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‘Thoduvanam', a hit among farmers, villagers

NAMAKKAL: Namakkal district administration's digital approach to people's grievances, the first of its kind in the State, ‘Thoduvanam' has turned out to be a great hit among the general public, especially among villagers and farmers in remote areas.

The ritual affair of receiving petitions from general public is in vogue in every district on all Mondays for which people have to come from far off places with the fond hope of getting their grievances redressed.

These petitions being received by the Collector himself would be sent to concerned departments for further action.

“But the flaw in the chain is the feed-back. Each and every petition sent to other departments cannot be monitored closely. Hence the government has even asked the officials to go the villages once in a month under Special Grievances Day meetings. But still the gap between the receipt and the action taken exists,” points out a senior official.

Hence Collector U. Sagayam, to further strengthen the grievances redressal system of the district has decided to introduce an additional facility the ‘e-format' through which the people could file their grievances from Internet kiosks and computer centres, which has broadband connectivity either at their places or nearer to their places. They need not spend money and waste time to come to the Collectorate to submit their petitions. “Thus the people will be spared of their valuable time and money,” he points out.

Since its launch on Jan 1, 2010, the e-format with the mail address at www.collectornamakkal.in has received a total of 1,198 petitions of which action on 1,121 have been taken.

“The same also has been intimated to the petitioner by reply,” he says. But what is quite interesting is the ‘increasing access of the mail' by farmers and villagers who find it very convenient and user-friendly.”

Website

Many beneficiaries are poor farmers and agriculture labourers from remote villages. The petitions received through the website have been resolved within three days.

Beneficiaries

A total of 462 beneficiaries were also benefited by getting government's welfare schemes to the tune of Rs. 4.10 lakhs at a function on June 12 in which Union Minister of State for Health S. Gandhiselvan was the chief guest.

The district also has introduced another scheme called “Nallatchi Nanbargal Kuzhu” (Youth Councils for Good governance), under which youth in villages will be asked to serve as a bridge between the administration and villagers in the implementation of various government schemes.

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Certificate courses on nursery techniques

At Horticultural College and Research Institute, Periyakulam

THENI: Admission is open for six-month certificate courses on nursery techniques for horticultural crops, mushroom cultivation, ornamental gardening, seed production in vegetables and medicinal plants at Horticultural College and Research Institute, Periyakulam, according to V. Ponnuswami, Dean of the Research Institute, here on Tuesday.

These courses will be offered in Tamil language. Details can be obtained from Dean, Horticultural College and Research Institute, Periyakulam, through phone number: 04546-231726 or e-mail address deanhortpkm@tnau.ac.in.

Admission is also open for PG Degree, PG Diploma and Certificate courses in English and Tamil languages at the Directorate of Open and Distance Learning (ODL), Tamil Nadu Agricultural University, Coimbatore.

Besides, the university offers two-year postgraduate degree programmes that include MBA, M.Sc. (Environment Management) and M.Sc. (Sugarcane Technology and one-year postgraduate diploma programme in food biotechnology, production and quality control in medicinal plants and bioinformatics.

The courses are taught in English. Cost of the application is Rs.250 plus postage of Rs.50, he added.

Landscaping and ornamental gardening, nursery technology, commercial horticulture, mushroom cultivation, solid waste management and coconut cultivation are other certificate courses offered by it in English.

The certificate courses in Tamil include hybrid seed production in cotton and maize, sugarcane production technology, seed production in vegetables, nursery techniques for horticultural plants, mushroom cultivation, honeybee rearing, wasteland development, fruits and vegetables preservation, solid waste Management, maintenance and repair of farm equipment, coconut cultivation, cotton cultivation, ornamental gardening, modern irrigation management, medicinal plants, preparation of bakery products, candies and chocolates, modern weed management, cultivation techniques of jatropha, cultivation techniques of flowers, silkworm rearing and organic farming methods.

Period of these courses is six months and the application can be obtained free of cost by sending self-addressed cover with stamp of Rs.5. For details including eligibility and fees, applicants may call 0422-6611229 / 9442111047 / 9442111048; or e-mail to odl@tnau.ac.in.

