THE HINDU

Online edition of India's National Newspaper

Tuesday, July 27, 2010

Date:27/07/2010 URL: http://www.thehindu.com/2010/07/27/stories/2010072756890300.htm

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Farmers seek water for irrigation

Demand adequate supply to save standing crops

Poor rainfall has resulted in low water level in dam Farmers pin hopes on officials

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KARUR: Farmers of Amaravathy river ayacut in Karur district have demanded immediate and adequate supply of water to save the standing crops and also meet the drinking water needs for livestock in the region.

The Amaravathy dam situated at Udamalpet in Tirupur district formed the source of irrigation for thousands of acres in Coimbatore, Tirupur, Erode and Karur districts.

The total height of the dam is 90 feet. The reservoir caters to an estimated 54,000 acres in Tirupur and Karur districts.

Rain plays truant

Since there was inadequate rainfall in the dam's catchment, the inflow into it has been poor .

With the south west monsoon not living up to the expectation, the low water level in the dam has raised concern among the aycutdars in the beneficiary districts.

In the wake of those circumstances the people of Karur petitioned for the release of water from Amaravathy for drinking water purposes, particularly to benefit the livestock following which 1,000 cusecs a day for one week was released starting July 13.

The water reached Karur district border on July 18 and reached Karur town two days later. The local bodies utilised the water for drinking water purpose .

As of now the water level at the dam stood at 50 feet and the inflow was 1,358 cusecs while the discharge was 300 cusecs.

With rains not arriving in time for irrigation, farmers in the Amaravathy aycut are turning to the officials .

Paddy, sugar cane, tapioca, banana and turmeric are being raised in the aycut and the farmers who have already raised the crops are now in need of adequate and sustained supply.

Farmers said that they had prepared the fields in several areas following the initial rains and the release of water would immensely help them .

Date:27/07/2010 URL: http://www.thehindu.com/2010/07/27/stories/2010072750200200.htm

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Ecofest at TNAU

COIMBATORE: The B. Tech. Energy and Environmental Engineering students of Agricultural Engineering College and Research Institute of Tamil Nadu Agricultural University will host Ecofest 2010 on July 28.

According to a university release, the symposium is being held for the fifth consecutive year. The theme will be energy conservation and environmental impact assessment to coincide with the World Nature Conservation Day. S. Gomathinayagam, Director, Centre for Wind Energy Technology, Chennai, will be the chief guest. P. Murugesa Boopathi, Vice-Chancellor of the university, will preside.

Date:27/07/2010 URL: http://www.thehindu.com/2010/07/27/stories/2010072750190200.htm

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Food safety and quality training at TNAU

COIMBATORE: A training in “Food Safety and Quality” will be held at Tamil Nadu Agricultural University on July 27 and 28.

According to a university release, the training will cover preparation of nutritional fresh and processed food, food additives and adulterants, microbial food safety and management of microbial hazards, identification and detection of insect contamination in food, food standards, national food control system and certification procedures like GAP, GMP, HACCP and ISO.

Those interested can pay a fee of Rs. 1,000 in the form of a Demand Draft drawn in favour of Dean, Agricultural Engineering, and should be sent to Head, Post Harvest Technology Centre, Tamil Nadu Agricultural University, Coimbatore – 641003.For details, contact 0422-6611268.

Date:27/07/2010 URL: http://www.thehindu.com/2010/07/27/stories/2010072751070300.htm

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Raise procurement price of milk, demand farmers

Government should provide loan with subsidy to buy milch animals

Tamil Nadu Farmers Association stage a demonstration at Chittode, near Erode, on Monday asking the State government to increase the milk procurement price. –

ERODE: Tamil Nadu Farmers Association staged a demonstration here on Monday asking the State government to increase the milk procurement price without any delay.

The cost of feed and other inputs had increased manifolds in the recent past, which had reduced the income for the milk producers.

The current price offered by the government was not remunerative, they said and wanted the government to increase the price of cow milk to Rs. 25 a litre and buffalo milk to Rs. 30 a litre.

The association asked the government to take steps to provide loan with subsidy for purchasing milch animals. The prices of milch animals had increased several folds. As a result, farmers with small landholdings were not able to purchase milch animals.

The State government should initiate immediate steps to ensure adequate supply of cattle feed to all milk producers co-operative societies. Farmers were forced to buy cattle feed from private players at higher rates due to inadequate supply from the Aavin.

The association condemned the State government for not conducting elections for the co-operative institutions, which play an important role in the development of rural areas.

Regularise

The association asked the government to regularise the services of employees working in primary milk cooperative societies in the State. These employees were working in these societies for a long period with a meagre salary.

Besides regularising, the government should provide all the employee benefits to workers.

Published: July 26, 2010 16:37 IST | Updated: July 26, 2010 16:37 IST COIMBATORE, July 26, 2010

Siruvani water level inches closer to only halfway mark

THE HINDU A view of the Siruvani Dam that supplies water to the city. Photo:K. Ananthan.

Water level in the Siruvani Dam, a major drinking water source for the city and some suburbs, is making an excruciatingly slow rise. Water overflowed from the dam on July 19 last year. But, it had not touched even the halfway mark of 25 ft (full reservoir level is nearly 51 ft) on Sunday (July 25).

Torrential rain led to one more overflow in August last year. But, the rainfall this year has been very moderate so far. Since July 16, the dam recorded rainfall ranging from 11 mm to 42 mm. Last year, the corresponding period recorded 105 mm to 190 mm.

Mayor R. Venkatachalam said on Sunday that the dam recorded 20 mm rain till 8.30 a.m. that day. “There was more rain during the day and there were also indications of heavy rain in the evening. Hopefully, the water level should rise on Monday,” he said.

The Mayor said the Corporation was closely watching the water position in the Siruvani Dam. But, there was no reason for concern at the moment. The South West Monsoon was not over yet and the indications of heavy rain only offered the hope that the dam would get more water.

Referring to a few bursts of heavy rain over the last week, Assistant Executive Engineer of the Tamil Nadu Water Supply and Drainage Board S. Sampath Kumar said that if the monsoon turned vigorous the water level could rise faster in the coming days. But, even if there was an overflow only during the North East Monsoon, the drinking water situation would still be comfortable.

Water from the upper reaches of the Siruvani Hills was flowing into the dam through all the falls, he said. Totally, 87 million litres were being drawn from the dam.

While 72 million litres were being provided for the Coimbatore Corporation areas, the rest went to wayside habitations.

Published: July 26, 2010 19:45 IST | Updated: July 26, 2010 19:45 IST Mumbai, July 26, 2010

Good kharif output could push up growth higher than 8 p.c.: RBI

With agricultural output expected to be better than last year on the back of a good monsoon so far, the Reserve Bank of India on Monday said that India’s GDP growth this fiscal could be higher than the 8 per cent projected in its monetary policy statement in April.

“Going by the progress of the monsoon so far, agricultural output is expected to be better than last year....lead indicators for services activities suggest continuation of the growth momentum,” the Reserve Bank said in its Macroeconomic and Monetary Developments-First Quarter Review 2010-11, released here today.

Industrial production continues to exhibit double-digit growth in the current year, notwithstanding some moderation in May, it added.

The Professional Forecasters' Survey conducted by the RBI in June, however, placed the GDP growth for this fiscal higher at 8.4 per cent as against the 8.2 per cent reported in the previous round of the survey.

On the growth projections of different agencies, the RBI said that "all available projections of real GDP growth for 2010-11 are higher than 8 per cent."

"The leading indicators point to the prospect of robust growth in the coming quarters and fast closing of the output gap," it said.It cited the prospect of a better kharif output than last year, buoyancy in the industrial sector notwithstanding the moderation in May and a significant pick-up in investment demand as major factors giving a positive growth outlook.

hindustantimes
Tue,27 Jul 2010

Weather

Delhi - INDIA

Today's Weather

Cloudy

Tuesday, Jul 27

Max Min

36.4° | 28.7°

Rain: 9.0 mm in 24hrs
Humidity: 67%
Wind: Normal

Sunrise: 05:38
Sunset: 19:16
Barometer: 0998.0

Tomorrow's Forecast

Rainy

Wednesday, Jul 28

Max Min

34° | 27°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Jul 29	Jul 30	Jul 31	Aug 1	Aug 2
34° | 27°	35° | 27°	37° | 28°	37° | 29°	37° | 29°
Rainy	Rainy	Rainy	Rainy	Rainy

Business Standard

Tuesday, Jul 27, 2010

Maharashtra expects rise in paddy, cotton output

Sanjay Jog / Mumbai July 27, 2010, 0:49 IST

With nearly 90 per cent completion of sowing for the kharif season due to statewide rainfall, Maharashtra expects rise in the production of paddy, cotton, tur and maize during 2010-11.

On the other hand, the area sown for jowar, bajra and soybean seems to be less. The state agriculture ministry’s initial projections show paddy production would be 2.8 million tonnes, cotton 8.4 million bales (a bale is 170 kg), maize 2.1 mt and gram 1.18 mt.

Agriculture minister Balasaheb Thorat told Business Standard, “The rainfall received during June was useful for sowing of kharif crops and paddy and nagli (ragi) nurseries. The rainfall was not sufficient in some parts of Marathwada and Vidarbha for sowing during June. However, rainfall received in the first week of July was useful for the remaining sowing operations.”

BETTER PROSPECTS

SOWING IN KHARIF SEASON

Year	Cereals	Pulses	Foodgrain	Oilseeds	Cotton	Total
2008	1.62	1.25	2.87	2.45	2.25	7.58
2009	2.28	1.44	3.73	2.61	2.80	9.19
2010	3.03	2.36	5.39	2.66	3.79	11.86

Figures in million tonnes Source: Maharashtra Agriculture Department

He said the normal area under kharif crop was about 13 million hectares, while the sowing had been completed on 11.86 m ha.

According to the minister, the area sown under cotton has risen to 3.8 m ha compared to 3.5 m ha in 2009-10, while in case of maize, farmers have sown on 0.59 m ha against 0.42 m ha in 2009-10. For tur, the respective figures are 1.24 m ha and 1.2 m ha. “Maize is being used as fodder and farmers have succeeded in achieving an increase in per hectare yield to 2,212 kg against 2,011 kg last year. As far as increase in sowing for cotton is concerned, the demand for Bt (genetically modified) cotton is on the rise and the per ha productivity has increased to 375 lint kg against 285 lint kg.”

Adding: “The area under soybean has reduced to 2.3 m ha compared to 3 m ha last year. This was largely because of uncertainty of rainfall in soybean areas of Maharashtra. Despite this decline, the production is estimated to be 4.4 mt against 2.27 mt in 2009-10.” In case of jowar, the area sown has fallen to 0.88 m ha, compared to 1 m ha last year.

Prabhakar Deshmukh, agriculture commissioner, said the rise in production and productivity was also due to effective implementation of the National Food Security Mission, the integrated scheme for oil seeds, maize and oil palm, the Accelerated Pulse Development Programme, the Technology Mission on Cotton and various related initiatives. “These programmes have helped the state to bridge the yield gap to a considerable extent in the normal monsoon year,” he added.

Quota system harming the cane industry

Kunal Bose / July 27, 2010, 0:55 IST

It will never be easy to solve the riddle as to why the Indian sugar mill industry has remained beyond the pale of reforms. Since 1991, there have been bursts of dismantling of controls benefiting almost every sector of the economy, sans of course sugar. The hand of government is there from cane price fixing to how much sugar the mills should make over to the state at what price as levy to the quantity the industry is allowed to sell in the open market in a month.

