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Canadian varsity to honour Swaminathan

Toronto: Eminent agriculture scientist M.S. Swaminathan will be bestowed with an honorary doctorate by a premier Canadian university, recognising the "power of one person to uplift an entire society," and his contribution over the last 50 years to global food security.

The Edmonton-based University of Alberta will confer Dr. Swaminathan (85) with an honorary doctor of science degree on October 7.

He will also deliver the Bentley Lecture in Sustainable Agriculture/Lester Pearson Memorial Lecture on the occasion.

"In recognition of his efforts, Swaminathan will receive a University of Alberta honorary doctor of science degree on October 7," the University website reported.

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http://www.thehindu.com/2010/09/04/stories/2010090453970800.htm

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Plea to provide pumpsets to all farmers

VILLUPURAM: Of 20 lakh power connections given to farms, four lakh connections are shared by Villupuram, Cuddalore and Thiruvannamalai districts, according to Villupuram Collector R. Palanisamy.

He made this observation while addressing a farmers' meeting held here on Thursday to explain the new scheme to replace old farm pumpset motors with new ones. The Collector said that the existing farm motors were having an energy efficient quotient ranging from 65 to 70 per cent.

Hence, the optimum utilisation of available electricity was not possible. It would require an investment of Rs. 6 crore to generate one megawatt of electricity. So, it had become necessary to replace the farm motors with star rated motors.Maintenance of the motors to be supplied under the new scheme would be assigned to recognised companies and any defect rectified within 72 hours, the Collector said.Representatives of farmers' associations expressed the view that the motors should be given universally to all farmers, without distinguishing them as small, marginal and big farmers.They urged the government to come down heavily on power thefts and also fill vacancies in the Tamil Nadu Electricity Board for the proper implementation of the scheme.

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http://www.thehindu.com/2010/09/04/stories/2010090452760400.htm

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Training in palmyra tree climbing

CHENNAI: Chief Minister M. Karunanidhi on Friday announced that training would be given to 3,000 agricultural workers in climbing palmyra trees using an instrument developed by the Tamil Nadu Agricultural University.

He also launched the product of sap of palm.

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http://www.thehindu.com/2010/09/04/stories/2010090455771700.htm

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Food inflation inches up to 10.86 %

NEW DELHI: Halting the fortnight long downward movement, food inflation inched up marginally to 10.86 per cent for the week ended August 21 from 10.05 per cent a week ago, mainly owing to higher prices of cereals, fruits and milk.The fact that food inflation during the like week a year ago was at 14.86 per cent provides no comfort to the common man as the availability of cheaper vegetables, especially potatoes and onions, was more than offset by the high prices of these three essential items.

The silver lining, however, is that the food price spiral will stabilise in the months ahead on expectations of good kharif crops following adequate monsoon rains and may even slide to a low of 6 per cent by the end of December, as is being projected in certain official quarters such as the Planning Commission as also some economic analysts.

According to Crisil's chief economist D. K. Joshi, there would be some minor fluctuations in food prices for a few weeks."However, the overall picture is one of decline due to a good monsoon," he said and expected food inflation to be in single digit by the last quarter when markets get flooded with fresh farm supplies. In the event, analysts expect the Reserve Bank of India to continue with its tight money stance to contain the overall inflationary spiral."We do not think [the] RBI will go for any major changes at its upcoming mid-quarterly review on September 16. However, we may see some action after that," Mr. Joshi said.Headline inflation, as measured by the Wholesale Price Index (WPI), had eased a tad in July and dropped to 9.97 per cent, after being in double digits for five months.

Published: September 3, 2010 17:04 IST | Updated: September 3, 2010 17:04 IST New Delhi, September 3, 2010

India looks at South America for farming technology updates

AP Farmers in Bhopal work on their fields planted with soya bean crop. File photo

India, looking to launch a second green revolution to boost its food security, has begun looking at distant South America where countries have been able to ramp up food production with new technology and farming methods. And to take lessons first-hand, Agriculture Minister Sharad Pawar will visit Argentina, Brazil and Mexico this month.

“India has much to learn from the best practices of South America, especially Brazil and Argentina,” R. Viswanathan, Indian Ambassador to Argentina, Uruguay and Paraguay, told IANS during a visit here.

The South American countries have overtaken the United States in soya production, accounting for 50 percent of global production, and significantly denting the American domination in the agri-business sector.

With large swathes of land in a sparsely populated region, which accounts for 26 percent of global freshwater reserves, South American nations have the highest yields per hectare.

For Indian companies, which have been looking at farmlands for their agri-business, there is another attraction - the technologies that have been indigenously developed in these countries and applied in farming.

