THE HINDU

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Pulses farming to become mechanised from kharif season

60,000 villages identified; tractors, planters and Rotavators to be provided to farmers

With the continuous high prices of pulses a major worry, the Centre has reoriented its strategy from this kharif season, with farmers being given incentives to go for mechanisation through custom hiring of tractors, ridge and furrow planters, and Rotavators (rotary tillers).

Farmers are also being encouraged to take up inter-cropping, adoption of new technologies, integrated nutrient management, better seeds, and drip and sprinkler irrigation.

Farmers in 60,000 identified villages in major pulse-growing States are being provided 6,000 tractors of 35 horsepower each, along with planters and rotavators in custom hiring mode. The funds will be provided from the Rs. 300 crore announced in the budget and the Rashtriya Krishi Vikas Yojna.

“There is a felt need to promote farm machinery on a custom hiring basis to service the fields of pulses and oilseed farmers,” Union Agriculture Secretary P.K. Basu told *TheHindu* here.

Increase in area

The normal area under pulses is 23.08 hectares. Seven States — Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh — have an 83 per cent share of area under pulses. “With the new thrust, we expect the area to go up by 10 to 15 per cent,” said Mr. Basu. .

It is estimated that the tractor and planting equipment will be employed for 180 days of the year, especially during the kharif and rabi seasons. A tractor would service a four-hectare area a day. Custom hiring would be provided on a no-profit, no-loss basis.

Subsidy on costs

A farmer currently incurs an expenditure of between Rs. 900 and 1,200 a hectare on pulse cultivation. Now, with the provision of tractors and planting equipment free of cost, farmers will have to bear only the cost of diesel, driver's wages and equipment maintenance, estimated at Rs. 500 a hectare. This is a 50 per cent subsidy on the present cost.

A tractor and equipment agency will service 10 villages to cover 60,000 villages. The scheme is being implemented through the State departments.

Over 85 per cent of the pulses output comes from under rain-fed areas and is impaired by poor genetic potential, inadequate seed availability, large-scale pests, diseases, blue bull (*neel gai*) attacks on fields, and lack of implements.

The average productivity in India is 659 kg a hectare, as against 1,700-2,000 kg in other countries. In the country, the productivity is the highest in Haryana at 979.6 kg and the lowest in Tamil Nadu at 306. 8 kg.

Last year the all-India pulses production was 14.7 million tonnes. To cover the demand-supply gap, the country imports 3-4 million tonnes every year. However, as mentioned time and again in Parliament, no country produces enough surpluses to cater for India's large needs.

With the mechanised farming campaign beginning this kharif season, pulses production is expected to go up by 1.5-2 million tonnes.

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With fingers crossed, Agriculture Ministry awaiting monsoon revival

The Hindu An agricultural worker weeding in a paddy field near Plakkad in Kerala. File Photo: K.K. Mustafah Shortfall in sowing of paddy, pulses and coarse cereals

Union Agriculture Ministry officials are keeping their fingers crossed for the southwest monsoon to revive in parts of northern and central India before putting in place a contingency plan for kharif (paddy) sowing.

So far there has been a shortfall in sowing of paddy, pulses and coarse cereals compared to last year, which was a drought year, resulting in a kharif output deficit of 12 million tonnes.

Monsoon delay beyond a week will hit sowing of paddy, soy bean, oilseeds, maize, sorghum and pulses in some parts of north India. The India Meteorological Department has forecast revival of the weakening monsoon in parts of north India by July 5 and the Ministry has decided to wait and watch till then.

According to Ministry sources, sowing has been delayed mostly in Uttar Pradesh and Madhya Pradesh. Some pockets have been hit in Chhattisgarh and Orissa as well. Sowing will begin in Rajasthan after July 10, when monsoon is expected to set in.

“It is too early to say anything now,” Agriculture Secretary P.K. Basu told *The Hindu* here on Tuesday. “The important thing is that most reservoirs are full. Our main concern for now is to ensure proper fertilizer supply to farmers.”

Although the Ministry is playing down the monsoon delay, major kharif crop-growing States have been asked to be prepared with district-wise contingency plans. States where rain has been delayed have been advised to ask farmers to wait for July rains before going for plantation.

According to agriculture experts, spatial and temporal rainfall was better for crops than more rain in one spell. So far sowing has progressed well in Punjab, Haryana, parts of Chhattisgarh, Orissa and Gujarat.

Till last week, paddy was sown on 24.12 lakh hectares against 27.22 lakh hectares cultivated by this time last year. The area covered under coarse cereals is 11.14 lakh hectares compared to 15.35 lakh hectares the same time last year.

Pulses have been sown on 3.07 lakh hectares as against 3.81 lakh hectares in the corresponding period last year.

