THE HINDU

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Tea: Centre urged to clear subsidy backlog

The Central Government has been urged to clear the sizable backlog of subsidies that it had promised to the tea industry for producing orthodox tea, which has a good demand in the international market fetching high prices.

The issue was taken up with the Union Commerce Secretary during his visit to the city on Friday. During the meeting, industry regulator, the Tea Board of India, also mooted a proposal to tie-up the end-use of the subsidy scheme, sources said. "While the Tea Board has recommended for the continuation of the subsidy scheme, it has also made a suggestion on changing the format so that the subsidy is tied to the end-use," a source who attended the meeting told *The Hindu*.

At the meeting, the tea industry was represented by the apex body of the north Indian producers, the Indian Tea Association, as well as Tea Research Association. Senior officials of the Tea Board, including the Chairman and the Vice-Chairman, and the Director (Tea Promotion) attended the meet. Since 2007, the government had been asking the industry to prepare a plan for increasing orthodox tea production.

Orthodox variety produces better quality aroma and is in greater demand in the international arena. India, however, has been a traditional producer of the Crush Tea and Curl (CTC) variety with the erstwhile USSR acting as backbone of the export market.

The U.K., the UAE and Iran have all been consumers of orthodox tea and India's bias towards CTC had led to a steady erosion of its market, especially in the face of competition from countries like Sri Lanka. India felt the heat on its largest commodity exports once Russia too started shifting in favour of orthodox tea. The country suffered a six-million-kg drop in tea exports in 2006, following a sizable erosion of the Russian market.

The annual subsidy bill for catalysing orthodox tea production is around Rs. 35 crore. Production stands at about 80 million kg with a Rs. 42-crore backlog of subsidies piling up since 2008-09.

Business Standard

Tuesday, Jun 29, 2010

Spices exports rise 28% in April

Press Trust Of India / New Delhi June 29, 2010, 0:58 IST

India's spices exports increased 28 per cent — both in terms of value and volume — in April this year over the same month last year, according to the Spices Board.

While in terms of quantity, exports reached 56,910 tonnes in the month under review, in value-terms, they rose to Rs 525 crore.

In comparison, the country exported 44,595 tonnes worth Rs 412 crore in April 2009. Shipments for chili — the highest forex earner among the spices — stood at 19,750 tonnes in the month and was valued at Rs 121.46 crore at an average price of Rs 61.5 a kg.

The highest growth in exports was recorded by garlic — a whopping 6,282 per cent in quantity and 4738 per cent in terms of value. In comparison, exports were 542.5 million tonnes and valued at Rs 19.47 crore in April last year

Monsoon may revive in 2 days

Reuters / New Delhi June 29, 2010, 0:55 IST

Rain well distributed in rice, corn areas; soybean areas to get good rain soon.

The annual monsoon rain should revive in two days after a 10-day lull, the weather office said on Monday, raising hopes for a pick-up in soybean planting in India, the world's largest edible oils buyer. The June-September rainfall, which irrigates 60 per cent of the country's farms and drives rural incomes, is vital for the trillion-dollar economy.

A healthy rainfall despite the slow progress could help PM Manmohan Singh tame high double-digit food inflation, which hit an annual 16.9 per cent in the week ended June 12.

"We expect the southwest monsoon to cover new areas in the next two days," B P Yadav, spokesman of the India Meteorological Department, said.

Rain was 12 per cent below normal during June 1-27, the weather office said. Countrywide rainfall was 122.4 mm during the period as against a normal 139.7 mm. "We expect some spectacular revival in July," Yadav said.

While the monsoon was above normal in the rice, corn and cane growing areas of south India, it was sluggish in the rest of the country, including the soybean-growing areas of central India.

"Sowing has been slow due to the weak monsoon, but we expect it to improve this week with the revival in rains," said A S Chandel, a director at the Soybean Processors Association of India at Indore.

Higher soybean output will help India, Asia's leading soymeal exporter, ship larger quantities of animal feed to its traditional buyers such as Japan, Korea and Thailand.

Last week, the weather office said rain was expected to be better than previously forecast, raising hopes of a good harvest and of reining in double-digit food inflation.

Any drop in food prices will also cool headline inflation, easing pressure on the central bank to raise rates.

Gur chakku up in steady market

Press Trust of India / New Delhi June 28, 2010, 18:08 IST

Gur chakku prices rose by Rs 50 per quintal in the national capital today on thin arrivals against better offtake. Elsewhere, other gur varieties ruled flat on some support.

