THE HINDU

Published: July 15, 2010 00:32 IST | Updated: July 15, 2010 00:32 IST COIMBATORE, July 15, 2010

TNAU confers honorary doctorates on four entrepreneurs

Photo:S.R. Raghunathan RARE HONOUR: Recipients of the Degree of Doctor of Science (Honoris Causa) of the Tamil Nadu Agricultural University (from right) M. Manickam,;A. Vellayan; A. Sivasailam (sitting),and Santhi Duraisamy, seen with Agriculture Minister Veerapandi S. Arumugam ; P.G. Chengappa, former Vice-Chancellor, University of Agricultural Sciences, Bangalore (secon from left) and P. Murugesa Boopathi, Vice-Chancellor of TNAU (left), at the convocation in Coimbatore on Wednesday.

It was a record of sorts for the Tamil Nadu Agricultural University at its 31st convocation here on Wednesday. The event featured three incidents that were first-of-its-kind in the history of the university.

First, four persons were conferred with Degree of Doctor of Science (*Honoris Causa*) for their contribution in their respective fields. Second, a woman entrepreneur was among the four. Third, the convocation proceedings and citation were in Tamil.

Vice-Chancellor P. Murugesa Boopathi told *The Hindu* that to commemorate the World Classical Tamil Conference that was held here recently, the university had decided to conduct the proceedings in Tamil.

“The normal trend is to award honorary doctorates to one or two persons. This time, we selected three persons who had an exemplary track record in the field of agriculture and agro-economy. Since this is the International Year of the Woman, the Academic Council and Board of Management suggested the inclusion of a woman entrepreneur. All the four names were sent to the Governor for short-listing. But, to our surprise he approved all the four names. So, for the first time we are giving degrees to four persons, including a woman,” he said.

A. Sivasailam, Chairman of the Rs.7,000-crore Amalgamations Group, Chennai, was conferred the degree in recognition of his contributions to agri-business management and institutional development. Under his leadership farm machineries had been manufactured and marketed in many countries, and agricultural input services extended to millions of farmers.

A. Vellayan, Chairman, Murugappa Corporate Board, EID Parry (India) Limited, Chennai, was conferred the degree in recognition of his leadership in agricultural inputs' and processing industries, and plantations, that had contributed to the flow of good quality agro-inputs to enhance production in the agricultural sector and to the food supply chain.

M. Manickam, Vice-Chairman and Managing Director, Sakthi Sugars Limited, Coimbatore, was conferred the degree for his effective transfer of modern technologies for cultivation of sugarcane and soybean to the field. He was also instrumental in importing raw sugar and processing it domestically.

Santhi Duraisamy, Director, Sakthi Masala Group, Erode, was chosen for the doctorate for her interest in value-addition to agricultural produce, implementing rainwater harvesting ponds, promoting organic farming in mango, gooseberry, chikku, guava, and banana, apart from sugarcane and turmeric. She is also recognised for her massive tree planting activities and for employing a large number of differently-abled persons in her enterprise. Minister of Agriculture Veerapandi S. Arumugam conferred the degrees and the Vice-Chancellor read out the citations. Published: July 15, 2010 03:30 IST | Updated: July 15, 2010 03:38 IST July 15, 2010

Even small farmers can benefit from newer technologies

The Hindu Two progressive Karnataka farmers in their farm. Photo: CRC

Frequent crop failures and low agricultural productivity are the main constraints threatening the livelihood security of many Indian farmers.

“Farmers who follow traditional agricultural practices alone are more vulnerable to such crises. Adoption of scientific technologies in crop production is the only available weapon in farmers' hands to tide over such situations,” says Dr. S.J. Ankegowda, Senior Scientist and Head, Cardamom Research Centre, Madikeri, Karnataka.

Not possible

Unlike annual crops, farmers growing perennial crops cannot frequently replace them for new high yielding varieties as and when new varieties are released by any research institutes.

“The best way to increase yield in such crops is to adopt better crop management practices,” adds Dr. Ankegowda. Effective scientist-farmer interactions can build confidence in farmers for adoption of improved crop husbandry methods.

Adopt technologies

Mr. Numan Adil and Mr. Mahamad Iqbal, both progressive farmers from Karnataka strongly believe that farmers should come forward to adopt farmer- friendly technologies developed by scientists for getting good returns from their farmlands.

Both of them inherited 80 acres of ancestral land and mainly grow arabica and robusta coffee varieties in 75 acres. In the remaining five acres they grow arecanut (should there be a coma here instead of a full stop?). Black pepper and orange as an intercrop.

Coffee is planted at a spacing of 6.5 x 6.5 feet (for arabica) or 10x10 feet (robusta) and black pepper at 15 x 15 feet. The vines of Panniyur 1 black pepper variety are trailed on silver oak, palwan, or jungle trees inside the farm.

The duo have been planting black pepper in 40 acres for nearly a decade, but they could harvest only four tonnes from the plantation.

The planters happened to attend a seminar organized by the Cardamom Research Centre (CRC).

Various problems

After initial interaction during the seminar, they visited the Centre for more detailed discussions' on various problems faced by them. The scientists convinced them that adoption of crop management technologies alone can help them in increasing crop yield.

A team of scientists made several visits to their plantation and identified the major bottlenecks. They prepared a plant health management schedule for them to be meticulously followed.

The yield from the plantation remarkably increased to 10 tonnes from a mere four tonnes. During 2009-2010, they realized a yield of 15 tonnes.

Net profit

“We owe our success only to the scientific package suggested by the scientists,” says Mr. Numan Adil. “We are spending only Rs. 4 lakhs for the entire black pepper plantation of 40 acres for adopting the technologies and the net profit increased 3-4 times,” says Mr Iqbal.