A revolutionary method is “no-till farming”, which is applied in 80 percent of the land cultivated in the Mercosur countries (a trading bloc comprising Brazil, Argentina, Uruguay and Paraguay,). In this kind of farming, land is not ploughed. Instead, the agricultural residue of the last plant is allowed to enrich the soil. The seed is then injected into the soil through special machines.

Another technology which Mr. Pawar is likely to see in Argentina is the Silobag - a polyeutherane bag that can store up to 200 tonnes of foodgrains on the field itself - that saves costs on building concrete storage units.

“We have brought this to the notice of the agriculture ministry,” said Mr. Viswanathan.

India faces a shortage of 15 million tonnes in storage capacity, one of the main reasons why hundreds of tonnes of food grains are wasted every year in the country. The technology figured at a meeting between Mr. Pawar and his Argentine counterpart, Julian

Andres Dominguez here earlier last month.

Moreover, India can look to replicate the success of Argentina in turning agriculture into a high-technology sector.

Mr. Viswanathan referred to the Argentine group Los Grobos, which has brought the outsourcing model to agriculture. Los Grobos cultivates 270,000 hectares in Uruguay, Brazil and Argentina, without owning a single plot of land.

It uses "precision farming", which employs software to determine the input distribution and monitors by satellite the location of the seeds and sprayer machines. At the same time, soil monitors give real-time information, helping the group head office to decide on the nutritional and other parameters.

All this could be brought to India for trial.

Also, Indian companies can move to the continent to take advantage of the available technology and expertise for business in the agricultural sector.

Mr. Viswanathan said Indian entrepreneurs should vigorously explore the region "since South America has an agri-business ecosystem like the IT ecosystem in India – export-oriented with competent human resources and service providers that allow investors to focus on output and returns."

South America is a major source of oilseeds. It exports soya and sunflower oil worth $1 billion to India annually. It is learnt that the Indian delegation led by Mr. Pawar would explore increasing the supply of edible oil and pulses to the subcontinent as domestic output has not been able to meet galloping demand.

Published: September 3, 2010 12:58 IST | Updated: September 4, 2010 00:01 IST New Delhi, September 3, 2010

Food inflation inches up to 10.86 %

ANI Soaring prices: Pulses soared by over 14 per cent, rice and wheat increased by 8.05 per cent and 7 per cent, respectively.

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THE ECONOMIC TIMES
Sat, Sep 04, 2010 | Updated 10.22AM IST

3 Sep, 2010, 04.06PM IST,REUTERS

Sugar eases on bumper crop hopes, weak demand

MUMBAI: Spot sugar eased on Friday as weak demand and hopes of bumper output outweighed slightly lower supplies and expectations of a rise in demand during festivals, dealers said.

"Demand is not sustaining at higher levels. Bulk buyers have enough stocks to cater their short-term requirements. They are buying only on dips," said a member of Bombay Sugar Merchants Association (BSMA). 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 fell 0.71 percent to 2,505 rupees ($53.7) per 100 kg. 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.

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. India is likely to export 1.5 million tonnes of sugar in the new season from Oct. 1 in a role swing to supplier from large importer in 2009 and early this year, a Reuters poll forecast on Thursday.

hindustantimes

Sat,04 Sep 2010

Weather

Chennai - INDIA

Today's Weather

Cloudy

Saturday, Sep 4

Max Min

29.6° | 23.7°

Rain: 00 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 5:57

Sunset: 18:19

Barometer: 1005.0

Tomorrow's Forecast

Cloudy

Sunday, Sep 5

Max Min

36° | 25°

Extended Forecast for a week

Monday	Tuesday	Wednesday	Thursday	Friday
Sep 6	**Sep 7**	**Sep 8**	**Sep 9**	**Sep 10**

Business Standard

Saturday, Sep 04, 2010

Barley futures recover on fresh buying

Press Trust of India / New Delhi September 03, 2010, 16:10 IST

Barley prices improved by Rs 5.20, or 0.43 per cent, to Rs 1,211 per quintal in futures trading today on increased buying by traders.

Marketmen said low levels buying by traders, mainly attributed to the rise in barley prices.

Pick up in demand and short supply in physical market also influenced the trading sentiment to some extent, they added.

At the National Commodity and Derivatives Exchange (NCDEX) counter, barley prices for September-month contract recovered by Rs 5.20, or 0.43 per cent, to Rs 1,211 per quintal, with an open interest of 16,930 lots.

Near-month October contract too followed suit and rose by Rs 5.80, or 0.47 per cent, to Rs 1,231 per quintal, with an open interest of 3,340 lots.

