THE HINDU

Published: June 25, 2010 02:59 IST | Updated: June 25, 2010 02:59 IST COIMBATORE, June 25, 2010

Training in mango products at TNAU

A training on "Value-added Products from Mango" will be held at the Tamil Nadu Agricultural University on July 1 and 2.

According to a university release, processing of mango into various value-added products and packaging technologies will be covered in the training programme.

It will include making of preparations like beverages, chutney, paste, jam and pickle, mango squash, fruit bar, and mango powder, will be taught.

Those interested can register before June 30 by paying a fee of Rs. 1,000 in the form of a Demand Draft drawn in favour of Dean, Agricultural Engineering. It should be sent to the Head, Post Harvest Technology Centre, Tamil Nadu Agricultural University, Coimbatore – 641003. For details, contact 0422-6611268.

Rising food inflation

AP A labourer fills a box of mangoes at a wholesale fruit market in Jammu. Food inflation shot up to 16.90 per cent as of June 12 on higher prices of pulses, vegetables and milk.

Higher prices of pulses, milk and vegetables pushed food inflation up yet again to16.90 per cent for the week ended June 12 from 16.12 per cent in the previous week. And with no discernible trend on the movement of the price spiral as yet in the wake of a weak monsoon, divergent views are being expressed on whether the Reserve Bank of India should take any immediate money tightening steps to contain the inflationary pressures.

On a year-on-year basis, even as potato and onion prices were lower by 37 per cent and 22 per cent respectively, pulses still ruled dearer by 34.14 per cent, while milk prices were higher by 21.12 per cent. Even on a weekly basis, vegetables were 8.06 per cent costlier while spices and condiment prices were up 3 per cent. Pulses (urad and moong) and tea were also higher by one per cent each.

The rising food inflation, in turn, has already started seeping into other sectors, such as manufacturing, to push the WPI (wholesale price index)-based headline inflation into double digits, pegged provisionally at 10.16 per cent in May.

Earlier this month, indicating the need for monetary tightening so as to curb consumer spending, Prime Minister's Economic Advisory Council (PMEAC) Chairman C. Rangarajan had said: “Inflation rate has reached uncomfortable levels. Therefore, some action is called for. It is for the Reserve Bank to decide on the timing. But, some action is called for…”

Finance Minister Pranab Mukherjee also had given similar indications of some policy action by the apex bank. “So far as the monetary part is concerned, the Reserve Bank will look into it,” he had said. However, a divergent opinion came for Chief Statistician of India Pronab Sen who felt that no immediate steps were necessary in the absence of a definite trend.

“There is no trend ... anxiety is still there. Though there is change in the composition, index as a whole is at the same level,” he said.

In the event, although food inflation has remained at above 16 per cent for nine weeks in a row, the general expectation is that a good monsoon would have a softening effect on the price spiral.

Published on Deccan Chronicle (http://www.deccanchronicle.com)

Pulses, vegetables push up inflation to 16.9%

Jun 25 2010 June 24: Food inflation shot-up to 16.90 per cent as of June 12 on higher prices of pulses, vegetables and milk, but any immediate tightening of money supply by the RBI to arrest the rate or price rise appears unlikely. The annual rate of price rise of food items in the previous week ending June 5 was 16.12 per cent.

Year-on-year, pulses turned dearer by 34.14 per cent, while milk cost 21.12 per cent more. However, prices of potatoes and onions were down by 37 per cent and 22 per cent, respectively. Food inflation has pushed core inflation into double digits (provisionally 10.16 per cent in May), prompting speculation that the Reserve Bank would tighten monetary policy to temper consumer spending.

“Inflation rate has reached uncomfortable levels. Therefore, some action is called for. It is for the Reserve Bank to decide on the timing. But, some action is called for,” Prime Minister’s Economic Affairs Committee chairman, Mr C. Rangarajan, had said earlier this week, setting off speculation that action could come before the Bank’s July 27 scheduled policy review.

The finance minister, Mr Pranab Mukherjee, too had dropped broad hints that there could be policy action by RBI, saying: “So far as the monetary part is concerned, the Reserve Bank will look into it.” However, economists indicated no such immediate action was warranted as the index was almost unchanged.

“There is no trend ... anxiety is still there. Though there is change in the composition, index as a whole is at the same level,” the chief statistician of India, Mr Pronab Sen, said. Food inflation has been above the 16 per cent mark for nine straight weeks.

“Food inflation will coming down post July,” Crisil economist, Mr D. K. Joshi said, and expects RBI to increase its key policy rates by 25 basis points to check inflation. He and Mr Sen are of the view that inflation is heavily dependent on the monsoons.