Muzzafarnagar and Muradnagar gur market also pegged on last closing levels in thin trade. In Delhi, gur chakku moved up from Rs 2,800-2,900 to settle at Rs 2,850-2,900 per quintal.

Marketmen said restricted supply amid better offtake pushed up gur chakku prices.

Following are today's quotations in Rs per quintal:
Chakku Rs 2,800-2,900, Pedi Rs 2,825-2,925 and Dhayya 3,050-3,100, shakkar Rs 3,000-3,100
In Muzaffarnagar: Raskat Rs 2,050-2,100, chakku Rs 2,400-2,575 and Khurpa N.T
In Muradnagar: Pedi 2,600-2,650 and Dhaya N.A

Industry upset over delay in imposing import duty on sugar

Press Trust of India / New Delhi June 28, 2010, 18:06 IST

The sugar industry today expressed disappointment over the deferment of import duty on sugar due to inflationary concerns, stating that the Centre should have considered the high production cost of the sweetener before taking such a decision.

Industry said it would again ask the government to consider their demand for imposition of duty on refined sugar imports to protect domestic mills from sliding prices. Last week, an empowered group of ministers (eGOM) on food had deferred taking a decision on levying duty on sugar imports.

"It is most unfortunate that the government has deferred a decision on imposing import duty on refined sugar because of inflationary pressure," Indian Sugar Mills Association (ISMA) Deputy Director General M N Rao said.

Rao said that the government should not expect retail sugar prices to slip to last year's level, considering the fact that mills have paid as much as Rs 250 per quintal for sugarcane in the current 2009-10 crop year (October-September).

"How can the government ignore high production costs and expect low prices?" he asked. Sugar prices, which touched nearly Rs 50/kg in mid-January, have slid to Rs 32-34 a kg at present but still stand higher than last year.

National Federation of Cooperative Sugar Factories Managing Director Vinay Kumar said, "We are disappointed that it has got deferred. We will again approach the government to consider our demands, otherwise we will not be able to pay good cane price to farmers next year."

Millers paid Rs 250 per quintal for cane this year, which is much higher than the centre's Fair and Remunerative Price (FRP) of Rs 130 per quintal for 2009-10 and the statutory minimum price (SMP) of Rs 81 for the previous year.

The government has shifted to a new system of fixing sugarcane price from the current crop year. Under FRP, it has also factored in the risk element and profit along with the cost of cultivation.

"Rather than allowing duty-free imports, the government should give preference to domestic millers," Rao urged. The industry stated that duty-free imports were allowed only to deal with an emergency situation.

There is enough data to show that the availability of sugar in the domestic market is enough to meet the demand for the current season as well as the lean period in October- November, when mills do not operate in full swing, it added.

The government allowed duty-free import of sugar in February 2009, and as much as six million tonnes of the sweetener has been purchased from the global market since then.

Meanwhile, the country's sugar output in the 2009-10 crop year has improved from the earlier estimate to 18.5 million tonnes, against an annual demand of 23 million tonnes.

NAFED invites bids for sale of 38,000 bales of cotton

Press Trust of India / New Delhi June 28, 2010, 17:34 IST

State trading agency NAFED has invited tenders for the sale of 38,000 bales of FP H4/H6 SUP CONV cotton, stored in various state-owned godowns across Maharashtra.

The agency has said in its tender that bids for the sale of cotton bales, belonging to the 2008-09 season, should reach it by July 5 and they would be opened on the same day in the presence of bidders or their authorised representatives.

The reserve prices of cotton bale stocks stored at various godowns are Rs 24,575 per candy for stock at Maharashtra State Warehousing Corporation (MSWC) Lohara, Rs 25,500 per candy at MSWC Jalna, and the reserve price is the same for stock stored at MSWC Chikli.

Cotton bales stored at MSWC Vairag have a reserve price of Rs 26,000 per candy, while that for stocks at the rest of the godowns is Rs 24,000 per candy.

UP sugar output likely to rise 15%

Newswire18 / New Delhi June 29, 2010, 0:57 IST

Uttar Pradesh, the country's second largest sugar producer, is likely to produce 5.95 million tonnes of sugar in 2010-11 (October-September) as against 5.16 million tonnes estimated this year, a top official of the state's cane department said on Monday.

India’s sugar output is likely to rise in 2010-11 as farmers planted more cane in the state due to better prices, he said.

On an average, farmers in Uttar Pradesh were paid around Rs 250-290 a quintal for cane.

