

# THE HINDU

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Date:22/07/2010 URL: <http://www.thehindu.com/2010/07/22/stories/2010072260360300.htm>

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## Periyar dam level up by 3 feet in 48 hours

*It brings cheers to farmers and relief to officials*

THENI: With sharp increase in inflow and heavy downpour in the catchments, storage level rose by three feet in the Periyar dam in the last 48 hours on Wednesday, bringing cheers to farmers and providing relief to officials as well as elected representatives of local bodies and town panchayats that were reeling under an acute drinking water crisis.

The level in the Periyar dam touched 120.20 feet on Wednesday, which was just 117 feet on Monday. Inflow to the dam too went up to 3,649 cusecs. The storage was 2,668 mcft.

With comfortable inflow, the Public Works engineers too have stepped up the discharge to 1,138 cusecs from the dam for irrigation of 45,000 acres of first crop in the double cropping areas in Cumbum valley and also to improve the storage in the Vaigai dam, lifeline for five southern districts.

In the meanwhile, power generation too has been picking up at hydel power station at the Lower Camp. Besides paddy growers, farmers who have perennial crops like sugarcane, coconut and banana and horticulture crops too will get sufficient water for irrigation this season.

The PWD officials stated that farmers in the valley will consume around 300 cusecs of water released from the dam and the rest will finally reach the Vaigai dam. Discharge will be increased on the basis of inflow to Periyar dam. (Permissible storage level 136 feet only.)

With poor storage in the Vaigai dam, water could not be released for irrigation of over two lakh acres in Theni, Madurai, Dindigul and Virudhunagar districts. With no rain in the catchments, storage level remained poor in the dam.

At present, water level stood at 31.17 feet and the storage 415 mcft. Inflow to the dam was tripled to 538 cusecs which was 168 cusecs on Tuesday.

Now, inflow may go up in the days to come, owing to a sizable discharge from the Periyar dam.

At present, the dam has been receiving 538 cusecs.

However, the discharge was 41 cusecs to meet drinking water needs of Madurai city.

Rainfall

Rainfall recorded at various place in the district at 8 a.m. in mm on Wednesday was: Periyar 10, Thekkadi 15, Shanmuga River dam 2 and Goodalur 3.5. Rainfall was nil in other parts of the district.

**Date:22/07/2010 URL: <http://www.thehindu.com/2010/07/22/stories/2010072259650300.htm>**

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### **Farmers told to increase area under pulses cultivation**

*Training to help them cultivate red and black gram*

PUDUKOTTAI: The Agriculture Department here has advised the farmers of Gandarvakottai, Karambakudi and Kunnandarkovil blocks in Pudukottai district to increase the area under pulses cultivation during the current kharif season.

P. Raju, joint director of agriculture, who presided over the training programme for the farmers in pulses cultivation at the State Oilseeds Farm in Vellalaviduthi in the district on Tuesday, appealed to farmers to raise pulses of red gram and black gram in more areas and reap a good harvest. He said that the training for the farmers was conducted under the Irrigated Agriculture Modernisation and Water Bodies Restoration and Management (IAMWARM) project.

V.Vaidyanathan, assistant director of agriculture, Gandarvakottai, asked the farmers to raise black gram variety 'Vamban 4' to get a good yield. P. Udayakumar, assistant director of agriculture, Karambakudi, explained to the farmers about the latest technology to be adopted in red gram and black gram cultivation.

N.Annamalai, assistant director of seed certification, Pudukottai, said that the district was on the forefront in pulses mission . He said that the Collector had fixed a target to achieve pulses cultivation in 6,600 hectares during the current kharif season.

The farmers were also taken on a field visit to the State Oilseeds Farm to see the cultivation of short-term red gram variety pulse.

## Farmers stage demonstration



**On the warpath: Members of the Tamizhaga Vivasayigal Sangham led by its President M.R. Sivasamy (second right) staging a demonstration in Coimbatore on Monday. -**

Coimbatore: Members of the Tamilaga Vivasayigal Sangham and representatives of those affected by various land acquisition proceedings staged a demonstration protesting against the acquisition of lands and sought compensation early for the lands acquired earlier.

The demonstration was led by President of the Sangham, M.R. Sivasamy. The demonstrators pointed out that the 200 ft by pass road would result in setback for agricultural prospects on either side of the road.

It had also rejected proposals for bypass roads with 200 ft width. Four lane projects fetch only very poor compensation for the land owners pushing them into poverty.

Mr.Sivasamy said that with the Coimbatore – Mettupalayam Road (NH 67) and Salem - Coimbatore – Palakkad Road (NH 47) having 100 ft width, the space is enough for laying a four-lane road, hence the Sangham sought dropping the move to acquire lands for Neelambur, Chavadi, Avanashi and Perumanallur by pass roads and also the land acquisition for the same.

Settlement

Demonstrators sought immediate settlement of compensation as per the court orders for those whose lands were acquired 33 years ago for the Bharathiar University.

Since acquisitions leave the farmers in penury, the Sangham sought compensation in terms of twice the market value of lands as done by the Punjab Government.

The demonstrators urged for dropping the proposed bypass road from Neelambur to Mettupalayam measuring 50 km and suggested a Neelambur – Mettupalayam bypass road via Koilpalayam measuring only 25 km.

The Sangham also demanded flyovers at Avanashi and Karumathampatti, dropping the proposal for bypass roads at these places.

The demonstrators also sought extension of the Coimbatore – Narashimanaickenpalayam stretch of the Mettupalayam Road four lane project up to Mettupalayam.

Demonstrators sought early settlement of compensation for the lands acquired by the Tamil Nadu Housing Board in Coimbatore and for the lands acquired for the Irugur Container Corporation.

**Date:22/07/2010 URL: <http://www.thehindu.com/2010/07/22/stories/2010072258710200.htm>**

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### **Foodgrain merchants meet Stalin**

MADURAI: Tamil Nadu Foodgrains Merchants Association office-bearers met Deputy Chief Minister M.K Stalin in Chennai on Monday and urged him to resolve the long-pending issue of market committee cess.

Dindigul MP N.S.V. Chithan accompanied the delegation which was led by president S.P. Jeyapragasam and secretary P. Subash Chandra Bose.

They presented a memorandum outlining various demands to him.

Deficient in production

Mr. Bose said that Tamil Nadu was deficient in the production of pulses and grains and was meeting its needs through procurement from other states and imports. With market committees not offering any service to the commodities brought from outside the State, the imposition of market cess was untenable.

The Association also called for abolition of permit system in the cess.

It pointed out that such a system was not operational even in the commercial taxes regime which fetched revenue of several thousand crores of rupees.

**Date:22/07/2010 URL: <http://www.thehindu.com/2010/07/22/stories/2010072262460500.htm>**

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### **Rajasthan to promote hybrid seeds**

JAIPUR: The Rajasthan Government's Agriculture Department on Tuesday signed an agreement with Pioneer Hybrid International for promoting research and development in seed production. Hybrid seeds are going to be the focal point of the pact.

Additional Chief Secretary (Agriculture) S. Ahmed and Pioneer International Corporation managing director Subba Rao signed the agreement at a simple ceremony at Pant Krishi Bhavan here.

Mr. Ahmed said the State Government was making all-out efforts to support and encourage entrepreneurs in the agriculture sector under the agricultural marketing and processing policy announced earlier this year.

Pioneer Hybrid will undertake research on hybrid seeds and take up a campaign for promoting them, besides apprising the farmers of the entire process from seed production to crop harvesting through an awareness drive.

Mr. Ahmed said the State had already registered an impressive production of spices, while steps were being taken to increase vegetable production: "The availability of seeds of high quality produced as a result of first-rate research will strengthen the agriculture sector and immensely benefit the farmers."

**Date:22/07/2010 URL: <http://www.thehindu.com/2010/07/22/stories/2010072262630700.htm>**

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### **'Soil testing labs to help farmers plan crop pattern'**

JAIPUR: Rajasthan Agriculture Minister Harjiram Burdak has said that the State Government's decision to establish soil testing laboratories in villages would help farmers in planning their crop pattern and help increase crop yield.