Source URL:

http://www.deccanchronicle.com/business/pulses-vegetables-push-inflation-169-955

Food inflation rises to 16.9 %

Jun 24 2010

Annual food inflation rose to 16.90 per cent for the week ended June 12 on high prices of pulses, vegetables and milk.

The annual rate of price rise of food items in the previous week was 16.12 per cent.

Prices of pulses for the week were higher by 34.14 per cent over the corresponding week last year, while that of milk rose by 21.12 per cent on an annual basis.

However, prices of potato and onion were down by 36.99 per cent and 22.42 per cent respectively.

On weekly basis, prices of vegetables rose by 8.06 per cent, that of condiments and spices by 3 per cent. Urad, moong and tea became expensive by 1 per cent each over the previous week.However, mutton price was down 2 per cent, and sea fish and arhar was cheaper 1 per cent each over the week.High food inflation is primarily driving up the overall inflation, which entered double digits (10.16 per cent) in May, according to provisional figures.

Also, final figures for March showed that inflation was 11.04 per cent against 9.9 per cent projected earlier.Prices of edibles had started rising last year and peaked to over 20 per cent in December 2009 after food production was hit by poor monsoon that accounts for 80 per cent of the annual rains the country receives.

Nearly 60 per cent of area under cultivation is rain fed.The weather office has predicted near normal monsoon this year, although it has been slow to advance since hitting the

Indian coast in late May. PTI

Source URL:

http://www.deccanchronicle.com/gadgetology/food-inflation-rises-169-726

express buzz

By Matthias Williams

24 Jun 2010 12:22:46 PM IST

Food inflation rises; fuel price meeting eyed

NEW DELHI: India's food inflation accelerated in mid-June, maintaining pressure on the Reserve Bank of India to tighten monetary policy at a faster pace.

India's food price index rose 16.90 percent in the year to June 12, higher than the previous week's annual reading of 16.12 percent, government data released on Thursday showed.

The fuel price index remained unchanged at 13.18 percent in the year to June 12.

The yield on the 10-year benchmark bond rose one basis point to 7.62 percent after the data. It had ended at 7.60 percent on Wednesday.

The Reserve Bank of India (RBI) has raised rates twice, by a total of 50 basis points, since mid-March to tame inflation and may deliver another hike of at least 25 basis points either at the July 27 policy review or even earlier.

Markets' focus now turns to Friday's fuel price meeting for rate cues.

A government panel will meet on Friday to decide on raising domestic fuel prices, a move that may further stoke inflation and spark off protests from the opposition.

With the annual headline inflation in May already above 10 percent, pressure has been mounting on the RBI to raise rates ahead of its policy review, but a liquidity squeeze in the markets may have held it back.

RBI Governor Duvvuri Subbarao last week said although inflation is getting more generalised and demand-side pressures are building, the bank for now will maintain its stance of a calibrated exit from loose monetary policy.

Policymakers, however, have not yet ruled out the possibility of an off-cycle rate hike.

Finance Minister Pranab Mukherjee told Reuters Television in an interview on Tuesday that the RBI was prepared to act "as and when considered necessary."

Food inflation is near the 17-percent mark, but Mukherjee said it can be tamed by a strong harvest and increased output of key food items.

The country's chief statistician Pronab Sen on Wednesday said headline inflation , the most closely watched inflation gauge in India, in June could be lower than 10 percent because of a weakening base effect.

However, monsoon rains, vital to cool food prices, were 11.1 pct below normal for June 1-23, sources at the weather office told Reuters on Thursday.

If the pace of progress of monsoons lags even in July, which is a critical rain-bearing month, it could further stoke food inflation.

Business Standard

Friday, Jun 25, 2010

Mills demand 60% customs duty on imported sugar

BS Reporter / Chennai/ Bangalore June 25, 2010, 0:59 IST

The South India Sugar Mills Association (SISMA) has urged the Central government to impose 60 per cent Customs Duty on imported white and raw sugar, which was prevailing earlier. The Association has also called for imposition of levy obligation on raw and white sugar as applicable to Indian sugar.

The Association in a statement on Thursday said that they were encouraging import of sugar - both white and raw - at nil rate of duty when there was a scarcity of sugar in India.

“But at present, the trading lobby is successfully extending the short-term measures which were put in force for import of sugar much beyond the period necessary as in the next few years the domestics production is going to be much in excess of consumption,” the association held forth.