The official said the state was likely to crush 65 million tonnes of cane in 2010-11 as against 56.6 million tonnes estimated this year.

The final figure for the 2009-10 cane output will be available only by July 15, he said.

V. Govinda Reddy, secretary, South Indian Sugar Mills Association, said mills in Karnataka were likely to produce three million tonnes of sugar in 2010-11, up from 2.5 million tonnes estimated for the year ending September.

“We are estimating sugar output in the state to rise substantially to 2.9-3 million tonnes in the new year because of higher area coverage,” Reddy said.

Good prices paid to farmers, coupled with lower diversion of cane to gur, boosted farmers to plant more cane, he said. Cane output in 2010-11 is expected to be 27 million tonnes as against 22.7 million tonnes estimated for this year, Reddy said.

Sugarcane acreage in the state is likely to rise 15-20 per cent from 2,90,000 hectares, Reddy said. The country as a whole is likely to produce around 19 million tonnes of sugar this year as against an initial estimate of 16 million tonnes.

Maharashtra output up

Maharashtra — the country’s largest sugar producing state — concluded its crushing operations for 2009-10 (October-September) with a total sugar output of 7.1 million tonnes, up 55 per cent from 4.58 million tonnes last year, an official at Maharashtra State Cooperative Sugar Factories Federation said.

Mills in the state crushed 61.53 million tonnes of sugarcane this season as against 40.02 million tonnes a year ago, the official said.

“Higher availability of cane this year kept the mills running till June 17. Last year all mills had closed by May,” he added. Crushing in Maharashtra witnessed the average recovery rate increase to 11.53 per cent as against 11.44 per cent last year. Recovery rate indicates the amount of sugar produced by crushing one quintal of sugarcane.

The federation had pegged Maharashtra’s sugar production at 7.1-7.2 million tonnes for the current season, while output is further likely to increase in the 2010-11 season to touch 8.5-8.6 million tonnes. Mills in the state are likely to begin crushing for the next season from October 1 due to a higher availability of cane.

Wheat dara declines on increased supply

Press Trust of India / New Delhi June 28, 2010, 16:07 IST

In restricted activity, wheat dara prices traded marginally lower by Rs 5 per quintal in the wholesale grains market today on increased supply against reduced offtake from flour mills.

Elsewhere, other grains, including rice moved in a narrow range on alternate bouts of trading and settled around initial levels. Marketmen said easy availability of stocks in the market amid reduced offtake from mills helped wheat dara prices to trade lower at the wholesale market.

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

Following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,750-1,850, wheat dara (for mills) 1,230-1,235, chakki atta (delivery) 1,235-1,240, atta Rajdhani (10 kg) 175, Shakti bhog (10 kg) 175, Roller flour mill 630-650 (50 kg), Maida 750-780 (50 kilos) and Sooji 800-820 (50 kg)

Basmati rice (Lal Quila) 9,300, Shri Lal Mahal 9,300, Super basmati rice 9,000, Basmati common 5,250-5,350, rice Pusa-(1121) 4,550-5,050, Permal raw 1,750-1,800, Permal wand 1,825-1,975, Sela 2,050-2,100 and Rice IR-8-1,575-1,600, Bajra 945-955, Jowar yellow 1450-1,525, white 2,250-2,300, Maize 975-985, Barley (UP) 1050-1070 and Rajasthan 1,080-1,090

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Date:29/06/2010 URL:

http://www.thehindubusinessline.com/2010/06/29/stories/2010062951761100.htm

Gujarat State Fertilizers and Chemicals (Rs 249.1): Buy

Investors with short-term trading perspective can consider buying the stock of Gujarat State Fertilizers and Chemicals. It is seen from the charts of the stock that it has been steadily trending upward since its December 2008 low of Rs 64, shaping higher peaks and higher bottoms. In late May 2010, the stock found support at its significant long-term support zone between Rs 200 and Rs 215 and bounced up immediately. However, after pausing a while near the resistance at Rs 240, it penetrated this resistance by gaining 3.5 per cent on June 28 . This up move has reinforced the stock's bullish momentum. We observe that there is an increase in volumes over the past two trading sessions. The 14-day relative strength index is on the verge of entering in to the bullish zone from the neutral region whereas the weekly RSI has just entered this zone. Daily moving average convergence divergence indicator has signalled a buy and is heading towards positive territory. Moreover, the long-term uptrend-line is in tact for the stock. We are bullish on the stock from a short-term horizon. We expect it to move up until it hits our price targets of Rs 260 or Rs 266. Short-term traders can buy the stock with stop-loss at Rs 241.Yoganand D

Date:29/06/2010 URL:
http://www.thehindubusinessline.com/2010/06/29/stories/2010062954341900.htm

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Pepper futures rise on strong demand

G.K. Nair,Kochi, June 28

Pepper futures, after witnessing the usual high volatility during the day, closed above the previous closing. Upward trends in the Vietnam pepper prices coupled with strong domestic demand pushed up the prices. Tight availability of ready pepper had raised the spot prices. Karnataka prices were also on the rise.

