

Pawar convenes meeting for consensus on Seeds Bill

NEW DELHI: Union Agriculture Minister Sharad Pawar has convened a meeting of "concerned MPs and VIPs" to evolve a consensus on the controversial Seeds Bill, 2004, which is coming up for consideration and passage in the upper House during the monsoon session of Parliament.

More than 20 amendments have been moved on the Bill. Among the prime movers are M.S. Swaminathan (nominated), D. Raja (CPI), M.V. Mysoora Reddy (TDP) and former member Penumalli Madhu (CPI-M).

Andhra Pradesh Chief Minister K. Rosaiah, Agriculture Minister N. Raghuvveera Reddy and the State Congress have also expressed their reservations on certain provisions in the Bill. They too have been invited to Wednesday's meeting. Mr. Reddy is likely to attend. The most contentious issues on which the government has not agreed are about domestic certification of foreign certified seeds, raising compensation to farmers for seed failure, regulation of seed prices and royalty thereon, regulation of genetically modified seeds and compensation to non-GM farmers if their fields are contaminated and raising the quantum of penalty for seed failure.

The MPs want the burden of proof for failure of a seed to be on the seed developer, distributor, vendor and seed company, not on the farmer. For the amendment that says that the seed certification agency in the foreign country should be recognised only if the seed certified by it is tested on Indian soil, the government says that this would be governed by the internationally agreed system of certification.

On the amendment on price regulation of seeds so that farmers get seeds at an affordable price, the government maintains that the intention of the Bill is to regulate quality of seeds not prices. The best way to check prices is to introduce competition and to allow "market forces" to play.

On the amendment to hold the seed developer responsible and accountable for contamination of non-GM farmers field, the government holds that the Bill provides for failure of seed only and

other considerations come under the Genetic Engineering Approval Committee and the Environmental Protection Act, 1986.

Published: July 26, 2010 16:01 IST | Updated: July 26, 2010 16:01 IST New Delhi, July 26, 2010

Jatropha-based fuel can help poor farmers: FAO



THE HINDU Jatropha cultivated over a vast area of the Karunya University's campus in Coimbatore. Photo: M. Periasamy.

The UN's food and agriculture arm on Monday advocated the use of jatropha for producing bio-diesel and said the crop can help farmers improve their financial condition in dry areas.

"Using the energy crop jatropha for bio-diesel production could benefit poor farmers, particularly in semi-arid and remote areas of developing countries," said a report published by the Food and Agriculture Organisation (FAO) and the International Fund for Agricultural Development (IFAD).

Jatropha curcas grows reasonably well in dry areas and also on degraded soil that are marginally suited for agriculture, the report said.

It said jatropha seeds can be processed into bio-diesel, which is less polluting than fossil diesel, and can be used for lighting lamps and as cooking fuel by the poor.

“Particularly small-holder farmers, oil mill out-growers and members of community plantation schemes or workers on private-enterprise can earn an income from jatropha production,” it added.

The report indicated that cultivation of jatropha would be beneficial to women as cooking stoves that run on jatropha oil is healthier and creates less pollution than stoves that run on traditional biomass fuel. In addition it would also save women the need to gather fuel wood.

“The lower use of fuel wood also relieve pressure on forest resources,” it added.

However, the report pointed out that jatropha is still essentially a wild plant and it required investments for developing into a commercial crop.

“Jatropha could eventually evolve into a high-yielding crop and may well be productive on degraded and saline soils in low rainfall areas,” the FAO report said

Unlike other major biofuel crops, such as maize, jatropha is not used for food and it can be grown on marginal and degraded lands where food crops can not grow.

In 2008, jatropha was planted on an estimated 900,000 hectares globally, which includes 760,000 hectares in Asia, 120,000 hectares in Africa and 20,000 hectares in Latin America. By 2015, it is estimated that jatropha will be planted on 12.8 million hectares.

Date:28/07/2010 URL: <http://www.thehindu.com/2010/07/28/stories/2010072851940500.htm>

Agriculture Department likely to launch website to help farmers

P. Sudhakar

www.tnagrisnet.tn.gov.in will clearly explain all welfare schemes

Website to give information on the schemes, subsidies and farming programmes

“We will update the weather predictions for each district on a daily basis”

TIRUNELVELI: To take all information available with the Department of Agriculture to a farmer even in the remote corner of Tamil Nadu as well as to ensure transparency in its functioning, a website is likely to be launched during this week.

Sources in the Department of Agriculture said the website - www.tnagrisnet.tn.gov.in – will clearly explain all welfare schemes available with the Department of Agriculture for the farming community, development farming programmes being extended by both Central and State governments with attractive subsidy, area covered under different crops in each district throughout the year, day-to-day storage level in all major reservoirs, everyday weather forecast for each district, quantity of fertilizer and seeds stocked for the ensuing crop seasons, market price of various farm produce, list of ‘Uzhavar Sandhais’ in the State etc. .

“Since all districts have been provided with automatic weather stations, we'll update the weather predictions for each district on a daily basis. And the market price for each farm produce will enable the farmers to ascertain the right price available in every region of Tamil Nadu,” the sources added.

Whenever the Agricultural Officers happen to see pest attack in the crops during their field visits, their prescription to deal with the pests and diseases will be hosted on the website so that the farmers, instead of getting advice from the stockists of pesticides and insecticides, can buy the right chemical to destroy the pest and the insects causing devastation.

Moreover, farmers will be given all information about the methods of applying these materials and the precautionary measures to be taken.

Since the State government is giving major thrust to popularise organic farming practices and System of Rice Intensification (SRI) technique in paddy cultivation, these programmes would be explained in detail in the website with successful case studies. List of progressive farmers in every region would be introduced to others in different parts of Tamil Nadu, their farming practices, their experiences with different difficult situations etc. would also be hosted in the website.

Gehlot reviews progress of kharif crops sowing

JAIPUR: Chief Minister Ashok Gehlot reviewed the progress of sowing of kharif crops across Rajasthan with the onset of the monsoon at a high-level meeting here on Monday and called upon farmers to adopt “innovative irrigation methods” saving both power and water.