This move, the association said, has resulted in the flooding of Indian market with imported white and raw sugar resulting in steep fall in sugar prices from the peak levels of Rs 4,000 per quintal in January 2010 to the now existing level of Rs 2,240 per quintal.

The association further noted that domestic sugar manufacturers are subject to levy obligation of 20 per cent whereas imported white sugar and raw sugar do not have this obligation.

“There is a stock holding limit for traders and end consumers of 15 days for the domestically produced sugar whereas imported white sugar does not have any stock holding limit. This has forced bulk consumers of sugar to move away from purchasing domestic sugar resulting in drastic reduction of sugar prices,” a spokesperson for the SISMA detailed.

He added that they are further compounded by monthly release mechanism exists only for domestic sugar and raw sugar refined whereas traders are free to sell imported white sugar without any release mechanism.

“These discriminatory steps are hurting us. Compared with the manufacturing cost and present level of realisation, the industry is incurring a loss of Rs 250 to Rs 300 per quintal,” the spokesperson added.

Rice, soybean sowing slows as monsoon stalls

Bloomberg / June 25, 2010, 0:27 IST

Monsoon — the main source of irrigation for the nation’s 235 million farmers, is 11 per cent below average this season, delaying early sowing of soybean and rice in the biggest growing regions.

The nation received 97.4 millimeters of rain from June 1 to June 23, less than the 109.6 millimeter average deemed normal for the period, the India Meteorological Department (IMD) said on its website. Last week, falls were 21 per cent below normal at 32.8 millimeters, it said.

PM Manmohan Singh is counting on normal rains to increase production of staples including rice, sugar, lentils and oilseeds after last year’s drought damaged crops and pushed up food costs. Rising prices are a concern the central bank will have to weigh against the risks to growth from the European debt crisis, Finance Minister Pranab Mukherjee said in an interview in Washington yesterday.

“We were hoping for an early sowing campaign this year and are still waiting for rains,” Rajesh Agrawal, a coordinator for the Soybean Processors’ Association of India, the country’s top trade body for oilseed crushers, said today. Still, “there’s no reason for panic yet as we are in the early part of the monsoon season.”

Sugar prices in India — the biggest consumer — rose for the first time in 12 sessions on speculation that a delay in monsoon’s advance to Uttar Pradesh, the largest cane-grower, may damage the crop. Immediate-delivery rates in Mumbai, the country’s largest wholesale market for the commodity, increased 1.4 per cent to Rs 2,560 a quintal.

Surpassing China

India overtook China as the biggest buyer of palm oil last year, and may import a record nine million tonnes in the year to October 31, according to Dorab Mistry, a director at Godrej, one of the biggest vegetable oil importers. India also became the world's largest sugar importer after last year's monsoon was the weakest in more than three decades.

According to the agriculture ministry, sowing of monsoon crops is lagging behind last year's levels after two tropical cyclones slowed the progress of rain-carrying winds.

Rice was planted across 1.1 million hectares, compared to 1.17 million hectares a year ago, while cotton was sown across 1.48 million hectares, compared to 1.76 million hectares, the ministry said on June 18. Oilseeds were planted in 1,34,900 hectares, down from 2,71,000 hectares a year earlier.

Northwest India, the nation's main cane, cotton and rice- growing region, got seven per cent less than normal rain from June 1 to 23, while central India, which includes the top soybean- producing areas, received 18 per cent less showers, the weather bureau's data showed.

Tea, Coffee

Rains were 16 per cent above normal in the southern peninsula, the main coffee and rubber region, and 21 per cent below average in the northeastern states, the main tea areas, the bureau said.

Northeast and central regions may get rains in the next 24 hours with the formation of a low pressure weather system over the North Bay of Bengal, Medha Kole, a director at the weather bureau's office in Pune, said.

Falls this year may be 98 per cent of the 50-year average, the weather office said in April. The bureau, which failed to predict last year's drought, deems normal rains to be between 96 per cent and 104 per cent of the long-term average. The office is scheduled to issue its forecast for July, August and September tomorrow in New Delhi.

Corn exports seen below 1 mt on poor crop quality

Reuters / Mumbai June 25, 2010, 0:25 IST

Owing to lower priced global offerings, poor domestic crop and quality issues, India may export less than a million tonnes of corn in the year to September, down from 2.3 million tonnes last year, a top trade official said.

“Corn exports could be less than a million tonnes. Our prices are higher than the competitors, our crop size was also smaller which impacted our exports,” said Amit Sachdev, India representative of the US Grains Council.

Sachdev said India exported 2.3 million tonnes of the grain in the year ending September 2009. The export year began on a negative note with quality issues resulting in rejection of large consignments.