Tea production declines by 3% in July

Press Trust of India / New Delhi September 03, 2010, 17:44 IST

Tea production in India, the world's largest producer, declined by nearly 3 per cent in July to 123.1 million kg over the year ago period.

In July 2009, the production stood at 126.7 million kg, the Tea Board data said.

It said that the decline was mainly due to the fall in production in Assam by about 4.6 million kg.

In North India, production declined to 102.8 million kg from 106.4 million kg.

However, tea output in southern states remained almost flat at 20.3 million kg in the month under review as against 20.5 million kg in the similar month a year ago.

During the January-July period of 2010, tea output rose marginally to 462.1 million kg, against 460.8 million kg in the corresponding period of the previous year.

The production of tea in North India in the first seven months of current year declined by nearly 4 per cent to 315.1 million Kg as against 328.8 million kg.

However, the tea production in South India increased to 147.1 million kg in Jan-July period this year as against 132.1 million kg in the corresponding period last year.

Gur improves on paucity of stocks, increased buying

Press Trust of India / New Delhi September 03, 2010, 17:29 IST

Gur prices hardened by Rs 100 per quintal in the national capital today on restricted supply amid better offtake.

Muzzafarnagar gur market also showed a rising tendency on fresh buying support and witnessed a rise up to Rs 125 per quintal.

Marketmen said pick up in demand and paucity of stockists, caused the rise in gur prices.

In Delhi, gur chakku gained by Rs 100 to close at Rs 2,900-2,950 from Rs 2,800-2,850 per quintal.

Turning to Muzzafarnagar, brisk buying by beer and cattle feed makers pushed up the prices from Rs 1,700-1,800 to Rs 1,750-1,850 per quintal.

Chakku also went up from Rs 2,425-2,525 to Rs 2,550-2,650 per quintal.

Following are today's quotations in Rs per quintal:

Chakku Rs 2,900-2,950, Pedi Rs 2,950-3,000 and Dhayya N.T., shakkar Rs 3,100-3,200.

In Muzaffarnagar: Raskat Rs 1,750-1,850, chakku Rs 2,550 -2,650 and Khurpa N.T.

In Muradnagar: Pedi N.A. And Dhaya N.A.

Potato futures remain weak on reduced offtake

Press Trust of India / New Delhi September 03, 2010, 14:18 IST

Potato prices fell further by Rs 7, or 1.54 per cent, to Rs 446.20 per quintal in futures market today owing to slack demand at existing higher levels against adequate stocks.

At the Multi-Commodity Exchange counter, potato for October fell by Rs 7, or 1.54 per cent, to Rs 446.20 per quintal, with an open interest of 1,809 lots. It had lost by Rs 6.70 per quintal in the previous session.

The potato for delivery in September-month also declined by Rs 2.80, or 0.66 per cent, to Rs 422.10 per quintal, with an open interest of 1,301 lots.

Traders said weakening trend at the spot markets following fall in demand at existing higher levels against increased arrivals from producing regions mainly led to a fall in potato prices at futures trade.

Guarseed futures recover on short covering

Press Trust of India / New Delhi September 03, 2010, 16:02 IST

Guarseed prices recovered by Rs 46, or 2.20 per cent, to Rs 2,138 per quintal in futures trade today as speculators covered their pending positions, driven by a weak trend in spot markets.

Guarseed prices continued to decline in the last 4-5 sessions as speculators were selling stocks.

At the National Commodity and Derivatives Exchange counter, guarseed prices for October-month contract recovered by Rs 46, or 2.20 per cent, to Rs 2,138 per quintal, with an open interest of 1,48,260 lots.

Current-month September contract also remained in keen demand and shot up by Rs.43, or 2.08 per cent, to Rs 2,111 per quintal, with an open interest of 1,24,830 lots.

Chilli futures up as spot demand improves

Press Trust of India / New Delhi September 3, 2010, 14:04 IST

Chilli prices rose by Rs 44, or 1.10 per cent, to Rs 4,041 per quintal in futures trading today, as speculators enlarged their positions, driven by pick up in demand in the spot market.

At the National Commodity and Derivatives Exchange counter, chilli for September rose Rs 44, or 1.10 per cent, to Rs 4,041 per quintal, with an open interest of 6,645 lots.

Similarly, the spice for delivery in October-month edged up by Rs 31, or 0.72 per cent, to Rs 4,310 per quintal, with an open interest of 2,335 lots.

Marketmen said speculators enlarged their positions, supported by rise in demand at spot markets against tight supply, which led to a rise in chilli prices at futures market here.