The registration will commence from July. Applications can be obtained from Director, Directorate of Open and Distance Learning, Tamil Nadu Agricultural University, Coimbatore – 641003; or downloaded from the university's web site.

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“Cocoa is a suitable intercrop”

Nagercoil: The Department of Horticulture in Kanyakumari district has planned to implement the National Horticulture Mission scheme with a total outlay of Rs.2.82 crores during 2010-11, said the General Manager of Tamil Nadu Horticulture Development Agency (TANHODA), Mohan.

According to the General Manager, who visited horticulture farms at Pechipparai and Kanyakumari recently said that coco was one of the very suitable intercrop in coconut, spices, arecanut and rubber plantations.

‘It is the first time, the department horticulture arranged for Memorandum of Understanding with Cadbury India Limited to procure the dried beans of the produce with minimum support price. This facility would be extended to all beneficiaries under this scheme'.

Moreover, the Government has allotted Rs.30 lakh for the setting up of 'Exhibition-cum-seminar hall' at State Horticulture farm in Kanyakumari.

The work was going on in full swing and it would be completed at the earliest. Further infrastructure development works like water storage tank under Western Ghat Development scheme at an estimated cost of Rs15 lakhs and a model nursery under National Horticulture Mission scheme for Rs18 lakhs were also under progress.

The General Manager also inspected the ongoing works and directed the officials to expedite the works at the earliest.

There was a good demand among the farmers for Nutmeg grafts.

To cater the need of the farmers, 500 numbers of Vishwa Shree, a high yielding Nutmeg variety from Indian Institute of Spices Research, Calicut, has been obtained and planted at State Horticulture Farm, Pechipparai under shade net house for rapid multiplication.

Business Standard

Wednesday, Jun 16, 2010

Project to modernise sugar mills

BS REPORTER / Chennai June 16, 2010, 20:47 IST

The Tamil Nadu government has launched a Rs 1,125.63 crore programme to modernise 12 sugar mills and co-generation of 183 megawatt (Mw) power. The programme was launched at the weekend.

A sum of Rs 849.36 crore was sanctioned for installing cogeneration power units in 10 cooperative sugar mills and two public sector mills and the remaining Rs 276.27 crore for the modernisation of the mills, said the chief minister in his address.

He also inaugurated works at various mills simultaneously in Namakkal, Villupuram, Madurai and Thanjavur districts through videoconferencing from the secretariat here.

“The state government is committed to the welfare of cane farmers, the government sanctioned the payment of Rs 2,000 per tonne of sugarcane as procurement price this year,” he noted.

Of the proposed 183 Mw, 63 Mw was earmarked for the use of the mills and the remaining 120 Mw for the state. On completion of the co-generation component in 18 months, the Electricity Board would get power from the mills.

Besides, the programme would benefit nearly 100,000 cane farmers and provide employment to 1,200 persons, he added.

Three of the 10 cooperative sugar mills, in Villupuram district, would have the installed capacity of 48 Mw.

They would generate revenue to the tune of Rs 72.80 crore annually through the sale of power and within eight to nine years they could recoup the investment.

M S Shanmugham, Thanjavur district collector added, the mill earned a profit of Rs 30 crore last year.

Madurai Collector C Kamaraj, added that the Rs 110.28-crore modernisation package for National Sugar Mill, Alanganallur will increase the operations of the mill which has a crushing capacity of 2,500 tonnes of sugarcane a day. Power generation at the mill, would make its financial position comfortable, he added.

Sugar mills' losses rise

BS Reporter / Chennai June 16, 2010, 0:45 IST

Co-operative sugar mills (CSMs) in Tamil Nadu have reported an accumulated loss of Rs 1,475 crore as of March 2008, according to the Comptroller and Auditor General of India (CAG). The reported by the CAG has stated that this was because of the high cost of production, loan servicing and belated or non-receipt of eligible subsidy.