India generally sells around two-three million tonnes of corn a year out of a global trade of around 80 million tonnes, and is an important supplier for Asian buyers seeking prompt shipment.

The Indian advantage was further diminished by lower priced offerings from the US and South America.

Indian delivery prices to China and Southeast Asia have been consistently higher by 10-15 per cent over the US delivery in the current marketing year, three traders said.

“Indian domestic prices were higher and so were export offerings...but the good thing is the farmers benefited,” Sachdev said. Indian prices ruled above 8,400 a tonne, the government intervention price for 2009-10, which was mostly higher than the US free-on-board prices. The country recently increased the intervention prices by about five per cent.

“India’s domestic demand remained good and there was a major drop in output, so local stocks had to be maintained and that affected exports,” said Poonam Chand Gupta, a large corn trader in Nizamabad, a major trading centre.

India’s corn output in the crop year ending May 2009 fell about three million tonnes to 16.32 million tonnes, hit by the worst monsoon in nearly four decades. India consumes about 17 million tonnes of the grain annually.The recent government move to increase intervention prices may support planting sentiment to some extent, Sachdev said.“But the progress of the monsoon is the major deciding factor for the acreage size,” he added.India’s monsoon rain, vital for the farm-dependent economy, has covered half the country and is three days behind schedule, but the delay was not a cause for concern yet, weather officials said on Friday.India cultivated corn in 8.88 million hectares in the 2009-10 crop year, about six per cent higher than the previous year. Corn is cultivated during both kharif and rabi (winter) seasons. Kharif accounts for about 85 per cent of the acreage.

Asean demand raises fish prices in India

George Joseph / Kochi June 25, 2010, 0:20 IST

Strong demand from the Asean region, especially from Thailand and Indonesia, for Indian sardines and mackerel has diverted catches there and raised prices here, depriving local folk of affordable access to these normally cheap and protein-rich seafoods.

Seafood consumption habits of India and the Asean countries are similar and these countries prefer mackerel and sardine from the Arabian Sea, say exporters. The big-size mackerel, abundant during the monsoon season, is preferred.

Both mackerel and sardines are now abundantly available in the northern part of Kerala. As both are shallow water fish, the catch is fresh and exporters are ready to offer high prices.

A J Tharakan, former president of the Seafood Exporters Association of India told Business Standard that Indian sardine and mackerel also have good demand for canning purposes (and for poultry feed in the case of sardines).

Normally during the monsoon season, the price of mackerel drops here to Rs 40-50 a kg and sardines are sold at Rs 10-20 a kg. This time, despite an excellent catch, the local retail price of mackerel has increased to Rs 100 a kg and sardine is available at Rs 20-40 a kg.

K P Jaison, manager of a fish commission company here, said leading export houses are ready to procure any quantity available of mackerel at Rs 40-80 a kg, according to the quality. At Munambam fishing harbour, one of the largest fish landing centres in Kerala, big-size mackerel is fetching an average price of Rs 70 a kg.

So, the local market is devoid of these common folk’s items and whatever is available locally are items rejected by export houses

Since this is the trawling ban period, country boats are benefiting. Each boat’s regular catch of mackerel is worth Rs 4-5 lakh. Local reports say some country boats got mackerel worth Rs 7-8 lakh in a single catch and some lucky fishermen got shrimp worth Rs 18 lakh a haul.

In fact, the main factor of concern at fish landing centres is a shortage of ice. Proper ice use is needed to ensure the quality of fish. That ensured, both fisherfolk and exporters are happy; consumers, much less so.

Monsoon progress crucial to oilseeds sowing

Dilip Kumar Jha / Mumbai June 25, 2010, 0:11 IST

Sluggish prices, carryover stocks may depress kharif, trade feels.

Ample carryover stocks, coupled with low domestic crushing due to cheap imports, may pull the oilseeds sowing area down by 10-15 per cent this kharif season, trade sources say.

A delay in monsoon rain has added to this. The overall sowing area was down by 50 per cent to 134,900 hectares (ha) as on June 18, as compared to 271,000 ha at the same time last year.

“During the past nine months, the price of oilseeds has been considerably below the expectations of farmers. The recent announcement of the minimum support price (MSP) was also a disappointment. Besides these two important factors, we must also look at the attractiveness of pulses. Most pulses require less water than oilseeds and are much more resistant to pests. So, farmers will switch to pulses and in some cases to cotton. Already, some switch has taken place to sugarcane,” said Dorab E Mistry, director of Godrej International.

Overall, this shift away from oilseeds will have only a small effect on world oilseeds supply and demand. But, this shift will have an effect on the price sentiment in the domestic market. Indian vegetable oil prices were too low and importers were sleeping, Mistry added.

“Recovery in sowing area is imminent but not fully. We are still apprehensive about rainfall. Since the monsoon rainfall also sets the trend for the rabi season, due to leftover soil moisture, the overall impact will be negative, if, the forecast of deficiency proves true, said Satyanarayan Agarwal, chairman of the Central Organisation for Oil Industry & Trade (COOIT), an apex body set up by the Ministry of Commerce.

During the earlier kharif season, a total area of 17.5 million ha was covered under nine major oilseeds, five per cent lower than the 18.4 million ha during the corresponding season of 2008-09. About two-thirds of oilseeds are produced in the kharif season, with the major crop being soybean and groundnut, while the balance one-third is produced in the rabi season, with mustard seed being the main crop.

Huge carryover stocks of various oilseeds would certainly encourage farmers to shift to other remunerative crops, including pulses and cotton, said Rajesh Agarwal, spokesperson of the Soybean Processors Association (Sopa). He forecast a five-seven per cent fall in soybean acreage during the current kharif season. Sopa estimated 9.5 million tonnes soybean output during the last kharif season. This year, the area may slip to 9 million ha, but output will depend upon the spread of the monsoon, said Agarwal.

According to trade sources, about eight million tonnes oilseeds is still uncrushed with farmers and stockists, sufficient to pull down the market sentiment and push farmers towards alternatives. Farmers and stockists are holding about three million tonnes of soybean and 2.5-3 mt of mustard seed. Plus, another two mt of other oilseeds.

Farmers held these stocks in anticipation of recovery in prices through the season. But, the zero customs duty on vegetable oil made imports cheaper.

The US Department of Agriculture (Usda) had, however, forecast India's total oilseeds output at 34.9 mt in the 2010-11 oil year (October-September), up 3.2 mt over the 2009-10 production estimate of 31.7 mt, assuming a normal monsoon and favourable growing conditions. It also estimated total edible oil production in 2010-11 would rise by 13 per cent over the last year, at seven mt and oilmeal output to rise 13 per cent to 15.2 mt for 2010-11.

B V Mehta, executive director of the Solvent Extractors' Association (SEA), a Mumbai-based trade body, says it is premature to forecast anything at present. Since the monsoon has just arrived in Maharashtra and sowing of major oilseeds takes place only by the end of June and continues until the first week of August, the overall trend will emerge only by the second or third week of July. Since monsoon forecast is normal, the sowing trend is likely to pick up in the coming days, with the progress of rainfall. It is too early to conclude when the season is just a week old, said Atul Chaturvedi, CEO of Adani Wilmar Ltd, a leader in the branded edible oil segment.

Siraj Choudhary, chief executive officer (refined oil) at Cargill India Ltd, feels carryover stocks of oilseeds will not change farmers' sowing sentiment. The crop area will decline only if rainfall remains scanty or oddly distributed, he said.

Black pepper, ginger strengthens on strong demand

Press Trust of India / Mumbai June 24, 2010, 16:16 IST

Black pepper and ginger prices firmed up further at the spices market here today due to increased domestic demand as well as sustained export enquiries. Meanwhile, other spices closed stable in the absence of necessary buying support.

Black pepper rose by Rs 7 per kilo to Rs 180/200 from Wednesday's closing level of Rs 173/193. Ginger bleached and unbleached also moved by Rs 5 per kilo each to Rs 215 and Rs 235, against Rs 210 and Rs 230, respectively.

Following are today's closing rates in rupees with previous rates in brackets:

Black Pepper (per kilo) 180/200 (173/193), ginger bleached (per kilo) 215 (210), ginger unbleached (per kilo) 235 (230), copra office Alapuzha (per quintal) 3,750 (3,750)

copra office Kozhikode (per quintal) 3,550 (3,550), copra Rajapur Mumbai (per quintal) 5,200 (5,200) and copra edible Mumbai (per quintal) 4,275 (4,275)

THE HINDU Business Line

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Friday, June 25, 2010

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Food inflation touches 10-week high of 16.9%

Centre hopes good monsoon will augment availability of pulses.

High food inflation is also likely to delay the Centre's plans to remove export curbs on grains or impose import duty on sugar or edible oils.

Our Bureau

New Delhi, June 24

There seems no respite to high food inflation despite the promise of a good monsoon and a softening of global commodity prices.

The official “food articles” index has gone up 16.9 per cent year-on-year for the latest recorded week ended June 12. That makes it the highest in 10 weeks since the 17.38 per cent level for the week ended April 3.

The main contributors to the 16.9 per cent annual food inflation rate have been pulses (up 34.14 per cent over last year) and milk (21.12 per cent). The Centre's hope is that good monsoon rains, in conjunction with remunerative prices inducing farmers to plant more area this time, would augment availability of pulses and dampen speculative pressures on the commodity.

Monsoon

A good monsoon will also improve the fodder position, thereby increasing milk production and procurement by dairies. But this will happen only over the next few months, till which time consumers may have no option but to bear with high food prices. High food inflation is also likely to delay the Centre's plans to remove export curbs on grains or impose import duty on sugar or edible oils.

The only consolation right now is that inflation has eased considerably in the case of cereals and vegetables. For the latest recorded week, the year-on-year price increase amounted to 5.11 per cent for cereals (including 6.45 per cent in rice and 4.21 per cent in wheat), and 4.32 per cent in vegetables (including minus 36.99 per cent in potatoes and minus 22.42 per cent in onions).

However, the inflation in fruits stood at 13.55 per cent.

The overall “primary articles” WPI (covering both food as well non-food articles) rose 17.60 per cent year-on-year for the week ended June 12. The non-food articles inflation of 18.86 per cent was basically on account of fibres (19.77 per cent) and minerals (20.15 per cent).

The index for ‘fuel, power, light & lubricants' went up 13.18 per cent on an annual basis, with this mainly due to petrol (up 18.06 per cent) and diesel (15.81 per cent).

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Rubber, tea estates set to gain from rain, sunshine

But showers inadequate for cardamom plants.

Almost 70-75 per cent of the plantations are reported to have undertaken rain-guarding of their trees to ensure that tapping continues.

C.J. Punnathara

Kochi, June 24

The intermittent rain and sunshine last week augurs a better crop for the rubber and tea plantations of South India, but is likely to dampen the cardamom production. Bouts of rains and sunshine is the ideal weather for rubber plantations since it augments better production as well as enable tapping operations, Mr N Radhakrishnan, former President of the Cochin Rubber Merchants Association, said.

The farmers were already enthused by the high reigning prices and these ideal weather conditions would have provided the final catalyst, Mr Radhakrishnan added. Also, almost 70-75 per cent of the plantations are reported to have undertaken rain-guarding of their trees to ensure that tapping continues unhindered even in the rains. However, arrivals to the markets have thinned out.

Renewed buying

And this had nothing to do with tapping or production but has more to do with speculation and holding back of stocks, sources in the trade said. The thinning arrivals were mainly due to the high prevalent prices which have prompted the farmer to hold back his stocks in anticipation that the price rise might be sustained into the coming days, the sources added. Reports of renewed buying by China from global rubber markets have also propped up the Indian rubber prices.

While international rubber sheet prices had often overtaken Indian prices in the recent past, sources pointed out that Standard Malaysian Rubber (SMR) prices were often reigning lower than the Indian prices. The corresponding domestic grade would be the Indian Standard Natural Rubber (ISNR) which is most often of a lower quality. While SMR is made from pure latex, ISNR is made from crump rubber, which is the residue from the hardened latex.

While the superior SMR prices are quoting in the Malaysian markets at Rs 135 a kg, the inferior ISNR prices are quoting over Rs 150, Mr Radhakrishnan said. This is mainly because of the weak demand for SBR from the developed markets of the West which were its traditional big importers. Most of the Asian markets trade in rubber sheets. Trade sources said that it would be feasible for India to import SMR at the current prices to stem the Indian price rise. However, they conceded that any news of imminent imports into India was likely to trigger price spiral in SMR.

Crop arrivals

Reports indicate that intermittent rains coupled with sunshine have resulted in a flush of new leaves in South Indian tea plantations and the crop arrivals have begun to pick up.

And if the favourable weather condition persists, the crop in the coming months is likely to look up.

However, crops such as cardamom require huge amount of water and adequate amount of shade. The intermittent rains reported in several growing regions are reportedly not adequate to recharge the groundwater and ensure a good crop. But, we are only in the early part of the monsoon and consistent rains in the months ahead could very well change the outlook, farmers pointed out.

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Pest attack plays havoc with Assam tea crops

Santanu Sanyal,Kolkata, June 24

An unprecedented pest attack has wreaked havoc with tea crops in Assam.

“The crop loss in May and June wiped out whatever growth achieved till April and the July crop too does not look promising,” Mr Aditya Khaitan, Managing Director of McLoed Russel, the world's number one producer of tea having the largest number of tea estates in Assam, told Business Line here on Thursday on his return from Assam.

Grave situation

“The situation is grave. We do not remember having seen pest attack on such a scale in recent times”.

Many tea growers, as it was pointed out, had pulled down the factory shutters due to poor crop availability. In some cases, a few gardens were pooling their crops together to keep one factory running. “It is really scary,” Mr Khaitan observed. “This is the season for second flush, the best crop, and we're terribly hit”.

combination of factors

A combination of factors is believed to have fuelled the pest attack. Incessant rain for past several weeks helped pest build-up in the gardens. The spraying to contain attack was not possible due to rains. Whatever little spraying was done was washed away. The recovery was slow because of the low soil and night temperature and inadequacy of sunlight.

Pesticides issue

There is another problem. The gardens growing tea for exports could use only a select few pesticides due to the stipulation of MRL (maximum residue limit) norms in the EU and other countries.

These “soft' pesticides were of little use in the present level of attacks.

Price impact

The damage to plantation, it is felt, will reduce supplies and push up the prices, more so because the loss suffered would not be recovered during the remainder of the season. Already, the prices at auctions are up by Rs 15-20 a kg. The cost of operation of the companies too will rise, it is felt.

Mr C.S. Bedi, Chairman of Tea Research Association, attributed the attack to a particular type of pest called, helopeltif thievora.

“In May, the infestation was mild but from the beginning of this month, it became virulent”, he said.He could not exactly the extent of crop loss, which would be known only around July or so.However, according to reports coming from different gardens, the production this month would be 40-50 per cent lower than that in the same period of last year, he added.

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Pepper futures soar on strong domestic demand

G K Nair,Kochi, June 24

Pepper futures were highly volatile and on a declining trend till 2 p.m. on Thursday and bounced back, closing much above the previous close.

There were additional purchases while short position holders were buying back. In fact, stockists/bullish operators in north India were buying at sellers' prices.

Many of them are anticipating that the domestic demand will pick up once it rains, which is expected in the month-end in the north Indian states. Therefore, actively all of them were covering.

Limited availability also aided the price rise.

Added to this, bullish reports from Vietnam also helped the prices to move up.

On the spot good quantities were traded at Rs 168 – Rs 170 a kg. Indian parity in the international market moved up to $3,925 a tonne.

Since all other origins are also firm, there may be chances of some orders coming for June/July shipments. However, it will depend on Indonesia's reaction.

If the market had remained stable, given the weakening of the rupee against the dollar, there was good potential for orders coming to India, export sources said.

“That chance is gone”, they said.

July contract on NCDEX increased by Rs 283 to close at Rs 17,218 a quintal. August and September went up by Rs 251 and Rs 151 respectively to close at Rs 17,380 and Rs 17,546 a quintal.

Total turn over increased by 1,503 tonnes to 11,792 tonnes. Total open interest moved up by 229 tonnes to 15,390 tonnes.

July open interest dropped by 345 tonnes while that of August and September moved up by 400 tonnes and 95 tonnes respectively.

Spot prices increased by Rs 200 to close at Rs 16,500 (un-garbled) and Rs 17,000 (MG 1) a quintal on strong domestic demand. An overseas report from the US today said the pepper markets were steady.

Prices quoted for different origins per tonne in dollars c&f New York were: MG 1 asta – 3,950-4,050; Vietnam 500GL – 3,400 plus(f.o.b); Vietnam asta - will respond to firm bids; Lampong asta – 3,850-3,875; Brazil 500GL – 3,350-3,400 (f.o.b); Brazil 550 GL – 3,450-3,550 (f.o.b); Brazil asta – 3,600-3,650 (f.o.b); Sri Lanka 500 GL – 3,325 (f.o.b); MLSV asta – 3,850-4,000 July/Aug. Vietnam white pepper 5,150. Meanwhile a report from Vietnam said its pepper prices remained more or less unchanged. Prices quoted were 550 GL- $3,370 a tonne (f.o.b) HCMC; 550GL- $3,550, White double washed at $4,840. Brasil origin sellers quoted new crop B Asta Oct/Nov/Dec shipments at $3,660 (f.o.b).

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Spices export rise in value, volume

C J Punnathara,Kochi, June 24

Spices exports from the country increased 28 per cent in value and volume in April. Volume in April grew to 56,910 tonnes (44,595 tonnes) and value to Rs 525 crore (Rs. 411 crore).