The worst that has befallen the industry under the present dispensation is, a number of states getting into the act of loading a huge premium on New Delhi announced fair and remunerative price (FRP) without sparing a thought for mill operational viability. The industry has its own compulsions in asking the government to make FRP fair and remunerative in real sense, which it is certainly not now.

It proves hurtful for the industry when there is diversion of land from cane to competing crops like wheat, rice and cotton as has been experienced in the current and last season. Land diversion is seen as a kind of silent protest by farmers when they are not adequately compensated for their efforts and equally importantly when they find mills taking an inordinately long time in settling cane bills. At one point in recent past, mill dues to farmers rose to a scary high of Rs 8,000 crore.

Sugar is a mutually inclusive enterprise between cane growers and millers and unarguably the sustainability of the cash crop and hence of sugar production will be underpinned by a hands-off policy of the government. It will, however, be patently wrong to leave the entire blame at government door for this agro-based industry still remaining chained by controls and official interventions. Whatever that may be, the present policy regime has once again left the industry in dire straits with bank accounts of most mills becoming irregular.

Free fall in non levy sugar prices caused by this mid-season spurt in cane supply taking production to over 18.5 million tonnes from initial official projection of 14.5 million tonnes and imports of nearly 4 million tonnes are leaving holes in mill working since March. The virtual absence of buying by bulk consumers who have been providing for their sugar requirements by way of imports is proving to be a market damper.

In fact, with sugar supply improvement it is becoming difficult for mills to make full quota sale for a given month now and the industry had to prevail upon the government to include a significant free sale carry over amount from June quota into the one for the current month. The government allowing July quota to include 200,000 tonnes of unsold sugar from the previous month has given some bounce to the market. But all this shows how the quota system leaving considerable discretionary powers in the hands of bureaucrats is harming the industry. Honestly, free sale sugar is not free if its release is to be decided by the government.

We have got many in the government, including the prime minister himself who are tribally reformist. Even then though the government had occasions to visit the issue of freeing sugar from controls, nothing beyond tinkering with the levy load had happened so far. The period since 1991 has seen tightly controlled industries like steel and cement freed. And more recently, the government made bold to bring fertilisers and oils within the scope of reforms.

Giving the example of sugar in Brazil and steel and cement here, Indian Sugar Mills Association president Vivek Saraogi says foreign investment comes in torrents in industries not bound by controls. As we are seeing global leaders in steel and cement making grand investments here, our own indefatigable Narendra Murkumbi of Shree Renuka Sugars has cut for himself an impressive profile in Brazil. This would not have been the case had not Brazil allowed the mills to operate freely since 1998 with the government, however, ensuring that sugarcane’s clean and renewable energy brings socio-economic benefits to the nation. Close to 50 per cent of

Brazil's energy needs are met from renewable sources and ethanol has the biggest share in that.

Cargill's teaming up with EID Parry to build India's largest sugar refinery must be influenced by its belief that at some stage New Delhi will give operational freedom to mills. Industry official Om Dhanuka says Agriculture Minister Sharad Pawar's statement "We have to withdraw government controls and give full freedom to those managing the industry" promises a new deal for the sugar sector. While there is no justification in singling out the industry to subsidise sugar sales through ration shops – the levy burden at this point is 20 per cent of production – the mills must not grudge the government overseeing that farmers get a fair deal in the decontrolled regime. Let under a globally accepted formula, the farmers be given a fair share of the sale proceeds of sugar and its byproducts.

Monsoon 9% below normal, says Met

Bloomberg / July 27, 2010, 0:57 IST

The shortfall in India's monsoon, the main source of irrigation for the nation's 235 million farmers, narrowed to 9 per cent as of yesterday, the weather office said.

The nation received 363.3 mm of rain in the June 1-July 25 period, compared with the 50-year average of 398.4 mm, the India Meteorological Department said on its website. The monsoon was 16 per cent below normal in June.

Rainfall was 6 per cent below normal in northwest India, including Uttar Pradesh, 9 per cent below average in central states including Madhya Pradesh, the agency said. Madhya Pradesh is India's biggest soybean growing province, while Uttar Pradesh is the nation's biggest sugar cane grower.

Heavy falls over most of the country in the past three days cut the deficit to 9 per cent from as high as 16 per cent in June, and the shortfall may narrow to 4 to 5 per cent by the end of the month as rains continue this week, said Ajit Tyagi, director general of the India Meteorological Department.

Increased precipitation may help the world's second-biggest producer of rice, wheat and sugar lift grain output 6 percent to 230 million tonnes in the year to March 31, Nomura Holdings Inc.

said last week. Prime Minister Manmohan Singh is betting on a rebound in agriculture after a drought last year drove up food costs and forced record imports of sugar, edible oils and pulses.

“Food supply is certain to improve with a good monsoon and that is comforting for policymakers,” Dharmakirti Joshi, chief economist with Crisil Ltd., a unit of Standard & Poor’s, said by phone from Mumbai. “As July is the most important month in the monsoon season, a recovery is good for sowing and inflation.”

Wettest Month

July is the wettest month in the June-to-September season, accounting for third of the total showers. Farmers sowed paddy in 16.97 million hectares (42 million acres) as of July 22, 7.6 percent more from a year ago, and cotton to 9.5 million hectares, up from 8.06 million hectares, the farm ministry said on July 23. Oilseeds were sown on 12.9 million hectares, up 4 per cent.

“The performance of the monsoon has been overall good for sowing this year,” weather bureau’s Tyagi said. “Rains may be better in the next two months because of La Nina and that augurs well for agriculture.”

La Nina causes wetter-than-normal conditions in Asia and drier weather in the Americas.

Most parts of the country’s cane, rice, cotton and oilseed areas will get widespread rain in three to four days, Tyagi said.

Rainfall may be 102 per cent of the 50-year average for the season, helped by La Nina, the forecaster said last month.