Published: June 29, 2010 21:15 IST | Updated: June 29, 2010 21:15 IST JAIPUR, June 29, 2010

Rajasthan bid to promote livestock breeds

Rajasthan Agriculture Minister Harjiram Burdak has said the State Government was committed to promoting animal husbandry and livelihood-oriented works associated with it to ensure additional income to farmers.

Addressing a workshop of veterinary doctors in Alwar on Monday, Mr. Burdak said the Veterinary University in the State – one of the eight functioning in the country – was running several programmes for improving the livestock breeds and protecting them against diseases.

Mr. Burdak called upon the veterinary experts to use their specialised knowledge to speed up research for improvement of breeds and popularise animal husbandry among farmers. “The livelihood aspect of animal husbandry should be the greatest attraction for the rural populace,” he said.Kraya-Vikraya Sahakari Samiti's chairperson Mahendra Shastri said the livestock formed an important component of rural life in the desert State and all attempts should be made to raise healthy and strong cattle.

indian express .com

Fuel price hike to spur inflation; RBI to intervene

Agencies **Posted online: Tue Jun 29 2010, 15:44 hrs**

New Delhi : Fuel price hike will further stoke inflation and prompt the government and the Reserve Bank to take strong measures to ease pressure on prices soon, said country's Chief Statistician Pronab Sen.

"You (are) already in inflationary process. The non-food inflation is accelerating. In that situation, this (fuel price hike) can actually trigger off stronger inflation process," he said on the sidelines of a function to mark the Statistics Day.

The government, on Friday last, increased the prices of petrol by Rs 3.73, diesel by Rs 2 a litre and cooking gas by Rs 35 a cylinder. While, overall inflation is hovering over 10 per cent, food inflation was 16.9 per cent for the week ended June 12. Noting that neither the Finance Ministry nor the RBI has taken any strong anti-inflationary measure, Sen said, "sooner or later they are going to come." On the possibility of RBI taking steps to tighten monetary supply before its scheduled policy review on July 27, Sen said, "that is up to the RBI." Sen, however, pointed out that the need for a huge sum of money by telecos for mobile spectrum has sucked out liquidity to a large extent from the system.

"Spectrum sale ...(has) sucked out huge liquidity, equivalent to 50 basis points increase in CRR (Cash Reserve Ratio)," he added. The CRR is the portion of deposits that banks are required to keep with the RBI. Elaborating on the impact of the hike in fuel prices, Sen said that the "increase generally tends to have a depressing effect on the economy. It has a very low elasticity of demand." Moreover, he added, "when fuel price is increased, it generally pulls resources from other forms of expenditure. So it normally (has)a depressing impact (on economy)."

Business Standard

Wednesday, Jun 30, 2010

Palm oil hits seven-month low

Reuters / Kuala Lumpur June 30, 2010, 0:37 IST

Malaysian crude palm oil futures slid to 7-month lows on Tuesday, as sentiment was hurt by a global sell-off in stocks and commodities.World stocks hit a two and a half week low on Tuesday as oil and euro slipped with the investors growing nervous over the funding situation of banks, which are about to repay 442 billion euros to the European Central Bank.Oil prices fell two per cent to below $77 per barrel in Asian hours.“There is some technical sell-off as the market is a bit depressed after crude oil, soyoil and regional equities markets fell,” said a trader in Kuala Lumpur.

The benchmark September crude palm oil contract on Bursa Malaysia Derivatives Exchange lost 1.4 per cent or 34 ringgit at 2,366 ringgit after slipping to as low as 2,362 ringgit earlier the session — a level unseen since November 20 last year.Volatility lifted volume to 15,008 lots of 25 tonnes each, compared to the usual 10,000 lots. It had slipped to 8,026 lots on Monday.

Palm oil traders expect the market to track the key Malaysian palm oil export data for June, due to be released on Wednesday. The market expects export shipments to show a higher trend.

FCI asks govt for wheat price flexibility

Rajesh Bhayani / Mumbai June 30, 2010, 0:33 IST

In order to improve offtake, it has decided to approach the food ministry.

The Food Corporation of India (FCI), a key player in ensuring the food security of the nation, is now taking steps to address the problem of plenty. The corporation has a huge wheat stock and in order to improve offtake, it has decided to approach the food ministry for freedom to fix prices for open market sale as well as sale through tenders.

FCI also wants the government to allow it to take spot exchanges membership for all states where the electronic platforms are available to enable it to use online platform more frequently, said the source.

FCI has 17.8 million tonnes of wheat lying in open plinths mostly in Punjab and Haryana and since proper godowns are not available, the stock may rot. The market prices have remained comparatively high despite high production.

FCI tried to sell wheat through online spot exchanges but was not met with noteworthy success. Earlier when it attempted such sale in March, it failed as open market prices were lower than FCI reserve prices. It did sold over 1,000 tonnes in June.

It has online spot exchange membership only for Delhi, as spot exchanges have state-wise licenses. Now FCI is approaching the government to have nation-wide membership of such exchanges. This along with freedom to decide price at which it can sell wheat on the electronic platform will help selling the commodity faster and efficiently, the source said.

