

More foodgrains for poor at BPL rates

Gargi Parsai

Decision comes in the wake of court's concern

The grain will be sold at BPL rates in the next six months

At EGoM meeting, it was also decided to overhaul PDS

NEW DELHI: In the wake of the concern expressed by the Supreme Court at foodgrains rotting, the Union government on Thursday decided to release an additional 2.5 million tonnes of rice and wheat to the States for distribution to the poor under the Targeted Public Distribution System.

The grain will be sold at Below the Poverty Line (BPL) rates in the next six months.

It was also decided to overhaul the PDS, including upgrading the number of eligible BPL families. The number under consideration is between 7.7 crore and 8.14 crore, depending on which population census they are based. At present, 6.52 crore families are categorised as BPL.

The decisions were taken at a meeting of the Empowered Group of Ministers (EGoM) here.

The meeting, chaired by Finance Minister Pranab Mukherjee, was attended, among others, by Agriculture Minister Sharad Pawar, Deputy Chairman of the Planning Commission Montek Singh Ahluwalia and inter-ministerial senior officials.

The meeting, lasting two hours, went over the court's observations on rotting grain and its remarks that the grain might be distributed free rather than being allowed to rot.

Emerging from the meeting, Mr. Pawar said:

"The government is considering an overhaul of the PDS, including upgrading the number of eligible BPL families. This is expected to increase the number of such families eligible for assistance and corresponding increase in allocation by the Central government.

"As an interim ad-hoc measure, pending a final decision on the issue, the government is releasing an additional quantity of 2.5 million tonnes of wheat and rice to the States at BPL price for the next six months."

The Minister did not reply to questions about distribution of free grain from the Central pool to the poor.

In the recent months, the Food Ministry had released to the States about six million tonnes for distribution to Above the Poverty Line families and an equal quantum under the open market sale scheme (OMSS) to enhance the availability of grain and keep the prices under check.

However, lifting has been poor, as the rates at which the government allocated grain include acquisition and freight charges. The States have been asking for grain at BPL cost.

The Centre distributes subsidised grain to 6.52 crore BPL families. They are eligible for 35 kg of grain a month. The current food subsidy bill is estimated at Rs. 66,000 crore. On August 1, the government had 55 million tonnes of food stocks, against the norm of about 27 million tonnes.

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Boost to export of coconut products

Packaged tender coconut water has been included in the Focus Product Scheme

KOCHI: Packaged tender coconut water has been included in the Focus Product Scheme and made eligible for 2 per cent incentive in the recently unveiled annual Foreign Trade Policy.

The incentive given to packaged tender coconut industry would boost exports of coconut products and bring the coconut farmers under inclusive growth, according to Ananda Bose, Chairman, Coconut Development Board.

The technology for packaged tender coconut water has been developed by the Defence Food Research Laboratory, Mysore, in collaboration with the Coconut Development Board. Packaged tender coconut water is a soft drink in many countries in the European Union, ASEAN and USA. There is an emerging market for packaged tender coconut water in Latin America, Africa, Germany and several other countries.

Countries such as Malaysia, Singapore, Vietnam, Thailand are among the leading exporters of canned tender coconut water. They are dominating the American and European markets. Indian tender coconut water exporters are trying to pack the water in aluminum cans which will make them competitive and increase their presence in the competitive and emerging markets of the world.

Coconut shell products have also been included in the Focus Product Scheme which will have incentives. Coconuts (fresh, dry), coconut oil, desiccated coconut and coconut oil cake have already been brought under Vishesh Krishi Gram Udyog Yojna which provides special incentives.

Mr. Bose said coconut exports grew by 50 per cent notching up Rs.150 crore in the first quarter of current fiscal against Rs.100 crore reported during the same period last year.

The Board targets exports worth Rs.600 cores in 2010-11. Coconut products are gaining demand both in the emerging and nascent markets, he said.

Coconut products were exported to 84 countries last year. This year, exports would touch around 100 countries, according to him. He also thanked Commerce Minister Anand Sharma for giving focussed thrust to coconut products.

Date:03/09/2010 URL:

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Panel to look into sugar decontrol

Gargi Parsai

NEW DELHI: Agriculture and Food Minister Sharad Pawar on Thursday met Prime Minister Manmohan Singh to apprise him of the move to decontrol the sugar industry.

To look at the possibility of de-control, it was decided that Chairman of Prime Minister's Economic Advisory Council C. Rangarajan, Chief Economic Adviser Kaushik Basu and former Agriculture Secretary Nanda Kumar would suggest a formula for revenue sharing between farmers and industry when all controls go.

The meeting was attended among others by Food Secretary Alka Sirohi.

At present, the government controls the sugar industry by fixing fair and remunerative price payable to farmers for sugarcane, setting the quota of sugar that mills could sell in the open market as well as the levy sugar to be sold through ration shops each month. Mills have to give 20 per cent of their produce for levy at present.

With the area under sugarcane higher this season than last year and expectations of bumper production from next season starting October, the Ministry feels this is the right time to give in to the long-standing demand of the industry to decontrol it.

Millers have been suggesting that the government should meet its obligation for subsidised sugar for the poor by buying it from the open market.

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COIMBATORE, September 3, 2010

Flawed policies of regimes at Centre triggered agrarian crisis: Bardhan



The Hindu VANTAGE VIEW: (From right) Communist Party of India General Secretary A.B. Bardhan, National Secretary D. Raja and State Secretary D. Pandian at a rally organised by the AIYF on the inaugural day of its three-day State Conference in Coimbatore on Thursday. Photo: K. Ananthan

The youth in the country have a huge task of battling the problems it faces, such as denial of rights to tribals and their exploitation, poverty, food crisis and corruption, General Secretary of Communist Party of India (CPI) A.B. Bardhan said here on Thursday.

Addressing a public meeting organised by the All India Youth Federation (AIYF) to kick off its State conference here, the CPI leader said flawed policies of the governments at the Centre, especially the ones led by the Congress, had led to the agrarian crisis in the country. This was evident in two lakh farmers committing suicide.

Despite being a deficit State, the Left Democratic Front-ruled Kerala was able to end the suicides through its pro-farmer and pro-poor schemes.

Mr. Bardhan called upon the Tamil Nadu Government to provide more land for houses for the poor. He said 200 sq.ft. was inadequate. His party would launch, on September 13, a State-wide struggle for land for the poor.

Secretary of the party D. Raja said the AIYF focussed on bringing about a fundamental change and not on superficial protests.

He accused both the United Progressive Alliance Government at the Centre and its constituent, the Dravida Munnetra Kazhagam, of betraying the interests of Tamils in Sri

Lanka.

The Tamils in the island nation were not free of the problems they had faced during the ethnic crisis and before the war between the Sri Lankan Army and the Liberation Tigers of Tamil Eelam.

The pact on Katchateevu must be reviewed by the Central government if the rights of fishermen in Tamil Nadu were to be protected.

“Indian fishermen are being killed by only the Sri Lankan Navy and not those of Pakistan or Bangladesh,” he said. On the alleged remarks against Communists by Chief Minister M. Karunanidhi, Mr. Raja said only those who lost faith in democracy resorted to attacks on Communists.

Kerala Minister for Forests Binoy Viswam urged the members of the AIYF to implement the spirit of the organisation's slogan “Save India, Change India”. The present regime in Kerala proved that there was an alternative that could salvage the country from the disaster that flawed policies on modernisation could bring about. He called for efforts to nurture brotherhood between Kerala and Tamil Nadu.

Sand mafia

State Secretary of the CPI D. Pandian said sand mafia thrived in Tamil Nadu while the Left front Government in Kerala was able to put an end to it. The Public Distribution System in the neighbouring State met the needs of the poor, unlike in Tamil Nadu.

“We will struggle to get at least five cents of house site for every poor family in the State,” he said, elaborating on the movement to be launched on September 13.

Earlier, AIYF members took out a rally from V.O.C. Park to Sivananda Colony, the venue of the public meeting, to mark the beginning of the conference. Mr. Bardhan, Mr. Raja, Mr. Viswam and other leaders of the party viewed the rally.

Pawar set to decontrol sugar

Sep 03 2010

Sept. 2: Sugar stocks shot up on Thursday on news that the agriculture minister, Mr Sharad Pawar, and the sugar industry representatives made a presentation before the Prime Minister for the decontrol of sugar. The stocks of Dhampur Sugar, Renuka Sugars Bajaj Hindustan, Sakthi Sugar and Balram Chini were up between three and 10 per cent.

However, a Congress spokesman in Maharashtra, Mr Kanhaiyalal Gidwani, said the government is unlikely to agree to decontrol as there had been three other occasions when there was talk of decontrol but a positive decision was never taken. "There are fears that if sugar is decontrolled it would lead to speculators and hoarders taking control of the sugar stocks," the spokesman said.

The Indian Sugar Manufacturers Association and the National Federation of Cooperative Sugar Factories are lobbying for decontrol of sugar. Among the reasons for this demand is an expectation of a bumper crop and that the farmers will get a better price.

The estimates of the industry is that India will produce 250 lakh tonnes against the consumption of around 220 lakh tonnes. However, Mr Gidwani says that 250 lakh tonnes is only on paper. The actual production figures will be know only in April 2011. The crushing season will start in October-November 2010. The present production of sugar is 180 lakh tonnes and the shortfall is made up through imports. There is a fear that if sugar is decontrolled, speculators and hoarders will have a field day. Anyone with money could buy two lakh tonnes and manipulate the price. Sugar is an essential commodity and there is strict control by the government on how much is released every month and how much can be stocked.

Source URL:

<http://www.deccanchronicle.com/business/pawar-set-decontrol-sugar-103>

3 Sep, 2010, 12.24AM IST, Sutanuka Ghosal & Madhvi Sally, ET Bureau

Potato prices may dip as Bengal plans stock cut

KOLKATA | CHANDIGARH: Potato prices may drop as the West Bengal government is all set to offload 1 million tonne (mt) in the market by next week to rapidly cut excess stocks. Output in India's second largest potato growing state doubled this year to touch almost 10 mt. But branded snack companies such as ITC and Pepsi will see no dip in raw material costs as the prices of the specialised varieties they buy remain steady.

Talking to ET, Mr Mortaza Hossain, West Bengal's minister of agricultural marketing, said: "We have decided to offload the potato that we had asked consumer cooperatives under the West Bengal State Consumers Cooperative Federation (Confed) to procure. The offloading will begin from next week. We are currently working on the model that we will use to offload these potatoes."

West Bengal finance minister Asim Dasgupta said: "These potatoes will be sold in two phases. The first phase will kick off from September 9 and will continue till the first week of October. In the first phase, we will offload 5 lakh tonne. Of this 5 lakh tonne, 1 lakh tonne will be sold through public distribution system at a price lower than the market price by Re 1 per kg. The rest 4 lakh tonne will be sold through a tendering process." The second phase will begin after the Pujas and will continue till the first week of December. "The modalities of selling potatoes in the second phase has not yet been decided," he added.

Confed had procured 1 mt from farmers at Rs 3.50 per kg. Prices in retail markets are currently ruling at Rs 5-12 a kg. Prices of varieties used in snacks such as Chipsona, Atlantic and Lady Rosetta are ruling at Rs 8-9 a kg, said Nischint Bhatia, executive vice-president at PepsiCo

India.

Potato is India's top vegetable crop, with an annual output of 35 mt that contributes the lion's share to the total annual vegetable production of 100 million tonne. Table potato prices are politically sensitive for the government that monitors them closely as it is an Indian household favourite across incomes.

"A sentiment dip for a short term may happen. In the long term, prices will remain stable before the new crop hits the market from Punjab, West Bengal and Bihar," said Sachid Madan, director at Technico Agri Sciences, a subsidiary of the cigarettes-to-hotel major ITC Limited. "Prices are bound to increase by Rs 2-3 in October-November when new processing variety crop comes from South and Central India. However, with Punjab crop coming in from November, end prices will touch Rs 8-9 a kg," he said. The company procures close to 1.5 lakh tonne potato annually. In the previous year, processing varieties prices had touched at Rs 16 a kg.

In Bengal, consumers at the retail end get two kinds of potatoes — Chandramukhi and Jyoti. In the wholesale market, Chandramukhi potatoes are available at Rs 600-625 per quintal whereas Jyoti is available at Rs 500 per quintal. The retail consumer gets Jyoti potatoes at Rs 6 a kg whereas the Chandramukhi variety is available at Rs 8-9 per kg.

Sowing has already begun in Una district of Himachal Pradesh and Hoshiarpur district of Punjab where Pukhraj and Chandramukhi varieties are being planted. Across India, sowing will begin after paddy is harvested in October. "The Una and Hoshiarpur crop will come into the market by November and we expect prices to fall with a huge stock in the country," said Naininder Singh Dhillon, an expert in potato marketing and farming in Punjab. On Thursday, the MCX September contract was ruling at Rs 425.70, October at Rs 453.10 and March 2011 at Rs 468.10.

2 Sep, 2010, 03.20PM IST,REUTERS

Turmeric hits contract low on output view; jeera down

MUMBAI: Turmeric futures hit a fresh contract low on Thursday depressed by poor demand and prospects of higher crop due to an increase in acreage, analysts said. Farmers sowed tumeric in larger areas this season after a shortage pushed up prices sharply last year, while higher-than-normal rains have also boosted output estimates.

"Sentiment is weak due to hopes of higher production... current weather conditions are helpful for the growth of the crop," said Veeresh Hiremath, analyst at Karvy Comtrade. At 2:39 p.m., the most active September turmeric was down 1.02 percent at 12,434 rupees per 100 kg after hitting a contract low of 12,350 rupees per 100 kg. In April-July 2010, India's turmeric exports were 18,350 tonnes, down 16 percent from the same period year ago, according to the Spices Board.

In the Nizamabad spot market, turmeric was down 198 rupees at 13,782 rupees. Area under turmeric in southern states of Andhra Pradesh and Karnataka has risen 21.5 percent and 19 percent, respectively, in 2010/11, two government officials had told Reuters. The two states account for more than half the total production in India, the world's biggest producer of the spice. J

India jeera futures fell half a percent, weighed by subdued domestic and overseas demand though a decline in arrivals restricted the losses, analysts said. Good rainfall in the country, which analysts say, may help the sowing operations in the upcoming season also added to the pressure. "Demand is weak at the moment but it is expected to pick up in the coming days due to the festive season. Prices should not fall much as supply is also limited," said Hiremath of Karvy Comtrade. Festivals like Ganesh Chaturthi and Diwali take place between September and November.

At 2:40 p.m., the most active September jeera was down 0.46 percent at 13,469 rupees per 100 kg. Jeera exports in April-July 2010 had fallen 19 percent from a year ago to 13,500 tonnes. In India, jeera is cultivated during winter from October to December, and harvested during February-April.

India pepper futures were steady as poor supplies in spot and lower stocks prompted buying at lower levels offsetting sluggish export demand, analysts said. At 2:40 p.m., September pepper was up 0.03 percent at 19,790 rupees per 100 kg. The contract has fallen nearly 8 percent in the last seven sessions. In the Kochi market, spot pepper fell 94 rupees to 19,753 rupees per 100 kg. India's pepper exports in April-July 2010 rose 2 percent from the year-ago period to 6,750 tonnes.

Sep, 2010, 11.07AM IST,REUTERS

Guar drops on output view, chana on stocks

MUMBAI: Guar futures fell in opening trades on Thursday due to prospects of higher production with an increase in guar-seed acreage and weather favourable for standing crop, analysts said. At 10:46 a.m., the most-traded September guar seed on National Commodity and Derivatives Exchange (NCDEX) was down 1.06 percent at 2,048 rupees per 100 kg.

Guar seed acreage is up 10 percent in Rajasthan, top producing state that accounts of 80 percent of the country's output, boosting hopes of higher crop this year. Industry officials have estimated a three-fold jump in India's guar seed output to nearly a million tonnes in 2010/11 owing to the increase in acreage and conducive rainfall.

Chana futures fell more than 1 percent, weighed by mounting stocks, higher acreage under kharif pulses and fresh arrival of moong from new crop, analysts said. Hopes of good sowing of chana in the upcoming season due to sufficient moisture in the soil, also pressured the prices, they said. Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and Karnataka are the

main chana producing states and sowing begins from October.

At 10:46 a.m., the most traded September chana on the NCDEX was down 1.07 percent at 2,211 rupees per 100 kg. As on Aug. 26, area under kharif pulses stood at 10.9 million hectares, compared with 8.9 million hectares a year ago. Spot prices of summer-sown pigeon peas or tur, black gram or urad, and green gram or moong influence chana futures prices.

Fresh arrivals of moong have gradually started picking up in the spot markets of Karnataka, Andhra Pradesh, Maharashtra and Madhya Pradesh. According to the fourth advance estimates, the production of chana in 2009/10 is likely to be 7.35 million tonnes against 7.06 million tonnes last year, official data showed.

2 Sep, 2010, 05.54PM IST,REUTERS

India sugar up on festival demand, export hopes

MUMBAI: Indian spot sugar edged higher on Thursday due to slightly lower sale quota set for September despite festival demand, dealers said.

Hopes the government will allow exports also supported the price rise, they said.

India has made available 1.672 million tonnes of non-levy sugar for September, slightly lower than 1.7 million tonnes it had released in August, the government said in a statement.

The government sets a monthly quota for millers to sell in the open market, which is called non-levy sugar.

"Festivals are lined up in next few months. Stockists are active, they are expecting a rise in retail demand," said Jitendra Shah, a trader based in the Vashi spot market near Mumbai.

Demand for sugar usually goes up in India during Aug-Nov due to festivals such as Diwali.

In Kolhapur, a key market in top producing state of Maharashtra, the most traded S-variety rose 0.16 per cent to 2,523 rupees (\$53.98) per 100 kg.

With companies stepping up raw sugar processing in plants in the coastal region, India will emerge a regular exporter of white sugar from 2010/11, an executive from trading house Cargill had told a conference on Wednesday.

Consultancy Kingsman SA had on Wednesday cut its global sugar surplus estimate by a third for the year that began in April due to adverse weather in several regions, including top producer Brazil.

The Indian Sugar Mills Association (ISMA) has estimated the country's sugar production at 25.5 million tonnes in 2010/11, compared with 18.8 million tonnes in the current year ending September.



Weather

Chennai - INDIA

Today's Weather



Cloudy

Rain: 00 mm in 24hrs

Humidity: 75%

Friday, Sep 3

Max Min
29.6° | 23.7°

Sunrise: 5:57

Sunset: 18:20

Tomorrow's Forecast



Cloudy




Saturday, Sep 4

Max Min
36° | 26°

Wind: Normal

Barometer: 1006.0

Extended Forecast for a week

Sunday Sep 5	Monday Sep 6	Tuesday Sep 7	Wednesday Sep 8	Thursday Sep 9
				
32° 27° Rainy	33° 26° Rainy	32° 27° Rainy	33° 27° Cloudy	32° 28° Rainy

Business Standard

Friday, Sep 03, 2010

Sugar output may jump 38%

Bloomberg / September 3, 2010, 0:22 IST

Sugar production in India, the world's second-biggest grower, may surge by at least 38 per cent after higher prices boosted planting and as rains improve yields, according to a survey. Output may soar to 26 million tonnes in the season starting October 1, eight of 10 producers, traders and consumers said yesterday.

Production may reach a record 29 million tonnes, according to the remaining two. India may produce 25.5 million tonnes in 2010-2011, from 18.8 million tonnes estimated this year, according to the Indian Sugar Mills Association (Isma).

"The higher output estimate is mainly due to a rise in crop area, good rains and increased productivity," said Vinay Kumar, managing director of National Cooperative Sugar Factories, which accounts for half the nation's production.

“There will be a surplus next year.” Higher-than-expected production in the world’s top sugar-consuming nation may lower raw sugar prices in New York, which have surged 56 per cent since reaching a 13-month low on May 7 on concern that weather will damage crops in Brazil, Russia, China and Pakistan.

India may ship at least 2.5 million tonnes in 2010- 2011, the National Cooperative said yesterday. Farmers planted cane on 4.77 million hectares as of August 26, up 14 per cent from a year ago, according to the farm ministry

Pawar presses PM for end to levy sugar

BS Reporter / New Delhi September 03, 2010, 0:18 IST

A new restriction on export of refined sugar may affect signed deals.

Union Food and Agriculture Minister Sharad Pawar on Thursday discussed the issue of sugar decontrol with Prime Minister Manmohan Singh. Pawar is learnt to have discussed doing away with the current levy obligation and the monthly release mechanism.

Stocks of sugar companies rose after the development. At the Bombay Stock Exchange, Bajaj Hindusthan, India’s biggest producer, gained 4.25 per cent to close at Rs 121.35, Balrampur Chini gained three per cent and closed at Rs 88 while Renuka Sugars gained four per cent to Rs 68.

According to sources, Pawar made a presentation to Singh about the way his ministry was planning to ease the controls. And, how this would benefit consumers and farmers, a source said. In the presentation, the minister is understood to have proposed doing away with the system of fixing the monthly quota of sugar for sale in the open market and the public distribution system. To meet the requirement for ration shops, the ministry suggested purchase from the open market.

Sugar is one of the most controlled industries in India. Attempts to decontrol it were made in 1971-72 and in 1978-79, only to be rolled back.

Sugar mills can sell in the open market only according to the release mechanism. The Directorate of Sugar in the Union government issues release orders every month and gives mill-

wise sale quotas. Mills cannot sell above this quota. A penalty is levied if they fail to sell the quota within the stipulated month.

The government tweaks this system when there is a shortage. This year, for instance, the government resorted to weekly and fortnightly release mechanisms. Under the levy obligation, mills sell a certain per cent (currently 20 per cent) of their produce to the government at lower than the market price. This is supplied to below poverty line families through the PDS.

Last month, Pawar had said the ministry was preparing a proposal for decontrol of sector, which would be sent to the various ministries for views. He had made it clear that the government would continue to fix the fair and remunerative price (FRP) of sugarcane to protect the farmers. FRP is the minimum price mills have to pay to procure cane.

Newswire adds: Indian sugar mills which have signed contracts to export up to 500,000 tonnes of white sugar over the past couple of months may find some deals in jeopardy as the government has made release orders mandatory for all exports.

In a circular, the Central Board of Excise and Customs said no exports would be permitted against imported raw sugar without release orders from the sugar directorate.

Sugar mills, which had imported duty-free raw sugar in February and September last year, had started exporting small quantities under the grain-to-grain policy without applying for release orders from the government. Under the grain-to-grain policy, the government allowed sugar mills to import duty-free raw sugar on the condition that they export the consignment after refining.

The policy was vague on whether the mills would need government permits for re-exports. Though the government has not banned sugar exports, it has not issued release orders, essential for exporting sugar, for more than a year.

CBEC said the Directorate of Sugar had expressed concern that “some unscrupulous persons” who had obtained advance authorisations might export sugar without release orders on the pretext that such exports were being carried out against the raw sugar imported by them on the grain-to-grain basis.

It said no further exports would be permitted even under the grain-to-grain policy without release orders. Also, the sugar directorate would take action

Oil and oilseeds end flat in lacklustre trade

Press Trust of India / Mumbai September 2, 2010, 16:32 IST

Quiet conditions witnessed at the oil and oilseeds market here today, as prices traded in a narrow range due to lack of buying activity and settled around previous levels.

Meanwhile, there was no trading in castor seeds futures in view of a holiday on account of 'Gopalkala' celebrations.

Following are today's closing rates in Rupees.

Groundnut oil Rs 860 per 10kg, refined palmolein Rs 460 per 10kg, linseed oil Rs 550 per 10kg, castor oil commercial Rs 790 per 10kg and castor seeds bold Rs 3,800 per 100kg.

on against mills that had exported sugar against grain-to-grain imports in the current season, it said.

Raw jute output may fall 15-20% on poor monsoon

Jayajit Dash / Bhubaneswar September 03, 2010, 0:27 IST

Raw jute production is likely to fall 15-20 per cent short of the targeted 1.07 million bales in 2010-11 because of deficient monsoon. According to industry estimates, there may be a shortfall of 1-1.5 million bales this financial year.

Starved of the fibre crop, jute mills have stocks for only seven days. Due to shortage of water, the harvest is almost 50 per cent less in the major growing districts of Murshidabad and Nadia in West Bengal

Together, these two account for over 60 per cent of West Bengal's jute production. The West Bengal government has declared 11 districts as drought-hit, out of which seven have jute fields.

The Indian Jute Mills Association (Ijma) has pressed the panic button and put the members on red alert. The shortfall in raw jute output has sparked fears of closure of jute mills, leading to job losses and labour unrest. Meanwhile, there is rampant hoarding of raw jute and prices have shot up by Rs 700 a quintal, which is almost 35 per cent higher than the normal, say sources. At present, the price of the TD-4 variety of West Bengal raw jute is Rs 3,100 a quintal.

The jute industry has blamed the Centre, the West Bengal government and jute research bodies for not making arrangements for water retting as a buffer against bad monsoon. The West Bengal agriculture department and the state textile and agriculture departments have not responded to the repeated requests by Ijma

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Back Poor rain may shrink raw jute output 10%

Production drop fears lead to rise in prices.

*"70 per cent of the total production is still lying in the field," said Mr Manish Poddar,
Chairman, Indian Jute Mills' Association*



Shobha Roy

Kolkata, Sept 2

Raw jute production is likely to drop by 5-10 per cent in the key districts of Murshidabad and Nadia in West Bengal due to poor monsoon. The estimated fall in production has already caused a spurt in prices, which has moved up by 10-12 per cent.