Sugar prices rise on increased offtake

Press Trust of India / New Delhi July 26, 2010, 16:34 IST

Sugar prices rose upto Rs 50 per quintal in the national capital today on increased buying by retailers and bulk consumers for the ensuing festival season.

Marketmen said increased buying by bulk consumers and retailers ahead of festival season and a hike in sugar prices by millers in Maharashtra and other states mainly pushed up wholesale sugar prices.

Besides, firming trend at upcountry markets and increased offtake by soft drinks and ice-cream makers also boosted the sentiment, they said.

Sugar ready medium and second grade prices rose by Rs 50 each to Rs 2,900-2,950 and Rs 2,890-2,940 per quintal on increased offtake.

However, mill delivery medium and second grade prices held steady at Rs 2,750-2,850 and Rs 2,740-2,840 per quintal.

Select edible oils turn weak on sluggish demand

Press Trust of India / New Delhi July 26, 2010, 15:35 IST

Select edible oil prices fell by Rs 20 per quintal in the wholesale oils and oilseeds market today on fall in demand at existing higher levels.

Marketmen said fall in demand at existing higher levels led to a fall in wholesale edible oil prices.

In the edible section, soyabean refined mill delivery (Indore) and soyabean degum (Delhi) lost Rs 20 each to Rs 4,780 and Rs 4,580, while crude palm oil (ex-kandla) and palmolein (rbd) traded lower by the same margin at Rs 3,850 and Rs 4,490 per quintal.

Following are today's quotations in Rs per quintal:

Oilseeds: mustard seed 2,500-2,600 and groundnut seed 2,100-2,850
Vanaspati ghee (15 litres tin) 720-830

Edible oils: Groundnut mill delivery (Gujarat) 8,250, groundnut Solvent refined (per tin) 1,375-1,385, Mustard Expeller (Dadri) 5,250, Mustard Pakki ghani (per tin) 700-855, Mustard kachi ghani (per tin) 855-955, Sunflower 6,300, Sesame mill delivery 5,870

soybean Refined mill delivery (Indore) 4,780 Soyabean degum (Delhi) 4,580, Crude Palm Oil (Ex-kandla) 3,850, Cottonseed mill delivery (Haryana) 4,500, Palmolein (RBD) 4,490, Rice bran (phy) 3,750 and Coconut (per tin) 1,070-1,100

Non-edible oils: Linseed 4,050, Mahuwa 4,000, Castor 7,600-7,700, Neem 3,700-3,800, Rice bran 3,300-3,400 and palm fatty 3,225-3,300

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

Wheat dara trades lower on adequate supply

Press Trust of India / New Delhi July 26, 2010, 15:32 IST

In limited deals, wheat dara prices traded marginally lower by Rs 5 per quintal in the wholesale grains market today on reduced offtake by flour mills against adequate supply.

Elsewhere, grains continued to trade in a narrow range on alternate bouts of trading and settled around previous levels.

Traders said reduced offtake by flour mills, against sufficient stocks position mainly led to a fall in wheat dara prices.

Wheat dara (for mills) declined by Rs 5 to Rs 1,235-1,240 per quintal. Atta chakki delivery followed suit and shed Rs 5 at Rs 1,240-1,245 per 90 kg.

Following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,725-1,825, wheat dara (for mills) 1,235-1,240 chakki atta (delivery) 1,240-1,245, atta Rajdhani (10 kg) 175, Shakti bhog (10 kg) 175, Roller flour mill 650-670 (50 kg), Maida 780-810 (50 kilos) and Sooji 820-840 (50 kg)

Basmati rice (Lal Quila) 9,300, Shri Lal Mahal 9,300, Super basmati rice 9,000, Basmati common 5,400-5,500, rice Pusa-(1121) 4,400-4,900, Permal raw 1,800-1,850, Permal wand 1,875-2,025, Sela 2,100-2,150 and Rice IR-8- 1,625-1,650

Bajra 1,020-1,030, Jowar yellow 1,400-1,500, white 2,450- 2,500, Maize 1,070-1,080, Barley (UP) 1,080-1,100 and Rajasthan 1,080-1,090

Refined soya oil futures down on subdued demand

Press Trust of India / New Delhi July 26, 2010, 15:04 IST

Refined soya oil prices fell by Rs 3.65, or 0.75 per cent, to Rs 482.90 per 10 kg in futures market today owing to slack demand at existing higher levels, against adequate stocks position in the physical market.

At the Multi Commodity Exchange counter, refined soya oil for September dropped by Rs 3.65, or 0.75 per cent, to Rs 482.90 per 10 kg, with an open interest of 108 lots.

Similarly, the oil for delivery in August declined by Rs 3.05, or 0.63 per cent, to Rs 478.80 per 10 kg, with a business volume of 501 lots.

Market analysts said adequate stocks position, against sluggish demand mainly pulled down refined soya oil prices at futures trade.

Crude palm oil declines on weak global cues

Press Trust of India / New Delhi July 26, 2010, 15:02 IST

Crude palm oil prices declined by Rs 1.40, or 0.36 per cent, to Rs 388 per 10 kg in futures trade today, as traders reduced their positions on the back of lower global trend.

At the Multi Commodity Exchange, crude palm oil for July fell by Rs 1.40, or 0.36 per cent, to Rs 388 per 10 kg, with an open interest of 903 lots.

Similarly, the oil for delivery in August-month lost Rs 0.90, or 0.23 per cent, to Rs 385.20 per 10 kg, with an open volume of 1,772 lots.

Market analysts said fresh selling by traders in tandem with a weakening global trend mainly led to a fall in crude palm oil prices at futures trade.

Meanwhile, palm oil futures dropped 0.3 per cent on the Malaysia Derivatives Exchange.