Anjani Sinha, CEO, National Spot Exchange said, “The selling process of FCI wheat through spot exchanges is efficient as we guarantee delivery and payment to buyer and seller and settlement process is faster compared to tender sale by FCI directly. For delivery purpose we have made special arrangements for recognising warehouses where FCI wheat has been stored.”

FCI has also decided to sell 5 million tonnes wheat through tenders. A part of this sale is expected to take place through spot exchanges.

Devendra Vora of Friendship Traders, a Navi Mumbai-based firm said, “At present wheat is in demand and FCI should sell as much wheat from its stockpile as possible. Southern and western millers have opted for imported wheat in absence of wheat availability at affordable price. FCI sale will help them in procuring wheat locally and price sentiment will also be under check.”

He also suggested if proper railway wagon facilities are assured along with open sale then there is enough appetite for wheat in western and southern market of the country.

Pulses sale through spot exchanges is more popular. PEC, MMTC and Nafed sold 20 per cent of imported pulses through the National Spot Exchange, Sinha said.

According to the officials who was present in meeting between FCI, Forward markets Commission (FMC) and others last Saturday at FMC's head quarter in Mumbai, "It is also decided that the FCI will sign agreements with both the spot exchanges which will be submitted to FMC and in case of disputes, FMC chairman's decision will be binding on all concerned."

Haryana paddy transplantation starts on weak note

Vikas Sharma / New Delhi/ Chandigarh June 30, 2010, 0:37 IST

The transplantation of paddy in Haryana has commenced on a weak note, even as officials expect the process would pick up gradually in coming months.

According to the report by Haryana agriculture department, till now 110,000 hectares under paddy in the state has been covered as against 240, 000 hectares area covered in the corresponding period, last year.

B S Duggal, additional director (Agriculture), Haryana maintained the rainfall in the month of June has remained below expectation leading to less area covered under the transplantation.

Vijay Setia, president, All India Rice Exporter Association maintained the sluggishness reflected in transplantation of rice in first week was indeed a positive move.

Farmers who earlier used to start transplantation of paddy before June 15 (the date fixed by the Haryana government before which paddy transplantation is not allowed) stressed the ground water table. The governments of Punjab and Haryana have been urging the farmers to reduce the area under paddy owing to stress on the underground water table.

Cotton crops get affected in Punjab

Vijay C Roy / New Delhi/ Chandigarh June 30, 2010, 0:31 IST

Extreme heat conditions, shortage of canal water supply and genetically modified (Bt) seeds, have casted their shadow on cotton area in Punjab.

The state has missed the designated target of 550,000 hectares. According to the state government data, the total area under cotton cultivation stood at 532,500 hectares this season.

The shortage of canal water supply and extreme heat conditions has delayed the sowing of cotton crop by a few weeks in Punjab, the deadline of which expired on May 15. Generally, sowing of cotton starts from April 15.

Earlier while speaking to Business Standard, officials, maintained that despite delay in sowing the total area under cotton cultivation would touch 550,000 hectares this season as compared to 511,000 hectares last year. Also, according to the state government estimates the targeted production was 230,000 bales this year in comparison to total production of 2.06 million bales last year.

As a major portion of the area depend on canal irrigation and taking cognizance of the problem, the state government also issued number of new tubewell connection to avhieve the designated target. However, the state has witnessed marginal increase of 4.2 per cent in area, compared to last year against the designated target of 7-8 per cent.

According to the officials, the extreme weather conditions has largely affected the cotton sowing in the state. The maximum temperature in the northern region during the sowing season was hovering at 42 to 43 degrees Celsius, which is four degrees above normal. Agriculturists maintained that temperature above 40 degrees is not suitable for the cotton crop.

Sources added 95 per cent of the area would be under Bt cotton. On being asked the reasons, behind increase in area, they said last year again there was windfall gain for the cotton growers of Punjab, as they were getting better price. The average price of medium staple cotton in the state was ruling above the MSP of Rs 2,800 per quintal in different mandis of the state.

This prompted the farmers to opt for high yielding varieties to replicate the rich harvest. Moreover, we have organised awareness seminars with farmers to take up cotton cultivation as it consumes less water as compared to Paddy. Regions such as Bathinda, Muktsar, Mansa, Ferozepur, Moga, Faridkot, Sangrur and Barnala districts are rich in cotton.

The present agriculture cropping pattern in the state is dominated by the wheat paddy rotation. Wheat and paddy cover major portion of the agricultural sector. These two crops have increased to 77 per cent in 2006-07 from 47 per cent in 1970-71.

Select copra declines on reduced offtake

Press Trust of India / Mumbai June 29, 2010, 16:15 IST

Copra office Alapuzha and copra office Kozhikode prices declined at the spices market here today due to reduced offtake from stockists and retailers coupled with increased arrivals.

Meanwhile, other spices closed at their overnight levels in the absence of necessary buying support.

Copra office Alapuzha dropped by Rs 100 per quintal to Rs 3,650 from yesterday's closing level of Rs 3,750 and copra office Kozhikode moved down by Rs 25 per quintal to Rs 3,525 as against Rs 3,550 previously.

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

Black Pepper (per kilo) 190/205 (190/205), ginger bleached (per kilo) 225 (225), ginger unbleached (per kilo) 245 (245), copra office Alapuzha (per quintal) 3,650 (3,750), copra office Kozhikode (per quintal) 3,525 (3,550)

copra Rajapur Mumbai (per quintal) 5,200 (5,200) and copra edible Mumbai (per quintal) 4,250 (4,250)

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‘125 lakh tonnes oilseeds yet to be crushed'

Solvent extractors body says it could hit prices for kharif crop.

Woes aplenty

(in lakh tonnes)

Oilseed	2009-10 Production*	Stocks surplus	Marketable
Soyabean	85.00	45.00	35.00
Rapeseed	64.00	48.00	45.00
Groundnut	51.00	15.00	10.00
Cottonseed	91.50	30.00	25.00
Others	30.00	15.00	10.00
Total	321.50	153.00	125.00

* Trade estimate

Source: Solvent Extractors Association of India

Our Bureau,New Delhi, June 29

Even as sowing for the kharif season has begun, there is still about 125 lakh tonnes (lt) of oilseeds from last year's crop lying uncrushed, according to the Solvent Extractors' Association of India (SEA).

disadvantage

The 125 lt of surplus seed – which the domestic industry finds unviable to crush – is likely to impact prices of the new crop that would be harvested from October-November. This would definitely work against domestic oilseeds farmers, the President of SEA, Mr Ashok Sethia, has said in a representation to the Union Finance, Commerce and Agriculture Ministers.

The negative crushing margins faced by the industry has been due to a combination of very high oilseed prices during the last harvest (because of holding by stockists/farmers and excessive speculation at the NCDEX) and continuing import of cheap duty-free edible oil.

The negative crushing margins have led to closure of most oilseeds and rice bran processing factories. The estimated 125 lt of surplus oilseeds as on June 1 can potentially produce 40 lt of edible oil, but cannot be crushed by the industry because of the disparity between crop and oil prices.

Deluge of imports

At the same time, the country, ironically, continues to import large quantities of edible oil. During the 2008-09 oil year (November-October), 81.8 lt of oil valued at Rs 28,000 crore was imported, with these projected to touch 85 lt and Rs 32,000 crore in the current year.

The situation has been worsened by declining oilmeal exports. During 2009-10 (April-March), only 32.2 lt of meal got exported, against 54.2 lt, 54.4 lt, 51.7 lt and 44.2 lt in the preceding four fiscals.

SEA has called for raising the import duty on crude oil from zero to 20 per cent and refined oils from 7.5 per cent to 27.5 per cent. If this is not possible, these could be increased to “at least” 10 per cent and 17.5 per cent respective to offset various taxes paid by local processors.

Similarly, export of oil-meals may be revived through grant of a 5 per cent Vishesh Krishi and Gram Udyog Yojana benefit on the free-on-board value of shipments. Further, the Centre should lift all curbs on export of edible oil, which will encourage farmers who are not inclined to plant oilseeds at all this time, the SEA representation pointed out.

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PM needs better advice on agriculture

The current rate of farm growth needs to increase well beyond the arbitrary figure of 4 per cent. For that, the Government must reconsider its position on genetically *modified crops.*

Agriculture hasbeen stymied by a labour force that is reluctant to work on farms.

On June 19, the Prime Minister, Dr Manmohan Singh, in his convocation address at the Pantnagar University in Uttarakhand, emphasised the importance of increasing agricultural production to meet the demand of an increasing population, ensure food security and bridge the production stress created by climate change.

He said some right things about the need to ensure remunerative prices for agriculture produce and to reform markets.

He went on to exhort that we need to double farm production and take the rate of agricultural growth from around 2 per cent per annum to 4 per cent.

THE MYSTERY OF 4%

I have been hearing about this 4 per cent target rate of growth for the agricultural sector since the early 1990s, when it was recommended by one of the committees established to draft a National Agricultural Policy. The genesis and logic of this sacred number are not easily found out. There does not seem to be any link between this 4 per cent rate and estimates of the growth of foodgrains production required to attain some semblance of food security.

Is this target of agricultural growth econometrically linked with the projected rate of growth of GDP?

Agronomists have been talking about the 4 per cent rate of growth for agriculture when the Indian economy followed the “Hindu” rate of growth of 3 per cent in the epoch of socialism. At that time, obviously, the belief was that the rate of agricultural growth should be, at least, marginally higher than the rate of growth of the GDP.