Business Line
Business Daily from THE HINDU group of publications
Saturday, September 04, 2010

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Is sugar decontrol off the radar?

Harish Damodaran

New Delhi, Sept. 3

Sugar decontrol looks an unlikely proposition in the new season that starts from next month.

According to sources, the Centre has decided to seek the views of State governments before taking a final call on the matter.

This follows a meeting the Union Agriculture Minister, Mr Sharad Pawar, had with the Prime Minister, Dr Manmohan Singh, on Thursday, wherein the former had apparently made a strong case for decontrol of the sugar industry.

“Bringing the States into the picture would basically mean shelving the plan. Which State government will favour decontrolling a commodity that is so politically sensitive? Moreover, the views of sugar-producing States do not necessarily converge with those of consuming States,” the sources pointed out.

Pawar's proposal

Mr Pawar's decontrol proposal involved dismantling the monthly release mechanism (by which the Centre decides how much sugar each factory has to sell during a month), levy quotas (requiring mills to supply 20 per cent of their output at below market price for the Public Distribution System) and cane area reservation (binding growers to particular mills by prescribing a minimum distance between two plants).

“No State would be open to the idea of doing away with levy, as that would force them to procure their ration sale requirements entirely through open market purchases at higher prices,” the sources noted.

Cane area reservation

Even on cane area reservation, there would be opposition from States such as Uttar Pradesh. “The power to declare State Advised Prices (SAP) for cane over and above the Centre's price is ultimately derived from reservation orders. Once this power to earmark cane areas to individual mills goes, there would also be no legal basis for announcing SAPs, which are a potent vote-gathering source,” they added.

The sources felt that the Centre itself — the Congress High Command even more so — is not very keen on sugar decontrol right now.

“The States' views were never sought when it came to decontrolling petrol prices. In the case of sugar, it is clearly politics that is prevailing,” they said.

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Farm price factor boosts fortunes of 'Bharat'

Farm incomes growing in double digits.

Harish Damodaran

New Delhi, Sept. 3

The country's agriculture output levels may not be rising adequately to meet the requirements of a growing population.

However, the same is not true about agricultural incomes, which, in recent years have been growing at double digits and continue to do so.

According to the official estimates of gross domestic product (GDP), farm sector growth in real terms – i.e. at constant 2004-05 prices – averaged 3.1 per cent during the five years ended 2009-10. During the first quarter of this fiscal, too, agriculture registered a mere 2.8 per cent year-on-year increase.

Food security goals

These levels are way below the 4 per cent agricultural growth target that policymakers – the Prime Minister, Dr Manmohan Singh, included – never tire of emphasising, in line with meeting national food security goals.

However, if one looks at the value of agricultural production at current prices – which is the money income that accrues to farmers or fisher folk – the average annual growth worked out to 12.4 per cent between 2005-06 and 2009-10.

Farm GDP versus Manufacturing GDP

(Rs crore)

	Apr-Jun 2008	Apr-Jun 2009	Apr-Jun 2010
2004-05 prices			
Agriculture*	152051	154879	159178
Manufacturing	158281	164277	184665
Current prices			
Agriculture*	206171	222635	250892
Manufacturing	197132	207466	243677

*Includes forestry & fishing.

During April-June this year, current agricultural income has expanded further by 12.7 per cent, over the corresponding quarter of 2009-10.

Given that income is income – whether it comes from producing more or selling the same quantity at a higher price – double-digit growth rates is something not to be scoffed at.

This is more so, when, during the preceding five-year period ended 2004-05, farm GDP at current prices rose annually by only 4.3 per cent, with output per se (at constant prices) correspondingly rising by 1.6 per cent.

Simply put, the last five years or so have seen more money flowing into rural areas, largely on account of better prices for farm produce, even though the actual quantities produced may not have gone up substantially.

The above fact is also reflected in improved terms of trade for ‘Bharat' vis-à-vis ‘India.' Consider this: During 2009-10, the value of manufacturing GDP, at Rs 719,975 crore in 2004-05 prices, exceeded the corresponding figure of Rs 651,901 crore for agriculture, forestry and fishing.

However, in absolute current value, it was just the other way – Rs 10,04,594 crore for agriculture versus Rs 931,101 crore for manufacturing.

The same pattern has been repeated for the first quarter of the current fiscal, where more income has accrued to farms than factories.

Price levels

This may not have been so had prices remained at their levels of 2004-05. In the real world though, prices of products change, both in absolute terms as well relative to one another.

And in this case, it has worked to the advantage of 'Bharat'.

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Back **Export demand sparks rally in basmati**

Our Correspondent

Karnal, Sept. 3

The basmati rice market continued to witness an uptrend as Pusa1121 touched the levels of 5,600, while pure basmati hit levels of 7,500 a quintal. These levels are the highest of the season.

On Friday, Pusa-1121 (steam) ruled at Rs 5,400-5,600 a quintal, Pusa-1121 (sela) at Rs 4,400-4,500, while Pusa-1121 (raw) at Rs 5,400-5,600. Pusa (sela) quoted at Rs 3,300-3,500 a quintal and Pusa (raw) at Rs 4,200-4,300.

Basmati sela ruled at Rs 6,500 a quintal, while basmati raw was quoted at Rs 7,300-7,500.

The Sugandha-999 sela was quoted at Rs 2,750-2,800, PR14 was at Rs 2,200-2,250, Sharbati sela variety ruled at Rs 2,850 a quintal; Sharbati steam around Rs 3,050; Permal (PR) sela at Rs 2,200-2,250; PR (raw) at Rs 2,350 and PR (steam) at Rs 2,300-2,400.

Brokens such as Tibar ruled around Rs 3,700 a quintal, Dubar at around Rs 2,950 and Mongra at Rs 2,250.

Mr Tara Chand Sharma, a rice trader, said following the export demand, the market is witnessing a good rally. Traders are expecting that the rally would continue, he said.

Following the constant demand in the domestic market, prices of non-basmati varieties witnessed a steady trend, he added.

Weather holds key

He further said if the weather turns favourable for the trade, arrivals could be higher from September 15.

Around 1,000 quintals of Govinda arrived in market and was quoted at Rs 875-950 a quintal.

On the other hand, prices of Sugandha999 rose and touched the levels of 1,370. Around 200 quintals of stocks arrived and they ruled between Rs 1,200-1,370 a quintal.

Just 200 quintals Sharbati variety arrived and was quoted at Rs 1,100-1,150 a quintal.

New arrivals were lifted by the rice millers.

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Back **Cottonseed crushers eye export to US**

About two-third of cottonseed produced in the US is directly fed to cattle mainly for beef production

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G Chandrashekhar

Mumbai, Sept. 3

While cotton linters and cottonseed meal continue to be exported, a window of opportunity to export de-linted cottonseed to the US is emerging, according to Mr Sandeep Bajoria, Chairman, All–India Cottonseed Crushers Association. India produces about 90 lakh tonnes of cottonseed annually.

Food for cattle

Addressing the members of the association on the occasion of the golden jubilee of the premier cottonseed processors' body, Mr Bajoria said that about two-third of cottonseed produced in the US is directly fed to cattle mainly for beef production, and that demand from that market should be explored.

He appealed to members to ensure that cottonseeds are de-linted soon after ginning and pressing as is done in China.

Although cotton linters are allowed for export without any restriction whatsoever, Customs offices in ports like Chennai and Mumbai have held up consignments of cotton linters because of the confusion created by recent restrictions on raw cotton and cotton waste exports, Mr Bajoria said, adding that the situation demanded prompt corrective action by the Directorate-General of Foreign Trade.

Bleached cotton linters are used by Ordnance factories for production of propellants used for gun ammunition and for missiles.

While the demand from the defence sector is a mere 1,500 tonnes a year, linter production is as high as 40,000 tonnes and any talk of scarcity of bleached cotton linters is completely unfounded, he remarked.

The association has for long years been emphasising the need for educating cattle feeders about the use of protein-rich cottonseed extraction instead of traditional cottonseed cake and for adoption of scientific processing methods.

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Back **Costlier pulses, milk drive up food inflation to 10.86%**

Fuel inflation increases to 12.71% on dearer light diesel oil, ATF.

Our Bureau

New Delhi, Sept 3

Food inflation, based on the annual Wholesale Price Index, increased 10.86 per cent during the week ended August 21, up from the previous week's rise of 10.05 per cent. Pulses and milk were among the items responsible for the surge.

Primary articles

Fuel inflation too climbed 12.71 per cent on a year-on-year basis during the latest reported week, higher than the 12.57 per cent recorded in the previous week, government data released on Friday showed.

The annual rate of inflation for Primary Articles, calculated on point-to-point basis, stood at 15.19 per cent for the latest week compared with 14.75 per cent points the previous week.

Fish dearer

On a sequential basis, the Primary Articles' group index increased 1.4 per cent as the index for Food Articles' group gained 1.8 per cent due to higher prices of fish-inland (22 per cent), fruits and vegetables (4 per cent) and gram (1 per cent). However, the prices of moong and eggs (2 per cent each) and masur (1 per cent) declined.