“Technologies are available for successful cultivation of any crop and a farmer needs to only follow the scientific package for maximizing returns" says Dr. M. N. Venugopal, former Head of the Centre.

Always ready

“We are always available to the farming community for any kind of scientific discussion and the success of our farmer brothers in Belur is not only applicable to planters but also to small and marginal farmers,” says Dr. Ankegowda.

For further information readers may contact Mr. Numan Adil and Mahamad Iqbal, Doddagolla estate, Chickanahalli, Belur Taluk, Hassan District-571 201. Karnataka; 09448237624; 09449338430 and Dr. S.J. Ankegowda, Sr. Scientist and Head, Cardamom Research Centre (CRC), Appangala, Madikeri-571 201, Karnataka. Phone: 08272-245451;245514 and for Tamil and English podcasts log on to http://www.thehindu.com/sci-tech/agriculture/

By PTI

14 Jul 2010 12:46:27 PM IST

Inflation moves higher to 10.55% in June

NEW DELHI: Wholesale price-based inflation inched higher to 10.55 per cent in June, owing to the pass through effect of the June 25 hike in prices of petroleum products.

The WPI numbers were provisionally 10.16 per cent in May, while it was revised upwards to 11.23 per cent for April from the provisional 9.59 per cent.

However, the double digit inflation in June could be partly attributed to low base in the year-ago period when the inflation was at -1.01 per cent, which means even a small increase now would seem large.

In June, the fuel index rose by 1.7 per cent, due to higher prices of kerosene (9 per cent), electricity (4 per cent), petrol (2 per cent) and Liquefied petroleum gas (3 per cent).

The country's chief economic adviser Kaushik Basu had last month said he expects the hike in fuel prices to lead to one percentage point rise in inflation.

The prices of food articles rose marginally by 0.20 per cent during June as prices of cereals, rice and wheat declined on a month-on-month basis.

Among manufactured items, wood products prices rose by 5.4 per cent due to higher rates of plywood commercial planks.

Food inflation remained in double digits at 12.63 per cent for the week ended June 19, having moderated from over 16 per cent level in the preceding eight weeks.

Among primary (raw) food items, urad turned costlier by 9 per cent, meat by 7 per cent, fish-marine (5 per cent) and spices (3 per cent).

The double digit inflation may put pressure on RBI to raise key policy rates to tighten money supply at its July 27 monetary policy review. The central bank has already raised rates thrice this year to combat high inflation.

Analysts said July figures are likely to be higher, as the hike in the prices of petroleum products would be reflected fully.The government on June 25 had hiked petrol prices by Rs 3.5 a litre while deregulating its pricing, and diesel by Rs 2 a litre. Besides, it raised prices of LPG (cooking gas) by Rs 35 a cylinder and kerosene by Rs 3 a litre.

By PTI

15 Jul 2010 10:04:49 AM IST

'Inflation will come down to 5-6% by year-end'

NEW DELHI: Attributing the double-digit inflation to the petro hike, Finance Minister Pranab Mukherjee today said that prices would moderate by the end of the kharif season, and inflation would come down to 5-6 per cent by the year-end."I do feel that the annual rate of inflation will be 5-6 per cent (by 2010-end)," Mukherjee told reporters on the sidelines of a function relating to the setting up of an investment fund between India and Oman.

Wholesale price-based inflation inched higher to 10.55 per cent in June, owing to the pass-through effect of the hike in prices of petroleum products announced on June 25."It is 10.55 per cent. It is hovering around double digits. After the kharif season is over, there will be a moderating impact which is already being felt," he said.

Deccan Chronicle On The Web

Published on Deccan Chronicle (http://www.deccanchronicle.com)

Inflation at 10.55%, FM pins hope on kharif crop

Jul 15 2010

New Delhi, July 14: Inflation, a measure of rising cost rose to 10.55 per cent in June on the back of rising fuel prices.

A high inflation and the government's inability to control it has now turned into a major political issue. The Bharat Bandh sponsored by the opposition parties in the first week of July has brought the issue of high prices to centre stage according to sources. High inflation is a surefire sign that RBI will once again hike interest rates on July 27.

The finance minister, Mr Pranab Mukherjee, said on Wednesday that prices would moderate by the end of the kharif season, and inflation would come down to 5-6 per cent by the year-end. "It is 10.55 per cent. It is hovering around double digits. After the kharif season is over, there will be a moderating impact which is already being felt. I do feel that the annual rate of inflation will be 5-6 per cent by 2010-end," he said.

Inflation was at 10.16 per cent in May. The April data was also revised from the earlier 9.6 per cent to 11.2 per cent just as the March inflation data was revised upwards last month.

The Planning Commi-ssion deputy chairman, Dr Montek Singh Ahluwalia, said that fuel price hike will further increase inflation in July, but it will fall below double digits by the end of December. "I think altho-ugh there will be an adjustment upwards (in inflation) when the fuel price hike gets fed into the July numbers, I don't alter my conclusion that by December it will be low," he said.

Source URL:

http://www.deccanchronicle.com/business/inflation-1055-fm-pins-hope-kharif-crop-004

THE TIMES OF INDIA

Inflation moves higher to 10.55% in June

PTI, Jul 14, 2010, 01.01pm IST

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Sugar industry awaits de-regulation

14 Jul 2010, 2316 hrs IST,ET Bureau

NEW DELHI: We're rearing to go, an eager sugar industry said of impending sectoral de-regulation here, just hours after food minister Sharad Pawar
said that his ministry would finalise proposals over the next 10 days for circulation to other ministries.

"With large sugar production expected in the ensuing 2010-11, this is the best time to decontrol the sugar sector," Indian Sugar Mills Association Deputy Director General M N Rao and the National Federation of Co operative Sugar Factories MD Vinay Kumar said here. A note submitted to the food ministry on the subject of sectoral deregulation has demanded that a new formula be coined in order to link sugarcane price directly to sugar realisation and realisation from by cane products.. Decontrol, which involves sugar price determination by market forces, would not squeeze consumers significantly, industry representative asserted here.

Nonetheless, they acknowledged in a note to the food ministry that the government would have to provide a "minimum" price insulation during years of low sugar realisation. Both 2008-09 and 2009-10 are seen as years of low sugar output and in January-February this year, sugar retail prices shot up to a peak of almost Rs 50/kg although retail prices have come down to a relatively low Rs 32/kg since then. Interestingly, the joint policy advocacy group (PAG) agreed that the Centre has to continue with the PDS to protect poorer consumers against high sugar price but to purchase the commodity from the open market for PDS supply even while ending the current system of levy sugar supply by industry at depressed prices to the government.

Industry now supplies 20% of its output to the government at Rs18-odd/kg, much lower than market prices, to the government. A proposal b y the food ministry to that levy sugar percentage be slashed to 16% is still pending in anticipation of firm sugar production estimates for 2010-11. The government at present needs around 2.7mt of sugar for its PDS obligations. In the event, sugar output for an year will have to be around 27mt for the levy obligations of mills to be slashed to 10%. A 16% levy obligation would suggest a much lower sugar production level for the coming 2010-11 sugar year.

However, while the ISMA has projected a production of a "minimum 25mt", the food ministry is yet to upgrade its estimate of 23 mt for the year. The high-end production estimates (compared to 2009-10) from both parties, albeit with a minimum 2mt difference, come even as Peter Baron, executive director of International Sugar Organisation (ISO) told agencies on Wednesday that India, the world's largest sugar consumer, will likely produce 26 mt of sugar, raw value, in the crop year upto September 2011 and export 500,000 (five lakh) tonnes of sugar in 2010-11. India last exported the sweetener in 2007-08.

Significantly, the industry note to the parent ministry focusses mainly on marketing and sales decontrol but wanted the government to keep some controls in the face of consolidation that decontrol would bring. It cited the Tuteja committee recommendations to demand an increase in distance between sugar mills to 25 kms and to longer distance in states where cane growth is poor. The industry note to the food ministry has also demanded that the Centre end the monthly quota system for sale (release) of sugar and removal of the commodity from the Essential Commodities Act (ECA), citing an AC Neilsen studay that said that nearly 74% of sugar consumption is credited to bulk consumers and only 26% is consumed by the household segment.

Pepper up on thin arrivals; turmeric down

14 Jul 2010, 2115 hrs IST,REUTERS

MUMBAI: Pepper futures were up in afternoon trade on Wednesday on limited supplies and on some inquiries from overseas buyers, analysts said.

"Stocks are limited. Overseas inquires may gain pace in coming days as Brazilian crop is delayed and expected to hit the market by October," said Sudha R. Acharya, analyst at Kotak Commodities.
The most active August pepper was up 1.55 percent to 19,677 rupees per 100 kg. Spot pepper fell 155 rupees to 19,006 rupees per 100 kg in Kochi, a major trading hub in Kerala. India's pepper exports fell 7 percent to 2,850 tonnes in April-May 2010 from the same period a year ago, and traders said there has been a pick-up in shipments since.

JEERA:

Jeera futures were higher on value buying supported by a supply shortage as stockists awaited better prices, analysts said. "Syria and Turkey have started quoting higher prices for their produce in the international market. Prices may improve further," said an analyst from a local brokerage.

Syria and Turkey are the major competitor markets for India. The most active August jeera contract was up 1.27 percent to 14,079 rupees per 100 kg. Jeera exports in April-May 2010 fell 12 percent to 8,300 tonnes from the same period a year ago. At Unjha, the benchmark spot market in Gujarat, jeera fell 47 rupees to 13,564 rupees per 100 kg.

TURMERIC:

Turmeric futures fell in afternoon trade as traders booked profits after prices rose more than 7 percent in as many sessions and on hopes of revival in monsoon, which may boost sowing, analysts said. India's annual monsoon rains were 2 percent above normal in the week to July 7, sources in the weather office said on Thursday.

The most active July turmeric was down 0.30 percent to 15,100 rupees per 100 kg. In Nizamabad, a major spot market in Andhra Pradesh, turmeric slipped 17 rupees to 15,068 rupees per 100 kg. India's turmeric exports rose 8 percent to 10,350 tonnes in April-May 2010 from the same period a year ago.

hindustantimes
Thu,15 Jul 2010

Weather

Chennai - INDIA

Today's Weather

Clear

Thursday, Jul 15

Max Min

36.0° | 26.0°

Rain: 00 mm in 24hrs
Humidity: 66%
Wind: Normal

Sunrise: 05:49
Sunset: 18:39
Barometer: 1005.0

Tomorrow's Forecast

Rainy

Friday, Jul 16

Max Min

35° | 24°

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday

Jul 17	Jul 18	Jul 19	Jul 20	Jul 21
33° | 28°	30° | 27°	32° | 26°	32° | 27°	31° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy

Business Standard

Thursday, Jul 15, 2010

Centre ropes in pvt sector to construct warehouses

Sanjay Jog / Mumbai July 15, 2010, 0:03 IST

Govt incentivises storage creation to cope with record procurement.

Scarcity of warehouses and increased foodgrain production has prompted the Centre to rope in private players to construct storage facilities under a seven year guarantee scheme. The government has already approved a capacity of 12.76 million tonnes under the programme.

Union Minister for Agriculture Sharad Pawar told Business Standard, “Reports from states are encouraging. The Food Corporation of India (FCI) will guarantee seven year charges.”

The Centre’s move was crucial following the acute storage of warehouses over the last few years with the Food Corporation of India procuring 20-25 million tonnes of wheat every year.

CAPACITY ALLOTTED

State	Storage capacity
Andhra Pradesh	36,000
Bihar	300,000
Chhattisgarh	5,000
Gujarat	45,000

Haryana	3,880,000
Himachal Pradesh	142,550
J&K	361,690
Jharkhand	175,000
Karnataka	205,000
Kerala	15,000
Maharashtra	99,500
Punjab	7,125,000
Tamil Nadu	345,000
Uttarakhand	25,000
West Bengal	5,000
Total	12,764,740
Figures in tonnes Source : Ministry of Consumers Affairs, Food & Public Distribution	

This season, FCI has procured over 50 million tones of food grain — 25 million tonnes each of rice and wheat. While the existing wheat stock with FCI is 33.6 million tonnes, nearly 17 million tonnes are lying in the open and 12 million tonnes in Punjab due to unavailability of godowns.

The recent flood in Punjab and Haryana has affected the wheat stock lying in open. An FCI spokesperson said they are yet to make an assessment of the losses due to flood because the area is still submerged under flood waters. The quantum of damage would depend on the level of water because the foodgrain has been stored over two feet above the surface. The Centre has sent a team for assessing the impact of flood on such stocks.

When the FCI chairman met private warehouse owners, they assured him of building new warehouses provided they their services are used for at least seven years. Earlier, FCI was not in a position to provide such a guarantee because there was no certainty of such a huge procurement year after year.

Anil K Choudhary, MD and CEO of National Bulk Handling Corporation (NBHC) said, “The move to incentivise storage creation has come at the right time. Foodgrain procurement has been increasing every year and with the Food Security Act in place it will only increase. India needs huge storage capacities that could now be possible.”

NBHC manages 473 warehouses with a two-million tonnes capacity. The ISO-accredited company offers storage, testing-grading, fumigation and pest management, warehouse audit and commodity valuation services.

The Centre has allocated Rs 149 crore, out of which Rs 125 crore would be released to FCI as equity for construction of storage godowns. The remaining Rs 24 crore would be released as Grants-in-Aid to the North East, Sikkim and Jammu & Kashmir for construction of godowns.

The Central Warehousing Corporation and State Warehousing Corporations can also construct warehouses at the approved locations but the FCI has to provide a guarantee for the same.

Spice exports rise 30% in April-May

George Joseph / Kochi July 15, 2010, 0:01 IST

India's spices exports in April-May increased 30 per cent year-on-year, both in terms of volume and value, according to data by the Spices Board.

Around 106,315 tonnes of spices and spice-based value-added products worth Rs 1,025.30 crore were shipped during April-May, as against 81,950 tonnes valued at Rs 788 crore exported a year ago.

Garlic exports increased significantly to 8,425 tonnes from 360 tonnes, up 2,240 per cent; while in terms of earnings, it rose to Rs 29.88 crore from Rs 1.22 crore.

The board's data also revealed that 2,500 tonnes of ginger, valued at Rs 15.67 crore, was shipped in April-May, as against 525 tonnes valued at Rs 5.97 crore shipped a year ago, registering an increase of 376 per cent in volume and 162 per cent in value.

Export of fennel rose 96 per cent in quantity to 3,650 tonnes and 111 per cent in value to Rs 29.05 crore during the period. Chilli export increased 54 per cent to 39,750 tonnes valued at Rs 240.46 crore, as against 25,875 tonnes valued at Rs 159.54 crore last year.

Exports of mint products rose 32 per cent to 2,500 tonnes from 1,900 tonnes, while earnings rose 28 per cent to Rs 166.84 crore from Rs 130 crore.

Cardamom exports suffered a huge setback, registering a decrease of 84 per cent in terms of volume and 41 per cent in terms of value. Just 50 tonnes, valued at Rs 2.38 crore, was shipped during April-May, as against 315 tonnes valued at Rs 4.05 crore a year ago.

Exports of other seeds like mustard, aniseed, ajwanseed, dill seed and poppy seed also dropped 56 per cent in volume and 43 per cent in value.

Private, coop sectors urge govt to decontrol sugar

BS Reporter / New Delhi July 15, 2010, 0:00 IST

Want to start with an end to monthly release order and PDS levy.

Private and cooperative mills today requested the Union government to remove controls on the sugar industry, starting with dismantling the release mechanism (by which the government decides how much sugar can be sold in a given month and when) and the levy obligation (to hand over a certain portion of a mill's output for ration shops at a government-decided price).

The petition also sought a realisation-based price for sugarcane and removal of sugar from the Essential Commodities Act. The proposals have come from the Indian Sugar Mills Association (Isma) and the National Federation of Cooperative Sugar Factories.

The industry has been demanding decontrol for long, but there have been differences between the two associations. The industry has been encouraged by the recent government decision to decontrol petrol prices.

“We need long-term clarity to grow. The government should bring a policy that will be in the long-term interest of all stakeholders,” said Gaurav Goel, chairman, policy advisory group, Isma, and managing director, Dhampur Sugar Mills.

The industry has suggested that farmers be paid based on realisation from sugar, molasses, bagasse and press mud. The industry has offered to pay 62 per cent of the combined realisation from these products.

The domestic sugar cycle is likely to move from a deficit to surplus. Against a five-year low output of 14.5 million tonnes in the 2008-09 season (October-September), the output in 2009-10 is estimated around 18.5 mt. The industry projection for 2010-11 is 23-24 mt, equivalent to annual domestic consumption.

Sugar is one of the most controlled sectors in India. Attempts to decontrol sugar were made in 1971-72 and again in 1978-79, only to be rolled back. In that period, the government has eased controls in other major sectors such as steel and cement.

Mills may sell sugar in the open market only in accordance with the release mechanism. The Directorate of Sugar in the Union government issues a release order every month, giving mill-wise sale quota. Mills cannot sell anything above this quota. A penalty is levied if they fail to sell the quota within the period. The government tweaks this in times of shortage. In the current year, for instance, the government resorted to a weekly quota and then a fortnightly quota.

Another primary control is the levy obligation. At present, mills must sell 20 per cent of their annual produce to the government at a price lower than the market one. This sugar is supplied by the government under the public distribution system.

Punjab to give free seeds to flood-hit farmers

BS Reporter / New Delhi/ Chandigarh July 15, 2010, 0:51 IST

Punjab Deputy Chief Minister Sukhbir Singh Badal today asked the agriculture department to provide seeds for alternative crops free of cost to farmers whose crop had been destroyed in the recent floods, as rising water of the Ghaggar river entered five more villages of Sardulgarh sub-division in district Mansa.

With the rising water, 39 villages of Mansa became vulnerable and the district administration was keeping a vigil on the situation.

Reviewing the flood situation and relief operations in a high-level meeting, Badal said, besides arranging sufficient quantity of early maturing varieties of paddy saplings, the agriculture department should also provide seeds for crops like moong, maize and toria to farmers, so that they do not have to spend money in re-sowing. He said the government had already waived water cess and power charges for tubewell motors, besides deferring the payment of cooperative crop loans.

It was informed in the meeting that a total of 294,397 acres of farm land has submerged and the largest area, of 139,075 acres, has been in Patiala district. About Rs 5 crore had already been earmarked for providing free seeds to the flood-affected farmers. Badal asked the agriculture department to identify the land affected by sediment due to flood and de-silt such land at the earliest besides providing relief to the affected farmers.

Chief Secretary S C Agrawal said in the meeting that Rs 51 crore had already been disbursed to affected districts and the departments concerned. An additional Rs 20 crore was being sent to the affected districts in the next 24 hours. He added that besides the 2,800 km of road damage, the loss to public infrastructure was estimated at Rs 200 crore.

He also said that seven cattle and seven vaccination camps were working 24 hours to vaccinate domestic animals.

Monsanto looks for partnerships with states to reach out to farmers

Komal Amit Gera / Chandigarh July 15, 2010, 0:05 IST

Monsanto Holdings, a leading global provider of technology-based agricultural products aimed to improve farm productivity and food quality, is scouting for partnerships with state governments to reach target groups of farmers.

The company has signed public-private partnership agreements with the governments of Karnataka, Gujarat and Rajasthan for distributing seeds of cotton and maize to farmers. Talking to Business Standard, Christopher Samuel, the company’s director, public affairs, said India had large tracts of fields under cultivation. To raise the yield, better quality seeds should be complemented with technology and good agronomic practices. He said their collaboration with state governments would enable farmers to use high-yielding seeds with state-of-the-art agronomic practices.

He added that Monsanto created direct linkages with 100,000 farmers across India with a team of 450 agriculture scientists. The company currently has six-seven per cent of the market for hybrid seeds in India and plans to be among the top five in the market.

More than marketing, he said, the research and development of better-quality seeds conducive to the soil and climatic conditions were required to consolidate its position. Monsanto has earmarked an annual fund of Rs 5,000 crore for biotech research for its global operations and each market draws 10 per cent of the total sales from this fund.

The company has five seed research breeding facilities in India. Samuel said the advantage of being a global operator was access to quality seeds in various parts of the world. “We can extract the best qualities of seeds from different countries and develop the one most suitable for Indian conditions to raise the yields of different crops,” he said.

Since so much of agriculture in India is rain-fed, seeds with less water absorption might help, he noted.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Thursday, July 15, 2010

Date:15/07/2010 URL: http://www.thehindubusinessline.com/2010/07/15/stories/2010071550710800.htm

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Challenge of sugar decontrol

The long overdue decontrol will open up new vistas for the industry in terms of modernisation and expansion of capacity.

The Agriculture and Food Minister, Mr Sharad Pawar, has talked about his Ministry's willingness to recommend decontrol of the sugar industry after assessing the condition of the sugarcane crop by September. The Minister has rightly made it clear that the Government would continue to fix the statutory minimum price for cane to ensure fair and remunerative prices for growers. As the input (cane) price will be fixed, one can expect that decontrol will relate to the output (sugar), on which there now are two restrictions — the levy system (which makes mills surrender a part of their sugar production to the government at less than market price for supply through the public distribution system) and governmentdetermined free-sale quota system (regulation of quantity and timeline for sale). Abolition of these two controls should bring significant relief to sugar mills which then can operate in a marketing environment free from government interference. In the absence of levy system, the government will have to purchase sugar from the open market for meeting PDS needs. This has the potential to raise the sugar subsidy burden.

While the long overdue decontrol will open up new vistas for the industry in terms of modernisation and expansion of capacity, there are several vexatious issue that neither the industry nor the government should lose sight of. For sustained and healthy growth of the industry, it is imperative that the cyclical swings in cane output are smothered. Little attention is currently being paid to this aspect. Seasons of large surpluses and shortages can lead to wild swings in prices. Therefore, import and export trade in sugar should be freed too, and the tariff should be the only instrument in the hands of the government. The legal validity of State Advised Price has been upheld by the Supreme Court. In order to ensure that SAP is not abused by State governments, the Centre should bring forward appropriate legislative amendments to make cane pricing uniform across the country.