Economists continued to talk about a 4 per cent rate of growth for agriculture even when the Indian economy reached almost double digit rates of growth in the final days of the NDA regime.

During the UPA-I period, the global crisis or no global crisis, the global warming or no global warming, agronomists continued to talk of 4 per cent as the desirable rate of growth for the agricultural sector.

FLAWED NUMBER

So, what is this 4 per cent all about? It is only the simple arithmetical average of the agricultural rates of growth as projected by individual States. I was taken aback to learn that the wise men in the Planning Commission had not even made an attempt to calculate a weighted average for arriving at the national goal.

It did not correspond to the actual rate of growth experienced in any of the States of the Union either. Gujarat has achieved an average rate of growth of around 9 per cent for some time. Surprise of surprises, even a backward State like Nagaland has been maintaining double-digit agricultural growth.

The Prime Minister talked of doubling the rate of growth in agriculture to 4 per cent, from the present rate of 2 per cent. Surprisingly, he conceded that, in the light of the droughts and floods in some parts of the country, the growth in India's farm production has been as low as 0.2 per cent. So, it was not a question of merely doubling the rate of growth. We need to increase the current rate 20 times.

GM SEEDS

The Prime Minister is also reported to have said that there has been no technological breakthrough after the Green Revolution of the 1960s. The Green Revolution technology essentially consisted of a new variety of “hybrid” seeds that responded well to incremental doses of water, nutrients and pest management.

Since then, technology has breached all known frontiers to produce a new generation of seeds that not only increases production but also reduces the detrimental effects of excessive use of chemical fertilisers and pesticides. It is also generally recognised that this new technology of genetic engineering is capable of meeting the demand for seeds with in-built capacity to meet abiotic stresses.

If only the Prime Minister had consulted the agricultural scientists present at the convocation in Pantnagar, they would have given him advice quite different from the one given by his Minister of State for Environment and Forests on the question of opening the doors to GM technology in food products.

The Prime Minister did not forget to repeat his faith in the magic formula of “inclusive growth”. He did show some awareness that strategies for inclusive growth could not exclude the farmers, particularly the small and the marginal farmers.

RELUCTANT WORKFORCE

It is high time somebody informed the Prime Minister that many of the programmes of ‘inclusive growth' are, in fact, promoting an ethos of addiction to free lunches, free medical treatment, and free education, not linked with any additional effort on enterprise.

Today, the advancement of agriculture has been seriously stymied by a labour force that is entirely disinclined and reluctant to work in farms.

The Green Revolution became a success in India, thanks mainly to the peasantry's spirit of enterprise and hard work. The UPA philosophy is effectively killing that spirit.If the UPA continues to put that spirit at a discount, block the advancement of frontier technologies and hamper sophisticated forms of agricultural marketing, it could lead to an actual deceleration in agriculture. India would lose an opportunity to attain an overall GDP rate of growth of 14-15 per cent, led by the agriculture engine.(The author is founder Shetkari Sangatana and a Rajya Sabha MP. blfeedback@thehindu.co.in.)

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Wheat stays firm

Karnal, June 29

Wheat prices are ruling firm in the face slack arrivals in the Punjab and Haryana terminal markets. On Tuesday, wheat (dara) was quoted at Rs 1,170-1,175 a quintal. However, at the wholesale level the prices are ruling at Rs 1,300 a quintal since Monday. Wholesale traders are reaping goods margin after procuring the commodity from commission agents between Rs 1,150 and Rs 1,200 a quintal.

With the season ending, there are no fresh wheat arrivals in the market. But traders said it is unlikely that the prices will touch the Rs 1,400-mark. This is because the Government has got adequate stocks with it. Moreover, heavy stocks are coming from Uttar Pradesh.

Some stockists, who are buying in bulk, are selling it to traders at reasonable price.

Traders are also purchasing the stock directly from the farmers on rates fixed by them. “We are purchasing the stock from the farmers based on the quality. If the product is of good quality, we give them Rs 1,220 to 1,250,” said a wheat trader. If the quality is average, the offer drops to Rs 1,050 to Rs 1,100 a quintal, he said .

He also said that the daily sales of wheat in the market is around 200 quintals and “we sell it in anything between Rs.1,250 to 1,300 a quintal.” – Our Correspondent

NewsWire18 reports: Wheat futures on the National Commodities and Derivatives Exchange trader higher on short-covering after prices fell to a five–week low on Monday. tracking thin demand. Wheat prices fell as demand from flour mills was subdued ahead of fresh supplies from the Government's open market sales scheme. Open interest in the July contract fell to 25,870 tonnes from 26,380 tonnes, indicating short covering.Wheat for delivery in July ended at Rs 1,231 a quintal, up Rs 5 frm Monday. Analysts said the contract has support at Rs 1,210 but it faces resistance at Rs 1,245.