CAN BE REVERSED

The situation could be reversed if there is sufficient rainfall in 10-15 days. Otherwise the prices will rise further, according to Mr Manish Poddar, Chairman, Indian Jute Mills' Association (IJMA). IJMA, Jute Corporation of India Ltd, private sellers and mills undertook a survey of the crop in these two districts on Saturday to assess the extent of damage caused by the poor monsoon. The survey report points out that a drought-like situation is prevailing in parts of Nadia district.

SURVEYASSESSMENT

The survey team visited the District Agriculture Office at Krishnagar, and had a discussion with Mr Swapan Sarkar, Deputy Director-Agriculture, Nadia. The team found that hardly 30

per cent of the jute sown in 87,000 hectares in Nadia district had been retted. "As such 70 per cent of the total production is still lying in the field," Mr Poddar told Business Line. "The quantity harvested is still in the field awaiting retting."

The total area under jute cultivation this year in Murshidabad district is about 1,10,000 hectares.

The condition at Murshidabad is slightly better than that at Nadia as some pockets of the district experienced rains in the last couple of days.

"During this time of the year, the normal arrival at Cossimbazar is 10,000-12,000 quintals a day, which has dropped to 4,000 quintals and is picking up slightly to 6,000 quintals on Saturday only," he pointed out.

The quality of the fibre was also poor due to retting in muddy water. "We inspected the quality of raw jute in some of the sellers' godowns and found that the quality has become significantly poor due to retting in muddy water," Mr Poddar said. Close to 60-65 per cent of the crop in Murshidabad was yet to be harvested for paucity of retting water. The District Administration in Murshidabad, Mr Poddar said, had taken some initiatives for watering the ditches in few pockets by installing pump-sets and drawing water from nearby rivers and water bodies.

IJMA SUGGESTION

IJMA has suggested watering the ditches and low land with surface water by pump-sets. However, pumping out water from underground would require permission from the Irrigation Department, which does not allow use of tube wells to maintain the underground water level, Mr Sarkar had informed the survey team. Jute Corporation plans to meet the local Panchayats for selecting the pockets where pump-sets can be installed and for issuing necessary certificates, Mr Poddar added.

Date:03/09/2010 URL:

<http://www.thehindubusinessline.com/2010/09/03/stories/2010090352461700.htm>

Back Profit booking takes toll on sugar

Our Correspondent

Mumbai, Sept. 2

Spot sugar prices on the Vashi wholesale market, after witnessing sudden spurt of Rs 90-100 a 100 kg, on Wednesday, fell Rs 10-15 on Thursday on profit booking by stockists. The sentiment was weak. Vashi cash market was closed on Thursday on account of Janmashtami.

Traders said that with the increase in retail demand for forthcoming festival, prices may rise if Government does not release more sugar under the free sale quota or if mills, expecting higher prices, do not sell the required quantity against demand.

Mr Mukesh Kuwadia, Secretary of Bombay Sugar Merchants' Association, said that "since long-time government is playing with figures while announcing the official quota. Giving example of the September's total quota of 16.72 lakh tones, which was declared on August 31, he said that 3 lakh tonnes carry forward quota of August is included in that. Now the question is that how that figures came? Who will justify this 3 lakh tonnes is actually an unsold quantity of the said month.

On the other hand, the Government has also officially declared that validity for balance quota of August has been extended up to September 15. This is really a confusing."

On Wednesday,, mills came upwith tender offer but the response was poor. They sold about 35,000-40,000 bags (100 kg each). S-grade was sold at Rs 2,535-2,565 and M-grade was sold at Rs 2,580-2,630 a quintal (including excise). Mills' tenders were expected at Rs 10-15 lower by the traders.

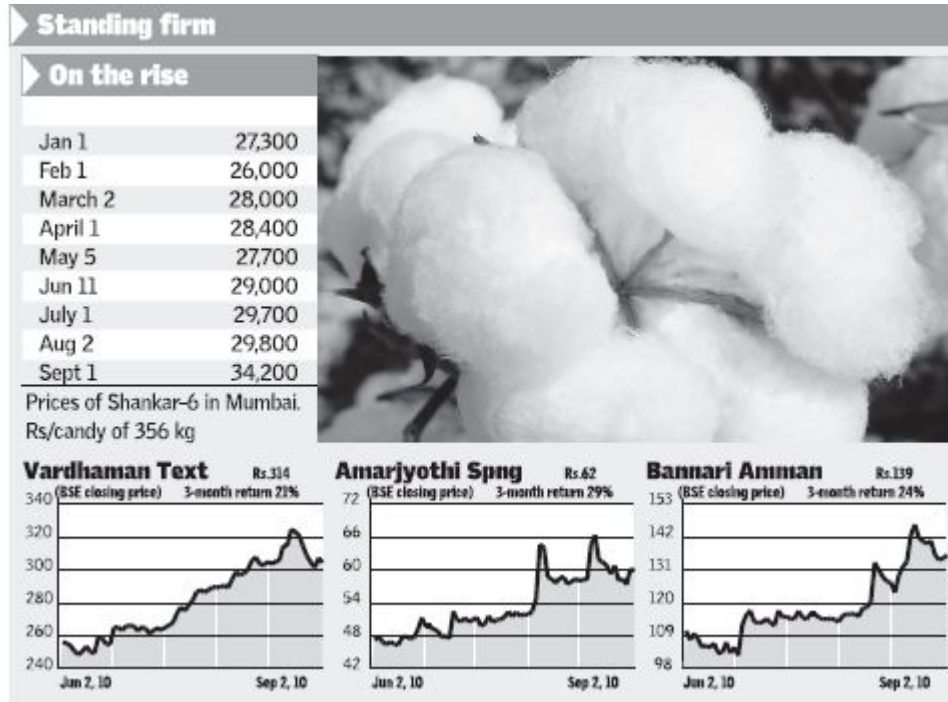
On the spot, S-grade quoted Rs 2,600-2,700 a quintal and M-grade at Rs 2,640-2,750 a quintal. Naka delivery Rate: S-grade Rs 2,600-2,640 and M-grade Rs 2,635-2,690 (Rs 2,560-2,600) a quintal.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090353961000.htm>

Back Firm cotton prices may benefit spinning mills

Pakistan flood, export demand to boost commodity value.



Gayathri G.

Chennai, Sept. 2

With the recession blues coming to an end, the textile industry as a whole is optimistic, and spinning sector in particular sees brighter days ahead.

The installed capacity of spindles in India makes for 24 per cent share of the global market.

Major player

India is one of the biggest exporters of yarns. With a highly sophisticated and well organised textile sector and favourable fiscal policies, the country accounts for about 25 per cent of the world trade in cotton yarns.

Besides, there are a large number of ancillary industries – machinery manufacturers,

accessories, stores, ancillaries, dyes and chemicals – dependent on this sector.

The growth of Indian textile sector has been phenomenal during the last three-four years, propelled by the Technology Upgradation Fund.

Textile production (covering man-made fibre, filament yarn and spun yarn) showed a minor setback in 2008-09. However, the trend is set to reverse on a revival in demand and Government-supported initiatives such as setting up of integrated textile parks and allowing 100 per cent foreign direct investment in the textile sector through the automatic route.

The Technology Mission on Cotton has helped increase output with lower contamination levels and of better quality.

With a record crop projection at 325 lakh bales for the current cotton year and the ban on exports being lifted from October 1, cotton surely stands to gain.

Moreover, the recent developments in Pakistan could roll favourably for the Indian commodity trade and cotton in particular.

FC Stone Group, a global analyser of trends in cotton markets, states that demand for cotton from India, the world's second-largest producer and exporter, may climb after floods damaged crops in Pakistan.

Floods have destroyed 30 per cent of the crop in Pakistan, the fourth-largest producer.

Textile sources said the flooding in Pakistan and in China's cotton-producing regions has led to heavy inquiries from panic-stricken traders.

Price outlook

In light of the short supply in Pakistan and China, the demand outlook for Indian cotton has brightened and the trade is upbeat about export prospects.

Cotton has risen 27 per cent in the past year in New York and the commodity may trade around “the current historically high levels until at least the US harvest at the end of the

year,” says a report from Olam International Ltd.

Cotton prices are likely to touch new highs on robust export demand though hopes of a bumper crop and Government's plans to cap exports may weigh on sentiment.

With all these bullish factors, spinning mills companies such as Vardhaman Textiles, Alok Industries, Amarjothi Spinning, Bannari Amman Spinning Mills Ltd, Nahar Spinning, Lakshmi Mills, Ambica Cotton, Rajasthan Spinning & Weaving Mills Ltd stand to benefit.

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Back Drip irrigation developed for pulses, oilseeds

Jain Irrigation conducts trials in AP, Maharashtra.

Suresh P. Iyengar

Mumbai, Sept 2

After its recent success with the water guzzler paddy, Jain Irrigation is propagating usage of drip irrigation in pulses and oilseeds.

Traditionally, pulses have been a rain-fed crop and most farmers use minimal irrigation.

pulses

The company has conducted initial tests providing complete solution along with drip irrigation facility to a few farmers growing pulses in Maharashtra and Andhra Pradesh.

It is now extending it to Madhya Pradesh and parts of Karnataka.

Mr Anil B. Jain, Managing Director of Jain Irrigation, said farmers growing pulses in Maharashtra have not only conserved water through drip irrigation, but also earned much higher income as the yield goes up substantially with limited use of fertiliser and other nutrients.

The normal yield of pigeon pea (tur) crop in Maharashtra under standard conditions of sowing is just four quintals an acre.

It has been enhanced to 10 quintals an acre due to drip irrigation.

COST

The cost of laying the drip irrigation system works out Rs 15,000-22,000 an acre.

Farmers get Government subsidy of 50 per cent on the total cost of drip irrigation.

Drip irrigation system delivers water to the crop using a network of mainlines, sub-mains and lateral lines with emission points spaced along their lengths.

Each dripper or emitter supplies a measured, precisely controlled uniform application of water, nutrients and other required growth substances directly into the root zone of the plant.

OILSEEDS

“The test on using drip irrigation for oilseeds is in the final stages and will be testing the same on the fields soon,” Mr Jain.

Jain Irrigation recently conducted a test on using drip irrigation for paddy at its farm in Udumalpet near Coimbatore.

It managed to increase the yield on ADT-45 variety of paddy to 3.8 tonnes an acre through drip irrigation against 3.4 tonnes under conventional flood irrigation.

COMPARISON

The volume of water used with drip irrigation was 32.4 lakh litres an acre against 104 lakh litres under conventional irrigation.

The electricity used was almost halved by use of drip irrigation against conventional pumping system.

“We do not merely sell the micro irrigation system but provide the entire agronomic after careful study of all the relevant factors such land topography, soil, water, crop and agro-climatic conditions,” said Mr Jain.

The company has more than 300 technocrats, engineers, agronomists, horticulturists and regional offices, as well as trained dealers, distributors all over India and abroad.

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Back Gulf enquiries egg on layer trade

Gayathri G

Chennai, Sept. 2

Lower production and the resumption of export enquiries from the Gulf led to improved market sentiments for the layer egg trade this week.

The minimum stock levels currently witnessed have given scope for a five paise hike in the wholesale egg price.

The Namakkal-based National Egg Coordination Committee's zonal price fixation committee has decided to increase the farm gate price to Rs 2.35 an egg from last week's Rs 2.30.

General Slackness

The trade is going through a period of general slackness in consumption in upcountry markets such as Delhi, Uttar Pradesh, Maharashtra and the neighbouring Karnataka and Andhra Pradesh.

This has cast a sobering effect on the shell egg prices.

“In fact, NECC last week chose to maintain the farm gate price of table egg at Rs 2.30 a piece and only for the past two days it has raised the prices to Rs 2.35,” an NECC office–

bearer said, adding that if at all there was any upward movement in the wholesale price, it would be only by 5-10 paise more over the next few weeks.

NECC has increased the rates for its layer birds at Rs 40 a kg (Rs 34 a kg).

The Palladam-based Broiler Coordination Committee has fixed the prices of live chicken at Rs 62 a kg throughout this week from last week's Rs 56.

The improved market sentiment for table eggs will lead to resumption in the new bird placements in the Namakkal region.

Defence Ministry's move

The Defence Ministry's move to increase the number of eggs for the 30-lakh strong armed forces from this week to two eggs a day is expected to give a fillip to the poultry farms thereby, leading to expansion in the number of layer population in near terms.

But some traders discounted the possibility of wholesale egg prices showing any surge immediately due to this announcement stating that poultry units in Namakkal, the country's poultry trade hub, should plan on packaging eggs in liquid form and then to transport them to rough terrains in shock-proof boxes.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090351581900.htm>

Back [New pit-less system for cardamom plantations](#)

Most of the cardamom plantation workers in the high ranges of Kerala are from Tamil Nadu

Our Bureau

Kochi Sept. 2

With labour shortage hitting the cardamom growing regions in the high ranges in Kerala, a new pit-less method has been developed by a farmer that reduces the requirement of labour and the total investments in planting new seedlings.

Expense

While the traditional method involving planting new cardamom suckers in pits was labour intensive and expensive, the new method comprises placing the sucker on the surface and covering it on all sides with mud and earth.

Most of the cardamom plantation workers in the high ranges of Kerala are from Tamil Nadu, Mr Reji Njallani who developed the pit-less system pointed out. With several workers migrating back to Tamil Nadu on the back of increased job opportunities and government sponsored rural employment schemes, the shortage of workers has become all the more acute in recent times.

During the planting period after the onset of the initial rains, the labour shortage peaks as most planters are looking for the workers at the same time.

Less labour

The pit-less method ensures that the labour requirement is reduced to less than a third.

The shortage of labour is further accentuated by the close proximity of the plantations in the district of Idukki. Idukki alone accounts for almost half the cardamom output of the country.

A demonstration plot started in Kattappana in Idukki district has been a success, Mr Reji said.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090352161800.htm>

[Back](#) Blight disease hits Karnataka potato

Anil Urs

Hubli, Sept. 2

Potato crop under contract farming in Hassan district of Karnataka has been affected by potato light blight (PLB) disease, forcing farmers to migrate to other cash crops this kharif season.

Multinational companies such as like Pepsi, Coke Cola and others are active in the region through contract farming to make wafers. These companies together account for about 15 per cent of the total area under potato cultivation in the State.

Karnataka's potato crop determines the price in the country till the north Indian crop arrives in the market. The State is one of the few ones to have a potato grown both in the kharif and rabi seasons.

SWITCH TO OTHER CROPS

Hassan has nearly 60,000 hectares under potato and accounts for nearly 70 per cent of the State's production.

The State Horticulture Department estimates potato acreage in Hassan district during the ensuing kharif season at a mere 30,000 hectares as farmers have switched to maize or ginger.

“This has led to acreage under potato declining from 55,800 hectares in 2005-06 to 43,300 hectares in 2007-08. This has halved the output from 3.6 lakh tonnes in 2005-06 to 1.45 lakh tonnes in 2007-08,” said a State horticulture department official.

“In addition to PLB disease this year, the area sown is less than 30,000 hectares due to shortage of complex fertiliser and delayed rains,” said the official.

The PLB disease which occurs due to low temperatures, has been affecting the potato growing areas in the State for the past three- four years.

This year too, the crop has been affected.

“Ironically seeds supplied by MNC companies under contract farming have also been affected by the PLB this year,” said a senior official of horticulture department.

Mr H. Venkatappa, a farmer from Arkalgud taluk, a farmer who has benefited by contract farming, said “Earlier we were dependent on open market prices. But with the entry of MNCs, we have been getting quality seeds and steady income.”

Mr Venkatappa further said he had been growing potato for the past 10 years, but was facing problems related to PLB for the past four years.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090352471700.htm>

Back Edible oil steady despite thin demand

Our Correspondent

Mumbai, Sept. 2

Prices of edible oils ruled steady on Thursday, while the trade volume was thin on account of Janmashtami.

With bearish reports from the world market and domestic futures markets weak, demand in the cash market was limited.

Spot prices on the exchange remained unchanged.

In the spot market, resellers quoted palmolein at Rs 460.

Importers quoted Re 1-Rs 2 higher. There was no fresh demand for indigenous oils such as cotton, groundnut, rapeseed and sunflower oil in spot.

Liberty quoted ready palmolein at Rs 462, soya refined oil at Rs 475, Ruchi was quoting for September delivery palmolein at Rs 461 and soya refined oil at Rs 470, Allana's rates

for ready palmolein was Rs 463, but according to a leading broker, there was no trade today.

The sentiment ruled weak on to absence of local demand, in spite of festival season.

The Malaysian market witnessed a weak trend. On Thursday, the benchmark November futures closed at 2,542 MYR a tonne.

Weak demand in the cash market and large inventories in China also dampened sentiment.

Indore NBOT soya oil September-10 futures declined to Rs 482 and October was at Rs 482.60.

Mumbai commodity exchange spot rates were: groundnut oil Rs 860 (Rs 860); soya refined oil Rs 475 (Rs 475); sunflower expeller refined Rs 515 (Rs 520); sunflower refined Rs 575 (Rs 575); rapeseed refined oil Rs 570 (Rs 570); rapeseed expeller refined Rs 540 (Rs 540); cotton refined Rs 495 (Rs 495) and palmolein Rs 460 (Rs 460) for 10 kg.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090352491700.htm>

Back Tax issue keeps buyers off, wheat drops

Our Correspondent

Karnal, Sept. 2

The firmness with which market authorities are collecting tax is keeping buyers off the grains market here.

Due to low buying, wheat prices dropped marginally. On Thursday, the Dara variety ruled at Rs 1,185-1,190 a quintal.

The prices of desi wheat varieties ruled unchanged at previous levels.

The Tohfa variety ruled at Rs 2,200 a quintal; Lok-1 ruled between Rs 1,800-1,820; kitchen queen new marka was at Rs 2,000-2,100; Parley-G variety was quoted at Rs 2,000-2,130 and the Nano was at Rs 2,070 a quintal.

On the condition of anonymity, a wheat trader, told Business Line that traders want to procure the stock without paying the eight per cent tax imposed by the Haryana Agriculture Marketing Board (Market Committee). Stock is available in the market, but because of the high tax very few traders are in the market, he said.

Around 250 quintals stock arrived in the market from Uttar Pradesh on Thursday, but only part of the stock was lifted.

Mr Sewa Ram, a wheat trader, said that around 60 quintals of tohfa variety arrived in the market but because of rain, the moisture in the arrival was high.

Following the high moisture, it would be cleared at lower prices, he said.

Paddy arrived

Around 1,000 bags (60 kg each) of Govinda paddy arrived in the market.

The early variety paddy was quoted at Rs 950-985 a quintal.

Sugandha-999 paddy, with a stock of 500 bags, was quoted at Rs 1,100-1,250.

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Back Futures pull down spot turmeric

Our Correspondent

Erdoe, Sept. 2

A sudden drop in the futures price on Thursday led to a fall in the spot price of turmeric. Prices dropped by Rs 500 a quintal in Erode compared with Monday.

At the Erode Turmeric Merchants Association market, the finger variety was sold at Rs 10,490- 13,899 for a quintal, while the root variety was sold at Rs 10,319-13,419.

In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 12,229- 13,899 a quintal and the root was sold at Rs 12,222- 13,681 a quintal.

In the Erode Cooperative Marketing Society, the finger variety fetched Rs 12,890-13,869 for a quintal and the root variety Rs 12,764- 13,199 .

On average, the finger variety was sold at Rs 13,000-13,200 a quintal and the root variety at Rs 13,100 .

Farmers expressed unhappiness over the decrease in prices.