From the industry perspective, perhaps the most important issue to be addressed is the consolidation of fragmented capacities. Of the nearly 600 sugar mills in the private, public and cooperative sectors, many do not enjoy scale economies as their cane crushing capacity is less than the optimum size of 4,000 tonnes a day. Government and industry must together explore ways to consolidate fragmented capacities which will lend a competitive edge to the industry. It is imperative that the announcement of decontrol be made before the new season beginning October. However, it would be naïve to assume that the measure by itself would bring about significant transformations; industry has to do its part to become truly globally competitive.

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Dry spell in coffee-growing regions could impact quality

Planters fear pest-related problems will aggravate.

If the dry conditions continue, berry borer could set in earlier and there could be 5-10 per cent field level infestation: Coffee Board.

A Srinivas

Bangalore, July 14

A continuation of the dry spell in the coffee-growing districts of Chikmagalur, Kodagu and Hassan could impact the quality of coffee produced this year and exacerbate pest-related problems, such as berry borer and white stem borer.

Between June 1 and July 7, Chikmagalur and Kodagu received 405 mm and Kodagu 590 mm of rain, respectively, according to the records of the Karnataka State Natural Disaster Monitoring Centre. This is 18 per cent and 25 per cent, respectively, below the normal rain received during this period. Hassan recorded 191 mm of rain during this period, 4 per cent above normal. While there has been a turnaround after July 1, with the three districts recording excess rain, concerns persist in the event of a return of dry weather. Kodagu and Chikmagalur account for close to 60 per cent of India's coffee output.

Coffee Board sources said that they may soon issue advisories on dealing with berry borer, a pest that targets robustas in particular. “The incidence is normally mid-August and early-September. But if the dry conditions continue, berry borer could set in earlier and there could be 5-10 per cent field level infestation,” they said.

‘No Immediate Setback'

“Conditions of intermittent rain and sunshine could also reduce the size of the berries. While there is no threat to the quantity of the crop, the bean grades could come down. However, there is no serious or immediate setback to coffee,” they said.

Mr Medappa, General Manager, Balanoor Plantations and Industries, said: “In conditions of deficient rainfall, maturity of the fruit is hastened. The density of the beans may be lower. The percentage of higher grades is likely to drop.”

Berry borer could become active now rather than later not only because of dry weather, but also because of premature blossoms, following the rain in December and January. Mr Shaji Philip, Chairman of the Coffee Committee, UPASI, said; “We are watching berry borer closely, as the crop is in three stages. But coffee is not a problem, as of now. Heavy showers are expected in the second half of July.”

Mr Bose Mandanna, former vice-chairman, Coffee Board, said: “The big buds which have matured as a result of the December rain are pushing out those which blossomed in March and April, which are no larger than pepper corns. There is a berry borer problem as the coffee is in different stages of development.”

“Normally, spraying pesticide for berry borer is not due before August or September but because of the premature ripening of the crop, it is due now. There will be a round of fly picking of arabica in October,” Mr Mandanna said. Mr Ajoy Thipaiah, Coffee Board member, said: “There is a threat of white stem borer infestation if this situation continues.”

“The dry spell in north Coorg could cause large-scale increase in white stem borer. However, robusta growing regions in higher altitudes are happy. Instead of getting about 120 inches or more, they are getting about 80 inches, as a result of which there has been no dropping of the fruit,” Mr Mandanna said.

Mr Anil Bhandari, Coffee Board Member, however, said: “Only if we have a prolonged drought would there be stunted development of the fruit. If we received decent moisture in March, then certainly June and July can be taken care of. It is not as though there has been no rain at all. But white stem borer has been giving arabica a bad time.”

Dr N K Pradeep, President, Karnataka Growers' Federation, said: “Normally, berry borer attacks in September. This time, because of the fact that some of the fruit has already matured early, berry borer has already started.”

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Export demand lifts rice prices

Karnal, July 14

Export demand lifted rice prices by Rs 50-100 a quintal on Wednesday. Pusa 1121 (Sela) was quoted at Rs 3,500-3,550 a quintal.

Rates for Pusa 1121 (steamed) ruled between Rs 4,650 and Rs 4,750 a quintal.

Mr Praveen Kumar, a rice miller, told Business Line, that with some demand from abroad, the market witnessed a price rise.

It is likely to witness a boom of Rs 150-200 a quintal at the end of this week, he said.

He further said export demand is not the only factor behind the increase.

Traders' fears of kharif rice production being hit due to flooded paddy fields in Haryana and Punjab have also led to the trend. Paddy saplings in Ambala, Kaithal, Kurukshetra, Fatehabad, Sirsa and Karnal District have been spoilt and if the flood situation doesn't improve, then there could be a drop in this year's production, he said.

Mr Kumar said the market was in a wait and watch mode and now everything hinges on the weather.

"Farmers have to wait for the water to drain out from their fields. Moreover, one has to wait and see if farmers are willing to sow again. The best sowing time for the paddy is till July-end, after which it may not yield the desired result ," he said.

Mr Amit, a local rice trader, said Pusa 1121 is of export quality and if more demand emanates from abroad, then there could be further rise.

There is not much consumption in the local market where the Parmal varity rules, he added.

Bloomberg reports: Thai rice prices, the benchmark for Asia, fell for a third week to $463 a tonne because of lower demand, according to the Thai Rice Exporters Association.

The price of 100 per cent grade–B white rice fell 1.7 per cent from $471 a tonne on July 7, said Mr Pisanu Sangyoo, an official at the association.

The price of 25 per cent broken rice was set today at $397 a tonne, compared with $400 last week.