The CAG report for year-ending March 31, 2009, tabled in the Assembly, noted that the loan liability of the 15 functioning CSMs was around Rs 1,175 crore as on March 2009 and 13 CSMs had negative worth since liabilities exceeded their assets.

Tamil Nadu is the fourth largest sugar-producing state with an annual production of 2.2 million tonnes. Sugarcane is cultivated on about 235,000 ha every year and 15 CSMs, 20 private mills and two public sector mills are functional.

According to the auditor general, the CSMs suffered heavy losses owing to the high cost of production which was always higher than sale realisation ranging from Rs 131 to Rs 508 per metric tonne during 2004-09.

“The increase in production cost was mainly due to increase in sugarcane procurement prices as the government’s State Advisory Price (SAP) was invariably higher than the Statutory Minimum Price (SMP) fixed by the Centre,” the report stated.

It also noted that material cost alone accounted for nearly 71 per cent of the production cost.

Besides, the purchase tax payable by the sugar mills was the highest in the country. The purchase tax and sugarcane cess were Rs 60 per tonne and Rs 5 per tonne respectively compared to Rs 24 per tonne levied in Maharashtra, the CAG said, attributing the accumulation of loss to the government’s policies.

Apart from the production cost, the CSMs have failed to diversify into power generation, distillery operations, and so on, to augment their revenue. The lack of a scientific approach, problems in linkage, crushing of overage sugarcane, frequent breakdown of machinery, non-maintenance of correct technical parameters in operations affected the efficiency of CSMs.

Excess manpower, failure in marketing and excessive dependence on borrowed funds for working capital contributed to the high production cost, which, in turn led to recurring losses, said the CAG, recommending government intervention by way of loan restructuring to lessen financial burden of CSMs and improve their overall functioning, said in the report.

Firms may post higher profits on increase in levy sugar price

Ajay Modi / New Delhi June 16, 2010, 0:14 IST

High levy price report fires sugar stocks.

The proposal to increase levy sugar prices by 30 per cent for the ongoing October-September season will help sugar companies report better profits in the current quarter in spite of not-so-good sugar prices. Most companies had reported lower profits in quarter ended March 31. Sugar companies shares were up 3-4 per cent in a dull market today.

The food ministry is learnt to have cleared a proposal to hike levy sugar prices by about Rs 400 a quintal. At present, the levy price is between Rs 1,275 and Rs 1,383 a quintal (100 kg) in Uttar Pradesh (UP), the country's second-largest producer.

The proposal is waiting for Cabinet approval, which is expected shortly. Levy sugar is the sugar that mills are required to sell to the government for sale under the public distribution system (PDS). Currently, mills sell 20 per cent produce as levy. Mills can sell the remaining 80 per cent, known as free-sale sugar, in the open market, according to the government's release mechanism. Current free-sale realisation is Rs 2,700 a quintal, down from Rs 4,300 in January.

Uttar Pradesh-based companies like Bajaj Hindusthan, Balrampur Chini and Triveni Engineering, among others, had accounted for a lower levy sugar price for the six months ended March 31. Most sugar companies follow an October-September financial year.

"We accounted for a levy sugar price of Rs 1,384 a quintal for the two previous quarters. With a revision, we will actually get Rs 1,826 a quintal. This will add Rs 40-45 crore to bottomline for the current year," said Kishor Shah, director (Finance), Balrampur Chini.

Mawana Sugars, for instance accounted for a levy price of Rs 1,275 a quintal in the two preceding quarters. "An increase of Rs 400 a quintal will help us reverse a loss of Rs 22.50 crore on 56,000 tonnes levy sugar for the current season. This will help the bottomline," said Sunil Kakria, managing director, Mawana Sugars.

Bajaj Hindusthan produced 970,000 tonnes sugar during the current season and has a levy obligation of 194,000 tonnes. Considering its wide presence in UP, the company had accounted for a levy sugar price range between Rs 1,275 and Rs 1,381 a quintal. With the revised levy price, the company stands to gain Rs 77 crore during the current season.

Share prices of all sugar companies rose sharply on the Bombay Stock Exchange. Bajaj Hindusthan gained 3.12 per cent to close at Rs 115.60, while Dhampur Sugar gained 3.16 per cent to close at Rs 63.65. Mawana gained 3.52 per cent to close at Rs 25.

Bloomberg adds: Sugar stockpiles in India will jump 53 per cent in the year ending September 30, according to a group of domestic producers. India will end the season with 4.9 million tonnes compared to 3.2 million tonnes a year earlier, the Indian Sugar Mills Association said on Monday.

Govt okays 10,000 tonnes white sugar exports to EU

Reuters / New Delhi June 15, 2010, 22:29 IST

The government has permitted a trade body to export 10,000 tonnes of white sugar to the European Union in the year to September, a government statement said on Tuesday.

Under a WTO rule, India annually exports 10,000 tonnes of duty-free sugar to the EU but the government withheld the permission in February, bowing to severe criticism in the wake of a global surge in prices and lower domestic output.

Indian Sugar Exim Corp would be allowed to export 10,000 tonnes of white sugar to the EU provided it imports an equal quantity in 2009/10, the statement showed on a government

Higher output estimates have helped domestic prices drop almost a third since a record high of Rs 3,972 ($85.43) on January 7.

Cotton output may exceed previous estimates

Bloomberg / Mumbai June 16, 2010, 0:16 IST

Cotton production in India—the world's second-largest grower and exporter—may be higher than previously predicted, an industry group has said.

In the year started October 1, output may total 30.55 million bales, 150,000 bales higher than the forecast in April, the Cotton Association of India said. Production was 29.75 million bales a year earlier, it said.

India halted cotton exports in April to cool local prices and boost supplies, only to permit shipments a month later by traders holding a license. Shippers are seeking to boost sales amid global prices that have rallied 36 per cent in the past year.

“The association notes with great disappointment that the government has brought raw cotton exports under a licensing regime,” the statement said. It “urges the government to move raw cotton exports back to the ‘free list’,” the group said.

Exports may more than double to 8.2 million bales in the 2009-2010 season, from four million bales a year earlier, the group said. The carry-over stock may decline to 5.5 million bales, from 6.875 million bales a year earlier, it said. Cotton futures for December delivery dropped as much as 0.3 per cent to 79.45 cents a pound on ICE Futures US and traded at 79.42 cents at 2.37 pm India time.

THE HINDU Business Line

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Turmeric futures hit contract high, drop

Spot market seen firm on growers' holding power.

Farmers and stockists are hoarding turmeric stocks, anticipating further rise in the prices. This will provide support to the prices in the short term.

M.R. Subramani,Chennai, June 15

Turmeric for delivery this month hit a contract high of Rs 15,860 a quintal on Tuesday before paring gains and settling at Rs 15,240. Turmeric for July delivery hit a contract high of Rs 15,636 before dropping sharply and ending 3.3 per cent lower at Rs 14,810.Turmeric prices have been on the rise since the beginning of the month before Tuesday's fall that is linked to profit-booking.

Speculation

“Currently, the turmeric market is moved by speculators. The demand is normal while export demand is slow. We are witnessing hectic activity because the current month futures close on June 18,” said Mr Poonam Chand Gupta, a trader in Nizamabad.

Mr N.V. Thygarajan, a trader in Erode, concurred with Mr Gupta's view pointing out that the period between May 10 and July 15 is usually a lean one for demand.

“Any fresh demand for turmeric will emanate only after July 15,” he said.

Despite today's fall, traders do not see the price of turmeric falling sharply. “Neither will the prices flare-up nor plunge. Futures market is not reflecting fundamentals,” said Mr Gupta.

“The situation is different in the physical market. Growers are not willing to sell turmeric if the prices do not match their expectations,” he said.

SPOT PRICES

“Stocks are with people who have the holding capacity. Therefore any fall will be limited,” Mr Gupta said.

Mr Thyagarajan said the Salem variety turmeric in Erode was quoted at Rs 15,700-15,800 a quintal on Tuesday. In Nizamabad, the spice was quoted at Rs 15,300.