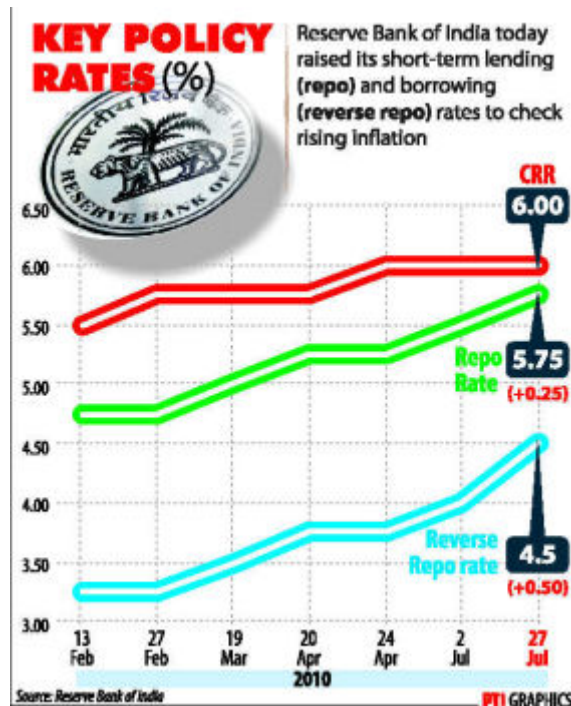
Mr. Gehlot instructed the Agriculture Department to ensure timely availability of seeds and fertilisers and take all steps for helping out farmers. “The requirements of farmers in the rice-sowing regions should be [especially] considered and attention paid to power supply, disbursement of crop loans and distribution of hybrid seeds,” he said.

According to an official release here, the meeting was informed that the rainfall across the State was satisfactory and sowing had been completed in 70 per cent of the area. Ninety per cent of the sowing is likely be completed by this month-end and there are good prospects for kharif crop this year, it was pointed out.

Till Monday, the sowing has been reported in 92.37 lakh hectares across the State, against this year's target of 142.50 lakh hectares. Among the foodgrains, bajra has been sown in 37.33 lakh hectares and maize in 9 lakh hectares. While moong has been sown in 6.10 lakh hectares and moth in 6.74 lakh hectares in the pulses sector, the oilseed crops include groundnut sown in 2.97 lakh hectares and soyabean in 5.92 lakh hectares.

RBI: Inflation a major concern

Any slowdown in global recovery will affect emerging markets



MUMBAI: Resolving to rein in rising inflation the Reserve Bank of India (RBI) on Tuesday raised the short-term indicative lending rate (repo) by 25 basis points from 5.5 per cent to 5.75 per cent and the borrowing rate (reverse repo) by 50 basis points from 4 per cent to 4.50 per cent with immediate effect.

“The dominant concern that has shaped the monetary policy stance in this review is high inflation,” said D. Subbarao Governor, RBI, while addressing a press conference here after meeting chief executives of major banks

Even as food price inflation and, more generally, consumer price inflation, has shown some moderation, they are still in double digits. Non-food inflation has risen, and demand side pressures are clearly evident. “With growth taking firm hold, the balance of policy stance has to shift decisively to containing inflation and anchoring inflationary expectations,” he added.

Dr. Subbarao said, this asymmetric rise in rates narrows the Liquidity Adjustment Facility (LAF) corridor from 150 basis points to 125 basis points.

He said that the macroeconomic developments in India were contrarian to the global trend. “We have recovered faster, but our inflation rate has also been higher.”

Better farm sector prospects should lead to a pick-up in rural demand, said Dr. Subbarao. This should give further momentum to the performance of the industrial sector which has been growing firmly.

However, he warned that while domestic drivers of growth were robust, any slowdown in the global recovery would affect all emerging market economies (EMEs), including India.

Taking into account the emerging domestic and external scenario, the baseline projection for wholesale price index (WPI) inflation for March 2011 has been raised to 6 per cent from the April policy projection of 5.5 per cent.

Going forward, according to the RBI Governor, the outlook on inflation will be shaped by: the monsoon performance for the remaining period; movements in global energy and commodity prices, which have been showing distinct signs of softening over the past few weeks; and potential build-up in demand-side pressures with the strengthening of domestic growth drivers.

Dr. Subbarao said that “today's policy action in particular has been informed by three major considerations: domestic economic recovery is firmly in place and is strengthening; there is a need to contain the demand-side inflationary pressures which are clearly evident; and despite the increase in the policy rates by 75 basis points cumulatively, it is imperative that we continue in the direction of normalising our policy instruments to a level consistent with the evolving growth and inflation scenario, while taking care not to disrupt the recovery.

He said that the monetary policy actions were expected to moderate inflation by reining in demand pressures and inflationary expectations; maintain financial conditions conducive to sustaining growth; generate liquidity conditions consistent with more effective transmission of policy actions; and restrict the volatility of short-term rates to a narrower corridor.

Working group

The RBI Governor also said that the central bank would set up a working group to review the current operating procedure of monetary policy of the Reserve Bank, including the LAF.

Dr. Subbarao said in a rapidly evolving macroeconomic situation “We need to combine the rigour and comprehensiveness of the quarterly process with the responsiveness and flexibility of

more frequent reviews.” Accordingly, the Reserve Bank will now undertake mid-quarter reviews roughly at the interval of about one and half months after each quarterly review.”

The RBI Governor, after his discussion with bank chiefs, said that banks indicated that the liquidity situation might remain tight for some more time as deposit growth had lagged behind credit growth. They felt that a narrower LAF corridor would restrict short-term interest rate volatility and improve monetary transmission.

The Reserve Bank emphasised that the pace of credit expansion to MSMEs should be sustained and banks should sensitise the frontline managers the importance of lending to MSMEs.

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Bhadra Sinha, Hindustan Times

Email Author

New Delhi, July 28, 2010

First Published: 00:42 IST(28/7/2010)

Last Updated: 01:53 IST(28/7/2010)

Rotting foodgrain: SC seeks Govt response

The Supreme Court on Tuesday reacted to *Hindustan Times's* report on grain rotting in the country for want of storage facilities ('India lets grain rot instead of feeding poor', HT, July 26) saying it was a crime to waste food in a poor country.

Reading out portions of the report, a bench headed by Justice Dalveer Bhandari sought a response to *HT's* investigation from the government, declaring that grain should never be allowed to rot but be distributed among the hungry. It also directed its commissioner to submit a report on the rotting of foodgrain in six states.

Colin Gonsalves, counsel for the People's Union of Civil Liberties, in a public interest litigation case relating to right to food, brought the HT report to the apex court's attention.

"If you cannot store the grain, give it to the people to eat," the judges told additional solicitor general Mohan Parasaran, representing the Centre.

<http://www.hindustantimes.com/StoryPage/Print/578708.aspx>

Mumbai, July 27, 2010

First Published: 20:29 IST(27/7/2010)

Last Updated: 20:30 IST(27/7/2010)

Better monsoon may act dampener for inflation: RBI

A better monsoon than last year augurs well for the farm production, which might act as a major dampener for food inflation, RBI said on Tuesday.

"The cumulative rainfall has been 14 per cent below its long period average (LPA) during the current monsoon season so far (as on July 21, 2010). Even so, monsoon performance has been much better than it was last year, which augurs well for agricultural production," the RBI said in its monetary review.

Data on crop-wise area indicate a significant increase over the relatively low levels of last year, the country's apex bank said.

"A good kharif harvest will act as a major dampener on short-term food price inflation," RBI Governor D Subbarao said.

Food inflation is 12.47 per cent for the week ended July 10.

Despite deficient monsoon so far, RBI noted that it has been enough to induce a significant increase in sown area across a range of crops, the high prices of which have been a source of great worry.

Food inflation has remained at an elevated level for over a year now reflecting structural bottlenecks in certain food items such as pulses, milk and vegetables, RBI said.

The country had faced the worst-ever drought in three decades last year as a result of which foodgrain production fell by over 16 million tonnes from a record of over 234.47 million tonnes in 2008-09.

Weather

Chennai - INDIA

Today's Weather



Cloudy

Wednesday, Jul 28

Max Min
35.8° | 25.9°

Rain: 00 mm in 24hrs

Humidity: 56%

Wind: Normal

Sunrise: 05:53

Sunset: 18:37

Barometer: 1003.0

Tomorrow's Forecast



Rainy

Thursday, Jul 29

Max Min
33° | 26°

Extended Forecast for a week

Friday

Jul 30



33° | 27°

Rainy

Saturday

Jul 31



32° | 28°

Rainy

Sunday

Aug 1



31° | 27°

Rainy

Monday

Aug 2



32° | 27°

Rainy

Tuesday

Aug 3



31° | 26°

Rainy

Supply concerns push global wheat prices up

28 Jul 2010, 0036 hrs IST,

World wheat prices staged an impressive rally during July, with production setbacks in the Northern Hemisphere sending prices to their highest level in over 12 months in the US and since September 2008 in Europe, where crop conditions have been most affected.

An exodus by the non-commercials from their net short position, caught on the wrong side of the rally, added further impetus to the strength in prices.

Nearby Chicago wheat futures gained 35% during the first 2 weeks of July, but for the second time in 2010 failed to break through the \$6.00 resistance level. After 3 straight days of failing to break this level, prices eased marginally but remain near the top end of our forecast range for the 2010/11 season.

Likewise, Matif futures rallied sharply in 1H July with crop concerns escalating in both France and Germany. Nearby active contract futures broke through the EUR 180/tonne level for the first time since 2008.

Cash market prices have reflected the stronger world futures values, as growers have been resistant to selling old crop stock levels. Results from the GASC tender 20 July provided the market with some insight into cash values where 120,000 tonne of Russian wheat was purchased at \$211 to 212/tonne FOB showing that US gulf export prices remain some \$15 to 20/tonne overvalued.

Not surprisingly, wheat-price market volatility in both the Chicago and Matif exchanges escalated sharply in July, albeit from very low levels. Benign market conditions over the past 18 months have seen volatility in the grain markets become very cheap. Matif 3-month implied volatility was well below Chicago for most of this period until recently when the differential

closed for the first time in 2 years.

Recent events in both the world wheat and grains markets more generally have led us to shift our outlook bias from a neutral to bullish bias for the 2010/11 season.

We are hesitant to make wholesale revisions to our price forecast deck at this stage, given new crop production remains firmly in the midst of a weather market but we do feel there is enough evidence to suggest risk in the grain markets is skewed to the upside from current levels.

On a quarterly average basis, we have lifted our wheat price forecast from a range of USc 450 to 550/bu to USc 500 to 600/bu, with further upside potential dependant on final production estimates in the Black Sea Region (BSR) and the European Union.

Further production downgrades will heighten the likelihood of government intervention in the export market, particularly in the BSR where quotas and tariffs have been used in recent years to limit exports and ensure domestic food security. In turn, this will result in strengthening demand for US wheat, providing solid price support throughout the 2010/11 season. Consumers without forward coverage at this stage should look to take advantage of any price weakness as the Northern Hemisphere harvest commences.

We expect market tightness and government intervention to be most likely in H2 of the season, and consumers should look to have coverage, given the increased risk of political interference. The recent increase in volatility has made wheat options relatively expensive compared with last season.

Producers in the Southern Hemisphere should look to take advantage of recent price moves by extending coverage, although local currency such as the AUD (Australian dollar) may be offsetting some of this benefit. Upside risk for wheat prices may provide further opportunities for producers to take advantage of tightening fundamentals in the 2010/11 season.

Over 11,700 tonnes of foodgrains damaged in FCI godowns: Pawar

27 Jul 2010, 1928 hrs IST,PTI

NEW DELHI: Over 11,700 tonnes of foodgrains worth Rs 6.86 crore were found "damaged" in government godowns, Food and Agriculture Minister Sharad Pawar informed the Lok Sabha today.

The FCI (Food Corporation of India) has taken penal action against the officials responsible, he added.

"Reports have been received about damage to wheat and rice stocks in FCI depots," Pawar said.

The minister said that the damage was noticed by a team of officials, which was deputed recently to inspect the foodgrain storage situation at FCI depots across Hapur, Orai and Harduaganj in Uttar Pradesh.

"The team observed damage to wheat stocks at these depots and dereliction of duty by FCI officials. Based on its report, FCI has taken penal action against the officials concerned," Pawar said, adding that corrective steps are being taken in this regard.

According to data submitted by Pawar, the maximum damage of 7,066 tonnes of foodgrains was reported from Punjab, followed by 1,846 tonnes from West Bengal and 1,457 tonnes from Gujarat.

Of the foodgrains damaged, 9,141 tonnes was rice while 2,486 tonnes was wheat, while the rest of the 81 tonnes was paddy.

In a separate query, Minister of State for Food and Consumer Affairs K V Thomas said that as of July 1, there were 11,708 tonnes of damaged/non-issuable foodgrains in FCI depots.

Thomas, however, clarified that not everything in the 11,708 tonnes of damaged foodgrains was

'rotten'.

"This quantity has become non-issuable because of different reasons, and all of it cannot be termed as rotten," he said while replying to the query on whether foodgrains are rotting in FCI godowns.

Thomas further explained that some amount of foodgrains gets damaged during transportation, handling and storage operations. The quality of foodgrains also deteriorates due to spillage, storage over extended periods of time and exposure to rains, he added.

FCI, the nodal agency for the procurement and distribution of foodgrains, had 57.8 million tonnes in its godowns at the start of this month. However, as per buffer norms, it should have had 31.9 million tonnes as on July 1.

India's milk production rose to 112 mn tonnes last fiscal

27 Jul 2010, 1821 hrs IST,PTI

NEW DELHI: India's milk production grew by 3.3 per cent to 112 million tonnes in the last fiscal, Parliament was informed today.

"Milk production in the country grew by 3.3 per cent to 112 million tonnes in 2009-10 fiscal as compared to 108.4 million tonnes in the previous fiscal," Minister of State for Food and Agriculture K V Thomas said while responding to a written query in the Lok Sabha.

DM, Mother Dairy, Amul and others have increased milk prices by over Rs 6 per kg to ensure that farmers are compensated for rising production costs.

He said the reduced availability and increase in price of fodder due to drought conditions in 2009 led to the increase in milk prices.

The minister said that during the last fiscal, the National Dairy Development Board had allowed the import of 30,000 tonnes of milk powder and 15,000 tonnes of butter with zero import duty to

augment the availability of liquid milk and stabilise the price of milk in the domestic market.

"All state governments have been requested to exempt or reduce VAT on molasses and other cattle feed ingredients used in manufacturing cattle feed to reduce the cost," Thomas said.

Business Standard

Wednesday, Jul 28, 2010

Cotton, groundnut acreage sees sharp rise in Andhra

B Krishna Mohan / Hyderabad July 28, 2010, 0:37 IST



This July, Andhra Pradesh is receiving the highest rainfall of the decade. In view of the rain, the normal sowing area (as of July 21) has touched 4.7 million hectares, up 22.5 per cent, as against 3.82 million hectares in the corresponding period last year.

It is estimated that the total sowing area will touch 8.22 million hectares as the kharif season progresses. This is about 400,000 hectares (one million acre) more than the normal sowing area of 7.8 million hectares, according to agriculture minister N Raghuvveera Reddy.

The total geographic area of the state is 27.5 million hectares, about 40 per cent is normally under net area sown (including fish culture).

Among the corps, cotton alone will account for an increase of 600,000 acres this year including in Kurnool, Prakasam and Anantapur districts. This was followed by groundnut which was sown in 992,000 acres against last years 357,000 acres. There is a small rise in paddy cultivation —

380,985 hectares on July 21 as against 346,579 hectares last year. However, there is a marginal decline in maize and soybean. Sugar, which was bad last year, will increase this season, he said.

CROP PATTERN	
AREA COVERED SO FAR	
(In Per cent)	Crops
Less than 25	Paddy, sunflower, chilies
Up to 50	Horsegram, onion
Up to 75	Jowar, ragi, groundnut, castor, mestha
Up to 100	Bajra, redgram, green gram, blackgram, soybean, sugarcane
More than 100	Seasmum, cotton
Figures as on July 21	

“We are hopeful that the food production from the state will go past 20.9 million tonnes for the full year, including 10.96 million tonnes during kharif and 10.23 million tonnes during rabi,” Reddy said attributing the rise in cultivation area to good monsoon and also ‘good’ MSP.

Cultivable land will increase during this kharif bringing new ayacuts under irrigation.

For almost a decade, the state did not witness heavy rainfall in July, considered critical for the success of the kharif crop. But this year, the rains have been copious. Up to July, AP received 283.9 mm rainfall, 23.75 per cent excess as against the normal of 229.4 mm. In 2009, when the state has seen a drought and then floods, the rainfall was 140.6 mm, a deficit of 39 per cent. For the corresponding period of 2008, the rainfall deficit was 34 per cent as it rained only 151.4 mm.

Due to heavy rains in the catchment of Godavari basin, major reservoirs are holding 473.74 thousand million cubic (tmc) feet now (450.51 tmc ft last year). The state government is also spreading awareness on the cultivation of Sri Vari (System of rice intensification) during this

season. The transplantation of paddy, which in districts like Chittoor, Kadapa and Nellore go on up to mid-October, is at a brisk pace.

Over 11,700 tonnes of foodgrains damaged in FCI godowns: Pawar

Press Trust of India / New Delhi July 27, 2010, 17:39 IST

Over 11,700 tonnes of foodgrains worth Rs 6.86 crore were found "damaged" in government godowns, Food and Agriculture Minister Sharad Pawar informed the Lok Sabha today. The FCI (Food Corporation of India) has taken penal action against the officials responsible, he added.

"Reports have been received about damage to wheat and rice stocks in FCI depots," Pawar said. The minister said that the damage was noticed by a team of officials, which was deputed recently to inspect the foodgrain storage situation at FCI depots across Hapur, Orai and Harduaganj in Uttar Pradesh.

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FCI, the nodal agency for the procurement and distribution of foodgrains, had 57.8 million tonnes in its godowns at the start of this month. However, as per buffer norms, it should have had 31.9 million tonnes as on July 1.

Palmoil edges up on good stockists offtake

Press Trust of India / Mumbai July 27, 2010, 17:36 IST

Refined palmolein moved up in an otherwise lacklustre oils and oilseeds market here today due to good stockists offtake amidst scattered buying support. Castorseed futures August contract also recovered on fresh export orders.

While, Castorseed bold and castoroil commercial moved down further on lack of enquiries from soap industries. Groundnut oil and linseed oil ruled steady in the absence of market moving factors.

In the edible oil section, refined palmolein moved up by Rs 2 per 10 kg to Rs 431 from yesterday closing level of Rs 429, while, Groundnut oil remained unchanged at Rs 865 per 10 kg.

Moving to Non-edible section, Castorseed bold eased further by Rs 5 per 100 kg to Rs 3,725 from Rs 3,730 and castoroil commercial softened further by a rupee per 10 kg to Rs 775. Linseed oil were unaltered at Rs 560 per 10 kg.

Turning to the futures section, castorseed August contract resumed higher at Rs 3,637, and moved in range of Rs 3,650 and Rs 3,630 before ending at Rs 3,643 from Rs 3,632 yesterday, showing a gain of Rs 11 per tonne.

However, Castorseed futures October opened slightly higher at Rs 3,750 and advanced further to Rs 3,754 before closing at Rs 3,743 as against Rs 3,748 previously, showing a marginal loss of Rs 5 per tonne.

Fruits, vegetables export grew 41% in 2009-10: Sharma

Press Trust of India / New Delhi July 27, 2010, 16:47 IST



Total export value of fruits and vegetables grew 41 per cent in 2009-10 to Rs 5,17,330 over Rs 3,65,915 of 2008-09, Commerce Minister Anand Sharma informed the Parliament today.

In a written reply to a question in the Lok Sabha, Sharma said that quantity-wise fruits and vegetables export grew 53 per cent to 26,46,266 million tonnes in 2008-09 over 17,24,574 million tonnes in 2007-08.

Value-wise also export in 2008-09 rose by 50 per cent to Rs 3,65,915 over Rs 2,43,713 in 2007-08. Quantity-wise increase in fruits and vegetables export in 2009-10 over 2008-09 could not be gauged as figures for 2009-10 are not available.

"The export of fruits and vegetables has registered a growth of over 112 per cent during the last three years (2007-08 to 2009-10) in terms of value," Sharma said.

The minister further said that government has been extending financial assistance to registered exporters through APEDA (Agricultural and Processed Food Products Export Development Authority) for encouraging export of commodities, including fruits and vegetables through its various schemes.

He added that financial assistance to exporters registered with APEDA ultimately benefits the farmers and growers of the fruits and vegetables in terms of remunerative prices for their produce.

Crude palm oil futures decline 0.46%

Press Trust of India / New Delhi July 27, 2010, 15:48 IST



Crude palm oil prices traded lower by Rs 1.80, or 0.46 per cent, to Rs 386.60 per 10 kg in futures trade today, as traders reduced positions, triggered by a weakening global trend.

At the Multi Commodity Exchange, crude palm oil for July dropped by Rs 1.80, or 0.46 per cent, to Rs 386.60 per 10 kg, with an open interest of 959 lots.

Similarly, the oil for delivery in August traded lower by Rs 0.90, or 0.23 per cent, to Rs 384 per 10 kg, with an open interest of 1,645 lots.

Meanwhile, palm oil futures for October delivery fell 1.6 per cent to \$763 a metric tonne, the biggest intra-day drop since July 19, on the Malaysia Derivatives Exchange.

Soyabean refined oil declines

Press Trust of India / New Delhi July 27, 2010, 15:17 IST

Soyabean refined oil remained under pressure and prices fell by Rs 30 per quintal in the wholesale oils and oilseeds market today on increased selling by stockists amid weakening global trend.

However, groundnut oil found selective buying and improved. Marketmen said increased selling by stockists, triggered by a weakening global trend mainly led to a fall in soyabean refined oil prices.

Meanwhile, palm oil futures for October delivery fell 1.6 per cent to \$763 a metric tonne, the biggest intra-day drop since July 19, on the Malaysia Derivatives Exchange.

In the edible section, soyabean refined mill delivery (Indore) and soyabean degum (Delhi) lost another Rs 30 each to Rs 4,750 and Rs 4,550 per quintal.

On the other hand, groundnut mill delivery (Gujarat) rose by Rs 100 to Rs 8,350 per quintal, while groundnut solvent refined gained Rs 25 to Rs 1,400-1,410 per tin.

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) 8,350, groundnut Solvent refined (per tin) 1,400-1,410, 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) 4,750 Soyabean degum (Delhi) 4,550, 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 remains weak on increased supply

Press Trust of India / New Delhi July 27, 2010, 15:15 IST

Wheat dara remained weak for the second straight day and prices declined by Rs 5 per quintal in the wholesale grains market today on increased arrivals, against reduced offtake.

Traders said increased arrivals, against reduced offtake by flour mills led to a fall in wholesale wheat dara prices.

Wheat dara (for mills) shed another Rs 5 to Rs 1,230- 1,235 per quintal, while atta chakki delivery traded lower by the same margin at Rs 1,235-1,240 per 90 kg.

Following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,725-1,825, wheat dara (for mills) 1,230-1,235 chakki atta (delivery) 1,235-1,240, 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

Tomato rates remain high on short supply; may ease in a week

Press Trust of India / New Delhi July 27, 2010, 14:36 IST

Tomato prices continue to remain sky high at about Rs 45 a kg in retail markets here due to short supply of the crop.

"There is still 60-65 per cent shortage in supply of tomato in Azadpur mandi (Asia's biggest vegetables market) due to which prices remain high," Vegetables Traders Association president Surendra Kohli said.

The wholesale price of tomato, which had fallen marginally to Rs 20 a kg in last two days, again jumped to Rs 30 per kg today due to decline in supply of the crop, Kohli added.

"Today, only one truck load of tomato (carrying 9 tonnes) arrived in Azadpur market from Bangalore in comparison to 5-6 trucks in the past 2-3 days while from Himachal Pradesh merely 7-8 tempo (carrying 4 tonnes) came," he said and attributed this to rain in the southern state and also in major tomato producing Shimla and Solan districts of Himachal Pradesh.

Due to disrupted supply of the produce, the price of tomato, an essential item in all preparations, fluctuated between Rs 45-50 a kg in the retail market here in the past one fortnight. This was mainly due to floods in Punjab and Haryana, from where they arrive at this point of time.

Rain in Himachal Pradesh, Maharashtra and Bangalore has added to the crisis, according to traders. Surendra Kumar of Tomato Traders Association said the situation will take at least a week to stabilise at Rs 10-15 a kg with flow of supply increasing from Maharashtra, Bangalore, Himachal and Haryana.

The country produced over 11 million tonnes of tomato in 2008-09, according to National Horticulture Board data.

Normal kharif in Punjab, despite flooding

Komal Amit Gera / Chandigarh July 28, 2010, 0:42 IST

Despite floods and crop damage in some pockets, Punjab expects a good harvest from the kharif crop.

The transplantation of paddy (basmati) is in full swing and would last till mid-August. The non-basmati is sown till June 30, as the yield dwindles if it is transplanted later. Paddy is projected as sown on 2.8 million hectares. According to the department of agriculture, total paddy production in 2009-10 was 11.28 mt and it is expected to touch 10.8 mt this year. Agriculture minister Succha Singh Langha told Business Standard the heavy rainfall at the onset of the monsoon was a curse on farmers over 300,000 hectares but the state machinery arranged paddy nurseries and re-transplantation had started at places where the water had receded.

The final paddy output may skew towards basmati, as it is the late sowing variety. The crop damage of non-basmati would be replaced by basmati. Toria (rapeseed) and maize can also be grown as substitutes in the flood-hit areas.

The state receives average rainfall of 660 mm in this season and the rain has been normal till date. The floods were also due to breach of the irrigation network and rain was not the sole cause.

Cotton is projected to be grown over 550,000 hectares, about 40,000 ha more than last year. The output may touch 2.5 million bales (a bale is 170 kg), 20 per cent more than last year. An increase of about 10,000 ha is expected in maize over last year, the area being 170,000 ha. The state produced about 452,000 tonnes of maize last year.

According to a senior official in the agriculture department, the distribution of rain has been as desired. The cotton belt of Punjab had less than the paddy-growing areas, which is desirable.

Copra edible, ginger rise on good demand

Press Trust of India / Mumbai July 27, 2010, 16:06 IST



Prices of Copra edible Mumbai and ginger rose at the spices market here today on good retailers as well as consumer demand on the back of lower arrivals from producing centres.

Meanwhile, Copra Office Alapuzha moved down on poor stockists offtake. Copra edible Mumbai spurted by Rs 100 per quintal to Rs 4,800 from overnight's closing level of Rs 4,700.

Ginger bleached and unbleached also moved up by Rs 5 per kilo each to Rs 240 and Rs 260, as against Rs 235 and Rs 255 previously.

However, Copra office Alapuzha edged down by Rs 25 per quintal to Rs 3,800 from Rs 3,825 yesterday. Other spices held steady owing to lack of buying activity. Following are today's closing rates in rupees, with the previous rates in brackets: Black Pepper (per kilo) 231/245 (231/245), ginger bleached (per kilo) 240 (235), ginger unbleached (per kilo) 260 (255), copra office Alapuzha (per quintal) 3,800 (3,825)

copra office Kozhikode (per quintal) 3,725 (3,725), copra Rajapur Mumbai (per quintal) 5,900 (5,900) and copra edible Mumbai (per quintal) 4,800 (4,700)

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Wednesday, July 28, 2010

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851662100.htm>

Rice rules steady despite fresh arrivals from U.P.

Karnal, July 27

With the heavy fresh arrival of Govinda variety (Sathi) coming from Uttar Pradesh, the price of non-basmati rice ruled steady, while the Pusa-1121 variety continued to witness an uptrend.

Pusa-1121(steam) touched the highest in the recent past, rising to Rs 5,250 a quintal, while the Pusa-1121 (sela) ruled at the weekend level of at Rs 4,100 on Tuesday. Pusa-1121 (Sela) ruled between Rs 3,950 and Rs 4,100, while Pusa-1121 (steamed) quoted at Rs 5,100-5,250.

Despite witnessing a rally in last 15 days and touching the season's highest, the price of Pusa-1121 is still lower compared with the same period a year ago. Last year, Pusa-1121 (sela) ruled around Rs 6,000 and Pusa-1121 (steamed) was quoted at Rs 7,000 a quintal.

Sharbati Sela variety ruled between Rs 2,660 and Rs 2,760 and Sharbati steam was quoted at Rs 2,875-2,975. Permal (PR) sela was quoted at Rs 1,970-2,120, PR (Raw) at Rs 2,050-2,250 and PR (Steam) at Rs 2,200-2,350.

On Monday and Tuesday, around 10,000 bags of early variety paddy, Govinda and 1121, arrived here. Govinda ruled between Rs 875 and Rs 925, while 1121 was quoted at Rs 1,450. Rice millers lifted the new arrivals.

Exports

Export demand, especially from Dubai and Saudi Arabia, has lifted the market to the current levels. This move was anticipated as Ramdan festival is near and consumption is on the rise.

Mr Subhash Chand, a rice trader, told Business Line that in order to save the groundwater level, the Haryana Government imposed a ban on Sathi but it is exceptionally beneficial as it matures faster than any other paddy variety.

So Haryana farmers who had lands in the Yamuna belt near Uttar Pradesh, where the groundwater level is much higher, produced Sathi. Taking cue from Haryana farmers, Uttar Pradesh farmers also produced this variety. Due to this, market has witnessed a heavy arrival of the variety, he said.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072852042200.htm>

Back Planters find ally in endosulfan to combat berry borer in coffee

A Srinivas

Bangalore, July 27

An estimated 10 per cent of Karnataka's coffee growers are using endosulfan – a pesticide that has been banned by many countries (including the US Environment Protection Agency in June 2010) – to combat the berry borer disease.

Chloropyrifos, considered to be safer, is most used against both berry borer and stem borer infestation. Organic methods, like berry borer traps and a fungicide spray, being distributed by the Coffee Board, are also gaining ground.

Large corporate houses deny using endosulfan on their own plantations, preferring organic methods. But a leading producer said that while it follows best practices on its plantations, it sources most of its coffee from about 15,000 growers, and there is no way of monitoring whether they use controversial pesticide or not. "We are promoting awareness through our CSR efforts. However, in the export samples, the issue of pesticide residues has never come up," a company executive said.

According to a pesticides dealer in Chikmagalur, there is an annual demand for 500 litres of endosulfan, 5,000 litres of chloropyrifos and 5,000 litres of weedicide in the Mudigere region,

where coffee is grown in 10,000-12,000 acres. “Endosulfan gives pucca result for berry borer,” he said.

Easily available

Mr K M Nanaiah, Chairman, Karnataka Planters' Association, said: “In 2008, a lot of endosulfan was used by planters. Endosulfan is easily available, even though it is banned internationally, because India hasn't banned it so far. However, its usage is on the decline, thanks to rising awareness.”

Mr P.F. Saldanha, Coffee Board Member and Managing Partner, Belur Coffee Curing and Trading Co, said: “Planters use chloropyrifos for leaf rust, berry borer and stem borer. Beauvaria bassiana (a fungicide) and traps, for both berry borer and stem borer, are in use. Endosulfan is used on berry borer, but it is not advised. About 5-10 per cent of the growers are using it. Most growers are using chloropyrifos, available in different brands. Endosulfan is not available.”

'Rightly banned'

Ms Sunalini Menon, CEO, Coffee Lab Pvt Ltd, said: “Since the coffee fruit has many layers of protection, and the beans are roasted, there has so far been no indication of traces of endosulfan in the coffee cup. There is, however, no denying that endosulfan has harmful effects on the environment and on those who spray it. It has rightly been banned in a number of countries. However, endosulfan helps in controlling berry borer when the infestation is heavy. Organic alternatives, while being the most desirable, could take time to act in such a situation. The best alternative to endosulfan would be to ensure complete removal of coffee cherries after harvesting – both from the ground and from the plants, follow organic alternatives , besides practice-integrated pest and disease management practices.”

Mr N M Adyanthaya, labour representative on the Coffee Board, said: “Harmful chemical fertilisers are being rampantly used. Planters don't know about the safety part of it. Since a third of the workforce consists of migrant labour, they are not aware of the safety aspects either. They have not been given any safety equipment. This issue will come up for discussion at a Board meeting two months later.”

Mr Anil Bhandari, Coffee Board Member, said: "The whole country can be banned if pesticide residues are found. Increasingly, EU, Japan and the US are tracking dangerous pesticides and banning them."

The Coffee Board has issued advisories against the use of endosulfan, and has been promoting a fungal preparation, beauveria bassiana, along with alcohol-based berry borer traps to combat the berry borer. While five lakh traps were distributed last year, the demand for beauveria bassiana has increased only gradually. "Most planters do not know what beauveria bassiana is," the pesticides dealer said.

Another large-scale grower said: "To deal with white stem borer of arabica, we swab chloropyriphos after mixing it in 200 litres of water. There is no option but to use endosulfan against berry borer. Chloropyrifos may not be as useful as endosulfan."

Endosulfan's recommended dosage is 340 ml in 200 litres of water.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851672100.htm>

Back Erratic rain, low arrivals lift soya, oil

Our Correspondent

Indore, July 27

Soyabean and soya oil prices moved up on Tuesday on concerns over erratic rainfall and decline in coverage of the oilseed crop.

Decline in arrivals of soyabean in various mandis of Maharashtra, also led to the upward trend.

Soya prices perked up by Rs 25 in the spot market on Tuesday and quoted at Rs 1,880-1,940 a quintal, while for plant delivery it quoted at Rs 1,970-2,010. Plant delivery of soyabean opened at Rs 1,940-1,970 and closed at Rs 1,970-2,010.

Soyabean August futures on the NCEDX closed at Rs 2,023. Local mandis witnessed arrival of 3,000 bags (of 90 kg) of soyabean, while at the State level, the arrival was estimated at 55,000

bags. On Monday, only 1,500 bags arrived at the local mandir here, while the State level, 35,000 bags hit the market.

Soya oil prices moved as the pressure of profit booking eased. Soya refined oil quoted at Rs 450- 452 for 10 kg, up Rs 2, while soya solvent quoted at Rs 457-431 for 10 kg, up Rs 4 from Monday.

Low output estimates

According to Mr Rajesh Agrawal, spokesman of the Soyabean Processors Association of India, given the current monsoon situation in the State, there is likelihood of a 25 per cent decline in soyabean crop in the country.

The industry expects 85 lakh tonnes (lt) of soyabean production in the country, which is far below last year's 95 lt.

According to the State Agriculture Department, so far soyabean crops have been sown in 35.70 lakh hectares in the State due to insufficient rainfall. Industry experts foresee further damage to soyabean crops unless and until heavy rains lash the region.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851692100.htm>

Back Shortage perks up groundnut, oil

Our Correspondent

Rajkot, July 27

Groundnut and its oil prices continue to rule at higher levels despite good rain and rise in sowing area. This is due to shortage of groundnut.

According to market sources, groundnut oil price will rule at higher levels.

Groundnut oil price in Rajkot is quoting at Rs 1,435-1,440 for 15 kg tin, and loose groundnut oil at Rs 860-865 for 10 kg. Groundnut oil 15-litre tin price quoted at Rs 1,335-1,340.

Groundnut price in the Rajkot mandi is Rs 430-660 for 20 kg. Arrivals in Gujarat are 20,000 bags of 40 kg.

A Rajkot-based trader, Mr Mukesh Vora, said, "At present no one has groundnut stock, so there is no chance for the price to come down. Moreover, the price in Gujarat is lower than in other States so traders are coming here to buy."

Groundnut bold price in Gujarat is Rs 52,000-53,000 a tonne and small groundnut price is Rs 57,000, while price in Andhra Pradesh, Maharashtra, Delhi and Madhya Pradesh is Rs 58,000-60,000 a tonne.

Mr Vora said: "There is no chance to import groundnut from other States in to Gujarat. Till the new season starts groundnut price will not come down whether demand is there or not."

According to traders, groundnut oil price will remain high as raw material is not available for crushing.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851652100.htm>

Back Thin trade volume pulls down sugar a tad

Our Correspondent

Mumbai, July 27

Sugar prices on Tuesday declined marginally on lack of parity and thin volumes. Reports from Kolhapur and Sangali said that mills, on Monday evening, reduced rates by Rs 35 and Rs 45 a quintal. Local demand was poor and the low volume kept price movement range-bound, said trade sources.

On the spot on Tuesday, due to slack arrivals, S-grade sugar price rose Rs 10 and M-grade eased Rs 5 a quintal. . Once a clear picture emerges,, the demand-supply will play a lead role for the market movement, he added.

On Tuesday, Vashi markets witnessed arrivals at 30-35 truckloads (each of 10 tonnes) against 45-50 on Monday. Lifting was for 50-55 truckloads. Buying from Gujarat, Madhya Pradesh and Rajasthan was at routine level. According to the Sugar Merchants Association, the spot market rate was for S grade Rs 2,790/2,860 a quintal against Rs 2,790/2,860 on Monday. M grade was steady at Rs 2,820/2,950. Naka delivery Rate for S-grade was Rs 2,760/2,800 against Rs 2,770/2,800. M-grade Naka delivery eased to Rs 2,820/2,880 from Rs 2,820/2,900.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851372300.htm>

Back Pepper futures hit upper circuit

G.K. Nair

Kochi, July 27

Pepper futures, after witnessing high volatility, on Tuesday shot up and crossed the upper ceiling for all contracts on strong domestic demand and bullish activities. Cued by the futures market's rising trend and tight availability of ready pepper, the spot prices also soared by Rs 500 a quintal today and if the current trend persisted it may cross the historic level of Rs 265 a kg achieved over a decade ago, market sources said.

Speculative operators and stockists based in major north Indian centres were said to be of the anticipation that the prices might touch Rs 300 per kg breaking the previous historic level. Hence, they were showing active buying interest and that in turn pushed the market up. There is an alleged feeling in the market also that those who had imported good quantities of pepper for value addition and re-export might come for covering to fulfil their export commitments as their deadline of 120 days for re-exporting is nearing. But, one thing certain, there is an ever increasing huge domestic demand following the improvement in the living standards of the people and consequent change in the food habits.

As a result, the per capita consumption of pepper might have moved up significantly, market sources told Business Line.

Therefore, Indian farmers need not have to bother about whether the Indian parity is out-priced in the overseas market or not. They have a strong domestic market which can keep the prices at remunerative levels, provided large quantities of the commodity of inferior quality are imported at lower rates and dumped in the market, they claimed. At present, there is a squeeze in availability of pepper in the country as against a strong demand and that in turn has been pushing the prices despite strong bearish activities, they said.

August contract on NCDEX shot up by 699 to close at Rs 21,290 a quintal. September and October were up by Rs 687 and Rs 655 respectively to close at Rs 21,535 and Rs 21,720 a quintal. Total turn over increased by 1,651 tonnes to 29,389 tonnes. Total open interest went up by 1,110 tonnes to 20,754 tonnes. August open interest moved up by 191 tonnes. September and October also increased by 651 tonnes and 165 tonnes.

Spot prices soared by Rs 500 to close at Rs 20,300 (ungarbled) and Rs 20,800 (MG 1) a quintal on strong domestic demand amid very tight availability. Indian parity in the overseas market was at \$4,775 a tonne (c&f) and remained out-priced. This trend would have its positive impact on other origins also.

An overseas report from the U.S. said the market is looking for direction as it is faced with a sluggishness for want of buying support.

Prices quoted black pepper of different origins in dollar per tonne c&f New York were MG 1 asta – 4,750-4,850; Vietnam 500 GL – 4,100-4,150 (fob); Vietnam asta - prefer to work firm bids; Lampong 500GL – ask for offers; Lampong asta – 4,350 – resellers will discount origin market; Sri Lanka 500 GL – 4,000 (fob); Brazil B2 500GL – 4,075-4,100(fob) Aug/Sep; Brazil B1 560 GL – 4,250-4,300 (fob) Aug/Sep and Brazil asta - \$4,350-4,400 (fob) Aug/Sep. Vietnam white pepper was quoted at \$6,100 a tonne and Muntok white pepper at 6,100 a tonne both (c&f).

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072852062200.htm>

Back Europe tightens norm for seafood imports

Forces exporters to look East.

C J Punnathara

Kochi, July 27

With seafood exports to India's biggest export destination, the EU, facing turbulent days ahead, the trade is beginning to look to the East for succour and safety. "Exports to the EU are beginning to get tougher and costlier as new conditions such as inspection of 20 per cent of aquaculture export consignments have become mandatory," Mr Anwar Hashim, President of the Seafood Exporters Association of India (SEAI), said.

"On an average, each consignment held over for additional inspection will entail a delay of 10 days. For the importer it is a nuisance delay of 10 days for his import consignment. For the exporter it will entail greater expenditure as he will have to bear the additional demurrage duty of those additional 10 days," Mr Kenny Thomas, Managing Director of Ginny Marine, said. Mr Thomas is a Gujarat-based seafood exporter and 95 per cent of his total exports valued at €10 million is targeted at the EU.

The new LCs will also have to incorporate conditions stipulating that the exporter will have to bear the additional demurrage duties as well as the cost involved in shipping the consignment out of EU if it is rejected, Mr Thomas said. However, he pointed out that most of the established exporters from India would have built up long standing relationships with their EU importers and the threat of the buyer sourcing his import requirement to another exporter in another country is slim. But for the new and inexperienced exporters the chances of increased loss of business can be high.

Analytical test reports

All aquaculture products exported from India are to be accompanied by analytical test reports on the absence of chloramphenicol, tetracycline, oxytetracycline, chlorotetracycline and metabolites of nitrofurans, or that they are at permitted levels, the European Commission decision No 2010/381/EU has stated. The decision, which has come into force for Indian exports from July 9, 2010, also states that the EU will subject at least 20 per cent of aquaculture imports from India to the above parameters at the Border Inspection Ports. Explaining the complexity of the new decision, Mr Hashim pointed out that there are 85-90 entry points into the EU and there is uncertainty as to how the procedure will be implemented. The new procedures could put off the EU importers as they will not be sure if their import contracts could go for extra inspection and thereby delay arrivals at their warehouses and ultimately to the shop shelves in

the European supermarkets. Some of them are likely to explore the possibilities of confirmed deliveries from other sources, export sources said.

Focus on Russia, Vietnam

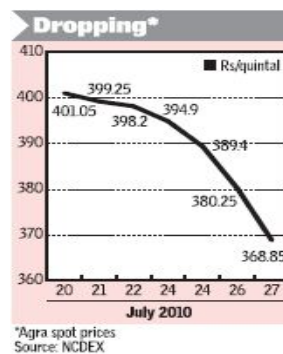
The EU was the biggest export destination for Indian marine products and accounted for 30.07 per cent of the total value last year. The year also saw the East overtaking the West in the total value of marine exports, with China accounting for 17.73 per cent, South-East Asia with 14.61 per cent and Japan with 12.96 per cent of the value. Indian seafood exports to new destinations such as Russia and Vietnam have great potential, the exporters said.

With the active promotion of both the governments, Indian seafood exports to Russia and Vietnam are becoming more favourable, The Government of India and Russia have signed an MoU under which seafood trade also figures prominently. Under the MoU, exporters from India are supposed to register with the Russian health authority for exporting seafood to that country. Already 62 exporters have registered for exports to Russia, Mr Hashim said. India has substantial capacity built up for bulk exports and less in value added exports. With an army of skilled and dedicated workforce, Vietnam is looking at Indian bulk seafood exports for value addition and re-export from its shores. Indian exporters with good production facilities have been invited to export to Vietnam. Around 26 Indian exporters have already registered with the Vietnam authorities for exports, Mr Hashim said.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851642100.htm>

[Back](#) Profit-booking mashes potato



Kolkata, July 27

Potato prices continue to drop with futures hitting the lower circuit early on Tuesday before recovering marginally.

Traders blamed profit-booking for the trend, though weak demand and release of stocks from cold storages added to the trend.

In the spot market, prices for Agra potato dropped to Rs 368.85 a quintal from Rs 380.25 on Monday.

On NCDEX, the August contracts slid 3.98 per cent to Rs 333.20 a quintal.

Date:28/07/2010 URL:

<http://www.thehindubusinessline.com/2010/07/28/stories/2010072851682100.htm>

Back Coconut prices inch up on festival, industrial demand



C.J. Punnathara

Kochi, July 27

Coconut oil prices opened on a positive note this week and the undertones are expected to be firm for the remaining part of the week. The demand on account of Onam has begun to manifest in the markets and prices have begun to move up, Mr Prakash B. Rao, President of the Cochin Oil merchants Association, said.

Copra prices also moved up in tandem as arrivals from the local markets dropped on account of rains, and arrivals from Kangeyam in Tamil Nadu have tapered off as industrial demand increased sharply. The sharp increase in industrial demand from shampoo and cosmetic oil manufacturers has nurtured the price rise.

Bulk purchase by Marico Industries on Tuesday resulted in copra prices moving up by Rs 50 a quintal, sources in the market said. Coconut oil increased Rs 75/quintal at Rs 5,450, while copra moved up Rs 50/ quintal to Rs 3,800.

While most of the demand in the Kerala market came from edible oil consumers, the demand in Tamil Nadu continued to be from industrial buyers. As the consumption demand from Kerala has begun to look up, prices in the Tamil Nadu markets have also begun to edge up.

While the arrivals into the Kerala market are not expected to rise significantly in the coming weeks, partly on account of the rain, there has not been any significant growth in arrivals from Tamil Nadu.

As the demand for Onam increases, traders expect the prices to remain firm to dearer in the short term. They point out there is increased acceptance of coconut oil for cosmetic purposes and the industrial demand is also expected to look up.