Laying the foundation stone for a laboratory at Patus village in Pali district earlier this week, Mr. Burdak said the identification of soil types and the availability of soil treatment services would facilitate the selection of seeds and planning for sowing and irrigation.

Mr. Burdak said the State Government had increased the budget allocation for agriculture sector during the last two years and extended the benefits of crop insurance, Kisan Credit Card and cash prize schemes to the farmers.

**Date:22/07/2010 URL:**

**<http://www.thehindu.com/thehindu/seta/2010/07/22/stories/2010072253441600.htm>**

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## FARMER'S NOTEBOOK

### **Spirit of inquiry, experimentation should be encouraged**

Mr. Patil claims to have developed many varieties of gram



**Giant step: Bala Sahib Patil in his gram fields at Kolhapur, Maharashtra.**

“The plight of farmers across the country remains the same.

“In many households grinding poverty and financial constraints seem to be the prevailing conditions. Unlike a steady job that guarantees a monthly income, a farmer can never be guaranteed a regular income from his lands,” says Mr. Balasahib Patil from Maharashtra.

Mr. Patil developed a new dual poded gram variety called ‘Sushil Laxmi’ that yields nearly 1.8

tonnes per acre under irrigated, and 0.8 to 0.9 tonnes per acre under rain-fed conditions.

Highly popular

The variety is reported to be highly popular among farmers across the States of Punjab, Maharashtra, Karnataka, and Madhya Pradesh.

Last year the farmer received orders for nearly 2,000 tonnes of seeds from several areas.

Mr. Patil claims to have developed many varieties of gram, primarily through a selection process.

“Though my father wanted me to work on our sugarcane plantation, which is cash crop cultivation, and more income can be generated, I wanted to research on gram,” he says.

Initially unconvinced, his father gave a little over two acres of land for his research.

“Since I did not possess large acres to experiment with different gram varieties, I could not preserve many of my varieties.

“I started cultivating on leased lands. Later I bought the leased land on my own by paying twenty per cent more. I am now cultivating gram in more than 300 acres,” he says.

Terming his explorations as more out of curiosity than to a plan, the farmer says that a chance visit to Dharwad University some years back provided him an opportunity to observe the scientists working on some breeding programs on gram there.

Keen observation

Observing the scientists there adopting crossing to develop new varieties, he also started doing the same after coming back. “The only difference was that they worked in glass labs and I worked in the open fields.

“After several initial attempts for nearly eight years the farmer successfully stabilized the characters and then started distributing the seeds to other farmers.

“I took a sample plant inside a saline water bottle to the Indian Council of Agricultural Research (ICAR), Delhi to verify and validate my research. But they (scientists) did not evince any interest in it.

“Undeterred, I took the samples to the Office of the Agriculture Ministry. The then Agriculture Minister waived the testing fee (Rs. 15,000) for variety testing from AICRP (All India Coordinated Research Project) as a mark of appreciation,” he says.

Based on the encouraging results from farmers using the variety Mr. Balasahib started to commercially market the seeds.

#### Strange attitude

“The attitude of some of our agricultural scientists baffles me, Instead of encouraging a farmer like me to develop more varieties, they are asking me to hand over my variety to them for releasing it.

“Why should I hand over my child (variety) to some strangers? It is my baby and I have all rights over it, and can myself release it. In fact I stopped interacting or encouraging scientists to visit my farm or share information to them,” he says bitterly.

#### Initial refusal

“Though my father initially refused to hand me over his ancestral land for experimenting, after seeing the income generation from the new variety, he handed over the entire 15 acres under my care. I also bought an additional 15 acres to carry on with my experiments,” he says.

Currently, the farmer is experimenting on bittergourd and Okra (lady's finger) .

For more details readers can contact Mr. Bala Sahib Patil, Hassor, Shrol block, Kolhapur district, Maharashtra, phone: 02322-261082, mobile: 98226-09999.

**Date:22/07/2010 URL:**

**<http://www.thehindu.com/thehindu/seta/2010/07/22/stories/2010072253431600.htm>**

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#### **Emerging major pest in cotton and its management**

Mirid bug *Creontiades biseratense*(distant) is an emerging pest on Bt cotton in Tamil Nadu and Karnataka leading to significant reduction in seed cotton yield.

Nymphs and adults damage the squares, flowers and small tender bolls by piercing the plant tissues with their stylet.



## Symptoms

The characteristic symptoms of feeding are punctures at the base of the squares, square staining with yellow fluid and anther discoloration lead to failure of fertilization.

Feeding on developing bolls leads to premature opening and cause number of black patches on boll rind and subsequent shedding of rest of the damaged tender bolls.

Damage in fully developed squares leads to the formation of deformed bolls with “parrot beaking” symptoms and in older bolls results in stained lint.

## Dried petals

One to two days old bolls with dried petals intact provide a good habitat to the insects for feeding and sheltering.

Eggs are laid singly, however in general the majority of the eggs are laid on leaf petiole.

Freshly laid eggs are transparent, white in colour, elongated and turn pinkish red in colour, two days before hatching.

Freshly hatched nymphs are transparent yellow in colour with tip of antenna and thorax respectively having a reddish tinge and brown colour. Body colour an adult is brown. The total life cycle of the pest is completed in 40 days.

## Regular monitoring

Regular monitoring for the occurrence of the pest is important for the better management of the pest.

Shed flowers, squares and tender bolls should be removed during the peak squaring period (during the cooler months October -January) and destroyed to prevent shelter of the nymphs and adults of the pest.

If 5-10 adults per plant are observed, apply any one of the following insecticides using mist blower targeting the squares, flowers and tender bolls for effective control of the pest.

Acephate 70SP-1.3 gm/lit (or), Thiocloprid 240 SC- 1ml/lit (or) Thiodicarb 75WP – 4gms/lit (or) 0.5 per cent neem based formulations (or) 5 per cent neem Seed kernel extract.

B.Dhara Jothi T.Surulivelu,& N.Gopalakrishnan

Central Institute for Cotton Research, Regional Station Coimbatore

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<http://www.thehindu.com/thehindu/seta/2010/07/22/stories/2010072253331600.htm>

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FARM QUERY

**White coloured cardamom**

**Where can I get information on white coloured cardamom variety?**

Eapen Thomas,Thiruvananthapuram

Mr. K.J. Baby of Puliyanmala, Idukki district, Kerala, developed a white flowered variety of cardamom, with a higher oil content than other varieties. The productivity of this variety is higher than that of other varieties and it can be grown in waterlogged areas as well. The plant with its sturdy and deep rooting system, makes it resistant to various infestations. For more details contact Mr. Baby at phone: 04868270254.

Published: July 20, 2010 16:56 IST | Updated: July 21, 2010 20:47 IST New Delhi, July 20, 2010

**ICAR to frame guidelines for PPP in seed development**



THE HINDU An employee of ICRISAT is busy handling stored seeds at the Gene Bank in the headquarter of ICRISAT in Hyderabad. In March this year, the Cabinet had approved the new Seed Bill, which sought to check the sale of spurious seeds by making registration mandatory. File Photo:

Arunangsu Roy Chowdhury

Amid growing competition from private seed companies, apex government research body ICAR on Monday said that it will set up a committee to frame guidelines for public-private partnerships (PPP) in the sector.

“We are in the process of setting up a committee for framing guidelines for private players, which are increasingly entering the seed sector,” ICAR Assistant Director General (Seed) J.S. Sandhu said on the sidelines of a meeting on the seed project.

ICAR director General S. Ayyappan said that discussions on forging alliances with corporate are required in the scientist community.

Stating that the future of seed development lies in PPPs, Ayyappan said that scientists should come up with ideas on how to go about it.