“Arrivals in Erode are 5,000-6,000 bags (of 100 kg). There could be some nine lakh bags stocks,” he said

In Nizamabad, stocks are estimated at 1.75 lakh bags (of 70 kg) and daily arrivals are around 500 bags.

Bullish in medium term

Angel Commodities, in its daily fundamental report, said farmers and stockists were hoarding turmeric stocks, anticipating further rise in the prices. This will provide support to the prices in the short term.

Mr Ajitesh Mullick of Religare Commodities said there were expectations of fall in the prices in the short term but the medium-term trend was expected to remain bullish. Tuesday's fall was on expected lines as the market had been anticipating profit-booking.

Higher coverage

Mr Poonam Chand Gupta said with the monsoon being active and expected to be normal, turmeric sowing will be higher.

“It is one commodity that has given over 50 per cent returns in the last couple of years. Sowing will be good in Maharahstra, Andhra Pradesh, Karnataka and Tamil Nadu," he said.

Angel Commodities said farmers will go for improved sowing of turmeric due to better profits earned last year.

"A clear picture on sowing will be available only by August end," said Mr Thyagarajan.

The Erode trade sees bullishness setting in turmeric after July 15. "We expect festival demand from that period," he said.

"In the coming weeks, both the monsoon progress report and the export demand would determine the trend for the commodity," said Mr Mullick.

CUES FROM STOCKS

"Prices for the far month contract in the short term (till June) will depend on the demand from overseas buyers and monsoon's advance to the interior part. In the medium to long term (July onwards) prices are likely to take cues from the stocks of turmeric with the stockists and progress of sowing of turmeric," Angel Commodities said.

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World tea output could be tad higher this year

Our Bureau,Kolkata, June 15

Between January and April, all major producers of black tea reported improved tea crop.

India's production – at 162.3 million kg (mkg) compared with 144.4 mkg in the same period of 2009 – recorded an increase of 17.9 mkg.

During the same period, Kenya reported 63.8 mkg of production rise at 147.9 mkg (84.1 mkg) and Sri Lanka 23.6 mkg at 102.3 kg (78.7 mkg). The increase in production in Malawi was 1.8 mkg at 28.5 mkg (26.7 mkg).

Bangladesh, however, reported a marginal drop in production of 0.3 mkg at 2.5 mkg (2.8 mkg). Between January and March, the crop in Indonesia was up by 0.6 mkg at 18.6 mkg (18 mkg).

In April alone, total Indian production at 68.2 mkg (62.6 mkg) was up by 5.6 mkg largely due to increased production of North Indian tea by 8.3 mkg at 48 mkg (39.7 mkg), as the South Indian production dipped by 2.7 mkg at 20.2 mkg (22.9 mkg).

Sri Lanka's production too dropped by 1.5 mkg at 28.4 mkg (29.9 mkg) while Kenya reported increased production of 17.6 mkg at 35.9 mkg (18.3 mkg). In Bangladesh, the production was up by 0.1 mkg at 2 mkg (1.9 mkg), and in Malawi by one mkg at 6.8 mkg (5.8 mkg).

J Thomas and Company Private Ltd, the tea auctioneers, quoting Universal Commodities (Tea) Trading Inc, pointed out that, at present, there is plenty of plain to middling quality tea around the globe.

East African and most of South-East Asian production should tighten up, as seasonal dry and cool, or monsoon respectively, moves in. China continues to recover slowly from its dry winter and spring.

Vietnam has had rain and demand for green leaf is good, though producers' initial price expectations have taken a hit and it remains to be seen whether they will maintain production through the whole season, as enthusiastically as they have started off.

Malawi is slowing down and Argentina is closed, with reportedly very little tea left over. Global second quarter crop is unlikely to exceed last year's on the same scale, as the first quarter of this year has done. There is perhaps a slim chance it may be slightly down.

The third and fourth quarters may not produce such excesses as the first quarter of this year .

On the demand side, certain sectors of the Mombasa market (Pakistan Bazaar and Egyptian importers, for example) seem to be playing a waiting game - for prices to bottom out.