On the spot, some selected lots were traded at Rs 180 a kg. Good quantities were traded at Rs 175 - Rs 179 a kg. On the futures market good quantities were liquidated while large quantities were switched over to nearby position. Additional buying also took place.

The July contract on the NCDEX was up by Rs 107 to close at Rs 17,951 a quintal. August and September went up by Rs 133 and Rs 148 respectively to close at Rs 18,777 and Rs 18,381 a quintal. Total turnover increased by 9,612 tonnes to 24,722 tonnes.

Date:29/06/2010 URL:

http://www.thehindubusinessline.com/2010/06/29/stories/2010062954411900.htm

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Sikkim moves to revive cardamom production

Sarikah Atreya,Gangtok, June 28

Concerned over the declining cardamom production in Sikkim, the State Government has decided to take a holistic step towards reviving the largest cash crop of the State.

Mr D.N. Thakarpa, Minister for Horticulture Cash Crop Development Department (HCCDD), today called for a holistic approach in order to tackle the problems related with the cardamom cultivation in Sikkim.

He was addressing a day long meeting of Large Cardamom Decline in Sikkim here. Also a ‘Save Cardamom mission' an initiative to increase the yield of cardamom was started today under the supervision of the Minister.

At the meeting, it was decided to form State- and district-level committees. Mr Thakarpa said that the horticulture scientists should devise ways and means to revive the cultivation of cardamom in the State. There should be a combination of new and innovative methods to attract more farmers to cardamom cultivation, he said.

Mr K.K. Singh, the Principal Director of HCCDD, said cultivation of cardamom had drastically decreased to 14,500 hectares from 24,000 hectares in the past three years. He said the meeting will also introspect and find out the ground realities to address the short- and long-term obstacles in cardamom cultivation.

“The department has decided not to go for further area expansion programme,” he added.

Mr P.H. Suresh, Deputy Director of Spices Board, said the lack of coordination between HCCDD and the Board was one of the factors hindering the cardamom cultivation in Sikkim.He said duplication in payment of the subsidies should be avoided.

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Tea import bill falls a tad

P.S. Sundar

Coonoor, June 28 Tea import bill has fallen marginally by 1.36 per cent in the first four months of current calendar year over the same period last year.

An analysis of the latest information available with the Tea Board and importers shows that this has happened because lower volumes were imported at lower prices.

Between January and April, the country imported 6.33 million kg (mkg), against 6.37 mkg in the same months of 2009. The price was 62 paise lower for every kg imported averaging to Rs 81.31.

Consequently, the overall import bill dipped to Rs 51.48 crore from Rs 52.19 crore, a decline of 1.36 per cent.

This year, tea was imported from about 16 sources, some trading, not producing. The highest volume of 1.75 mkg (0.94 mkg) came from Vietnam.

The next highest volume of 0.99 mkg (1.72) came from Nepal followed by 0.98 mkg (0.18) came from Iran.

Price-wise, India paid the highest price of Rs 258.41 a kg (Rs 171.18) to the UK, followed by Rs 152.97 (no import last year) to Kazakhstan and Rs 145.49 (Rs 260.61) to Sri Lanka.

India paid the highest bill of Rs 11.55 crore (Rs 5.33 crore) to Vietnam, followed by Rs 8.15 crore (Rs 12.37 crore) to Nepal and Rs 7.57 crore (Rs 11.67 crore) to Kenya.

hindustantimes
Tue,29 Jun 2010

Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
Partly Cloudy	Tuesday, Jun 29 Max Min 36.2° | 22.7°	Cloudy	Wednesday, Jun 30 Max Min 36° | 25°
Rain: 11.0 mm in 24hrs	Sunrise: 05:45		
Humidity: 75%	Sunset: 18:38		
Wind: Normal	Barometer: 1002.0		

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Jul 1	Jul 2	Jul 3	Jul 4	Jul 5
33° | 28°	32° | 28°	31° | 27°	31° | 27°	33° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy