

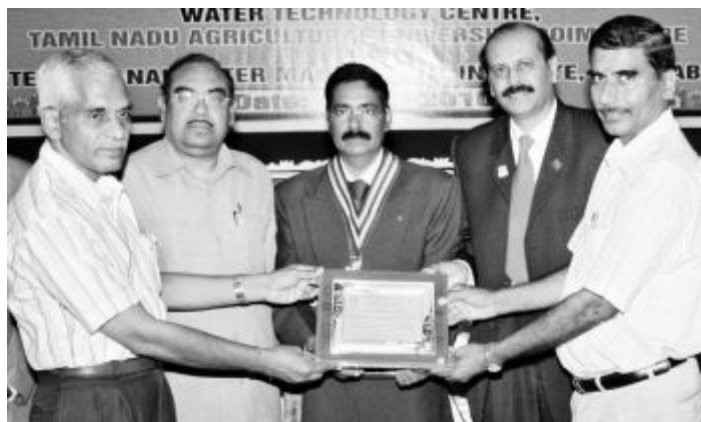
THE HINDU

Online edition of India's National Newspaper

Tuesday, June 15, 2010

Date:15/06/2010 URL: <http://www.thehindu.com/2010/06/15/stories/2010061550800700.htm>

Rotary water award for TNAU



FOR WATER:S. Chellamuthu, Director, WTC, TNAU (right), and K. Palanisami, Director, IWMI, Hyderabad (left) receiving the Rotary water award at the Tamil Nadu Agricultural University in Coimbatore.

COIMBATORE: The Water Technology Centre (WTC) of Tamil Nadu Agricultural University (TNAU) and International Water Management Institute (IWMI), Hyderabad, have jointly received the Rotary water award for 2009-10.

According to university release, S. Chellamuthu, Director, WTC, and K. Palanisami, Director, IWMI, received the award from P. Murugesu Boopathi, Vice-Chancellor of TNAU, and V. Rajkumar, District Governor Nominee, Rotary International District 3201, recently.

Stressing the importance of water conservation, Mr. Rajkumar expressed concern over the exploitation of water in India.

“The drip irrigation and fertigation systems being promoted by the university are very useful for farmers. But, these technologies are not being fully harnessed,” he said.

Mr. Boopathi called for modern micro-irrigation systems to help conserve water. This, coupled with fertigation and precision farming worked wonders in the fields of farmers. He called for forming “Commodity Groups” through which farmers would have easy access to modern technology, information, marketing and processing.

Date:15/06/2010 URL:

<http://www.thehindu.com/2010/06/15/stories/2010061551710500.htm>

TNAU staff, students condole former VC's death



S. Sankaran

COIMBATORE: Staff and students of Tamil Nadu Agricultural University attended a condolence meeting at the university to mourn the demise of its former Vice-Chancellor S. Sankaran in Salem on June 12.

He was 74.

Mr. Sankaran served as the fifth Vice-Chancellor of the university from 1993-96.

Visionary

According to a release from the current Vice-Chancellor P. Murugesu Boopathi, Mr. Sankaran was a great visionary and was instrumental in carrying out several significant developments in education, research and extension in the university.

He was a notable weed scientist. In 2008, he received the Lifetime Achievement Award for his accomplishments in weed science from the Indian Society of Weed Science.

He has published several books and articles.

Among his many contributions to the university, the one which was considered the most noteworthy was the creation of the Directorate of Students' Welfare, which is involved in placements of students.

Project

The World Bank-funded 'Agricultural Human Resource Project' (AHRDP) with a budget outlay of nearly Rs. 50 crore was implemented during his tenure, by which many TNAU scientists got opportunities for undertaking advanced training in foreign countries.

In 1995 a massive recruitment of teaching faculty was made under which 187 Assistant Professors were appointed.

Mr. Sankaran is survived by his wife, son and a daughter.

Date:15/06/2010 URL:

<http://www.thehindu.com/2010/06/15/stories/2010061551720500.htm>

Water level rises in Siruvani Dam

It has risen by nearly six feet over the last couple of days



Rain effect: Siruvani Dam, one of the two main sources of drinking water for Coimbatore city.

COIMBATORE: The Coimbatore Corporation sounded relieved on Monday with the news that the water level in Siruvani Dam had risen by nearly six feet over the last couple of days.

“The South-West Monsoon is providing us with fairly good rain over the last three days. We need this to avoid scarcity of drinking water during the World Classical Tamil Conference next week,” Mayor R. Venkatachalam said. The dam recorded 50 mm, 85 mm and 82 mm rain on Saturday, Sunday and Monday respectively. (The recording is till 8.30 a.m. on all these days.) “We got reports of heavy rain throughout the day on Monday also.”

From 12.79 ft (as against the full reservoir level of 50.85 ft) on Saturday the level rose to 18.70 ft at 8.30 a.m. on Monday. “It is still rising as there is good inflow from the falls and streams,” the Mayor said. On June 14 last year, the water level was only 6.79 ft, he said.

The June 10-14 period last year saw the level remaining in the 6.75 ft to 7.5 ft range.

Date:15/06/2010 URL:

<http://www.thehindu.com/2010/06/15/stories/2010061562120300.htm>

Corporation puts up rainwater harvesting structure

Will end stagnation on road and inundation of nearby houses: Mayor



Twin objective: Mayor R. Venkatachalam explains the features of a rainwater harvesting structure built by the Coimbatore Corporation at Chinthamani Nagar in ward no:62 . —

COIMBATORE: The Coimbatore Corporation has put up a rainwater harvesting structure measuring around 200 sq.ft. at Chinthamani Nagar of Ward 62, with the twin objective of recharging the aquifer and also solving a 20-year problem of water stagnation.

The civic body has used a reserved site, north of NSR Road, to put up the structure 15 ft below the road level. "The structure runs another 15 ft deep. Siruthuli (a public initiative for water resources conservation) has sunk a 280-ft deep bore well," Mayor R. Venkatachalam said on Monday.

Ward councillor R. Gayathri said: "Once operational, the new structure will solve the problem of stagnation of rain water at this spot. A faulty gradient from the main road and another from a street led to rain water flowing towards the site and stagnating in front of a few houses," she explained.

The councillor said people residing in a house near the reserved site used to move out of the place during heavy rain as water entered the compound.

Pointing at a channel at the entrance of the site, the Mayor said rain water would flow through this into the rainwater harvesting structure. The Rs.7-lakh project also consisted of landscaping around the core water harvesting structure.

The area for landscaping was being prepared on all four sides of the harvest pit. Pipes had been provided here also to take the rain water seeping into the soil to the harvest spot. Slopes had been formed further down the landscape section so that rain water could flow to the harvest area. The outer ring of the facility was being provided with a walkers' track measuring four feet wide. A barricade and a gate would separate the track from the landscape and the harvest structure.

A private party would take up maintenance of the landscaped area and the track and also the task of providing security. "The public can use only the walkers' track," the Mayor said.

The barricades would have boards with slogans that called upon the public to shun plastic bags and save rain water. "There will be an advice to the people that they should pay Property Tax and drinking water charges promptly as only this revenue will help the Corporation provide various facilities, including good rain water harvesting structures," Mr. Venkatachalam said.

The Mayor explained that the harvest structure could absorb 6,000 cubic ft of water. "We want to complete the work before the South West Monsoon turns vigorous," he said.

Date:15/06/2010 URL:

<http://www.thehindu.com/2010/06/15/stories/2010061565140200.htm>

SBI asks big farmers to repay loans

Before June 30 and get benefit of 25 per cent of debt relief

TIRUCHI: The State Bank of India here urged the big farmers (other than small and

marginal farmers) to repay their over dues before June 30 and get benefit of 25 per cent of debt relief under the 'Agricultural Debt Waiver and Relief Scheme 2008.'

Addressing a press conference, A. Varadharajan, T. Joseph Chandran and P. Karthikeyan, Regional Managers of SBI Region-I, II and IV and Kausalya Venkatraman, Assistant General Manager (Rural Business Unit) said here on Monday that about Rs.156.15 crore was yet to be recovered from 20,779 big farmers in the districts of Tiruchi, Karur, Tiruvarur, Nagapattinam, Pudukottai, Thanjavur, Ariyalur and Perambalur districts in Tamil Nadu and also in the Karaikal region in the Union Territory of Puducherry.

They pointed out that out of the 29,114 eligible farmers with outstanding loan of Rs.209.24 crore, full recovery was made from 8,335 farmers in these districts. Out of the Rs.156.15 crore over dues, Rs.58.50 crore has to be recovered from 7,059 farmers out of 13,782 farmers in Region-IV of SBI comprising Thanjavur, Ariyalur and Perambalur districts, Rs.52.58 crore to be recovered from 8,942 farmers out of 9,380 farmers in Region-II comprising of Tiruvarur, Nagapattinam, Pudukottai and Karaikal districts and Rs.45.07 crore to be recovered from 4,778 farmers out of 5,952 farmers in Region-I comprising Tiruchi and Karur districts.

Mr. Varadharajan, Regional Manager (IV) said that as per the debt waiver and relief scheme of the Centre, farmers other than small and marginal farmers were eligible for 25 per cent debt relief for the overdue portion of their loan as on December 31, 2007 and if remain unpaid up to 29.02.2008. He pointed out that as per the scheme, farmers who were already in the branch beneficiary list had to pay the entire 75 per cent of their overdue amount within the deadline of June 30 this year and the banks would pass on the 25 per cent relief. He said that for the farmers who were closing their loan account using this 25 per cent relief from the Government before June 30, the SBI branches would give them rebate on overdue interest portion. The regional managers said that special team of officials had been formed to approach the farmers and recover the loan dues by explaining the 25 per cent relief to be given to them if they paid the over dues before June 30.

Date:15/06/2010 URL:

<http://www.thehindu.com/2010/06/15/stories/2010061555500300.htm>

Farm inputs given to eight farmers

The move is aimed at increasing the area under red gram cultivation

Tirunelveli: Collector M. Jayaraman distributed farm inputs to the tune of Rs. 5, 000 each to eight farmers here on Monday.

In a bid to increase the area under red gram cultivation, the inputs were being provided under intensification of red gram cultivation through demonstration scheme under National Agriculture Development Programme (NADP).

The distribution of inputs included quality seeds of high yielding varieties of red gram, micro nutrient mixtures, bio fertilizers, seed treatment chemicals, weedicides and plant protection chemicals.

Task force constituted

In order to meet the gap in production and demand, the state government has constituted a special task force for preparing an action plan to enhance pulse production.

According to a press release, allocation was given for eight hectares of red gram demonstrations under NADP in the district. Joint Director of Agriculture, S. Subramanian, Deputy Director of Agriculture, S. Devasahayam and PA to Collector (Agriculture) M. Duraipandian were present.



HTC, Hindustan Times

New Delhi, June 14, 2010

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Last Updated: 21:15 IST(14/6/2010)

Food prices stabilising, says Basu; manufacturing bites

Even as inflation entered double-digits, Kaushik Basu, the Prime Minister's chief economic adviser, said on Monday that it was primarily due to the base effect and a price hike in manufactured items.

Food inflation has shown signs of stabilising, he said, adding that the growth in the current quarter could be 8.9 per cent.

Basu said food inflation could rise further in the next two weeks, but there was no need for any major policy action on this front.

Basu said decontrolling fuel prices could lead to a spurt in the inflation rate in the short term, but prices would ease in six months.

"Inflation may in fact come down due to the lower fiscal deficit," Basu said, adding that prices of essentials must be protected. He felt fuel prices should be decontrolled, sooner or later, as under-recoveries of oil companies are putting pressure on the country's fiscal balance. He said the annual inflation for the current fiscal is likely to be less than 5 per cent, "though the RBI projection is a little higher".

<http://www.hindustantimes.com/StoryPage/Print/557672.aspx>

Weather

Chennai - INDIA

Today's Weather



Cloudy

Tuesday, Jun 15

Max Min
35.8° | 26.7°

Rain: Trace

Sunrise: 05:42

Humidity: 79%

Sunset: 18:35

Wind: Normal

Barometer: 1007.0

Tomorrow's Forecast



Cloudy

Wednesday, Jun 16

Max Min
35° | 25°

Extended Forecast for a week

Thursday

Friday

Saturday

Sunday

Monday

Jun 17

Jun 18

Jun 19

Jun 20

Jun 21



32° | 28°

32° | 26°

33° | 27°

34° | 28°

34° | 29°

Rainy

Rainy

Rainy

Rainy

Rainy

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By Reuters

14 Jun 2010 12:25:35 PM IST

Inflation up in May; touches 10.16%



NEW DELHI: Inflation accelerated in May, raising the possibility of the Reserve Bank of India hiking rates even before a scheduled policy review on July 27.

The wholesale price index (WPI) rose an annual 10.16 percent in May, driven by higher food and fuel prices, government data showed on Monday. The median forecast in a Reuters poll was for an increase of 9.56 percent. Inflation in April was 9.59 percent.

The data came on the heels of April manufacturing production matching its fastest pace in at least 15 years, the latest sign of strong growth in Asia's third largest economy and of rising inflationary pressures.

With inflation over its perceived comfort zone of 5 percent for seven months running, the Reserve Bank of India (RBI) has described the inflationary situation as "worrisome" and has left open the option of hiking rates ahead of its policy review.

But tight market liquidity from payments for 3G mobile spectrum purchases ahead of advance tax payments and worries over Europe's debt crisis could hold back the central bank from aggressive policy action, some analysts feel.

A majority of economists polled by Reuters expect the Reserve Bank of India leaving rates steady ahead of its quarterly review on July 27, but almost all see rate hikes in the policy review.

The 10-year benchmark bond yield rose 3 basis points after the data.

Monday's data showed manufacturing inflation, which the central bank has said is key to its decision making, rise an annual 6.41 percent, compared with 6.70 percent in April.

The food price index rose 16.49 percent, while fuel prices were up 13.05 percent.

Policymakers expect inflation to ease on better prospects for crops from good monsoon rains. But a hike in fuel prices, which is being discussed by the government, could push it

up, an adviser has said.

Softening inflation is crucial for the government to push through keenly awaited reforms to free up retail fuel prices, because any move that further increases prices would spark off voter and political protests.

The wholesale price index is more closely watched than the consumer price index in India because it covers a higher number of products.

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DECCAN Chronicle *On The Web*

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Inflation spreads to non-food items

Jun 15 2010

New Delhi, June 14: The wholesale price inflation, a measure of rising costs, rose to 10.16 per cent in May due to high food and fuel prices. With inflation crossing the double digit figure, it is expected to put pressure on government to delay any decontrol of fuel prices.

"Inflation in double digits will act as a deterrent for the government to move on the decontrol of fuel prices," said Dr Rupa Rege Nitsure, chief economist, Bank of Baroda. Crisil, chief economist, Mr D.K. Joshi said "It is not going to happen quickly."

However, Dr Nitsure said that it was an appropriate time as international fuel prices are still low. "If they miss this opportunity it is difficult for them to get it in future," she added.

The chief economic advisor, Mr Kaushik Basu also favoured some decontrol in fuel prices. "I feel that a certain amount of decontrol ought to be done. Inflation may increase in the short-term, but in six months, it may in fact come down due to the lower fiscal deficit."

What is worrying policy makers is that the inflation is now getting generalised. Initially, it was felt that the food prices will start coming down once the rabi crop hits the market. "It means that there are still supply side issues. There was good wheat production during rabi season but there

are other crops also. The government had been raising the minimum support prices (MSP) and this will also impact food prices,” said Mr Joshi. Citi said given that globally there are issues that are unsettled, and the first week’s monsoons trends are six per cent below normal, “we expect the odds favour RBI to wait till its July 27 policy.” The government has revised upwards the March inflation figure to 11.04 per cent from the earlier estimate of 9.90 per cent.

Source URL:

<http://www.deccanchronicle.com/business/inflation-spreads-non-food-items-696>



Inflation in double digits

Agencies Posted online: Mon Jun 14 2010, 11:20 hrs



Mumbai : Inflation hit double digits as it rose to 10.16 per cent in May from 9.59 per cent in April due to elevated food prices and certain manufactured items like metals turning expensive. In fact, inflation for March was also revised upwards to 11.04 per cent from 9.9 per cent estimated earlier.

The double digit inflation in May was partly attributed to low base of 1.38 per cent a year ago. However, inflation is clearly spreading to manufactured items. Food inflation remained at enhanced level of 16.49 per cent despite moderation from 16.87 per cent in the previous month.

Among manufactured items, wood products prices rose by 8.8 per cent due to higher rates of plywood commercial planks. Metal prices on an average rose by 3.4 per cent. Within this category, prices of stainless steel rose by 26 per cent, and that of steel sheets, plates and strips by 14 per cent. Among primary (raw) food items, tea turned costlier by 21 per cent, urad by 5 per cent and moong by 3 per cent. The double digit inflation may put RBI in a tight position as it would like to tighten money supply to tame rising prices, but liquidity in the system is too tight due to payments towards spectrum for 3G mobile services and broadband wireless access.

Business Standard

Tuesday, Jun 15, 2010

Shrimp exporters hope to gain from US oil spill damage

George Joseph / Kochi June 15, 2010, 0:00 IST



Since the April spill, prices in the US have increased 40% as supply has shrunk. Among the consequences of the oil spill in Gulf of Mexico is a surge of hope among seafood exporters, especially of shrimp. Since the April spill, shrimp prices in the US have gone up by 40 per cent as supply has weakened. With one-third fisheries in the Gulf being forced to shut, less shrimp is being caught. Prices are expected to rise further, say experts.

US consumers also get shrimp from Mexico, Brazil, India and Southeast Asian nations such as Taiwan and Vietnam. The initial price rise is expected to stabilise soon but, say reports from the US, it may take months before the catch of fish and shrimp from the Gulf reaches the normal level. The oil spill will impact sea turtles, fish, marshes and other wildlife for many years to come, says biological oceanographer Nancy Rabalais of the Louisiana Universities Marine Consortium.

According to Anwar Hashim, president, Seafood Exporters Association of India (SEAI), this is a chance for India to increase exports. Export prices will rise, he says. The spill came just as the shrimp harvesting season was about to begin in mid-May and has shut key fishing waters. The shrimp caught off coasts of Louisiana, Mississippi, Alabama and Florida is 10 per cent of the US market. There is also concern that people will shun any shrimp that has the taint of the oil spill. The impact on other seafood markets is likely to be even more serious, as Gulf fisheries are some of the most productive in the world, home to 59 per cent of US oyster production and three-quarters of the country's wild shrimp.

Yet, says SEAI, the major benefit of this supply vacuum is likely to be taken not by India but by East Asian countries such as China, Taiwan and Vietnam. This is because of the price advantage they have due to production of the low-cost Vannamei grades, which India has barely begun. For diverse reasons, Indian exporters are giving more thrust to European, Japanese and Asian markets.

Due to heavy anti-dumping duty and the need for Customs bonds, the number of exporters from India to the US dropped from 225 in 2004 (when heavy duties were first imposed) to just 70 in 2010. Exports to the US have been declining. They fell 10 per cent last financial year.

However, if the environmental impact of the spill prolongs and supply gets affected in the long run, seafood exporters will get time to switch and build a base. So, while there may be limited benefit at the moment, there may be one down the line if damage control by the US is prolonged.

A mixed bag for tea prices

Ishita Ayan Dutt / Kolkata June 15, 2010, 0:11 IST



With the weather playing truant, north and south Indian tea is moving in divergent directions. The output in south India in May was up by about 2.5 million kg while that in north India was down to seven million kg. “North India crop showed an increase of 6.9 million kg till April. In May, we probably lost about the same or a little more. June does not look better either,” said Aditya Khaitan, chairman, Indian Tea Association.

That probably explains why tea prices in north India are much higher compared to south India. Prices in north India were Rs 15-20 a kg higher compared to the same period last year in the private sales. “There is a glut of good quality tea,” said an industry representative.

Prices in south India, in contrast, were selling at Rs 7-8 a kg lower than last year. Till April, the crop in south was higher by 10 million kg. However, things took a different turn in May. “There was too much rain, the temperature was not conducive for growing conditions. I doubt north India production will be at the same level as last year,” said an industry representative.

If north India was showing a firm trend in prices, then it was an aberration, given that prices had eased across the globe. Prices at Mombasa auction eased with top grades dropping from \$3.82 a kg to \$3.42 a kg.

Sri Lanka tea fell sharply by the end of May by about 20 Sri Lankan rupees a kg and is now recovering little. The primary reason being that the crop output across the globe was higher by about 100 million kg.

After last year's deficit crop, Kenya and Sri Lanka reported a higher output of 75 million kg during January-March while south India recorded an increase of 12 million kg, followed by north India at 6.9 million kg. The three countries account for 80 per cent of the black tea production.

Govt approves Rs 4 a kg rise in levy sugar price

Newsire18 / New Delhi June 15, 2010, 0:10 IST



The government has approved the increase in provisional levy on sugar prices for the ongoing October-September sugar season, raising it by around Rs 4 a kg from the last season's average provisional price of Rs 13.06, a senior government official said on Monday.

The official said the provisional levy on sugar prices – based on the government-set cane prices – had gone up as cane prices paid to the farmers this season had increased sharply. The government has set the fair remunerative cane price that mills have to pay to farmers this season at Rs 129.76 a quintal, up from last year's statutory minimum price of Rs 81.18.

Levy sugar price, paid to mills, has remained unchanged at Rs 13.06 a kg from 2003-04, despite rising cane prices. Mills are obliged to sell a certain percentage of their net sugar output as levy sugar to the government, which is then distributed to the poor at subsidised rates.

The Cabinet last week approved an amendment in the Essential Commodities Act, clarifying that calculation of levy sugar price would be based solely on the price declared by the central government and would not take into account the cane price fixed by a state government or that agreed between millers and farmers.

“The amendment is being made only as a measure of legal safeguard... The approved amendment does not in any way alter the present status regarding the power of state

government to fix the state-advised price of sugarcane,” Ambika Soni, minister of state for information and broadcasting, said.

Another government official said the government may soon seek Cabinet approval for raising the price paid by consumers for purchasing levy sugar from fair price shops.

“We’ll have to go to the Cabinet, as the central issue price of sugar under the public distribution scheme will have to be raised in tandem with the levy price hike,” the official said.

Cane cost to come down to 15 cents a pound

Kunal Bose / June 15, 2010, 0:08 IST



Sharad Pawar’s unflinching interest in cricket is legendary. Being an aficionado of the sport, our agriculture minister will know well that while holding the bat, timing the ball well is all that matters. Had Pawar used this sense of timing in taking decisions on sugar, the country would have been spared much pain.

Public memory may be short, but it is not as short as for people not to recall how the country is muddling through with its policy pronouncements on sugar, particularly relating to cane price fixing and export and import of sugar. The masses found sugar prices particularly hurtful between December and February, resulting from initial reports of very low production and also very high prices paid for cane, the brunt of which fell heavily on factories in north India.

The challenge is one of calibrating policy, mainly pertaining to foreign trade part of sugar in tune with ground level reality which changes fast. To give the most recent example of how rapidly the world sugar market moves, raw sugar prices on New York ICE exchange fell at one point in May to 13 cents a pound from a 30-year high of 30.40 cents in early February. ICE July futures are now quoted at 14 cents. At the same time, white sugar on London Futures Exchange is down from a record high of \$767 a tonne in January to \$460.

Underlining the importance of India in the world sugar trade, Pawar said at the AGM of India Sugar Mills Association (Isma) that whenever the country would import the commodity, prices would spurt in view of the volumes involved. The opposite happens when the country has exportable surplus. This is as it has to be, India being the world's largest consumer of sugar ahead of China and the second biggest producer of the commodity next only to Brazil.

Consider the volume involved in our foreign trade in sugar. In the three years since 2005-06 with regular bumper production, the country exported a total of 7.814 million tonnes of sugar. But the country had to import 2.5 million tonnes of sugar in 2008-09 when domestic production fell to a disastrously low of 14.6 million tonnes in 2008-09. In fact, what then saved the day for us were the season's big opening stocks of 10 million tonnes. Imports in the current season to end in September are estimated to be 4.3 million tonnes.

We need to ask ourselves how appropriately we are timing the exim decisions to avoid domestic price collapse in a bountiful year and price surges raising the ire of public in times of crop failure. Should we not have applied the brake on imports when it became clear that the country is going to end the season with sugar production of around 19 million tonnes and not 15 million tonnes as feared earlier? Price collapse in the world market has made duty-free imported sugar cheaper than our domestic sugar production cost.

Is it not the government's responsibility to ensure that the capacity of factories is not compromised so that they are able to settle cane bills in time? Otherwise farmers start migrating to other crops. Do we want a repeat of the scary 2008-09 scene which again visited us this season, though with less intensity. The point, however, is why this issue should come to the fore when Pawar with his unmatched mastery of the sugar industry is in command.

That Brazil and India will have bumper production in 2010-11 is by now common knowledge. Isma deputy director general M N Rao says that the attractive prices that farmers got for cane

this season have proved to be a “very good incentive for them to shift to cane.” Not only have factories paid up to Rs 280 a quintal thereby staunching cane diversion to gur and khandsari enterprises but the sugar industry has not run up cane dues. Let the factory capacity to reward farmers handsomely be left intact so that as the prime minister desires there is stability in the Indian sugar economy.

If the monsoon behaves, the country could have sugar production of 25 million tonnes or more compared with internal requirement of 22.5 million tonnes. As we shall be opening the new season with stocks of 4.7 million tonnes, exports after a two season break remains a possibility. The Brazilian industry association Unica says with favourable weather – falling temperature and humidity – boosting cane productivity and prompting more sucrose in cane, the south American country will make a record 34.1 million tonnes of sugar and 27.4 billion litres ethanol during 2010-11.

How will prices behave in the context of oncoming bumper cane harvests in Brazil and India? In the near term, any smart gains will be capped by bountiful crop expectations in Brazil and India. After all the recent volatility, the market may be seeking an equilibrium price which could be an aggregate Brazilian production cost of around 15 cents a pound, says an economist with International Sugar Organisation.

Pepper, turmeric rise on tight supply

Press Trust of India / New Delhi June 14, 2010, 17:41 IST

Black pepper and turmeric prices surged upto Rs 400 per quintal in the national capital today, on tight supplies in spot markets amid pick up in local and exports demand.

Black pepper prices rose by Rs 100 to conclude at Rs 16,800-16,900 per quintal on exporters buying. Turmeric prices also surged by Rs 400 to settle at Rs 16,500-19,100 per quintal on strong local and exports demand amid less arrivals.

Restricted supplies from the producing regions and a firming trend in futures trade, supported the rise in prices.

Marketmen said increased buying by stockists and pick up in domestic and exports demand against tight supplies from the producing belts, pushed up pepper and turmeric prices on the wholesale market here.

Following are today's quotations (per quintal):

Ajwain 12,500-15,500, black pepper common 16,800-16,900, betelnut (kg) 85-105, cardamom brown-Jhundiwali (kg) 780-800 and cardamom brown-Kanchicut (kg) 890-990

Cardamom small (kg): Chitridar 1200-1,370, cardamom (colour robin) 1,560-1,580, cardamom bold 1,585-1,600, cardamom extra (bold) 1,700-1,720 and cloves (kg) 310-390

Chirounji (new) (kg) Rs 310-340 Dry mango(raipur) Rs 6,000-8,500 Dhania Rs 3,200-8,500 Dry ginger Rs 12,000-25,500 Kalaunji Rs 8,800-9,800 Mace-Red (kg) Rs 880-1030 Mace-Yellow (kg) Rs 1300-1450

Methiseed Rs 3,200-4,400 Makhana (per kg) Rs 190-225 Nutmeg Rs 430-445 Poppyseed (KG Turkey) Rs 220 Poppyseed (KG MP-RAJ) Rs 220-270 Poppyseed (KG Kashmiri) Rs 200

Red chillies Rs 5,000-9,000 Soya bari pariwar (20 kg) Rs 350-400 Saffron (kg) Irani Rs 1,10,000-1,20,000 Saffron (kg) Kashmiri Rs 1,50,000-1,65,000 Soanf-bold Rs 9,000-15,000 Turmeric Rs 16,500-19,100

Tamarind Rs 2,100-2,600 Tamarind without seed Rs 3,800-5,000 Tea (kg) Rs 110-200 Watermelon kernel (Kg) Rs 230 Jeera common Rs 12,000-12,400 Jeera best Rs 13,400-13,900

Urad and its dal rise on retailers demand

Press Trust of India / New Delhi June 14, 2010, 17:37 IST

Urad and its dal prices rose by Rs 100 per quintal in an otherwise steady wholesale pulses market today on retailers demand.

Marketmen said pick up in retailers demand against restricted supplies mainly led to a rise in wholesale urad and its dal prices.

Meanwhile, public sector enterprise PEC has invited bids for the sale and e-auction of 400 tonnes of green moong and urad pulses.

Urad and its dal chika local gained Rs 100 each to Rs 5,400-5,950 and Rs 6,400-6,800, while best quality and dhoya traded higher by the same margin at Rs 7,300-7,600 and Rs 7,300-7,400 per quintal.

Following are today's quotations in Rs per quintal:

Urad 5,400-5,950, Urad chilka (local) 6,400-6,800, best 7,300-7,600, Dhoya 7,300-7,400, Moong 6,200-6,500, Dal moong chilka local 6,900-7,300, Moong Dhoya local 7,000-7,200 and best quality 7,500-7,700

Masoor small 3,300-3,500, bold 3,500-3,750, Dal Masoor local 4,000-4,100, best quality 4,300-4,600, Malka local 4,100-4,150, best 4,250-4,350, Moth 5,800-6,100, Arhar 4,400-4,500, dal arhar dara 5,450-5,850

Gram 2,100-2,175, gram dal (local) 2,400-2,425, best quality 2,600-2,700, besan (35 kg) Shakti bhog 1,050, Rajdhani 1,050, Rajmah chitra Pune 3,300-3,900, China 3,400- 3,900, red 3,500-3,600, kabli gram small 3,000-4,200, dabra 2,700-2,800, imported 4,500-4,900, lobia 3,700-3,800, peas white 1,600- 1,700 and green 1,800-2,000

Menthol declines on reduced offtake

PressTrust of India / New Delhi June 14, 2010, 17:33 IST

Menthol prices fell by Rs 5 per kg in the national capital today in view of reduced offtake by consuming units. Adequate stocks, followed by increased arrivals from the producing belts in Uttar Pradesh, also put pressure on the prices.

Menthol bold crystal, flake and mentha oil prices declined by Rs 5 each to Rs 900, Rs 880 and Rs 800 per kg, respectively.

Marketmen said reduced offtake by consuming units against increased arrivals from the producing belts in Uttar Pradesh mainly led to a decline in menthol prices.

Elsewhere, other chemicals moved in a tight range in the absence of any worthwhile activity.