The index for 'Non-Food Articles' group was up 0.4 per cent due to costlier raw silk (2 per cent) and groundnut seed, raw cotton, copra and rape and mustard seed (1 per cent each).

However, the prices of castorseed (3 per cent), raw rubber (2 per cent) and gingelly seed (1 per cent) slipped. The index for 'Minerals' group increased 1.4 per cent due to higher prices of fluorite (3 per cent) and barytes and iron ore (2 per cent each). However, the prices of steatite

(26 per cent), asbestos (21 per cent) and feldspar (4 per cent) dropped.

The Fuels group, on a sequential basis, gained 0.2 per cent due to costlier light diesel oil, furnace oil and aviation turbine fuel (2 per cent each) and naphtha (1 per cent). However, the prices of bitumen (1 per cent) declined.

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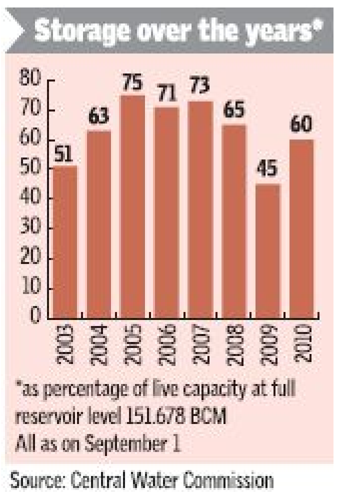
Back **Storage level in major reservoirs rises to 60%**

Kharif coverage of almost all crops higher.



Our Bureau

Chennai, Sept 3

The storage level in the 81 major reservoirs in the country has increased to 60 per cent of the full reservoir level (FRL) of 151.678 billion cubic metres (BCM), 15 percentage points higher than the same period a year ago, thanks to a normal monsoon.

According to Central Water Commission data, the level of 90.777 BCM on September 1 is also higher than the average storage of the last 10 years. But a look at the record since 2003 shows that it is lower than other years barring 2003.

The storage level in the reservoirs mirrors the monsoon behaviour with the eastern region being affected by deficient rain as also parts of the central region.

Thanks to widespread rain in the northern parts, the storage in Gobind Sagar (Bhakr) is 94 per cent of the capacity. The level in two reservoirs in the region is above 80 per cent, while keeping with poor coverage in Rajasthan, the storage is lower than 50 per cent in the three major reservoirs in the State.

Of the 15 reservoirs in the East, the water level is above 50 per cent in only two. Of the rest, the capacity in seven is below 40 per cent.

The western region is the one that has received bounty this year. In tune with that, the Badar reservoir in Gujarat is filled to capacity. Of the rest 18 in the region, the level is above 90 per cent in two, while it is below 50 per cent in seven.

In the central region, the Tawa reservoir in Madhya Pradesh is filled to capacity. On the other hand, five reservoirs are filled below 50 per cent of the FRL and three above 80 per cent.

In the South, the Srisailam reservoir in Andhra Pradesh is filled to capacity and of the remaining 30, the level in seven is above 80 per cent. The level of only four reservoirs is below 40 per cent of FRL.

Sowing trend

Meanwhile, sowing is nearing completion with the area under all crops, barring soyabean, increasing.

According to Agriculture Ministry data, area under rice has increased to 319 lakh hectares (lh) against 299 lh during the corresponding period a year ago. The coverage of coarse cereals has increased over 20 lh to 207 lh (184 lh) with the area under maize rising nearly five lh to 74 lh.

Cotton acreage has been put at a record 106 lh (98 lh), while sowing in sugarcane is up at 48 lh (42 lh).

The area under oilseeds has increased marginally to 169 lh against 164 lh a year ago with groundnut coverage rising to 49 lh (42 lh). But soyabean sowing has dropped 20 lh to 93 lh.

Date:04/09/2010 URL: http://www.thehindubusinessline.com/2010/09/04/stories/2010090452010700.htm

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Back **Technology, corporates marginalising small US farmers**

K.V. Kurmanath

Boone, Iowa (US), Sept. 3

This small town in Iowa, which is in the top league of agriculture States in the US, gives a peep into the future of farming. Giant equipment, some that could easily pass off as battle tanks and surface-to-air missile launchers, monster-armed seed planters and harvesters, indeed are intimidating for someone from India.

The 55-year-old Farm Progress Show has become an annual rendezvous for farmers in the US, equipment manufacturers and those involved in seed development, with thousands making a beeline to the stalls. Top names including John Deere, New Holland, Monsanto, Syngenta, Pioneer and Sukup have set up stalls. The next edition of Farm Progress Show would be held in Decatur in Illinois.