Leaving aside their respective financial, inventory and logistical issues, sooner or later they need to operate or risk losing market share at home. Otherwise, demand seems to be good for the most part.

As of now, global tea output is set to be around 100,000-120,000 tonnes more this year, than it did in 2009.

Most of this surplus production is estimated to happen in the first six months. However, 100,000 tonnes is, in fact, only two weeks consumption (of black tea) globally.

The global crop in 2010 is only two per cent higher than what was produced in 2008, that is, a one per cent per annum rise across 2009-2010, rather less than the annual global consumption increase.

The report estimates that the world needs to produce more than 150,000 tonnes of additional tea in 2010, over 2009, to meet this year's projected demand. This is roughly around 40,000 tonnes each quarter of this year – achieved so far in 2010, as price graphs clearly demonstrate.

However, it is difficult to say if this trend will persist throughout the year.

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Finally, the right move on pulses

SHARAD JOSHI

By handsomely raising the support price for tur, the Government for once desisted from banning exports and liberalising imports to meet a situation of scarcity.

Food inflation continues to be a cause for concern.

It has been a fortnight of bizarre occurrences. After the drought last year, it was a relief to hear from the meteorological department that the monsoons were arriving more or less on schedule. Then came the “Laila” disturbances in the Bay of Bengal, causing storms and precipitation in Andhra Pradesh and Orissa. There were gusty storms caused by “Phet” in Gujarat. Farmers did not know what was happening, or what to expect.

CLIMATE CHANGE

The farmers and the government machinery were preparing themselves to meet a second successive year of drought.

But the last week suddenly saw a heavy downpour in the dreary desert regions of Rajasthan. Who would have expected to see flooded roads in Jaisalmer, even before the monsoons had reached Mumbai?

Climate change seems likely to manifest itself more in the form of heavy downpours than drought.

Indeed, climate is becoming like terrorism — it is hard to gather any worthwhile intelligence on how and where it will strike. Even after climate terrorism in Rajasthan, the Government has not started preparing for a situation that could vary from extreme drought to heavy inundation.

The monsoon has made its appearance more or less on schedule. It may play truant and hit at will. The food production situation is far from reassuring.

The situation on the food front continues to cause concern. Inflation in May 2010 was 10.16 per cent, compared with 9.59 per cent in April and 1.38 per cent last May. Rice prices went up by 7.5 per cent, while wheat became 4.5 per cent more expensive. Prices of pulses went up by as much as 32 per cent.

There were reports from Haryana and Punjab of large-scale movement of wheat and rice.

This could be for creating storage place for new arrivals. It could also indicate some devious manoeuvres by the trade that may pose a threat to food availability in general and in the PDS in particular.

There are reports that the acreage under pulses, sugarcane and natural fibres were on the increase. Does it suggest a move away from the cereal crops? We shall have to wait and watch.

CORRECT STEP

In an unprecedented move, the Cabinet, on June 10, announced hikes in the minimum support prices (MSPs) of rabi crops, including rice, tur and coarse cereals. Producers of rice have been demanding an increase in the MSP for quite some time.

The increase in the MSP of rice was politically advisable to settle the grievance about the gap between the support prices of wheat and rice.

A hefty increase of as much as Rs 700 per quintal in the price of tur, Rs 200 over and above the recommendations of the Commission of Agricultural Costs and Prices (CACP), was a step in the right direction. Pulses form the main source of protein for most Indians. There is little possibility of importing pulses from the international market.

For once, the Government opted for providing additional financial incentives to farmers, instead of banning exports and liberalising imports to meet a situation of scarcity.

REVIVE FUTURES TRADING

On an earlier occasion, the Government fixed the procurement price of wheat higher than that recommended by the CACP.

At that time, it could refer to the futures market quotations from the Chicago exchange. The decision on June 10 to override the recommendation of the CACP does not have any such point of reference.

It is a pity that trading on the futures commodity exchanges in both rice and tur has been banned since 2007. Even an expert could not have made an intelligent estimate of the market prices for both these commodities.