Maize gains

Maize futures traded in the positive zone on good demand in the spot markets.Good offtake by poultry feed, which is witnessing a rebound, and starch industry in Bihar is supporting the futures as well as spot prices, said Vandani Bharti of SMC Global.The July contract closed at 1,026a quintal, up Rs 2.50 from the previous close.Spot prices in Nizamabad were up at Rs 996.80 a quintal.

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Potato prices may perk up on higher demand

Kolkata, June 29

Potato prices are likely to firm up post monsoon due to an anticipated rise in demand.

The wholesale price of the tuber (Jyoti variety) in West Bengal was quoted at Rs 410 a quintal on Tuesday, against Rs 380-400 a quintal last week, according to Mr Sukumar Samanta, General Secretary, Singur Ratanpur Aloo Byabasayi Samiti.

“Potato prices have increased by Rs 10-20 a quintal over the last two weeks backed by a sustained demand not only in the State but also in other States. Prices are likely to firm up by about Rs 15-20/quintal post monsoon as potato consumption is likely to go up,” Mr Samanta told Business Line. Demand usually picks up post July-August due to increase in consumption across the country.

Bengal potatoes

There has been a good demand for Bengal potatoes in States such as Orissa, Andhra Pradesh, Jharkhand, Bihar and the Northeastern States, primarily Assam. “Bengal potatoes are comparatively cheaper compared with potatoes of other

States such as Uttar Pradesh and the quality is also good. So, they are finding acceptance in these markets," he pointed out. More than 40 per cent of the total potatoes released by cold storages have been transported to other States across the country. Close to 58 lakh tonnes of potatoes have been stored in the 403-odd cold storages across the State.

Almost 19 per cent of the total potatoes stored in cold storages amounting to about 12 lakh tonnes have already been released into the market over the last two months. Close to four lakh tonnes of potatoes have been sent to other States.

The anticipation of a possible increase in prices is driving traders to hold on to their stock. "We have been holding on to our stocks in order to get better prices. This explains why there has been lower amount of unloading from cold storages during the last few days," said Mr Jayanta Sau, a potato trader in Singur.

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Demand heats up groundnut oil

Rajkot/Mumbai/Indore, June 29

Groundnut oil price have increased by Rs 30 for a tin of 15 litres in the last couple of days. In Mumbai, groundnut oil held firm even as prices of other edible oils dropped.

In Rajkot, the hub of groundnut oil, the price on Tuesday for a 15-kg tin was quoted at Rs 1,180-1,185, up Rs.15 from Monday. Groundnut oil in loose (10 kg) rose Rs 10 to Rs 765-770. On the other hand, cottonseed oil price ruled stable at Rs 685-660 for 15-litre tin.

Groundnut arrivals in Gujarat are about 30,000-35,000 bags (of 40 kg each) a day.

Groundnut increased Rs 50 to Rs 3,150-3,255 a quintal. Traders said that demand from branded mills and retailers was increasing and raw material supply was insufficient as rabi groundnut production had declined 45 per cent this year.

Price are likely to rise with demand seen increasing ahead of the festival season.

In Mumbai, palmolien oil dropped Rs 2 on the heels of a downward trend in Malaysia. Other oils ruled steady.

Soyabean July futures witnessed heavy selling by speculators and closed at Rs 444.90 for 10 kg.

Rain in Madhya Pradesh also aggravated the trend. Around 2-4 cm of rainfall was recorded in the State on Monday. Though the wet spell has dispelled the concerns over the monsoon's progress, it is seen inadequate for sowing.On NCDEX, soyabean July contracts ended at Rs 1,936 a quintal, a drop of 1 per cent.

In Indore, soyabean arrivals were normal. Due to subdued demand from the solvent extractors, the prices hovered between Rs 1,875-1,900 a quintal in the spot market.In Gujarat, farmers are awaiting the arrival of monsoon to begin sowing. It s the delay that is leading to some nervousness among bulk users. Retail buying was non-existent since it is the month-end. Local stockists are not interested in buying. In palmolien, resale of 250-300 tonnes (25 to 30 tankers – each of 10 tonnes) took place on Tuesday. Importers have cut their offer rates in the absence of demand.

In Mumbai, groundnut oil (loose) quoted at Rs 770 for 10 kg. Quality oil was in demand from manufacturers of branded oils. The spot market witnessed dull buying Refined palmolien declined by Rs 2 and closed at Rs 404. Refined soyabean oil closed at Rs 426, Sunflower expeller (refined) at Rs 432 and sunflower refined at Rs 475. Rapeseed oil (refined) prices increased Rs 2 to Rs 527, while expeller ended at Rs 497. – Our Correspondents

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Pepper futures fall on bearish sentiment

Kochi, June 29

Pepper futures on Tuesday fell on bearish activities despite buy calls from certain leading brokers.

“In fact, more and more bullish reports today appear to have activated bear operators who had pulled down the market. The market is driven by operators' whims and fancies without any co-relation to the ground reality and fundamentals”, market sources alleged.

Bearish sentiments were spread saying that stocks with the exchanges had crossed 4,000 tonnes and an equal quantity is held by investors in their warehouses and by dealers and growers and therefore, availability will outweigh the potential demand.

Clever lobbying

Meanwhile, bullish operators were spreading reports of tight supply position in all the origins. Looking at this gambling, some growers expressed apprehension that the import lobby was cleverly, using the loop holes in the rules, pushing the prices up to sell the imported cheap material in the domestic market. After achieving this they would pull the market down to cover as their deadline to re-export approached.

Not much activity was in the spot as the buyers and the sellers stayed away looking at the dropping futures market.

Karnataka pepper, however, continued to rule Rs 5 above the prices here, trade sources said.

July contract, on the NCDEX, fell by Rs 193 to close at Rs 17,780 a quintal.

August and September dropped by Rs 248 and Rs 223, respectively, to Rs 17,950 and Rs 18,150 a quintal. Total turnover fell by 5,689 tonnes to 19,033 tonnes. Total open interest moved up by 189 tonnes to 16,352 tonnes. Open interest for July moved up by 115 tonnes to 9,153 tonnes, while August was up by 44 tonnes to 5,790 tonnes.

September open interest remained unchanged at 702 tonnes.

Spot prices were steady at previous levels on limited activities at Rs 17,200 (ungarbled) and Rs 17,700 (MG 1) a quintal.

Indian parity in the international market was at $4,075 a tonne. Indonesia was cleverly booking orders $50 below the Indian parity for their new crop. Harvesting of light berries has already reported to have started there.

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Dry spell in Karnataka hits foodgrain sowing

Bangalore, June 29

A break in the monsoon has hit sowing patterns in Karnataka. Agriculture Department officials said there could be trouble if the dry spell were to persist for another week. A contingency plan is also under preparation, with kharif sowing in the State as of June 21 being 58,000 hectares less than the normal area sown by this period.

However, there has been a sharp rise in acreage under sugarcane, tobacco and cotton.

Officials said the situation could improve in a few days, with heavy rain in coastal areas.

Against a normal coverage of 13.86 lakh hectares by June 21, the actual coverage has been 13.28 lakh hectares, according to the latest weekly report of the Drought Monitoring Centre of the State Government.

Cereals and oilseeds sowing has been worst hit this kharif. Their coverage has so far been 75 per cent and 71 per cent, respectively, of the normal area sown by this period.

However, cash crop coverage has exceeded expectations so far. Actual area sown is 4.87 lakh hectares till June 21, 2010, against the normal of three lakh hectares by June 21. Leading the acreage surge is sugarcane, followed by tobacco and cotton.

As much as 2.78 lakh hectares were covered under sugarcane so far, against the norm of 1.28 lakh hectares by this time of the year. The targeted area under sugarcane for this kharif, at 3.66 lakh hectares, could be exceeded.

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Monsoon delay reflects on cotton

Rajkot, June 29

Cotton prices are on the rise with the monsoon being delayed in the growing areas such as Saurashtra in Gujarat as also Maharashtra. On Tuesday, raw cotton prices in Rajkot were quoted at Rs 650-711 for 20 kg.

Prices for Shankar-6 variety that is ginned have increased by Rs 300-400 a candy (of 356 kg each) to hover near Rs 30,000 a candy. In Rajkot, it was quoted at Rs 29,500-29,800 on Tuesday. In Maharashtra, it was quoted at Rs 29,000-29,100 a candy.

Fresh export demand in the face of the Centre lifting the ban on shipments from October 1 is also supporting the price.

Arrivals in Gujarat are about 7000-8000 bales (of 170 kg each) and in the country, they are 15,000-17,000 bales daily.

A Rajkot-based trader said: “Arrivals are adequate to meet the demand from mills but in the last few days there is some export demand that is supporting the price.”

According to analysts, monsoon deficiency can create a problem for the cotton crop. If the rain does not lash the growing areas within a week, the prices may cross the Rs 30,000–mark in a fornight.According to Mr Aanad Popat, Secretary, Saurashtra-Kutch Ginners Association, the initial trend is that cotton acreage may increase 10 per cent this season. Last year, cotton acreage in Gujarat was around 18 lakh hectares in the eight districts of the Saurashtra-Kutch region and parts of North Gujarat. – Our Correspondent

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Month-end pressure tells on sugar

Mumbai, June 28

Sugar prices dropped sharply on Tuesday after having increased to a month's high during the weekend.

Spot sugar price on the Vashi APMC market declined for second day by Rs 40 per quintal. On Monday, the prices had dropped by Rs 20-Rs 40. Last week, sugar prices increased by Rs 170- Rs 180 a quintal due to the lower free sale quota for next month. Market sources said that due to end of the month and the pressure of the lifting of goods from the mills kept stockiest away from making purchases. The local retail demand was poor and it put more pressure on Naka delivery price.

In Naka delivery, sugar prices were down by Rs 70 in for M-grade and S-grade.

On Tuesday, S-grade sugar in the spot market was traded at Rs 2,650-Rs 2,710 a quintal and M-grade at Rs 2,670-2,780 a quintal.

The total arrivals were 40 -42 truck loads (of 10 tonnes each). Retailers kept away from purchases. Demand from upcountry was lacking despite a slack monsoon and continuing hot weather, said market sources. Due to heavy selling pressure by mills, sugar Naka delivery price was down sharply to Rs 2,610- Rs 2,640 and Rs 2,640 –Rs 2,700 for S and M grades respectively.

The mill delivery tender (including excise) was quoted at Rs 2,530- Rs 2,560 for S grade and Rs 2,560 – Rs 2,620 for M grade. Maharashtra ex-mill prices were quoted Rs 2,465- 2,495 for S grade and Rs 2,500-.2,550 for M grade.– Our Correspondent

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Sri Lanka teas costliest at auctions

Coonoor, June 29

Sri Lankan teas fetched the world's highest average price of $3.34 a kg at the Colombo auctions in the first four months of the current calendar, posting 26-per cent increase over the corresponding period last year.

An analysis of the latest information available with the Tea Board and the various auction centres reveals that Kenyan teas fetched the second highest price average of $2.80 at Mombassa auctions, up by 29.63 per cent. Bangladesh teas posted an average of $2.30 at Chittagong auctions, 34.50 per cent more than last year.

Indian teas came next with an average price of $1.91, up by 12.35 per cent. North Indian teas fetched $2.08 (up 17.51 per cent) while South Indian teas, $1.60 (1.91 per cent). Indonesian teas averaged $1.87 at Jakarta auctions, up by 18.34 per cent. Malawi teas averaged $1.68 at Limbe, up by 13.96 per cent.

South Indian auction centres posted the world's least price average, barring Malawi's Limbe. And, the increase at South Indian auctions was the lowest among all auction centres around the globe.

Prices have been falling continuously at Coonoor Tea Trade auction centre, with the lowest edge of the price band declining to Rs 34 a kg last week, Rs 2 lower in a week. Until a couple of months ago, no tea was available for less than Rs 50.

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Rice hit by ample stocks, slack demand

Karnal, June 29

With wholesale merchants holding adequate stocks and demand slack, rice prices are witnessing a declining trend. The price of (Pusa) 1121 rice dropped to Rs 4,800 a quintal on Tuesday. During the same time last year, it ruled at Rs 6,500-6,800.

Traders here are selling the rice to wholesalers at between Rs 5,000-5,200 a quintal.

Traders say that the decline will continue as the wholesalers warehouses are full with stocks against the lowe demand.

The situation is the same with Basmati common. The variety is sold to traders at Rs 6,000-6,200 a quintal, while at the wholesale level it is sold at Rs 6,500 a quintal. Sela whire rice is trading at Rs 3,500-3,700, a quintal. However, wholesale traders are selling it at Rs 4,000-4,100, a quintal.

Export Ban effect

The continuing ban on rice exports is keeping the prices of these common varieties down.

Arrivals current are about 200 quintals of 1121 that are coming from Uttar Pradesh and Nainital. Old Sela is quoted at Rs 1,800-2,000 a quintal. – Our Correspondent

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AP rice levy procurement tardy

Kakinada, June 29

Rice levy procurement has been tardy of late in East Godavari district. Till June 28, 8,44,360 tonnes of white rice and 1,67,830 tonnes of par-boiled rice have been procured as levy in the district amounting to 10,12,190 tonnes.The target still to be achieved is 3,97,283 tonnes (white rice 1,53,240 tonnes and parboiled rice 2,44,043 tonnes). The procurement has to be made by September end.Shortage of railway wagons is hampering procurement. Besides, private and government-owned warehouses are overflowing with stocks.

Higher payment

On the other hand, farmers are happy as the millers are paying them more than the minimum support price of Rs 1,000 a quintal for common variety paddy and Rs 1,030 for the fine variety.Farmers are paid Rs 800 for a bag of 75 kg of common variety against the MSP of Rs 750. For the fine variety, farmers are paid Rs 30 more than the MSP.

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Wed,30 Jun 2010

Weather

Chennai - INDIA

Today's Weather

Clear	Wednesday, Jun 30 Max Min 36.6° | 25.6°
Rain: 0.2 mm in 24hrs	Sunrise: 05:45
Humidity: 79%	Sunset: 18:38
Wind: Normal	Barometer: 1003.0

Tomorrow's Forecast

Rainy	Thursday, Jul 1 Max Min 36° | 26°

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Jul 2	Jul 3	Jul 4	Jul 5	Jul 6
33° | 29°	32° | 28°	33° | 28°	33° | 27°	32° | 28°
Rainy	Rainy	Rainy	Rainy	Rainy