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Groundnut oil zooms to Rs 800 a tin on thin supplies

Wholesale price at Mumbai

(Rs/10kg)

Month	High	Low
January	690	675
February	675	660
March	685	665
April	700	680
May	705	670
June	775	705
July(1-14)	800	775

Source: Bombay Commodity Exchange

Mumbai/Rajkot, July 14

Groundnut oil skyrocketed to Rs 800 level for first time this season in the Mumbai market on thin supply and higher prices for groundnut at producing centres.

On higher Malaysia's advice, imported edible oils such as palmolein and soya refined oil also gained Rs 3-5 for 10 kg. Off-season weighed on cotton refined oil with a Rs 5 increase.

In Mumbai, in the absence of any arrivals groundnut oil jumped Rs 15 to hit the Rs 800 level. In Saurashtra it touched a record Rs 815/ 820 on the spot market.

Export as well as sowing demand for groundnut resulted in the bullish sentiment. Last year, groundnut production was lower. New season arrivals will begin in September-end and till then dependence will be on imported oils, said traders.

In palmolein, volume was about 500-600 tonnes, whereas in sunflower oil, about 150-200 tonnes were traded by importers, said market sources.

Malaysia's BMD crude palm oil futures ended higher by 24-20 ringgits for both August and September contracts on hopes of higher of palm oil exports during the first 15 days of July. Traders estimate it could be 10-11 per cent higher.

Malaysia's BMD crude palm oil futures for August deliveryclosed at 2,419 ringgits, September at 2,773 ringgits. Indore NBOT soya oil futures also rose sharply. August delivery was up at Rs 458 from Rs 453.80.

In spot market, soya refined oil rose to Rs 440, Sunflower expeller to Rs 435, Sunflower refined to Rs 485, Rapeseed refined oil to Rs 545 and Rapeseed expeller was at Rs 515, Cotton refined was at Rs 450 and Palmolein was at Rs 411. There was no price movement seen in oil extractions.

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Sugar industry steps up pressure for decontrol

New Delhi, July 14

Sugar millers have stepped up their lobbying efforts to seek decontrol of the industry. This comes less than a week after the Union Agriculture Minister, Mr Sharad Pawar's statement that the current time was ‘right' for decontrol and the Centre would take a call on it by early September.

In a joint release issued here on Wednesday, the Indian Sugar Mills' Association (ISMA) and the National Federation of Cooperative Sugar Factories Ltd (NFCSFL) demanded a complete lifting of output controls.

These include dismantling the ‘release mechanism' (where the Government decides how much sugar each mill can sell in a particular month), levy procurement (where a certain percentage of their production is requisitioned at below market prices for the public distribution system or PDS) and stock holding limits on traders and bulk consumers.

According to the industry, sugar for the PDS should be sourced by the Centre entirely through competitive open market tendering and not by levy obligation on mills. Sugar should, moreover, be removed from the Essential Commodities Act. Considering that households account for just 26 per cent of the country's consumption, with the remaining 74 per cent being bought by bulk consumers such as beverage, biscuit and sweet-meat makers, there is no need to view it as an ‘essential commodity'.

The joint release also sought a minimal role for the Government (both Centre and States) in fixing cane prices. This, even as Mr Pawar made it clear that the Centre would retain its powers over cane price determination even in a decontrolled scenario.

The release called for a 'globally benchmarked' cane pricing formula, wherein mills would pay 62 per cent of their total realisation from the sale of sugar and direct by-products (molasses, bagasse and press-mud) to growers and keep the rest with them. The cane price worked out by this formula should be inclusive of all State taxes, it added.

The industry's enthusiasm for decontrol was, however, not as pronounced in matters of cane reservation or import policy. The release sought continuation of the existing practice of cane area reservation along with maintenance of a minimum distance between two mills. In fact, it even demanded an increase in the minimum distance between an existing and proposed new mill from the current 15 km to 25 km, with this going up proportionately with higher cane crushing capacity.

The same protectionist approach was evident in respect of imports. Imports, if at all required, should only be in the form of raw sugar. "The duty structure should be calibrated in a manner…so that the country is self-sufficient in meeting its domestic requirements of sugar," the release added.

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Sugar down on poor offtake

Mumbai, July 14

Sugar price at Vashi market dropped Rs 10 a quintal on Wednesday due to lack of fresh buying by stockists and retailers. Butselling pressure from mills at Rs 2,600 level continued. Lifting from market was higher than Tuesday and arrivals were limited. Naka and tender delivery rate also declined by Rs 10. The sentiment was steady.

Lack of buying from neighbouring States and good inventory in the market arrested the upward movements, said Mr Jitubhai Shah of Sidhdharth Trading Co.

Mills were ready to sell only above Rs 2,600, keeping market players away from bulk buying. There were approximately 200 to 250 truckloads (10 tonnes each) inventory stocks in Vashi market. Total arrivals on Wednesay at the Vashi market was up to 25-28 truckloads, where as lifting was at 28-30 truckloads.

According to Bombay Sugar Merchants Association, the spot rate was Rs 2,680/2,730 a quintal for S-grade and Rs 2,710/2,800 for M-grade. Naka delivery rate was Rs 2,650-2,680 for S-grade and Rs 2,680-2,750 for M-grade.

The mill delivery tender (including excise) was quoted at Rs 2,570-2,600 (S-grade) and Rs 2,600-2,670 (M-grade). Maharashtra ex-mill prices were: S-grade: Rs 2,500-2,520 and M grade: Rs 2,525-2,575.

Bloomberg reports:Raw-sugar prices fell for the first time in three days fell on speculation that bumper sugar crops in Brazil and India, the worlds biggest producers, will boost supplies next year. Raw sugar for October delivery fell 0.14 cent to 17.03 cents a pound at 10:31 a.m. on ICE Futures US in New York. Refined sugar futures for October delivery rose $1, or 0.2 per cent, to $521.50 a tonne on London's Liffe exchange.