Though Deputy DG (Crop Sciences) ICAR Swapan Kumar Datta welcomed private competition in seed development, he said that besides whisking away promising scientists from ICAR, corporates had also captured the germ plasm from the public domain. Therefore, it should be protected under Intellectual Property Rights, Datta added.

As of now, the committee has Sandhu and Datta on board. It has asked the government to nominate more members into it. Highlighting the importance of seed banks, Ayyappan said, “There is a need for more such seed banks and, therefore, a roadmap on this is needed.”

The DG (ICAR) said that though it is not known when the long-pending Seed Bill would be passed by Parliament, the council should be ready with inputs that could be incorporated into it whenever required.

In March this year, the Cabinet had approved the new Seed Bill, which sought to check the sale of spurious seeds by making registration mandatory.

The Seed Bill 2004, which was first introduced in that year, was expected to replace the existing Seed Act of 1966.

The new Bill aims to ensure seed quality and take care of farmers interests. It would also address concerns regarding sowing, use, exchange and sale of seeds.

Speaking on the occasion, ICAR DDG (Crop Sciences) Swapan Kumar Datta said that hybrid seeds

would play an important role in the future and government should ensure their availability.

Published: July 18, 2010 21:03 IST | Updated: July 18, 2010 21:03 IST BANGKOK, July 18, 2010

### Thailand using wasps to combat cassava predator



AP In this undated photo released by the International Center for Tropical Agriculture (IITA), scientists check at cassava plantations for signs of pests and diseases at a field in Nakhon Ratchasima province northeastern Thailand.

Agricultural scientists unleashed insect against insect on Saturday in a bid to save northeast Thailand's cassava plants from an infestation that could cut harvest from the billion dollar industry in half.

The team released 10,000 wasps in Khon Kaen province to prey on mealybugs, said Rod Lefroy, a researcher for the Consultative Group on International Agricultural Research. If the trial goes well, another 250,000 eventually will be set loose.

Cultivated by 5 million Southeast Asian farmers, cassava is used in biofuel and livestock feed, and its starch is extracted for use in food. Thai exports of the crop account for more than 60 percent of global totals and generate about \$1.5 billion for local farmers annually, the group and its research partners said.

The crop, originally brought from South America by Portuguese traders centuries ago, thrived before the mealybug infestation, which has spread to 200,000 hectares (494,000 acres) in Thailand's north and northeast and could cut yields by up to 50 percent, leading to millions in lost revenue, they wrote in a statement.

The mealybug, *Phenacoccus manihoti*, sucks the sap of cassava until it is dry and shrivels up.

CGIAR, whose regional headquarters is in neighbouring Laos, initiated the *Anagyrs lopezi* wasp project after Thai farmers noticed bugs clinging to withered cassava plants in large numbers last year, when crop production decreased by 20 percent to 30 percent, Lefroy said.

“Although they are very small, they tend to amass in quite large numbers on the underside of leaves,” said Lefroy, who is working with the Colombia-based International Centre for Tropical Agriculture, the Benin-based International Institute of Tropical Agriculture and Thailand’s Agriculture Ministry.

“They’re very white and look like they’re covered in a silky fur,” he said.

After confirming the identity of the invasive bug, the team in Thailand imported the biocontrol wasps from Benin in Africa, and began a massive breeding and testing program to prepare for Saturday’s release. In the 1980s, wasps were successfully used in Africa to eradicate mealybugs preying on cassava.

The female wasps, only 2 millimeters (0.08 inches) long, inject their eggs into the mealybugs and feed on them, gradually reducing their population.

Lefroy said it is increasingly a regional problem and until recently Asia was largely exempt from the mealybug problem.

“We really need to move into a phase where we admit the honeymoon is over,” he said.

Published: July 17, 2010 13:19 IST | Updated: July 18, 2010 19:06 IST New Delhi, July 17, 2010

### **IISR receives outstanding ICAR Institution award**



Union Agriculture Minister Sharad Pawar handing over the Sardar Patel Outstanding ICAR Institution Award for the year 2009 to IISR Director Dr. V.A. Parthasarathy on Friday. Photo: Special Arrangement.

The Indian Institute of Spices Research (IISR), Calicut, a prestigious institute under Indian Council of Agricultural Research (ICAR), has been presented with the prestigious Sardar Patel Outstanding ICAR Institution Award for the year 2009.

IISR Director Dr. V. A. Parthasarathy received the award from Sharad Pawar, Union Minister for Agriculture, Consumer Affairs, Food and Public Distribution during the ICAR Foundation Day and Award Ceremony held at NASC Complex, New Delhi on Friday.

The Sardar Patel award is given annually to two ICAR Institutes and one State Agricultural University (SAU) for the best performance in agricultural research, extension and education. This year IISR is sharing the award with CARI, Port Blair.

“The award is in recognition to our contribution in five major areas like conservation of largest germplasm and microbial collection in the world, good agricultural practices, application of GIS in spice biodiversity, introduction of office automation software and excellent transfer of technologies,” said Dr. Parthasarathy after receiving the award.

“Our next priority would be contributing towards carbon credit through reducing usage of paper for office use, recycling of organic wastes, integrated farming etc.,” he added.

This is the second time IISR is being adjudged as the best ICAR institution. The Institute has bagged this coveted award in the year 1999 instituted by the Council in the name of Sardar Vallabhbhai Patel. The award includes a cash prize and a citation.

Prof. K. V. Thomas, Minister of State for Agriculture, Dr. M. S. Swaminathan, Member of Parliament, Dr. S. Ayyappan, Secretary DARE and DG, ICAR and other senior ICAR officials were also present.

Published: July 22, 2010 00:09 IST | Updated: July 22, 2010 00:43 IST July 22, 2010

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**B.Dhara Jothi T.Surulivelu, & N.Gopalakrishnan** *Central Institute for Cotton Research, Regional Station Coimbatore*

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**hindustantimes**



**Zia Haq, Hindustan Times**

Email Author

New Delhi, July 22, 2010

First Published: 01:15 IST(22/7/2010)

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### **Govt takes stock of grain rot**

Amid widespread cases of foodgrains rotting, the government has finally cracked the whip, holding at least nine officials of the Food Corporation of India (FCI) to account in Uttar Pradesh. FCI is the largest grain-holding agency.

The government also plans to pare down bulging wheat stocks, amid shrinking storage space, by offloading more in the open market, an official said, requesting anonymity because he was not authorised to speak.

The food ministry will move a proposal before an empowered group of ministers soon to make another 2 million tonne of grains available for sale to states. In June, the Centre had decided to offload 5 million tonne.

The official said three of the FCI's regional managers, three quality managers and as many depot managers manning silos in Hapur, Orai and Harduaganj had been suspended. A government statement, however, said an area manager, a depot manager and a manager were suspended for negligence.





Food minister Sharad Pawar had asked his ministry to ascertain reports of rotting grains in Uttar Pradesh. The team found 345 tonne of spoilt grains in Hapur, Orai and Harduaganj depots. Managers overseeing these depots also face charges of a cover-up.

Spurred by reports of grains wasting, the Centre has decided to free enough stocked grains under the Open Market Sales Scheme. However, states have responded poorly to the scheme's pricing of wheat, which they feel is high. India, the second-biggest producer of wheat, doesn't have enough space to store all of it. Record output of 80.71 million tonne this year, a tad higher than the previous best of 80.68 million tonne in 2008-09, will put strain on the government to consider lifting the ban on exports. "However, the government is nervous about allowing export amid high food inflation," the official said. Moreover, global wheat prices are lower than India's, making exports non-viable.