Following are today's quotations:

Ammonium chloride (50 kg), Rs 1,500-2,400, acetic acid (1 kg) Rs 28-34, ammonia bicarb (25 kg) Rs 450-500, boric acid technical (50 kg) Rs 3,700-4,100, borex granular (50 kg) Rs 1,750-1,950

Caustic soda flake (50 kg) Rs 950-1,000, citric acid (50 kg) (China) Rs 2,550-3,000, citric acid deshi (50 kg) Rs 2,600-3,000, camphor slab (1 kg) Rs 320, camphor powder (1 kg) Rs 310, glycerine (1 kg) Rs 90-110, hexamine (1 kg) Rs 80

hydrogen peroxide (1 kg) Rs 33-35, mercury (34.5 kg) Rs 54,000, menthol bold crystal (per kg) Rs 900, menthol flake (1kg) Rs 880 and mentha oil (1 kg) Rs 800

Paraffin wax (1 kg) Iran Rs 60-65 Paraffin wax (1 kg) China Rs 100 Paraffin wax (1 kg) Indian Rs 85 Residue wax (p tonne) Rs 35,000 Soda ash (50 kg) (Tata) Rs 925 Soda ash (50 kg) (Gujarat) Rs 900 Soda ash (50 kg) (DCW) Rs 900 Soda ash (50 kg) (Birla) Rs 900

Soda Hydro Sulphate (1 kg) Rs 110-115 Sodium hydro sulphite (1 kg) damosha Rs 85 Sodium hydro sulphite (1 kg) china Rs 58 Sodium hydro sulphite safolite (1 kg) Rs 110-125 Sodium silicate (Qtl) Rs 1,000-1,150 Sodium nitrate (50 kg) Rs 1,800-1,900 Sodium nitrite (50 kg) Rs 1,900-2,100

Sodium bio-carbonate (50 kg) Rs 1,025 Stable bleaching powder (25 kg) Rs 350-400 Tartaric acid france (1 kg) Rs 440 Thymol (1 kg) Rs 520 Titanium dioxide (1 kg) Rs 110-115 Oxalic acid (pcpl) 50 kg Rs 1,900-2,000

Gur ends flat on thin trade

Press Trust of India / New Delhi June 14, 2010, 17:30 IST

Steady conditions were witnessed in the wholesale gur (jaggery) prices at the national capital today on restricted arrivals against sporadic offtake.

Muzzafarnagar and Muradnagar gur market also closed on a previous closing levels on little doings.

Marketmen said small buying along with sufficient stocks position, kept gur prices around overnight levels.

Following are today's quotations in Rs per quintal:

Chakku Rs 2,800-2,900, Pedi Rs 2,800-2,900 and Dhayya 3,050-3,100, shakkar Rs 3,000-3,100.

In Muzaffarnagar: Raskat Rs 2,000-2,050, chakku Rs 2,375-2,550 and Khurpa N.T

In Muradnagar: Pedi 2,600-2,650 and Dhaya N.A

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Double-digit inflation, a worry: Kaushik Basu

Sticks to forecast of under 5 per cent for 2010-11.

Our Bureau, New Delhi, June 14

The Chief Economic Advisor, Dr Kaushik Basu, on Monday stuck to the Finance Ministry's average inflation forecast of less than 5 per cent for 2010-11 even as wholesale price index (WPI) inflation climbed to 10.16 per cent in May on a year-on-year basis.

"I see no reason to change that (the Finance Ministry's forecast of less than 5 per cent)," Dr Basu told reporters here. The Reserve Bank of India had pegged the average WPI-based inflation forecast for 2010-11 at 5.5 per cent.

He said that current WPI-based inflation (10.16 per cent) was disappointing, but highlighted that it was lower than the revised level of 11.04 per cent for March 2010.

Dr Basu, however, declined to comment on whether he expects the RBI to go in for monetary tightening before the next review meeting of July 27.

“The current WPI is a matter of concern. But I can't hazard a guess on what the RBI will do and when any policy action will be taken. They (RBI) have a set of balanced, cautious group of people out there,” he said.

With inflation climbing to the double-digit zone, there are expectations in the market that the RBI will soon tighten monetary policy without waiting until the next review meeting.

However, with the liquidity situation being tight due to heavy drawdown from the banking system to meet the 3G mobile services and wireless broadband spectrum payments and also advance tax payouts, there are indications that the RBI might wait till July 27.

Food price

On the average food price index inflation, Dr Basu said that there was some good news as it has stabilised even as food price inflation is high (at about 16 per cent plus level). “The average food price inflation has petered out if you look at the last six months story. The high 16 per cent plus figure is entirely because of the base effect”. (See also Page 9)

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Pepper moves up on bullish sentiments

G.K. Nair,Kochi, June 14

Pepper futures after witnessing high volatility as usual moved up to end above the previous closing on Monday.

Reasons for rise

The bull and bear operators were virtually on 'a tug of war' with the former succeeding today, market sources told Business Line.

Reports that some business has taken place with the US with more demand in the pipeline, coupled with limited availability of spot pepper have helped the prices to move up.

Karnataka pepper

Exporters who had committed were covering Karnataka pepper also to meet their immediate requirements. National level cooperatives were also covering Karnataka pepper which is available now in the Kochi market, they said.

Export business has taken place at \$3,650-\$3,750 a tonne (c&f). All these factors created a bullish sentiment in the market and that in turn pushed the prices up, despite sell calls from so-called expert analysts, they added.