“Farming in the US is becoming computerised and robotised,” Mr Steeve, a farmer from Central Iowa, told Business Line. It, indeed, is a paradox. The show reflects a stark contradiction in US agriculture. Small farmers are facing the threat of extinction as bigger farmers and farm corporations are on the constant prowl for small parcels of land. Several of the old farmers said equipment was turning unaffordable by the year, making them uncompetitive. The word ‘small', however, is relative, when you compare with the smallness in India. While the average small holding in India is about a hectare, farmers with below 1,000 acres are considered ‘small farmers'.

“We are a dying tribe,” Mr Steve admits. “I used to have 450 acres, but gave 350 of it on lease because I can handle only 100," he said.

Twin problems

While the average age of farmers with small holdings is well past 60 years, the youth, who are interested in farming, are not in a position to find finances.

Ms Carol Kennon, a 71-year-old, farmer corroborates. "It has become increasingly difficult to be in race with technology. The equipment are becoming costlier each year, making it difficult for small farmers," she said.

She, along with her 72-year-old husband, son, son-in-law and a handicapped grandson, manages 1,200 acres. (Managing means, they only can take care of the entire plot.)

"A good number of youth want to do farming and they are going to agriculture colleges. But what is lacking is investments," she said.

The big boys are ready to take over, Mr Steve said, when asked about how the future is going to be for small farmers.

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Back **Tea production drops in July**

C.J. Punnathara

Kochi, Sept. 3

Recurrent pest attacks compounded by lower rainfall in the North-East resulted in a fall in tea crop in July.

Much of the growth in production achieved during the earlier months has been eroded. The fall in South Indian crop was nominal as the shortfall from the Nilgiris in Tamil Nadu and High Ranges in Kerala has been made up by more bounteous crop from the Anamalais and the Wyanad belt, sources in the United Planters Association of Southern India (UPASI) said.

The huge production shortfall came from Assam and more particularly from the Assam Valley which registered a fall of 4.9 million kg. The slight increase in production from West Bengal plantations could not make up for the shortfall from Assam. Production from Tamil Nadu plantations was lower while that from Kerala and Karnataka inched up.

Indian tea production was down by 3.79 million kg to 123.19 million kg in July. North Indian production was down by 3.61 million kg to 102.81 million kg, while South Indian production held more or less steady at 20.38 million kg. The production trends up to July were not much different with North Indian plantations showing a decline while South India showed an increase. For the period up to July, production from the North Indian plantations was lower by 13.74 million kg, while Southern plantations registered a growth of 15.02 million kg.

Divergent Prices

The divergent production trends between North and South India was also reflected in the tea prices of the two regions. While the North Indian prices remained relatively firm at Rs 108.70 a kg over Rs 106.85 a kg during July last year, South Indian prices inched lower to Rs 66.89 a kg in July over Rs 81.19 a kg last year.

Led by huge crops from Kenya that was up by 73 million kg and Sri Lanka that was up by 36 million kg, the global production increased 115 million tonnes till July. However, the market did not expect the growth momentum in production to be maintained in the coming months.

The expectation is a similar production of last year at best, or lower production during the remaining part of the year, sources in the trade pointed out.

However, with the cold season setting in during the latter part of the year, tea consumption is expected to go up while production is expected to remain stable. Consequently, prices are not expected to gravitate much lower for the remaining part of the year. As the cold season sets in, domestic demand is also expected to pick up.

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Back Tobacco prices slump at AP sale

Our Bureau

Guntur, Sept. 3

The Guntur-Tobacco auctions in Andhra Pradesh have entered the last phase, with 188 million kg of the crop having been sold so far on the floors at an average price of Rs 84.41 a kg. The actual production is estimated at 211 million kg against the authorised crop size of 170 million kg. It is estimated that the auctions in the State may last till the end of the month.

Marked slump

During the current season, there has been a marked slump in prices on all the floors, ranging from Rs 25 to Rs 40 a kg, compared with the high prices last season. Last season, the maximum price touched was Rs 168 a kg on the floors in West Godavari district and the State average price last season was Rs 103.39 a kg. This season the average price in the State may tumble to Rs 80-85 a kg, down over Rs 20 on the aggregate.

In the general price slump, the low-grades have suffered badly this season and the tobacco grown in the northern light soils in West Godavari district, which fetches the best prices, has not fared so badly. In West Godavari district, 56 million kg of tobacco has been sold so far at an average price of Rs 108.49 kg. The maximum price this season was registered on the NLS floors in the district, Rs 140 a kg, against Rs 168 a kg last season.