The decision of the Cabinet to fix the price of tur at Rs 3000 per quintal can, at best, be taken as a tentative measure, pending further developments.

While the Government has done well to courageously raise the support price for pulses, the move would have been more grounded in economic realities had it not banned futures trading in rice and tur three years back.

(The author is founder Shetkari Sangatana and a Rajya Sabha MP. blfeedback@thehindu.co.in.)

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Global farm output off 2008 record high

G. Chandrashekhar,Mumbai, June 15

Farm commodity prices may have fallen from their record peaks of 2008, but are unlikely to drop back to their average levels in the next decade, according to a forecast by the OECD-FAO Agricultural Outlook 2010-19 report released on Tuesday. The report said that food security concerns would persist as global agricultural output may be slow compared to the previous ten years.

Although the world produces enough to feed its population, recent price spikes and the economic crisis have contributed to a rise in hunger and food insecurity, leading to an estimated one billion people in an undernourished state. To fight this, the report argues that agricultural production and productivity must be stepped up, while a well-functioning rules-based trading system would be crucial to fair competition to ensure that food moves from surplus to deficit production areas.

Outlook

The outlook through 2019 sees average wheat and coarse grains prices 15-40 per cent higher in real terms than their average levels during the 1997-2006 period. Real price for vegetable oils is expected to be 40 per cent higher. Dairy prices are projected to be higher between 16 and 45 per cent.

Global output

Brazil will emerge as the fastest-growing agricultural producer with output expected to rise by more than 40 per cent. Production growth is also expected to be well above 20 per cent in China, India, the Russian Federation and Ukraine. Price volatility is a key concern of policymakers as the recent shocks — production shortfalls and surpluses, low and high stock levels, oil price fluctuations, the global economic recession — have unsettled agricultural commodity markets.However, the report says that while short-term price volatility is high, the evidence is conclusive as to whether it has changed over the long-run for major food crops. The extent to which world price fluctuations are transmitted to domestic markets varies across countries, the report pointed out, adding that price transmission depends on the country's integration in the world markets, its infrastructure and most importantly, its trade and agricultural policies.

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Volatility continues in pepper futures

Pepper futures continued to remain highly volatile and ended marginally down on bearish sentiments from the previous close.The reason for the declining trend was said to be that the overseas demand dried up following increase in the parity yesterday and reduction in Indonesian prices, market sources said.

In fact, there were 74 tonne buyers for June against 299 tonne sellers whereas in July there were 518 tonne buyers against 433 tonne sellers. It showed clearly as to how the market was behaving, they told Business Line. There was liquidation/switching over resultant from the bearish sentiment which in turn led to the decline in the market.

On the spot market, there were no sellers as everybody was on a wait-and-watch approach.

Sellers were reluctant to part with their produce below Rs 160 a kg, while the buyers were quoting lower, they said.

June contract on NCDEX dropped by Rs 72 to close at Rs 15,918 a quintal. July and August declined by Rs 57 and Rs 50, respectively, to close at Rs 16,184 and Rs 16,430 a quintal.

Total turnover fell by 3,065 tonnes to 5,800 tonnes. Total open interest declined by 176 tonnes to 14,959 tonnes.

June open interest fell by 763 tonnes to 2,133 tonnes, while that of July and August moved up by 420 tonnes and 163 tonnes, respectively.

Spot prices ruled steady at previous levels on limited activities at Rs 15,400 (ungarbled) and Rs 15,900 (MG 1) a quintal.

According to the report, “Indonesia continues not to hold their cards tightly on new crop. It looks like this will be another season in which Vietnam will hold center stage.”

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Import of sensitive items up 40.5% to Rs 65,564 cr

Our Bureau

New Delhi, June 15

Imports of sensitive items grew by 40.5 per cent in 2009-10 to Rs 65,564.59 crore mainly due to a surge edible oils, pulses, milk, food grains and rubber brought into the country.

Imports of items considered sensitive were worth Rs 46,667 crore in 2008-09.