A farmer said: "After holiday on Wednesday for Janmashtami, we expected a rise in the price, unfortunately prices have fallen ."

Of the 5,500 bags that arrived, 3,660 were sold.

In the Regulated Market, prices were down by Rs 620 for a quintal. The finger variety sold at Rs 13,127-13,715 a quintal, while the root variety fetched Rs 12,893- 13259 a quintal.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090352501700.htm>

Back Demand slowdown batters chana

Our Correspondent

Indore, Sept 2

Chana futures dropped sharply on Thursday with September futures on the National Commodities and Derivatives Exchange (NCDEX) dropped over 2.5 per cent to Rs 2,185 a quintal.

Similarly, October and November futures closed at Rs 2,243 and Rs 2,279, respectively.

The plunge in futures market led to decline in chana in private trading.

Though officially all the mandis in Indore remained closed on Thursday because of Janmashtmi, the market witnessed restricted private trading wherein the prices fell by Rs 25 to Rs 2,175 a quintal.

In the morning, the private trading in chana on Thursday commenced at Rs 2,190-2,200 a quintal and declined further to Rs 2,175 a quintal by the evening. The downtrend in chana is mainly because of decline in demand at mill level.

Trade sources attribute the decline to slowdown in pulses demand. Supply is expected to increase on imports from Australia.

According to fourth advance estimates, the production of chana in 2009-10 is expected around 7.35 million tonnes against 7.06 mt last year.

Dollar (kabuli) chana or chickpea in private trading was quoted at Rs 4,600-4,700 a quintal, down Rs 100.

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<http://www.thehindubusinessline.com/2010/09/03/stories/2010090352171800.htm>

Back Centre allows exports of 10,000 t coconut oil

Our Bureau

Kochi, Sept 2

The Union Minister of State for Agriculture, Prof K.V. Thomas, said on Thursday that the Centre has sanctioned export of 10,000 tonnes of coconut oil from 13 ports.

Speaking at a function to mark the observance of World Coconut Day here, he said that quantitative restrictions on export of coconut oil have been raised to 10,000 tonnes and it

had been decided to permit export in packets of five kg or less.

PILOT PROJECT

The Government, he said, has also drawn up a scheme following the discussions with the State Government to distribute seven lakh coconut seedlings to school children as part of taking up coconut farming among school children.

A pilot project in this regard will be launched in the SRV Higher Secondary School.

The saplings would be later purchased by the Coconut Development Board under buy back scheme.

According to him, the country is targeting Rs 600 crore from export of coconut products this year against last year's Rs 442 crore.

Under the ambit of the Export Promotion Council, the Coconut Development Board could secure relief and concessions for boosting exports of coconut products under various schemes.

The 'Kera Patham' 'Coconut Trail' scheme had been launched in Kumbalangi and Chellanam panchayats, and efforts are on to launch it in selected panchayats in Tamil Nadu, West Bengal and Orissa.

'FARMERS BLOCK'

Later, the minister laid the foundation stone for a 'Farmers Block' at the board headquarters to impart technological training to farmers, processors, traders and exporters.

Mr Dominic Presentation, MLA, launched the national project 'Cocotech Promotion' 2010 scheme on application of technology for export promotion.

The objective is to develop technologies for coconut processing value addition, product diversification and assistance for setting up coconut processing units, among others. To create awareness on coconut's potential among farmers, processors, traders, exporters

and consumers, the Board also released a trilogy ' Nalikerathinte Nattil' (in the land of coconut), 'Cracking Coconut' and 'In a Nutshell'.

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Back **Research bodies come up with 7 new wheat varieties**

Karnal, Sept 2

Eyeing a production target of 109 million tonnes (mt) by 2020, the Directorate of Wheat Research, Karnal and other renowned wheat research centres have come up with seven new varieties of wheat. The new seven varieties of wheat are HS507, PBW621&DBW50, PDW315&WHD943, WH1080, HI1563, MP3288 and NIAW1415. Sources said that the all new varieties, identified by varietal identification committee, has been sent to the Central Sub Committee on Crop Standards, Notification and Release of Varieties for Agriculture Crop for Commercial Cultivation, earlier known as CVRC, for further approval.

The new varieties would be laid before the Agricultural Ministry after approval from the committee, which can be then commercialised. Dr SS Singh, Project Director, Directorate of Wheat Research, Karnal, informed that before these varieties as many as 373 varieties of wheat have been released since 1965. New varieties are the need of the hour as some old ones are facing problems such as yellow rust and UG99. These new variants have more disease resistance power than the earlier varieties, he added.

The new selected varieties would be sowed according to their selected time period, conditions and zones. HS507 variety is bread wheat suited for the timely-sown, irrigated and rain-fed conditions of the Northern Hills zones. PBW621&DBW50, and PDW315&WHD943 (Durum wheat) for timely-sown, irrigated conditions of North western plains zones while the WH1080 (Bread wheat) is rain-fed for the same zone. HI1563 is made for late-sown, irrigated conditions of North- Eastern Plains zones. MP3288 and NIAW1415 for timely sown, rain-fed and are restricted conditions of the central and peninsular zone respectively.

According to the scientist's recommendation, sowing of wheat should be between October

25 and November 25 as after this period there might be some fall in the yield.

India has a set target of 82 million tonnes for 2011 against the 80.71 million tonnes in year 2010 and to feed the growing population we have to produce additional one million tonnes a year, said the concerned department.

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Back **Pepper down on overseas bullish reports**

G. K. Nair

Kochi, Sept. 2

Pepper futures on Thursday continued to remain highly volatile as usual and dropped sharply later on reports of easier Indonesian market. Indonesian Lampung Asta was quoted at \$4,150 a tonne (fob) and this information had pulled the futures market down in the afternoon. Poor Indonesian farmers, who are in need of money for the Eid-ul-Fitr, might have sold at lower rates, market sources told Business Line. All other origins were by and large showing firmer trend, they said.

Brazil

Brazil was reportedly offering B1 at \$4,100-4,150 a tonne (fob) Belem, they said. Offer by the investors to sell validity expired stocks held by them at Rs 3 below the September delivery price, also added pressure on both the future and spot market and as a result, the latter dropped by Rs 200 a quintal. September contract on the NCDEX fell by Rs 348 to close at Rs 19,436 a quintal. October and November dropped by Rs 351 and Rs 338, respectively, to close at Rs 19,620 and Rs 19,840 a quintal.

Turnover

Total turnover increased by 1,675 tonnes to 17,535 tonnes. Total open interest dropped by 235 tonnes to 16,704 indicating liquidation.

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