<http://www.hindustantimes.com/StoryPage/Print/575886.aspx>

## Weather

Chennai - INDIA

<p><b>Today's Weather</b></p>  <p>Cloudy</p> <p>Rain: 00 mm in 24hrs Humidity: 89% Wind: Normal</p>	<p><b>Thursday, Jul 22</b></p> <p>Max 30.3°   Min 24.5°</p> <p>Sunrise: 05:51 Sunset: 18:38 Barometer: 1005.0</p>	<p><b>Tomorrow's Forecast</b></p>  <p>Rainy</p> <p><b>Friday, Jul 23</b></p> <p>Max 31°   Min 24°</p>
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### Extended Forecast for a week

Saturday Jul 24	Sunday Jul 25	Monday Jul 26	Tuesday Jul 27	Wednesday Jul 28
				
32°   27° Rainy	32°   27° Rainy	31°   27° Rainy	32°   27° Cloudy	32°   26° Rainy

# THE TIMES OF INDIA

## Sugar data in a cloud amid factory-farmers tussle

22 Jul 2010, 0524 hrs IST,ET Bureau

NEW DELHI: Sugar output estimates, which have a direct bearing on prices and government policy, have been caught in a thicket of controversy with a key industry body penciling consumption for 2009-10 at the lowest in recent years and farmer groups countering the claim.

An upshot of the Indian Sugar Mills Association's estimate of 21.4 million tonne would be that the carryover stocks of the commodity for the season starting October would be the highest in recent times at nearly 6 million tonne, including imports of 5.3 mt.

Swelling stocks complemented by robust production push the case for imposing import duty on white sugar. Likewise, the case for freeing the industry from prices fixed by the government also gains momentum.

ISMA's estimates are also at odds with the government's assessment. The food ministry had recently projected carryover stocks at less than 2mt.

Farmers groups have charged the industry of manipulating data on sugarcane acreage and sugar production to prop up market sentiment, an allegation that ISMA officials have denied.

As big sugar states such as Uttar Pradesh are yet to release their acreage data, it is premature to predict the coming year's sugar output, he said.

ISMA officials said the low consumption could be because bulk consumers relied on imports for most of the year. They pointed fingers at the government's statistics, saying it was using flawed sugarcane acreage data that projected a rise of 15% in 2009-10 from a year ago, leading to incorrect output estimates for 2009-10.

The flawed data, they said, could also be making the government's sugar output calculations for 2010-11 wide off the mark.

The cane to be crushed in a sugar season is planted in the previous year, making it crucial to have accurate estimates of crop coverage in order to assess the coming year's output. A minor error in

projections could impact consumer prices directly.

ISMA contends the increase in acreage was 18-20%. "The data needs to be revised at the earliest," said ISMA deputy director general MN Rao.

By that reckoning, the area under sugarcane cultivation for 2010-11 could be 54 lakh hectare against 47.3 lakh hectare estimated by the government.

The ISMA figure opens the possibility of sugarcane output rising by 6.3 million tonne to around 25 million tonne, surpassing the government's projection of 23 million tonne in 2010-11.

### **TN's SAP for sugarcane irks mills**

22 Jul 2010, 0052 hrs IST, S Sujatha, ET Bureau

COIMBATORE: Tamil Nadu's state advisory price (SAP) of `1,900 per tonne of sugarcane for 2010-11, which is above the Union government's fair and remunerative price of `1,391 per tonne, has evoked angry reactions from millers. Sugar prices are on a slide across the globe following a glut in production and mills are selling the sweetener at a price less than the cost of production.

"While SAP is perfect for cane growers, the situation looks very difficult for the industry," Erode-based Ponni Sugars MD N Ramanathan told ET. Unless the Centre decontrols the industry for better price realisation of sugar and allow exports, it will be a drastic step, he said adding that the government was depressing the domestic prices by allowing duty-free imports.

Added to the raised SAP is the transport cost of about `100 per tonne to be borne by mills along with a purchase tax of `65 per tonne. Mills are subsidising farming which amounts to another `35 per tonne. While the total sugarcane price for the 2010-11 will be `2,100 per tonne linked to sugar realisation of 9.5%, the actual cost of sugarcane when translated to sugar would be `2,200 per tonne. And if the conversion (cane to sugar) cost of `500 per tonne is included, the cost of production will be around Rs 2,700 per quintal. "Usually SAP would be around Rs 200-300 per tonne more than FRP. But in the coming season, there is going to be a big jump and SAP will at least be `550 per tonne above FRP," Mr Ramanathan said.

He said SAP was perfect because the cultivation cost had increased due to high labour wages. Besides, farmers got better remuneration from competing crops such as paddy, turmeric and tapioca. So, from this

perspective, a 10% jump in SAP of `1,800 per tonne from the 2009-10 season is well explained.

However, this would spell disaster for the mills. "The dipping sugar prices will make matters worse for us. While the production cost is working out to `27 per kg, how can we manage when the ex-factory price drops to `23 per kg in the coming season," he quipped.

Sakthi Sugars chairman and MD M Manickam said the price levels should at least be ` 30 per kg ex-factory so that the industry could run smoothly. Any price below that will be draining the factories of cash and make their future quite difficult. Bannari Amman Sugars chairman S V Balasubramaniam said the mills were keenly watching the price situation.

"We are only processors and we can at the most work on zero margins. But we cannot work on negative margins," Mr Ramanathan added. He said the industry, which made good profits last season, could absorb the loss for quite some time with the help of previous year's surplus. But after some time, there would be price arrears and farmers would be the ultimate sufferers.

Mr Ramanathan suggested that the government should allow export of sugar as the prices in the international market are slightly better now and it would also allow companies to meet their export obligations.

The Indian Sugar Mills Association statistics points out that the opening stock of sugar for the coming season is at 59 lakh tonnes. The expected production is set at 250 lakh tonnes. "While the availability would be around 310 lakh tonnes, the consumption will be only around 230 lakh tonnes and nearly 80 lakh tonnes will be carried over to the next season. The situation will be abysmal as the usual carryover stocks should only be around 50 to 60 lakh tonnes. So at that time, government might allow export of sugar and by then the global prices will also be low due to the over-production in India," he added.

### **Wheat futures edge higher on import tax plan**

21 Jul 2010, 1537 hrs IST, REUTERS

MUMBAI: Indian wheat futures were slightly higher on Wednesday on a plan to impose tax on imports of the foodgrain, but a bumper harvest and hopes of stock release in the open market limited gains, analysts said. The August wheat contract was up 0.46 percent at 1,255 rupees per 100 kg at 1:55 p.m.

India's Farm Minister Sharad Pawar last week said a ministerial panel will consider a proposal to levy

import tax on wheat. Analysts said India's wheat management at this stage leaves little space for sharp upward or downward movements. "Considering the huge stocks and bumper output we don't think wheat prices will show strong upside or downside movement," said an analyst with Agriwatch Research.

Indian farmers harvested 80.71 million tonnes of wheat in 2009, marginally lower than an earlier estimate of 80.98 million tonnes, latest government estimates showed on Monday. Food Corp of India had a stock of 33.58 million tonnes of wheat as on July 1, against buffer norms of 17.1 million tonnes, government data showed.

India may release 2.5-3.0 million tonnes of wheat, rice for states, Farm Minister Sharad pawar said on Tuesday. State-run Food Corp of India has initiated a process of open market sale through tendering process in Maharashtra, Goa, Tamil Nadu, Andhra Pradesh, Karnataka and Puducherry to sell about 300,000 tonnes of the grain in the beginning.

## Business Standard

Thursday, Jul 22, 2010

**Coffee region gets less rain, but recovery expected**

**Debasis Mohapatra / Bangalore July 22, 2010, 0:38 IST**



The area under coffee has seen an upward trend in India, with areas from non-traditional regions in Andhra Pradesh and Orissa being added. "The area under coffee is pegged at 380,000 hectares (ha) in the current crop season, 10 per cent higher than the production area in the last three years," said Jayarama, director (research) of the Coffee Board.

The present area under coffee cultivation in unconventional regions like Andhra and Orissa was 46,000 ha, he added.

However, close to 70 per cent of all output comes from Karnataka, followed by Kerala and Tamil Nadu. Non-traditional areas like Andhra and Orissa contribute around four per cent. The Coffee Board says Karnataka alone is expected to produce 219,625 tonnes in the current crop season, of the total output of 308,000 tonnes.