The imports of edible oil grew by 63.3 per cent to Rs 25,975.34 crore in 2009-10 from Rs 15,908 crore from 2008-09, according to official data released on Wednesday. The imports of both crude edible oil as well as refined oil have gone up by 68.7 per cent and 39.7 per cent respectively.

The increase in edible oil import is mainly due to substantial increase in import of crude palm oil and its fractions, the official statement said. The country's annual edible oil demand is around 14.5 million tonnes. To meet this, over 8 million tonnes were imported on behalf of the Government by state-owned agencies such as MMTC, Nafed, PEC and STC.

Pulses import increased by 59.1 per cent to Rs 10,391.29 crore in 2009-10 from Rs 6,529.73 crore in the previous fiscal. The production of pulses in 2009-10 crop year was estimated at 14.77 million tonnes. Since the annual demand for pulses is around 18-19 million tonnes, the country imported around 4 million tonnes of the item to meet the deficit.

The Government permits duty-free import of pulses and edible oil to ensure domestic availability and to rein in price rise.

Rubber imports grew by 70.9 per cent to Rs 1,601.12 crore in 2009-10 (Rs 936.81 crore). Import of milk and milk products jumped to Rs 290 crore in 2009-10 (Rs 77.6 crore), a 273.9 per cent increase.

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Food grains import were up 259.2 per cent to Rs 118.02 crore in 2009-10 (Rs 32.86 crore), while tea and coffee imports rose by 41.8 per cent to Rs 286.88 crore in the period, (Rs 202.26 crore). The gross import of all commodities during 2009-10 was Rs 13,18,188 crore, down 4.1 per cent from Rs 13,74,434 crore during the previous financial year. Import of sensitive items constituted 5 per cent of gross imports of all commodities in 2009-10, against 3.4 per cent during the previous fiscal. Imports of cotton and silk, automobiles, products of small scale industries, alcoholic beverages and marble and granite have shown a decline at broad group level during the period. Imports of sensitive items from Indonesia, China, Brazil, Myanmar, Malaysia, Korea, USA, Japan, Canada, Argentina, Ukraine, Thailand, Australia and Czech Republic have gone up while those from Germany, Cote D' Ivoire and Tanzania have shown a decrease, the official statement said.

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Pranab sees further moderation in food inflation

Our Bureau,New Delhi, June 15

The Finance Minister, Mr Pranab Mukherjee, sees food inflation moderating further from mid-July onwards even as he expressed concern over the overall inflation in the economy.

“Food inflation had started to come down a little bit. With the expectations of good monsoon and crop, I think there will be a moderating influence from mid-July onwards,” Mr Mukherjee told presspersons on the sidelines of an annual conference of Chief Commissioners of Excise and Customs here today.

RBI action

On whether he expects the RBI to take action on the monetary side, Mr Mukherjee said the RBI would take appropriate steps as and when required to control inflation.

Mr Mukherjee also said that the Government had already taken several supply side measures to help control inflation.

Indirect tax collections up 49%

Meanwhile, the CBEC Chairman, Mr V. Sridhar, told presspersons that indirect tax collections have increased by 49 per cent in April-May 2010.

The Centre had collected Rs 23,420 crore from Customs, excise and service tax during April-May 2009.krsrivats@thehindu.co.in hindustantimes

Wed,16 Jun 2010

Weather

Chennai - INDIA

Today's Weather	
Partly Cloudy	**Wednesday, Jun 16** Max Min 37.3° | 26.2°
Rain: Trace	Sunrise: 05:42
Humidity: 79%	Sunset: 18:36
Wind: Normal	Barometer: 1006.0

Tomorrow's Forecast	
Cloudy	**Thursday, Jun 17** Max Min 36° | 27°

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Jun 18	**Jun 19**	**Jun 20**	**Jun 21**	**Jun 22**
33° | 28°	33° | 28°	33° | 27°	34° | 28°	33° | 28°
Rainy	Rainy	Rainy	Rainy	Rainy

Airport Weather		
Delhi Delhi	Rain: 00 mm in 24hrs	Sunrise: 05:22
	Humidity: 26%	Sunset: 19:20
	Wind: Normal	Barometer: 0999