Though from a very small base, garlic exports witnessed a spectacular growth in volume by 62.82 per cent to 5,425 tonnes (85 tonnes). Although the unit value realisation for garlic fell, the total value realisation grew 47.38 per cent to Rs 19.47 crore (Rs 4 crore). Chilli was one of the biggest export earner with volumes growing by 45 per cent to 19,750 tonnes while value realisation was up 41 per cent to Rs 121 crore.

Ginger was another that showed robust growth in volume and value. While ginger volumes grew 32.9 per cent to 1,500 tonnes, value grew 10.2 per cent to Rs 8.17 crore. The unit value realisation of ginger plunged over 50 per cent to Rs 54.50 a kg. Although cardamom small registered a drop of 21 per cent in volume to 75 tonnes, value realisation perked up by 49 per cent to Rs 8.73 crore. The unit value realisation of cardamom almost doubled to Rs 1,165, up from Rs 617 a kg last year.

Pepper continued to decline with volumes falling 12 per cent to 1,450 tonnes, while value fell seven per cent to Rs 23.34 crore. Value realisation from turmeric exports also increased 12.4 per cent to Rs 62.19 crore while volume growth has been more modest at 13 per cent to 5,300 tonnes.

Value-added products such as oils and oleoresins, mint and mint products and curry powders continue to remain the mainstay of spice exports. Spice oils and oleoresins exports grew 22 per cent in volume to 550 tonnes while value grew 22 per cent to Rs 58 crore. Mint and mint products volumes were up 33 per cent to 1,200 tonnes and realised Rs 81.69 crore.

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AP cotton farmers to get weather cover

Our Bureau,Hyderabad, June 24

Cotton farmers in Andhra Pradesh will have weather insurance soon. The Andhra Pradesh Government will come out with a notification in the next three days announcing the features of the weather insurance. In the pilot, the insurance cover would be offered for the cotton farmers in Karimnagar, Warangal and Khammam districts.

“We will extend this to other districts at a later stage after evaluating the results in the pilot,” Mr N Raghuveera Reddy, Agriculture Minister, said.

Addressing a press conference here on Thursday, he said the Government would introduce a Bill in the ensuing Assembly session to regulate nurseries in the State.

The State had set a target for producing 209 lakh tonnes of food grains in 2010-11 as against 149.70 lakh tonnes in in the last year. It targeted to cover 2.05 crore acres in the kharif and 1.06 crore acres in the rabi season.

Quoting weathermen, he said the State would witness widespread rainfall in the next three days, strengthening the kharif activity. It received 94.4 mm of rainfall so far this season as against the normal fall of 85.5 mm. Medak, Adilabad, Karimnagar and Nizamabad received lesser than the average rainfall.

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Rs 623-cr Nabard funds sanctioned

Hyderabad, June 24

The National Bank for Agriculture and Rural Development (Nabard) has sanctioned Rs 622.46 crore for 41 protected water supply projects to supply safe drinking water to 748 habitations in 12 districts in Andhra Pradesh. The list included Rangareddy, Karimnagar, Medak, Srikakulam and Vizianagaram districts. It will cover a total population of 12 lakh. Made under the rural infrastructure development scheme, the sanctions also included minor irrigation projects in Mahboobnagar, Adilabad and Chittoor districts, a Nabard press release said here on Thursday. — Our Bureau

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Moon Fishery bags tuna processing contract

Kochi, June 24

The National Institute of Fisheries' Post-Harvest Technology and Training (NIFPHATT), Kochi, has awarded the contract for use of the facilities at thetuna processing plant to Moon Fishery (India) Pvt Ltd, Kochi. The plant, built at a cost of Rs 2.4 crore, will help to augment the country's tuna processing capacity and increasing the Sashimi tuna exports. Indian tuna is a premium product which is in great demand in Japan, the US and European Union countries.

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Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
Partly Cloudy	**Friday, Jun 25** Max Min 35.2° | 26.2°	Rainy	**Saturday, Jun 26** Max Min 36° | 25°
Rain: 0.2 mm in 24hrs Humidity: 75% Wind: Normal	Sunrise: 05:44 Sunset: 18:38 Barometer: 1003.0		

Extended Forecast for a week

<table>
<tr><td>Sunday
Jun 27</td><td>Monday
Jun 28</td><td>Tuesday
Jun 29</td><td>Wednesday
Jun 30</td><td>Thursday
Jul 1</td></tr>
<tr><td>34^{o} | 28^{o}
Rainy</td><td>34^{o} | 28^{o}
Rainy</td><td>34^{o} | 28^{o}
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