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Paddy sowing picks up pace in Uttar Pradesh

Siddharth Kalhans / Lucknow July 27, 2010, 0:53 IST

The paddy plantation in Uttar Pradesh has picked up with the monsoon finally reaching the state after a month’s delay. Till last Sunday, 5.82 million hectares out of the target of 9.28 million hectares for paddy plantation, has been covered. The sowing of other kharif crops is also progressing fast.

According to the state agriculture department data, the state has recorded 206 mm of rainfall till July 24 — a shade below the normal. The rainfall in eastern UP districts, known as the rice bowl of the state, has been good. The rainfall, since the last 10 days, has rekindled hopes of paddy farmers. Last year, rainfall till July 24 was 136 mm.

According to the director of agriculture, UP, J P Tripathi, the paddy plantation has picked up in the last one week following steady showers in the eastern part of the state. He said in comparison to last year, plantation has improved and so would production.

He said till the second week of July, rain was 50 per cent below average in the state. Maize sowing in the state is almost complete. This year the state government had set a target of 920,000 hectares for maize, 330,000 hectares for jowar and 879,000 hectares for pulses.

According to S K Singh, an official of the agriculture department, the target of paddy has not been revised as rain picked up only in the last one week. He said till date 68 per cent of the sowing target of kharif crop has been achieved and the remaining 34 per cent will be completed by August 10.

Sowing acreage of the kharif crop declined by around 30 per cent due to poor rainfall. The target of paddy plantation for the crop season 2009 was 8.9 million hectares which was later revised to 7.2 million hectares.

Cotton, castor acreage seen up in Gujarat

Kalpesh Damor / Ahmedabad July 27, 2010, 0:52 IST

After having remained scanty, recent rainfall across Gujarat has provided much needed momentum to kharif crops and sowing activity. Around 67 per cent sowing has been completed in the state and crops such as cotton and castor are poised to see rise in acreage this kharif season.

According to the data provided by the director of agriculture, Gujarat government, total 5.85 million hectares has been brought under various kharif crops till last week. The area stood at 6 million hectares during the same period last year.

“Comparatively the acreage as on date is tad lower this year due to scanty rainfall in the beginning of the season. However, recent rain has augmented the sowing activity,” government officials said.

Gujarat, which saw scanty rainfall till July 21, has received 303.9 mm at present as compared to normal 304.2 mm rainfall by July 24. Recent downpour has brighten the prospects for ongoing kharif season and farmers and traders as well as government sees increase in cotton and castor acreage. However, they refused to provide estimates for the production.

The area under cotton has increased to 2.16 million hectares as on date from 2.1 million hectares in corresponding period last year.

“Cotton prices surged substantially last year backed by strong demand in domestic and export markets. We expect the acreage to increase to 2.9 million hectares as against approximately 2.5 million hectares in kharif 2009,” said Arun Dalal, an Ahmedabad-based leading cotton trader.

Similar is the case with castor, prices of which jumped to a record level of Rs 750 per 20 kg this month. According to government figures 66,000 hectares have been brought under castor crop at present, which was nearly 49,700 hectares same period in 2009. “Considering the higher prices of the commodity and arrival of rain, castor acreage in the state is likely to increase by 25 per cent,” said Nilesh Shah, Ahmedabad-based leading castor expert and trader.

Despite lower acreage and production during rabi season this year, farmers have continued to opt for groundnut cultivation as well. Area under groundnut in the state currently stands at 1.57 million hectares, which is a little less than 1.58 million hectares last year. According to traders, groundnut crop is going to benefit from sufficient rain in Saurashtra region, one of main groundnut growing region in the country.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Tuesday, July 27, 2010

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072751291600.htm

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Dry weather takes its toll on cardamom crop

Output likely to be the same as last year.

Weather conditions are favourable now and there could be an improvement in the mid and late crop.

G K Nair Kochi, July 26

Contrary to expectations, the size of the cardamom crop during the current season that commences on August 1 is likely to be almost the same as of the last season, due to unfavourable weather conditions in summer.

TURNING FAVOURABLE

According to growers in Idukki, the main cardamom growing region in the country, the summer was dry without any rains and, as a result, the fruit setting did not take place properly, at the usual time and in full size.

Consequently, the crop has been delayed, with a low output, given the prevailing conditions, they said. However, weather conditions are favourable now and if these conditions prevail in the coming weeks, there could be an improvement in the mid and late crop, they said.

Picking of the capsules may commence from August 3, which they believe to be an auspicious day in the month of Aadi, but harvesting will commence full-swing only after the end of the Aadi month (mid August), they said.

Arrivals

The late crop has resulted in the squeezing of arrivals, at present. Total arrivals at the five auctions held between July 21 and 25 last week stood at around 41 tonnes. At the auction held by KCPMC on Sunday, 12 tonnes of cardamom arrived and the entire quantity was sold , Mr P. C. Punnoose, General Manager, CPMC, told Business Line.

NO EXPORT BUYING

There was no export buying as prices were at higher levels and the material arriving at present was not of export quality, he said.

The maximum price fetched was Rs 1,796.50 a kg while the minimum was Rs1,304 a kg. The auction average was Rs 1,639.51 a kg, he said. The individual auction average during the week fluctuated between Rs 1,630 and Rs 1,710 a kg up from the previous week.

On Ramzan export demand: “We may not be able to meet [the demand] because of the delayed harvest and thin arrivals. However, domestic demand for the festival could be fully met,” market sources said.

Total arrivals during the current season stood at 9,815 tonnes. Of this, 9,610 tonnes of cardamom were sold.

Arrivals and sales in the same period last season were 10,298 tonnes and 9,708 tonnes respectively.

Weighted average price as on July 25 was Rs 875.75 a kg, up from Rs 538.59 a kg on the same day last year.

Prices

Prices quoted for graded varieties on Monday in Rs/kg were: AGEB 1,790–1,800; AGB-1,665-1,675; AGS-1,650 – 1,660; AGS1- 1,630– 1,640.

Prices quoted in the local market in Bodinayakannur were: AGEB- 1,775-1,790; AGB-1,645-1,655; AGS-1,640-1,550 ; AGS 1 - 1,610- 1,625. Bulk was being sold at Rs 1,150-1,700 a kg.

Date:27/07/2010 URL: http://www.thehindubusinessline.com/2010/07/27/stories/2010072751801700.htm

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Global cues put edible oils on correction mode

Our Correspondent

Mumbai, July 26

Edible oils witnessed correction on Monday taking cues from overseas market and due to lack of domestic demand.

Malaysia's palm oil futures declined marginally on lower export data. In Malaysia, August crude palm oil futures ended lower by 8 Malaysian ringgits (MYR) and September by 19 MYR.

Indore NBOT soya oil future also decline sharply. The futures markets affected the spot market that saw thin trade volume.

In Mumbai, groundnut oil, cotton refined oil, and sunflower oil prices ruled steady, but rapeseed refined and palmolein declined by Rs 2-5 for 10 kg on global weakness.

Mr Mitesh, a wholesale trader, said that volume of trade was poor. No direct trade (buying from importers directly) took place on Monday.

In palmolein, about 100 to 120 tonnes of resale took place. Liberty, Ruchi and Allana were the sellers, but poor retail demand kept the stockists at bay.

The market is on a correction mode and may see some weakness. But the medium-term prospect looks bullish due to lean season period, lack of new arrivals and festival season from next month, he added.

In Malaysia, August futures closed at 2,550 MYR against Friday's 2,558 MYR; September at 2,491 MYR against 2,510 MYR and October at 2.473 MYR against 2.498 MYR.

According to the Mumbai Commodity Exchange, Mumbai, spot rates were: groundnut oil Rs 865 (Rs 865); soya refined oil Rs 465 (Rs 463); sunflower expeller refined Rs 455 (Rs 455); sunflower refined Rs 510 (Rs 510); rapeseed refined oil Rs 568 (Rs 572); and rapeseed expeller Rs 538 (Rs 542); cotton refined Rs 485 (Rs 485); and palmolein Rs 429 (Rs 431) for 10 kg.

The oil extraction market was steady on Monday. The rates (Rs/tonne) were: groundnut Rs 16,600; cotton Rs 12,200, rice bran Rs 7,750, sunflower Rs 13,250, rapeseed Rs 11,050, soyameal Rs 17,000, and castor Rs 4,100.

Date:27/07/2010 URL: http://www.thehindubusinessline.com/2010/07/27/stories/2010072751791700.htm

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Sugar turns sour on lukewarm response from stockists

Mumbai, July 26

Sugar market witnessed a correction of Rs 10-30 in spot and naka delivery rates on Monday, after rising over Rs 150 on Friday and Saturday.

At higher levels, profit-booking by stockists weighed on the market, whereas mills were quoting their sale prices. But due to lack of parity at higher levels, the response from stockists was poor.

Stockists turned to resale, which took place at prices below Rs 2,700 a quintal.

On the decision by sugar mills to not sell below Rs 2,700 a quintal, the Bombay Sugar Merchants Association held a meeting on Friday to protest the move and appealed to the Centre to stop such unfair practices.

On Monday, stockists offloaded some inventories. Half of the volume was resale. There were heavy arrivals of two days but no pressure was seen on the market, said Mr Tokershibhai, a leading trader.

On the Vashi wholesale market, arrivals were 45-50 truckloads of 10 tonnes each and lifting was 50-55 truckloads.

Upcountry and local retail demand are lukewarm up due to rains. Once the rains stop, heavy buying for festive season is expected to start in a big way and prices may firm up, he said.

The Sugar Merchants Association said the spot market rate for S-grade was Rs 2,790-2,850 a quintal against Rs 2,810-2,870 on Saturday. M-grade was quoted at Rs 2,820-2,950 against Rs 2,850-2,960. Naka delivery rate for S-grade was Rs 2,770-2,800 against Rs 2,800-2,830 on Saturday. M-grade Naka delivery eased to Rs 2,820-2,900 from Saturday's Rs 2,830-2,900.Mills quoted Rs 2,799 for S-grade and Rs 2,848 for M-grade. In the resale, S-grade was quoted at Rs 2,700-2,730 and M-grade at Rs 2,750-2,820

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072750521900.htm

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Pepper futures decline on bearish propaganda

G.K. Nair,Kochi, July 26

Pepper futures after witnessing high volatility with the prices swinging up and down heavily eventually closed marginally below the previous close.

Bearish sentiments were created by the propaganda that Indonesia was ready to sell Lumpong Asta at $4,150 a tonne (c&f), Kochi while Vietnam was offering 500 GL FAQ (fair average quality) at $4,000 a tonne. Such propaganda allegedly by the importers, who have been trying very hard to pull the prices down, has aided the market to drop.

But, good buying support had restricted the decline to marginal level.

Spot unchanged

The open interest for September indicates that there was good additional buying. Because of the high volatility, the domestic demand was slow.

Sellers as well as buyers withdrew from the spot market, and consequently the spot prices remained unchanged.

There was no selling pressure on the spot market, sources told Business Line.

August contract on NCDEX declined by Rs 53 to close at Rs 20,649 a quintal. September and October were down by Rs 14 and Rs 27 respectively to close at Rs 20,922 and Rs 21,112 a quintal.

Turnover rises

Total turnover increased by 4,082 tonnes to 27,738 tonnes. Total open interest moved up by 1,1,94 tonnes to 17,644 tonnes.

August open interest dropped by 75 tonnes to 12,714 tonnes. September increased by 1,237 tonnes to 5,172 tonnes while October moved up by 24 tonnes to 965 tonnes.

Spot prices were steady at previous levels of Rs 19,800 (ungarbled) and Rs 20,300 (MG

1) a quintal.

Indian parity in the international market remained out priced at $4,625 a tonne.

According to an overseas report from Vietnam indicated pepper prices there as $3,960 for 500 GL a tonne (fob) HCMC and 550 GL at $4,190 a tonne. White double washed was at $5,790 a tonne.

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072752141800.htm

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Bengal demands 12% VAT payment on yellow pea
G. Chandrashekhar
Kolkata, July 26

Even as the Centre continues to fight food inflation, especially the unabated rise in prices of pulses, an essential commodity of mass consumption, the West Bengal Government wants to tax imported "yellow peas" with a 12 per cent VAT.

The State's tax authorities believe yellow peas are not pulses and can, therefore, be taxed.

The notice has unnerved the pulses trade across the country as they fear a contagion. Taxing the food item already in short supply will surely propel market prices higher, they argue.

The State Government move has upset traders because there is overwhelming evidence that peas are pulses; and pulses are not taxed either by the Centre or by most State governments, including West Bengal.

However, the Sales Tax Department of West Bengal Government has issued notices demanding payment of 12 per cent VAT on yellow peas saying they are not pulses. The amount claimed as tax is said to run to several tens of crores of rupees. The recipients of notices are the State's yellow pea importers that include government parastatals such as MMTC in addition to many private parties.

Several documents available with Business Line substantiate the factual position that peas are pulses. In addition to circulars and reports of international agencies such as in Australia and Canada that categorise peas as pulses, even the Centre recognises peas as pulses. The Union Ministry of Consumer Affairs, Food and Public Distribution as also the Commission on Agricultural Costs and Prices have clearly classified peas including yellow

peas as pulses.
Importantly, yellow peas are contracted for, imported and traded in the market as pulses. In other words, in trade parlance, peas are nothing but pulses.
APPREHENSION
Traders and intermediaries expressed apprehension about the adverse consequences of taxing pulses (yellow peas, in this case). In addition to pushing market prices higher, the existing shortage in the State may become more acute as importers would be forced to shift their trade to other States that are more trade-friendly, it is argued.
Pulses imports are allowed duty-free as there is an acute shortage of the food item. Imports constitute 20-25 per cent of total consumption of about 180 lakh tonnes tons. No wonder, neither the Centre nor most State Government tax pulses. In fact, some governments supply pulses through the public distribution system at subsidised prices for the poor.

Traders are likely to appeal to the State Finance Minister for review and withdrawal of the notices demanding VAT on yellow peas.

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072751781700.htm

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Fresh arrivals, poor demand hit wheat

Karnal, July 26

Prices of wheat (dara) dropped to Rs 1,195 a quintal on Monday following fresh arrivals from Uttar Pradesh and lukewarm demand.

Dara variety was quoted Rs 1,180-1,195 a quintal and Tohfa variety of Madhya Pradesh ruled at Rs 2,185.

Desi wheat varieties, Lokwan, Parle-G, Kangan, Angoor, and Nano were also available in the Karnal grain market.

Lokwan variety was quoted at Rs 1,800; Angoor variety between Rs 2,100 and Rs 2,125 a quintal; Nano variety was quoted Rs 2,050 while the Kangan and Parle-G variety ruled around Rs 2,150.

Around 400 quintals of wheat arrived on Monday and the stocks were lifted by the small atta chaki millers at Rs 1,195 a quintal.

There is not much movement in prices compared with last year's Rs 1,200 .

Mr Sewa Ram, a wheat trader, told Business Line that despite indifferent demand, the prices of the desi varieties are high, because neither chemical fertiliser nor pesticide was used in the production.Traders said the fresh arrivals were pulling down the market.Reuters reports: Paris milling wheat futures fell with fears fading a touch on the extent of crop damage caused by heat waves earlier this month as the harvest progresses.November milling wheat futures in Paris dropped by €2.25 to €177.50 a tonne, after closing at €179.75 on Friday in a very volatile market. This still remains a 22 per cent jump since the start of July.“Prices were overdone in the past three weeks which is why we are seeing a correction,” one trader said, adding the downward trend was also helped by the harvest progressing.

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072751821700.htm

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Weak offtake pushes down jeera

Rajkot, July 26

Looks, it's time for profit-booking in jeera now. The commodity's prices continued its fall that was witnessed during the weekend on lower demand from local stockists.

In the futures market, August contracts on National Commodities and Derivatives Exchange traded at Rs 14,690, down Rs 481 a quintal with an open interest of 10,260 lots.

A report from Angel broking said: “Selling by the market participants may keep jeera prices bearish in the next 2-3 days. Domestic buyers are likely to follow wait and watch strategy until prices stabilise. Jeera prices, after surging by 25 per cent from the lows of Rs 12,730 on July 6, are now witnessing correction after hitting a high of Rs 15,915 made on July 22.”

According to market analysts, technical indicators show bearish signals, indicating good selling opportunity in the short term. Resistance is seen at Rs 15,160 and, thereafter, at Rs 15,950. Jeera stocks currently are projected to be around 14 lakh bags (55 kg each) against 16-17 lakh bags in the same period last year.

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072751811700.htm

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Higher crop hopes hammer chana

Indore, July 26

Chana prices dropped Rs 40 a quintal on Monday on hopes of increase in production of pulses seeds (dalhar) and a drop in the futures market.

In the spot market, chana was quoted at Rs 2,225-2,249 a quintal. Last week, chana saw a high of Rs 2,280 a quintal. According to Mr Dharmesh Goel, a local chana trader, given the expected increase in production this year that is likely to touch 145 lakh tonnes (lt) compared with last year's 140 lt and its weak demand in the physical market, chana prices could come under a firm bear grip.

With monsoon becoming active, chana July futures on NCDEX closed at Rs 2,313 a quintal, a slump of Rs 70 from last week. Similarly, chana August and September futures closed at Rs 2,368 and Rs 2,445 respectively.

According to local traders, declining trend in pulse seeds (dalhan) has been mainly due to lack of purchasing at mill level and its sale at higher rate.