Experts feel the addition of area is more in the Robusta variety than in Arabica. "Most of the gains in area in recent times is for Robusta, as planters are fetching a good crop with the desired price level from buyers for this variety," said A Nanda Belliappa, a member of the Board and promoter of Suryakiran Estates. Inability to control the white stem borer in the Arabica variety, with uncertainty on price, has discouraged planters to go for this variety, he said.

Presently, there has been deficient rainfall in the coffee-growing region of southern India, raising concern over production. However, "that will be compensated during August and September", Jayarama said. He said output would not be impacted much.

Traders and analysts had similar sentiment.

"There was a dry spell in the coffee growing zone in the first week of July. However, things have improved in the last two-three days and is expected to compensate the deficit," said Chowda Reddy, an analyst with JRG Wealth Management.

### **Pepper, jeera rise on fresh buying**

**Press Trust of India / New Delhi July 21, 2010, 16:16 IST**



Black pepper and jeera prices spurted by Rs 500 per quintal in the national capital today on fresh buying support from retailers as well as exporters amid tight stocks.

Tight stocks followed by fall in supplies from the producing belts and a firming trend in futures market also supported the rise in prices.

Black pepper prices surged by Rs 500 to settle at Rs 22,500-22,700 per quintal.

Jeera common and jeera best quality also traded higher at Rs 14,400-14,600 and Rs 15,400-16,000, against the previous closing of Rs 14,200-14,400 and Rs 15,200-15,800 per quintal, respectively in view of fall in supplies from Unjha in Gujarat against better offtake.

Traders said the rise in pepper and jeera prices was attributed to good demand from retailers and stockists followed by fall in supplies from producing belts, mainly pushed up select spice prices on the wholesale kirana market here.

Following are today's quotations (per quintal):

Ajwain 14,000-19,000, black pepper common 22,500-22,700, betelnut (kg) 85-105, cardamom brown-Jhundiwali (kg) 740-750 and cardamom brown -Kanchicut (kg) 825-950.

Cardamom small (kg): Chitridar 1,190-1,350, cardamom (colour robin) 1,440-1,450, cardamom bold 1,465-1,475, cardamom extra (bold) 1,590-1,610 and cloves (kg) 290-360.

#### **Guarseed futures remain positive on better buying**

**Press Trust of India / New Delhi July 21, 2010, 15:17 IST**



Guarseed prices surged by Rs 22, or 0.86 per cent, to Rs 2,582 per quintal in futures trading today on speculative buying, guided by firm spot markets cue.

Marketmen said restricted supply from growing regions, against pick up in demand from gum making companies in physical markets, mainly influenced the trading sentiment at futures market.

At the National Commodity and Derivatives Exchange (NCDEX) counter guarseed prices for August-month contract spurted by Rs 22, or 0.86 per cent, to Rs 2,582 per quintal, with an open interest of 1,95,740 lots.

September-month contract also gained by Rs 21, or 0.81 per cent to Rs 2,609 per quintal, with an open interest of 46,590 lots.

### **Barley futures up on fresh buying**

**Press Trust of India / New Delhi July 21, 2010, 15:16 IST**

Barley prices strengthened by Rs 9.00, or 0.75 per cent, to Rs 1,209 per quintal in futures trade today on increased buying by traders in tandem with firm spot market sentiment.

Marketmen said fall in supply amid strong demand from alcohol and cattle-feed makers in physical markets, led to a rise in futures prices of barley.

At National Commodity and Derivatives Exchange counter, barley prices for the delivery in October-month went up by Rs 9.00, or 0.75 per cent, to Rs 1,209 per quintal, with an open interest of 110 lots.

August-month contract also moved up by Rs 6.40, or 0.55 per cent, to Rs 1,162.80 per quintal, with an open interest of 15,980 lots.

### **MCX launches futures contracts in six agri-items**

**Press Trust of India / Mumbai July 21, 2010, 14:28 IST**



Leading commodity bourse MCX today launched futures trading contracts in six agricultural commodities, which will expire between September and December.

The futures contracts in wheat, maize, soyabean, guar seed, turmeric and chana dal are available for trading from today, the company circular said.

The turmeric contract will mature in September, soyabean and maize (feed) in October, guar seed and chana dal in November and wheat contract will expire in December, it said.

The company also said the futures contract in non-agri item -- mild steel ingot/billet will expire in October.



In the morning trade session, there was not much participation in these contracts. MCX had made a business of Rs 3,75,764 crore in the second fortnight of June, according to official data.

### **Wheat futures recover on spot demand**

**Press Trust of India / New Delhi July 21, 2010, 13:00 IST**



Wheat futures traded Rs 1.80 or 0.14 per cent higher at Rs 1,283.20 per 100 kg, buoyed by rising demand from flour mills at spot markets and reports that the government will consider imposition of import duty on grain.

However, the government decision to release five million tonnes of grain in the open market besides availability of adequate stocks in the spot market, limited gains.

At the National Commodity and Derivatives Exchange counter, wheat for delivery in far-month October contract recovered by Rs 1.80 or 0.14 per cent to Rs 1,283.20 per 100 kg, with an open interest of 5,960 lots.

The grain for delivery in August contract also traded Rs 1.40 or 0.11 per cent higher, at Rs 1,250.60 per 100 kg, with an open interest of 22,660 lots. It ended 0.23 per cent down at Rs 1,249.20 per 100 kg.

Similarly, delivery in current September month contract gained Rs 0.40 or 0.03 per cent, to Rs 1,267.20 per 100 kg, with an open interest of 9,530 lots.

Analysts said rise in wheat prices at futures market was due to increased demand from flour mills and reports that the government would consider imposition of import duty on the grain.

They said, however, government's decision to release five million tonnes of grain for open market sales, capped gains.

### **Mentha futures fall 0.07% on profit-taking**

**Press Trust of India / New Delhi July 21, 2010, 13:32 IST**



Mentha oil futures prices traded slightly lower by Rs 0.50, or 0.07 per cent, to Rs 718 per kg today, as speculators booked profits, driven by a weak spot market demand.

Increased arrivals from the major producing area of Chandausi in Uttar Pradesh also put pressure on the prices.

At the Multi Commodity Exchange counter, mentha for September traded lower by Rs 0.50, or 0.07 per cent, to Rs 718 per kg, with an open interest of 1,624 lots.

The oil for delivery in current-month July shed Rs 0.40, or 0.06 per cent, to Rs 684.80 per kg, with an open interest of 4,474 lots. Marketmen said profit-taking by speculators, driven by a weakening trend at the spot market mainly led to a fall in mentha oil prices at futures trade.

### **Refined soya oil futures improves on spot demand**

**Press Trust of India / New Delhi July 21, 2010, 13:43 IST**



Refined soya oil futures prices gained Rs 2.40, or 0.52 per cent, to Rs 467.30 per 10 kg, today on the back of pick up in demand at the spot market. At the Multi Commodity Exchange counter, refined soya oil for August-month rose by Rs 2.40, or 0.52 per cent, to Rs 467.30 per 10 kg, with an open interest of 299 lots. Similarly, the oil for delivery in September-month traded higher by Rs 1.60, or 0.34 per cent, to Rs 472.60 per 10 kg, with an open interest of 49 lots.

Market analysts said pick up in demand in the spot market mainly led to a rise in refined soya oil prices at futures market.

### **Mustard seed futures up on aggressive buying**

**Press Trust of India / New Delhi July 21, 2010, 15:03 IST**



Mustard seed prices showed a positive trend in futures market today on the back of low supply and brisk buying in spot markets.

Marketmen said reduced arrivals, against heavy demand from vanaspati units and mustard oil consuming states, encouraged traders to create fresh positions in futures market.

At the National Commodity and Derivatives Exchange, mustard seed prices for August-month contract rose by Rs 4.70, or 0.86 per cent, to Rs 482.20 per 20 kg, with an open interest of 1,22,130 lots.

September contract also improved by Rs 4.75, or 0.87 per cent, to Rs 553.85 per 20 kg, with an open interest of 55,270 lots.

### **Turmeric futures up 1.16% on firm spot demand**

**Press Trust of India / New Delhi July 21, 2010, 15:00 IST**



Turmeric futures prices rose Rs 172, or 1.16 per cent, to Rs 14,944 per quintal today, tracking a firm trend at spot markets.

Besides, overseas enquiries also influenced the turmeric futures prices.

At the National Commodity and Derivatives Exchange counter, the commodity for delivery in August contract climbed Rs 172, or 1.16 per cent, to Rs 14,944 per 100 kg, with an open interest of 8,210 lots.

The spice for delivery in September contract also rose by Rs 86, or 0.59 per cent, to Rs 14,580 per 100 kg, with an open interest of 1,175 lots.

Meanwhile, in Nizamabad spot market, turmeric gained by Rs 77 at Rs 15,595 per 100 kg in yesterday's trade.

Analysts attributed the rise in turmeric prices in futures trade to strong spot demand and overseas enquiries besides tight stocks position in the market.

## THE HINDU Business Line

Business Daily from THE HINDU group of publications

Thursday, July 22, 2010

Date:22/07/2010 URL: <http://www.thehindubusinessline.com/2010/07/22/stories/2010072250370800.htm>

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### Green signal on fertilisers

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*It is commendable that the Department of Fertilisers is keen to revive as many as eight public sector urea plants to reduce the country's dependence on imports.*

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At a time when the country's agriculture is under stress and subsidy on fertiliser has reached unsustainable levels, recent policy initiatives such as price decontrol for most fertilisers (except urea) and nutrient-based pricing send out a strong signal that New Delhi is keen to release the industry from antiquated regulations and make it truly market-oriented. Given that there is demand-supply mismatch and imports, especially of urea, have become inevitable, it is commendable that the Department of Fertilisers is keen to revive as many as eight public sector urea plants to reduce the country's dependence on imports. The cumulative production capacity of the closed units is estimated at about 8 million tonnes, enough to bridge the gap of 5-7 million tonnes currently being imported.

It is already known that an Empowered Committee of Secretaries, constituted to look into the financial models for revival of the closed units, has recommended the revenue-sharing model with an upfront fee

for the revival of each unit through the Build-Own-Operate mode. Confirmed availability of gas would be a critical determinant of urea production. So, gas availability and increase in urea production must move in tandem. It is also time to lay down a definite plan for conversion of all non-gas-based urea units into gas-based ones. Obviously, huge investments are required not only for revival of defunct units but also for modernisation of existing ones. For the government, it would make commercial sense to involve the private sector and revive the factories through the well-accepted Public Private Partnership route, given the expected scale of investment. In addition to augmenting indigenous production, it may be commercially prudent to explore setting up urea projects in countries with adequate gas availability. Assured supplies from abroad will to an extent shield the domestic market from volatile conditions in the global marketplace.

Without doubt, chemical fertilisers have played an important role in boosting farm output. Although the country's fertiliser consumption is relatively low at about 130 kg a hectare with high inter-regional variations, the overall usage has been increasing gradually in recent years. Sadly, the increase in consumption is not adequately reflected in the overall farm output as there are other constraining factors that stymie production and productivity. Improving the marginal productivity of soil through increased application of NPK and proper nutrients based on soil analysis remains a challenge. Farmers need to be educated about the use of appropriate fertilisers depending on the soil condition. It is in this context that the proposal to launch a pilot project, leveraging the country's strengths in information technology to track movement of fertilisers from factory to field deserves mention. Together with soil testing, delivery of customised fertilisers to meet soil-specific and crop-specific needs would go a long way in improving farm productivity. It would also help to eventually move to delivery of subsidy payment directly to growers.

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### Strike at Midnapore pushes up potato price

▶ Going up		
Date	Arrival*	Price#
13/7/2010	10800	550
14/7/2010	11400	550
15/7/2010	11000	550
16/7/2010	10500	550
19/7/2010	10500	565
20/7/2010	10200	570
21/7/2010	10500	565

\* - arrivals at Agra market in quintal  
# - Rs/quintal  
Source: NHRDF

Shobha Roy Kolkata, July 21

Potato prices in West Bengal inched up by Rs 10-20 a quintal on account of lower release of the tuber following a labour strike in Midnapore district.

The wholesale prices of potato (Jyoti variety) hovered around Rs 400-410 a quintal on Wednesday, against Rs 380-400 last week, according to Mr Gopal Mondal, advisor to the West Bengal Progressive Potato Traders Association.

“The Midnapore market is closed for the last four-to-five days owing to a labour strike. This has given a boost to potato prices in other markets such as Bankura and Hugli,” Mr Mondal told Business Line.

The release of potatoes from neighbouring markets such as Hugli and Bankura has also been higher over the past few days owing to the strike in Midnapore market.

#### Wage demand

The labourers engaged in sorting and grading activities in cold storages have been demanding higher wages.

The traders' association had a meeting with the labourers on Tuesday but it did not yield any results.

“The labourers are paid about Rs 2.50 a bag for grading and sorting, they have been demanding for Rs 4. Negotiations are on; there will be another round of meeting on Thursday. We are hopeful that the negotiations will be successful,” Mr Patit Paban De, Member, West Bengal Cold Storage Association, said.

#### Potential price crash

The labour strike and the corresponding disruption in unloading might lead to a price crash if not immediately resolved, he observed. “It is very important to have an uninterrupted release of potatoes from cold storages. If release of potatoes from Bengal comes down then the orders might go to other States and if that happens then price of Bengal potatoes will crash,” he pointed out.

Close to 28 per cent of the potatoes stored in cold storages across West Bengal amounting to about 16 lakh tonnes have already been released into the market. Close to 58 lakh tonnes of potatoes have been stored in the 403-odd cold storages across the State this year.

There has been a good demand for Bengal potatoes from states such as Bihar, Jharkhand, Orissa, Andhra Pradesh and the North-Eastern States, particularly Assam. About seven lakh tonnes (lt) out of the 16 lt released from cold storages have been transported to other States.

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### Moong surges on reports of delay in new crop



Indore, July 21

Moong prices rose Rs 200 a quintal following reports of delay in the new crop's arrival.

Normally moong is harvested in August but this year, the arrival of moong crop has been delayed with monsoon playing truant.

Prices of moong in the spot market soared to Rs 5,700 a quintal against Rs 4,800 last week.

A total of 100 bags of moong arrived at the Indore market on Wednesday.

The demand for pulses in domestic market is turning weak due to surge in prices.

In local mandi, moong dal quoted at Rs 6,700- 6,800 a quintal, moong monger (seed) at Rs 8,000 a quintal, while chana dal quoted at Rs 2,650-2,900 a quintal, up Rs 25.

### Soya oil firm

Soyabean oil prices continued to rule firm with soya refined being quoted on the spot market at Rs 445-448 for 10 kg, up Rs 10, while soya solvent quoted at Rs 418422.

In the futures market, , soya oil prices perked up further from Tuesday. Soya August futures on the Indore-based National Board of Trade finished at Rs 471.80, after rising to as high as Rs 473.30. Compared with Tuesday, it ended with a gain of Rs 11.

Bullishness was also seen in mustard oil with its prices in the spot market rising Rs 6 to Rs 498. Rise in prices of mustard oil has been attributed to weak mustard week arrival.

On Wednesday, 3,500 bags (of 90 kg) of soyabean arrived in Indore mandi, while the total arrival in Madhya Pradesh was 75,000 bags.

Soyabean in spot market quoted at Rs 1,9101,960 a quintal, up Rs 20, while plant delivery rate was at Rs 2,000-2,030, up Rs 30 from previous day.

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### **Pepper futures perk up on strong demand**

G K Nair, Kochi, July 21

Strong domestic demand pushed all the nearby contracts on the pepper futures up to hit the upper circuit level on Wednesday, while the spot prices after long time crossed the Rs 200-a- kg level today.

The market shot up as “all the North Indian bulls were on the run to buy pepper”, market sources told Business Line.

Domestic dealers who have to fulfill their commitments were ready to buy spot pepper at Rs 205-210 a kg.

Karnataka was quoting much above the Kerala price and that had also prompted buyers to turn towards Kerala.

Besides, major upcountry stockists were beefing up their stocks on the anticipation that there would be buyers who will have in the coming days no other alternative but to cover from here to meet their export commitments, they said.

At the same time, there was a scarce situation prevailing in India and other regions and it is evident from the fact that the prices continued to rule above \$4,100 a tonne even for non-asta grades, they said.



If the prices in India continue to rise, there is a possibility that Indonesia and Brazil might find buyers here for their pepper, they said.

August contract on NCDEX shot up by Rs 827 (4 per cent) to close at Rs 21,479 a quintal.

September and October contracts increased by Rs 836 and Rs 844 respectively to close at Rs 21,763 and Rs 21,920 a quintal. Total turn over increased by 2,808 tonnes to 28,383 tonnes.

Total open interest went up by 482 tonnes to 20,240 tonnes indicating additional purchases. August open interest was down by 18 tonnes to 14,834 tonnes. September and October open interest was up by 270 tonnes and 86 tonnes respectively.

Spot prices on strong domestic demand shot up by Rs 500 to close at Rs 20,000 (ungarbled) and Rs 20,500 (MG1) a quintal.

The current trend sends out the impression that the prices may touch the historical high it once achieved about 12 year ago at Rs 250-265 a kg, trade sources said.

Indian parity in the international market shot up to \$4,750 a tonne(c&f) and remained above all other origins, they said. An overseas report from Vietnam today said Vietnam pepper was easier by around \$30 a tonne, for want of good demand from overseas.

Similarly, Brazil has also indicated a easier trend as the growers were in need of money and hence wanted to sell. Brasil asta was quoted at \$ 4,200 a tonne (f.o.b), B1 560 GL \$4,100 a tonne and B2 \$4,050 a tonne (f.o.b) Belem , August shipment.

Meanwhile, another report from the US said the buyers remained inactive while Indonesia was reportedly soliciting firm bids for Lasta.

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**Oilseeds prospects hinge on rain progress next week**

**M.R. Subramani**

<b>Progress card</b>			
(in lakh hectares)			
<b>Oilseed</b>	<b>Normal</b>	<b>This year*</b>	<b>Last year*</b>
Groundnut	53.81	28.75	25.71
Soyabean	84	61.1	60.31
Sunflower	8.15	1.51	3.58
Sesamum	17.76	3.48	3.12
Niger	9.23	0.22	0.15
Castor	8.15	1.69	1.29

\*As on July 16

Source: Ministry of Agriculture

Chennai, July 21

The progress of monsoon next week holds the key to a good kharif oilseeds crop this year.

"Going by the figures put out by the Government, sowing in oilseeds has been good. But the worry is the delay in monsoon. We need rains next week for sowing as well as the crop that has been sown," said Mr B.V. Mehta, Executive Director of the Solvent Extractors Association of India.

"Rains are alright up to now for soyabean. But we require follow-up rain next week for sustaining the sown crop and to complete sowing," said Mr Rajesh Agrawal, spokesman of the Soyabean Processors Association of India.

According to the Agriculture Ministry, area under groundnut this year till July 16 was 28.75 lakh hectares (lh) compared with last years 25.71 lh. Soyabean acreage is down at 61.1 lh (60.31 lh), while sowing in sunflower has dipped to 1.51 lh (3.58 lh).

"Monsoon has not been beneficial to soyabean in Madhya Pradesh and Rajastha. In Maharashtra, we have not lost acreage as fear. Overall, soyabean coverage could be 5.-7 per cent lower than last year," Mr Agrawal said.

Mr Mehta said Saurashtra, a groundnut belt, has received excellent rain but it is not so with north Gujarat.

"The Indian Meteorological Department has said rainfall will be normal in August and excellent in September. But rain is crucial next week," he said.

Mr Agrawal said soyabean sowing ideally has to end by July 15. "But traditionally, it is carried on till July end," he said.

The weather factor has injected buoyance in the oilseeds market with groundnut and soyabean gaining in the last couple of weeks. "Weather related factors are pushing up prices even on the Chicago Board of Trade soyabean," Mr Agarwal said.

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## Sugar mills meet to set course for prices

Mumbai, July 21

Sugar prices are likely to get direction from the outcome of a mills' meeting scheduled to held in Mumbai on Thursday, trade sources said.

The wholesale Vashi sugar market was officially closed on Wednesday on account of 'Ashadi Ekadashi'.

But late on Tuesday evening, the naka delivery trade witnessed a good volume, specially in the M-grade, and the price firmed up by Rs 10 a quintal.

Mr Hirenbhai of Surya traders said that mills could take a firm decision on the base price at which they will offer sugar. Some traders said mills may raise their base price in Thursday's meeting.

#### Panic Sales

However, a section is of the view that mills may resort to panic sales as inventory was building up and to complete the monthly sale quota.

This month mills have been able to offload only about 60 per cent of their July sale quota.

On the spot, S-grade was quoted at Rs 2,685-2,720 a quintal and M-grade at Rs 2,705-2,78. Naka delivery rate for S-grade was Rs 2,650-2,680 and for M-grade Rs 2,690-2,730.

The mill delivery Tender (including excise) was quoted at Rs 2,585-2,600 (S-grade) and Rs 2,610-2,650 (M-grade). Maharashtra ex-mill prices were Rs 2,500-2,525 (S-grade) and Rs 2,530-2570 (M-grade).

**Date:22/07/2010 URL: <http://www.thehindubusinessline.com/2010/07/22/stories/2010072251470300.htm>**

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#### **Ponni Sugars on expansion mode**

Chennai, July 21

Ponni Sugars (Erode) Ltd will consider extending operations into neighbouring Andhra Pradesh or Karnataka as part of its expansion plans, according to Mr N. Gopalaratnam, Chairman of the company.

Responding to shareholders at the annual general meeting today, he said immediate expansion will, however, be via the organic route through a cogeneration plant and a distillery for which the plans are at an advanced stage.

The company will invest nearly Rs 100 crore in a 19 MW cogeneration plant. It will fund the project through internal accruals of about Rs 30 crore and the balance through debt. Ponni Sugars also hopes to set up a distillery with ethanol line next.

The distillery is expected to cost about Rs 60 crore for a 45 kilolitre a day unit.

During 2009-10, the company crushed over 8 lakh tonnes of sugar and processed about 9,600 tonnes of raw sugar. Buoyant sugar prices had contributed to a healthy performance. However, the major cause for concern in the coming year would be the high sugarcane price in the context of dampening sugar prices.

Mr N. Ramanathan, Managing Director, Ponni Sugars, said the orders for the equipment for cogeneration plant would be placed next month. For the distillery, the company is scouting for land to set up the project. Over the next year or two, these projects would be completed before the company looks at further expansion into other locations, he said.

The company as of now is 'virtually debt free' and even after the proposed investments the debt-equity ratio would be less than 1:1, he said.

Net profit rises 43%

For the first quarter of the current year, Ponni Sugars' net profit jumped 43 per cent over the corresponding quarter last year. It reported a net profit of Rs 6.39 crore (Rs 4.46 crore) on net sales of Rs 50.55 crore (Rs 40.70 crore) for the quarter ended June 30, 2010.

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### Gulf demand drives up rice market



Karnal, July 21

Demand from Gulf countries continued to encourage the bull run in the rice market.

On Wednesday, Pusa-1121 (Sela) increased to Rs 3,900-4,000 a quintal, while Pusa-1121 (steamed) quoted at Rs 4,900-5,100 a quintal.

Sharbati Sela variety ruled between Rs 2,600 and Rs 2,700 a quintal and Sharbati Steam quoted at Rs 2,800-2,900 a quintal.

Permal (PR) sela variety was quoted at Rs 1,900-2,050 a quintal, PR (Raw) quoted at Rs 1,950-2,150 a quintal and PR (Steam) ruled at Rs 2,100-2,250 a quintal.

Mr Amit Kumar, a rice trader, said the market was witnessing this uptrend since consumption of rice increases during the month of Ramadan in the Gulf. . This situation will not sustain as some old contracts are being executed now. After Ramadan, the market will soften, he said.

Fresh arrival has also started from Uttar Pradesh, with around 1,000 bags of early paddy varieties Govinda , 1121 and sathi arriving on Wednesday.

Govinda ruled between Rs 800 and Rs 925 a quintal, while 1121 variety was quoted at Rs 1,400 a quintal. Rice millers lifted all the arrivals.

Wheat market firm

Meanwhile, wheat prices continued to rule firm at the Karnal grain market . Wheat (dara) was quoted at Rs 1,200-1,210 a quintal. The Tohfa variety of Madhya Pradesh ruled at around Rs 2,200 a quintal. Around 200 quintals of wheat arrived on Wednesday. The share of Uttar Pradesh arrival was low due to dodgy weather. The rest was from the local stockists releasing their inventories. The stock was bought by the Aata Chakki owners.

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**Edible oils continue to increase**



Mumbai, July 21

The edible oil markets continue to rise taking cues from foreign markets and futures trade that tracked firm demand in spot trade.

Palmolein prices gained sharply on Wednesday on the back of fresh demand from stockists and retailers.

Demands from local stockists continued on renewed demand for the new festive season that began on Wednesday — Ashadhi Ekadashi in Maharashtra.

In the world market, Malaysia's August crude palm oil futures ended higher by 19 ringgits . After registering a continued rise in price (Rs 75 for 10 kg) in the last nine days, groundnut oil witnessed a steady trend.

In Mumbai, groundnut oil quoted at Rs 850 for 10 kg. Palmolein and soya refined oil gained Rs 4 and Rs 5.

Cotton refined rose by Rs 2. Sunflower oil ruled steady. Rapeseed oil increased Rs 3 for 10 kg.

Palm oil up

In the international markets, Malaysia's BMD crude palm oil future rose sharply after Tuesday's decline. August futures closed at 2,522 Malaysian ringgits (MYR), September at 2,483 MYR and October at 2,459 MYR a tonne.

In the Mumbai markets approximately 1,200-1,300 tonnes of palmolein were traded in the morning season. By evening, all the main importers increased their rates for palmolein in the range of Rs 3-5 for 10 kg.

In Mumbai, the spot market rate for groundnut oil was Rs 850, soya refined oil Rs 455, sunflower expeller refined Rs 445, sunflower refined Rs 495, rapeseed refined oil Rs 565, rapeseed expeller Rs 535, cotton refined Rs 474 and palmolein Rs 424. Oil extraction rates ruled steady.

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### Local, export demand lift jeera prices



Rajkot, July 21

Jeera prices gained Rs 250-300 a quintal on Wednesday in the spot market and Rs 596 in the futures market as demand from local and overseas buyers increased as Turkey and Syria quoted higher prices than India.

Jeera price at Unja mandi increased to Rs 9,800-14,350 a quintal and arrivals were 4,000 bags of 60 kg.

At Rajkot, the price for best quality ruled at Rs 13,000-13,500 and for medium quality at Rs 12,750-13,000.

The Benchmark August futures on NCDEX hit the four per cent upper circuit at Rs 15,491.

The trading volume slipped to 19,941 tonnes from 21,807 tonnes.

September and October contracts also hit the upper circuit to rise to Rs 15,793 and Rs 16,006, respectively.

A Rajkot-based trader said, "Stocks are low and demand is increasing. All overseas buyers are turning to India as the price is lower than Turkey and Syria."

Syrian jeera is being offered at around \$3,100/tonne against India's \$3,000/tonne. Jeera stocks in the NCDEX warehouse stood at 6,267 tonnes as on July 19, 2010.

## Futures influence turmeric's gain



Erode, July 21

Turmeric prices increase on Wednesday, influenced by a rise in futures trading prices. At the private market here, the rates increased Rs 200 a quintal, while in the regulated market the rise was Rs 103-136.

In the regulated market, the finger variety sold on Wednesday at Rs 14,869 to Rs 15,225 a quintal. The root variety, which witnessed good demand, sold at Rs 14,835-15,105 a quintal.

Out of arrival of 762 bags (of 75 kg), 702 bags were sold.

In the private market, the finger variety sold at Rs 14,800–15,000. The root variety sold at Rs 14,900–15,100. The sales were very encouraging and out of 6,000 bags – that arrived at the Erode Private Turmeric Market, two cooperatives of Erode Cooperative Marketing Society and Gobichettipalayam marketing Society – 4,500 bags were sold with bulk buyers hogging limelight. “Futures price increase on Wednesday had affected the local market also. The August contract has opened, so the will remain at this level for a few days,” said Mr V. Ravi, President, Erode Turmeric Merchants Association.

**Berry berry good**





Ayurvedic advantage: A boy selling goose berry at Kochi. The goose berry is being sold at Rs 40 a kg, which was Rs 80 same time last year. The monsoon season sees the onset of Ayurvedic treatments across Kerala and ayurvedic medicines are in great demand. Being an important ingredient in most medicines, goose berry is sought after. — K K Mustafah

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### **'Climate change impacting farm output'**

Hyderabad, July 21

Has India begun to witness the adverse impact of climate change? According to Dr S. Ayyappan, Director-General of Indian Council of Agricultural Research (ICAR), the shortfall in food production last year could partly be attributed to climate change. "2009 was not a good year for the country. The drought year witnessed a deficiency of 27 per cent in rainfall, resulting in a shortfall of 15 million tonnes in rice alone," Dr Ayyappan said. Delivering the 42nd convocation address at the Acharya N G Ranga Agricultural University, he said the foodgrain production fell to 213 mt in 2009-10 as against 230 mt in the previous year. "By 2020, the country would need 260 mt, including 30 mt of pulses," he said. "We need to address issues such as soil erosion and climate change. It is said that there could be a loss of 5 million tonnes of wheat for increase of one degree Celsius. We have already seen the losses this year," he said.

Stating that the villages had become old age homes, he asked the agriculture graduates to go to villages at least for some time and introduce newer technologies to improve agriculture.

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### **Lower tea offerings at Coonoor sale**

Coonoor, July 21

An analysis of the listing by brokers shows that a volume of 17.83 lakh kg will be offered for Sale No: 29 of the auctions of the Coonoor Tea Trade Association to be held on Thursday and Friday. It is 52,000 kg less than last week's offer, but as much as 1.36 lakh kg more than the offer this time last year. Of the 17.83 lakh kg on offer, 12.10 lakh kg belongs to the leaf grades and 5.73 lakh kg belongs to the dust grades. As much as 16.80 lakh kg belongs to CTC variety and only 1.03 lakh kg the orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.32 lakh kg belongs to orthodox, while 11.78 lakh kg, CTC.

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### **Seminar on promoting agriculture exports**

Coimbatore, July 21

A seminar on 'Promoting Agro Exports' is scheduled to be held at the Farm Varsity here on July 23.

The event is being jointly organised by the Federation of Indian Exports Organisation (FIEO) and the Tamil Nadu Agricultural University along with Agricultural and Processed Food Products Export Development Authority (APEDA), Exim Bank of India, State Bank of India, Export Credit Guarantee Corporation and the Coffee Board.

The event would aim to help participants identify potential products for export from this region comprising Coimbatore, Erode, Tirupur and Nilgiris districts, explore export requirements for exportable commodities, analyse the constraints faced in export of agri-products and develop linkages among stakeholders including farmers, traders, processors, technocrats, export promotion agencies etc, Mr A. Sakthivel, President, FIEO (Southern Region) said. This seminar is the second in the last one year. The earlier event was held last September in Chennai. Considering the phenomenal response for such an event, the organisers decided to conduct the second edition of the seminar in Coimbatore.