sugar.

In Delhi, sugar ready medium and second grade prices slipped by Rs 10 each on Wednesday to settle at

Rs 2,890-2,990/q and Rs 2,880-2,980/q, respectively. Mill delivery medium and second grade price also eased by Rs 10 each to Rs 2,790-2,890/q and

Rs 2,780-2,880/q, respectively. The slide in price was sharply noticeable on August 2 compared to earlier, when sugar millgate prices softened by Rs 20 per quintal in the national capital following slackness in demand. In Mumbai markets too sugar prices plunged markedly on Monday, with small sugar (S-30) quality ranging between Rs 2,540-2,625/qtl and medium sugar (M-30) quality ranging between Rs 2,590-2,670/qtl.

In comparison, on July 26 after millers boosted prices, sugar ready medium and second grade prices rose by Rs 50 each (against previous closing prices) to Rs 2,900-2,950/q and

Rs 2,890-2,940/q, respectively. In Mumbai, mill delivery medium and second grade prices had held steady at Rs 2,750-2,850 and Rs 2,740-2,840 per quintal, respectively.

Traders had approached the farm ministry in order to seek intervention in stopping millers from ganging up to artificially hike the price of the essential commodity, a move which they dubbed an unfair trade practice.

Ironically, the ministry decision to announce record sugar release in order keep prices on even keel had come on the very day when minister Sharad Pawar initiated talks with the industry on the contours of sectoral deregulation, expected to be implemented in the 2010-11 sugar season.

Significantly, decontrol of the sector will mean that the Centre will give up its right to announcing sugar release quotas for the industry, a crucial weapon used over the years to defuse high sugar prices. The industry believes—having projected sugar production at a minimum of 25mt for 2010-11—that this is the best time for marketing and sales decontrol of the sector, a view which the believe is shared by food minister Sharad Pawar. Sectoral monitors believe that deregulation of the sugar sector will lead to increasing sugar retail prices. The sector is dominated to an extent by cooperative mills, especially in top producer state Maharashtra, and decontrol is seen as likely to lead to rapid consolidation and shakeout over time allowing only the most efficient mills to survive.

Tea export dips 15 per cent in June

Aug 2010, 1544 hrs IST,PTI

NEW DELHI: Tea exports fell by around 15 per cent to 12.7 million kg in June this year due to

dip in production in both northern and southern parts
of India.

During the same month last year, India had exported 14.9 million kg of tea, the Tea Board said in statement.

The contribution of North India to the export basket fell to 4.9 million kg from 6.6 million kg in June last year. South India also failed to match its last year's tally as exports slid to 7.8 million kg from 8.3 million kg.

Fall in exports is in line with dip in production during the month as a result of a massive 11.9 million tonnes output fall in Assam. The North-Eastern state contributes more than half to the country's total annual production.

Production in North India, mainly in Assam, fell due to heavy rainfall and pest attacks since February this year.

Industry sources said that the tea estates in Assam have also reported that production in July has also been adversely impacted due to continuing heavy rains and the slow recovery of estates from the severe Helopeltis pest attack.

Registering a fall of 11.8 per cent, country's total tea production in June stood at 104 million kg against 118 million kg in the same month last year.

Meanwhile, in the first six months of the current year, India's total tea exports declined to 83.9 million kg against 74.5 million kg in the January-April period of the last year.

The average price of Indian tea in the export market also fell to Rs 130.84 per kg in June this year compared to 142.46 a kg in the same month last year.

India, the world's second largest producer and the biggest consumer of tea, accounts for about 28 per cent of the global output and 14 per cent of the trade. There are about 1,600 tea estates in India. The sector employs over two million people.

India had exported 190 million kg of tea in 2008-09. The country exports CTC (crush-tear-curl) variety of tea mainly to Egypt, Pakistan and the UK and the premium orthodox variety of tea to Iraq, Iran and Russia.

India faces competition from Kenya and other African countries for exporting CTC tea, while for orthodox variety competition comes up from Sri Lanka and Indonesia.

hindustantimes
Thu,05 Aug 2010

Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
Cloudy	**Thursday, Aug 5** Max Min 33.6º | 27.0º	Rainy	**Friday, Aug 6** Max Min 35º | 27º
Rain: 00 mm in 24hrs	Sunrise: 05:54		
Humidity: 66%	Sunset: 18:35		
Wind: Normal	Barometer: 1004.0		

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday
Aug 7	**Aug 8**	**Aug 9**	**Aug 10**	**Aug 11**
33º | 27º	33º | 27º	34º | 27º	34º | 27º	34º | 27º
Rainy	Rainy	Rainy	Rainy	Rainy