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Festival demand perks up soyabean oil

Indore, July 14 Soyabean oil prices witnessed a steep rise with soya refined oil selling at Rs 432 for 10 kg and soya solvent oil at Rs 410, up Rs 4 from the previous day.

Rise in mandi prices of soya oil has been attributed to its rise in futures market. Soya refined July futures on NCDEX closed at Rs 454.50 and August futures at Rs 461.20, up 1.16 per cent from the previous day.

SOYA GAINS

Soyabean prices gained in tandem with soyabean selling at Rs 1,825 a quintal, after touching a high of Rs 1,850, up Rs 4-10 from the previous day.

Arrival was lower compared with Tuesday. The local mandi saw an arrival of 6,000 bags of soyabean, while total arrival at State-level was 1.10 lakh bags.

Increased purchasing at plant level at higher rates continued to be the main reason for spurt in soya prices.

Plant purchasing saw a low and high of Rs 1,800-1,935 a quintal. At Ambika plant, soya was purchased at Rs 1,800 a quintal, while it was Rs 1,890 a quintal at Ambuj, Rs 1,890 at Itarsi, Rs 1,895 a quintal at Kasta, Rs 1,900 at Prestige and Rs 1,935 a quintal at Kriti, respectively.

CHANA FALLS

With fall in future market trading, raw (kanta) chana prices fell in local mandi with its prices touching a high and low of Rs 2,160-2,150 a quintal, a low of Rs 10-15 from the previous day. Chana July futures on NCDEX closed at Rs 2,213 and August futures at Rs 2,288.

Fall in prices is also due to increase in production. Against a production of 55 lakh tonnes last year, chana production this year is pegged at 65 lakh tonnes.

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Pepper futures soar on tight availability in spot market

Kochi, July 14

Pepper futures witnessed high volatility in the market today. Prices opened firmer but declined sharply at mid-day, and then all the contracts moved up sharply on strong domestic demand amid tight availability of spot pepper to end much above the previous close.

Following the introduction of the four per cent additional buyer margin, small and medium players liquidated under pressure and that pulled prices down during mid-day and then the “big sharks mopped up the market" which, in turn, pushed prices up in the latter part of the day's trading, market sources told Business Line.

There were good additional purchases as investors simultaneously bought back their sales after liquidating farm grade pepper. Switching over was also seen. Add to this, some overseas reports projected prices to cross $5,000 a tonne, which helped prices, they said.

Strong domestic demand was also witnessed. However, the buyers slowed down when the futures market started declining at mid-day. As the futures started moving up, stockists from the main north Indian markets went on a buying spree amid tight availability of spot pepper, they said.

The four per cent margin was introduced on the pretext that the contract had crossed the 90-day average. But, market sources say they did not know from which date the 90 days were counted. The July contract on NCDEX shot up by Rs 437 to close at Rs 19,560 a quintal. The August and September contracts increased by Rs 516 and Rs 508 respectively to close at Rs 19,893 and Rs 20,175 a quintal.Total turnover increased by 5,268 tonnes to 33,394 tonnes. Total open interest went up by 291 tonnes, indicating additional purchases. July open interest dropped by 965 tonnes to 2,735 tonnes. August increased by 1,097 tonnes, while that of September moved up by 118 tonnes, indicating switching over and additional purchases.Given the tight supply and strong demand, spot prices shot up by Rs 400 to close at Rs 18,800 (un-garbled) and Rs 19,300 a quintal. Indian parity in the international market moved up to $4,475 a tonne (c&f) and were above other origins.

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Costly carrots

Seasonal constraint:A farmer at the Rytu Bazaar at Mehdipatnam in Hyderabad on Saturday grades his carrot stock , selling at Rs 2,800/quintal. Off season and poor arrivals accounted for the high price as the vegetable is selling at Rs 3,200-3,800/quintal in the North-East and even higher at Rs 4,400/quintal at Kollam in Kerala .

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Rains damage paddy, wheat stocks in Punjab, Haryana

Karnal, July 14

Flood and heavy rainfall have damaged wheat and paddy stocks in Haryana and Punjab. Besides, thousands of acres under paddy crop have been submerged in Haryana's Kurukshetra, Ambala, Kaithal, Sirsa and Fatehabad districts. Heavy rain has also affected paddy saplings in Karnal district. The Agriculture Department is now looking for new saplings so that farmers can sow them after the water recedes from the fields. If the situation continues for a few more days, traders expect a rise in rice prices.

Agriculture experts said there is little time left to prepare fresh saplings. The Haryana Government is looking at farmers in adjoining districts and States to get new saplings so that re-sowing can be done once the water drains out. July is best for sowing paddy saplings.

Over thousand tonnes of wheat, stored by FCI and Haffed in Jundla village of Karnal district, have been spoilt. Mr Ravinder Malik, District Food and Supply Officer, said: “There is some damage due to rain but we are trying to save the rest by drying it.”

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TNAU's Honorary Doctorate for industry leaders in agriculture

Chennai, July 14

Mr A. Vellayan, Executive Chairman of the Murugappa Group was conferred the Degree of Doctor of Science (Honoris Causa) by the Tamil Nadu Agricultural University (TNAU), according to a press release from the Murugappa Group.The Degree was conferred by Mr Veerapandi S. Arumugam, Minister for Agriculture and Pro-Chancellor, TNAU, today at the 31st Convocation.Mr A. Sivasailam, Chairman, Amalgamations Group, Chennai, Mr M. Manickam, Vice-Chairman and Managing Director, Sakthi Sugars Group, Coimbatore, and Mrs Santhi Duraisamy, Director, Sakthi Masala Group, Erode, were the other dignitaries who were conferred the Honorary Doctorate at the convocation.