June contract on the NCDEX went up by Rs 134 to close at Rs 16,003 a quintal. July and August moved up by Rs 147 and Rs 146, respectively, to close at Rs 16,269 and Rs 16,500 a quintal. Total turnover increased by 3,554 tonnes to 8,865 tonnes. Total open interest moved up by 47 tonnes.

June open interest dropped by 689 tonnes while that of July and August went up by 627 tonnes and 53 tonnes showing good switching over to July, they said.

Spot prices in tandem with the futures market and good demand moved up by Rs 100 to close at Rs 15,400 (un-garbled) and Rs 15,900 (MG 1) a quintal.

Indian parity in the international market was at Rs 3,650 a tonne (c&f) Europe. The upward trend in futures coupled with a strong rupee against the dollar today pushed up the parity slightly higher, they added.

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Cardamon prices fall on arrivals, slack demand

G.K. Nair,Kochi, June 14

Cardamom prices dropped on Sunday after remaining firm throughout the week on

increased arrivals and slack demand.

Arrivals continued to remain above 20 tonnes, unusual at this time of the season, trading sources said. This p, coupled with the onset of monsoon over the cardamom growing belt in Kerala's Idukki and Wayanad districts, has created a bearish sentiment in the market, pulling down the prices.

At the auction held by the Kerala Cardamom Processing and Marketing Cooperative (KCPMC) , arrivals stood at 28 tonnes. The entire quantity was sold out. The maximum price was Rs 1,591 and the minimum Rs 809 a kg. The auction average fell by over Rs 300 a kg from the previous Sunday's average to Rs 1,256.62 , Mr P. C. Punnoose, General Manager, CPMC, told Business Line.

The auction average on June 10 was Rs 1,655.95 a kg and it dropped 1,598.58 a kg on June 11 and to 1,590.08 on June 12, trading sources in Bodinayakannur said. According to them, normally 10 tonnes used to be the volume expected at the KCPMC auction at this time of the season as against 28 tonnes on Sunday. The material was not from the growers, they said.

Low arrivals

Regular buyers stayed away , waiting for the new crop to arrive, they said. Exporters also kept away as the prices were ruling very high , they said. Total arrivals during the current season from August 1 to June 13 were at 9,562 tonnes. Of this, 9,359 tonnes of cardamom were sold. Arrivals and sales in the same period last season were at 9,852 tonnes and 9,273 tonnes respectively. Weighted average price as on June 13 was Rs 859 a kg, up from Rs 530.84 a kg the same day last year.

Prices

Prices quoted for graded varieties on Monday in rupees a kg: AGEB 1,875-1885; AGB 1,750 -1,775; AGS 1,735-1,745; AGS1 1,725-1,735. Prices quoted in the local market in Bodinayakannur were: AGEB 1,850-1,860; AGB 1,735-1,745; AGS 1,715-1,720; AGS1 – 1,705-1,715.

Weather conditions have been very good as the cardamom growing belt has received good rains for the past few days. "The monsoon has arrived in the district now and it is good for the crop. If the present conditions prevail, the next crop would be comparatively better", some growers in the Idukki district told Business Line. The next crop is likely to hit the market by mid-July, they said.

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2010-11 sugar opening stocks seen at 4.9 mt

Our Bureau, New Delhi, June 14

The Indian Sugar Mills Association (ISMA), on Monday, claimed that the country would have stocks of almost five million tonnes (mt) at the start of the new 2010-11 season (October-September).

According to the industry body, the current season opened with stocks of 3.2 mt, with actual production from October to May amounting to 18.7 mt. Adding to this, imports of 5.5 mt takes total availability in the season to 27.4 mt. After deducting offtake of 22.5 mt for internal consumption, there will be closing stocks of 4.9 mt as on September 30, 2010, an ISMA release stated.

These estimates – seemingly aimed at buttressing its case for imposition of import duty on sugar – would indicate that the country will have sufficient sugar to meet domestic consumption requirements during the coming festival months. Sugar availability is a concern, particularly during October and November, when crushing by mills is yet to gather steam.

If the new season, indeed, starts with stocks of 4.9 mt and production touches 23-24 mt (as is widely anticipated), a glut of sorts would develop, leading to a further dip in domestic prices.

ISMA has projected total white sugar imports during the 2009-10 season at 0.95 mt, which includes 0.75 mt of already landed material and 0.2 mt of contracted quantities scheduled

to land during June-September.

Raw sugar imports are similarly expected to 4.75 mt, which includes a carry-forward of 1.2 mt from last season, 2.75 mt of already landed material and 0.8 mt of contracted quantities to arrive in June-September. The total imports of raw and white sugar would amount to 5.7 mt, which is equivalent to 5.5 mt of whites.

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Record fertiliser output last fiscal

Harish Damodaran,Paradeep, June 14

During 2009-10, Iffco achieved its highest ever fertiliser production level of 81.98 lakh tonnes (lt).

This included 43.24 lt of urea, 11.25 lt of di-ammonium phosphate (DAP) and 27.49 lt of complexes containing different proportions of nitrogen (N), phosphorous (P) and potash (K).

To put it in perspective, Iffco produced 20.5 per cent of the country's total urea output of 211.17 lt, with these amounting to 31.5 per cent (122.83 lt), in the case of DAP/NP/NPK complexes.

Inclusive of imports, Iffco's fertiliser sales in the fiscal totalled 118.27 lt: 63.35 lt of urea, 26.98 lt of DAP and 27.94 lt of complexes.

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