Moong prices fell Rs 100 a quintal to Rs 5,100-5,600 a quintal. It may drop to Rs 5,000, said Mr Lalit Agrawal, a trader.

Date:27/07/2010 URL:
http://www.thehindubusinessline.com/2010/07/27/stories/2010072752321900.htm

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Andhra Pradesh receives 27% excess rain during monsoon

Our Bureau

Hyderabad, July 26

Andhra Pradesh has as on July 26 received about 27 per cent excess rainfall at 341 mm as against the normal rainfall of about 268.9 mm during the monsoon.

With widespread rains in the last fortnight, three regions of the State have recorded significantly higher rains

According to data provided by the Indian Metrological Department (IMD) to the State, traditionally drought-prone part of Rayalaseema has recorded 52 per cent excess rain (236.6 mm as against normal of 155.5 mm) and Coastal Andhra region received 48 per cent excess rain (375.2 mm as against the normal rainfall of 253.9 mm). The Telangana region, including the twin cities of Hyderabad and Secunderabad, has received about 10 per cent excess rain (361.9 mm as against 327.8 mm).

The only exception to this trend is northern district of Adilabad, which received 25 per cent deficit rainfall. The cumulative rain in Adilabad is about 355.3 mm as against normal of 471.9 mm.

Date:27/07/2010 URL: http://www.thehindubusinessline.com/2010/07/27/stories/2010072752031800.htm

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Karnataka sees better onion crop this year

Bounty: Workers grading onion at a farm near Chitradurga in Karnataka.

Firoz Rozindar

Chitradurga, July 26

Karnataka is heading for an early and better onion crop this year as it has been free of any pest attack while benefitting from timely monsoon.

Battered by crop loss due to erratic rainfall last year, onion farmers of the district are hoping for a better crop to recover their losses.

“We are expecting the harvest at least a month in advance against the normal harvesting season,” says Mr P. Vishwanath, technical assistant at the Department of Horticulture, here.

According to him, the sowing season for the 110-day onion crop begins in May and lasts till July, based on the availability of water.

Following the early spell of rains this year, the sowing started early, therefore, farmers would reap the crop by mid-August.

Onion farmers are happy as the crop has not been infected by any pest that is another prime reason for the crop loss. In some parts of the district, the onion is already around two and half months old.

“Last year, I lost 40 per cent of the crop due to erratic rain and pest attack. But thankfully, this year God has been kind to onion farmers. So far, we have not faced any problem either relating to rain or pest, which means that it will be a good harvest,” says, Mr Mallikarjun, a farmer of B.G. Kere village of Molakalmur taluk of the district.

Chitradurga district, despite having perennial water problems, in a major contributor to Karnataka's onion production.

Onion is cultivated in around 16,000 hectares, of which 5,000 hectares are rain-fed. The district normally produces around 2.5 lakh tonnes onion every year.

Of the six districts, onion is largely cultivated in Challakere, Molakalmur and parts of Chitradurga taluks.

Besides domestic consumption, a large amount is sent to Bangalore. Some farmers also export the crop to Maharashtra and Kolkata. From Kolkata, it is exported to Bangladesh.

The current wholesale price of onion in the Chitradurga market is Rs 10/kg while the retail price is around Rs 14/kg. However, depending on arrival of the crop, the prices are bound to fluctuate in the coming days, says wholesale dealer, Mr Mohammad Nurullah.

Date:27/07/2010 URL: http://www.thehindubusinessline.com/2010/07/27/stories/2010072752001800.htm

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States gnash teeth on farm front

AP wants 20% cap on seeds royalty.

Committees should be formed locally for quicker assessment and payment of compensation. — Mr N. Raghuveera Reddy, AP Agriculture Minister

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Mr N. Raghuveera Reddy, AP Agriculture Minister

Our Bureau

Hyderabad, July 26

Even as the Seed Bill gets ready to be introduced in Parliament, Andhra Pradesh has begun nation-wide lobbying to put pressure on the Union Government to get control on fixing seed price and to place a cap on royalty fee paid to seed companies.

A delegation led by Mr N. Raghuveera Reddy, Andhra Pradesh Agriculture Minister, and comprising the State's members of Parliament will attend a meeting convened by Mr Sharad Pawar, Union Minister for Food and Agriculture, to discuss the Bill in New Delhi on Wednesday.

Mr Reddy also wrote to his counterparts in other States a few days ago, seeking their support for the demands, ahead of the Parliament session.

All-party meeting

Addressing a press conference here on Monday, after participating in an all-party meeting on the issue, he demanded that the Union Government place a cap of 20 per cent (of the seed price) on the royalty or trait value for a period of three years after the technology was launched.

“They can charge 5 per cent for three more years thereafter. They cannot charge exorbitantly and exploit the famers by charging irrational amounts of royalty,” he said.

“Monsanto used to charge Rs 1,250 as trait value for a few years. We had opposed it and forced the company to reduce the trait value to Rs 90.

The new Bill should give clarity on the issue of royalty,” he said.

Field trials

Strongly opposing the existing tradition of accepting self-certification on the efficacy of multi-location field trials by the seed manufacturers themselves, Mr Raghuveera Reddy felt that it was a not a good practice.

“The performance of the seeds should be ratified by the Indian Council for Agricultural Research and State Agriculture Universities and not by the companies themselves,” he said.

He also wanted the seed companies to disclose how they sourced the seed from different producers.

“The new Bill proposes that the companies can submit a report to the Seed Certifying Agencies. But we feel that the agencies do not have wherewithal to handle such information. The companies should provide the information to the Agriculture Department,” he said.

Compensation panel

On the proposal to set up a national level committee to assess the farmers' claims, he said the committees should be formed locally to ensure quicker assessment and payment of compensation to the farmers.

With regard to penalties, the Minister favoured both imprisonment and penalties as against “imprisonment or penalties” proposed in the Bill.