High prices

Trade sources argue that the prices have been remunerative this season too and the very high prices of the last season should not be taken as the benchmark. The conditions in the international market were more conducive last season and the same prices should not be expected every year. The farmers and their representatives, naturally, reject the contention, pointing to the rise in cost of cultivation and the low prices paid to the low-grade tobacco. The surplus, in excess of 40 million kg, has also made matters worse.

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Back **Pepper futures hit upper circuit**

G K Nair

Kochi, Sept. 3

Pepper futures, after the usual high volatility, hit the second ceiling Friday on bullish reports from the IPC and the Public Ledger.

Investors bought back futures and liquidated their stocks, trade sources said.

In addition to this, leading Indian pepper exporters are also said to have bought about 125 tonnes of validity expired and farm-grade pepper from the investors, including the National-level Cooperatives which also activated the market, market sources told Business Line.

As a result, the stocks held by the investors also got depleted at a time when there is no physical pepper available in the primary markets. There was not much activity in the primary markets for want of sellers.

According to the IPC, Indonesian prices might move up as the country has almost exhausted its new crop.

The current decline in price was caused by selling by poor farmers who needed money for the Ramzan festival.

September contract on NCDEX shot up by Rs 779 to close at Rs 20,237 a quintal. October and November increased by Rs 786 and Rs 794 respectively, to close at Rs 20,427 and Rs 20,635 a quintal. Total turnover dropped by 969 tonnes to 16,566 tonnes.

Total open interest moved up by 184 tonnes to 16,888 tonnes. September open interest declined by 20 tonnes, while that of October and November moved up by 136 tonnes and 64 tonnes respectively, to 4,700 tonnes and 556 tonnes.

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Back **Mixed trend in edible oil**

Our Correspondent

Mumbai, Sept. 3

Edible oil markets witness a mixed trend on Friday. On the supply position easing at the local level, soya refined oil decline by Rs 2, but palmolein was steady due to some buying support. The volume was thin.

At the farm level, good sowing progress in oilseeds and after continuous rain, a clear weather weighed on the market sentiment for indigenous oils. Sunflower oil was down by Rs 5-10, cotton refined oil decline by Rs 3 for 10 kg.

The Malaysian market witnessed a small recovery. Bursa Malaysia Derivatives October futures ended 31 ringgits (MYR) and November futures 28 MYR higher. In the spot market, resellers quoted palmolein at Rs 460. Resale of about 180-200 tonnes of palmolein took place in the range of Rs 455-460. In indigenous oils, lack of demand exerted pressure on price. Importers quoted palmolein at higher rate. Liberty was quoted ready palmolein at Rs 462, soya refined oil at Rs 475, Ruchi quoted palmolein at Rs 456 as a vessel was expected to and soya refined oil Rs. 466, Allana's rates was Rs 462.

Malaysia Exchange and NBOT: At Malaysia's BMD CPO futures October closed at 2,624 (2,593) MYR a tonne. On back of foreign demand Indore NBOT soya oil future also rose. Soya oil September futures closed at Rs 482.70 (Rs 482) .

Mumbai commodity exchange spot rate were: Groundnut oil Rs 860 (Rs 860); soya refined oil Rs 473 (Rs 475), sunflower expeller refined Rs 510 (Rs 515); sunflower refined Rs 560 (Rs 570); rapeseed refined oil Rs 570 (Rs 570); rapeseed expeller refined Rs 540 (Rs 540); cotton refined Rs 492 (Rs 495) and palmolein Rs 460 (Rs 460) for 10 kg.

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Back **Bumper crop hopes restrain pulses**

Declining exports

	2009		2010	
	Volume	Value	Volume	Value
April	2.38	2,745.45	1.77	2,075
May	1.91	1,898.93	1.02	942.50
June	1.60	1,661.95	1.69	1,624.94
July	2.05	2,371.74	1.50	1,434.75
August	1.86	2,211.71	0.87	933.99

Volume in lakh tonnes; value in Rs/tonne
Source: NAFED

Our Correspondent

Indore, Sept. 3

Pulses prices continue to rule lower as the downtrend in pulse seeds persists.

Chana dal, which ruled at Rs 2,6002,625 a quintal on Thursday, fell by Rs 25 with prices in the spot market on Friday quoting at Rs 2,5752,600.

Masur dal declined Rs 50 to Rs 3,800-3,825 a quintal.

Moong dal recorded steep fall, with prices plunging to Rs 4,700-4,800 a quintal, down Rs 200.

Tur dal ruled steady with spot rate quoting at Rs 5,600-5,650, while tur dal (markewali) quoted Rs 6,100 a quintal.

According to Mr Deepak Bhai, a trader, increased arrival of pulse seeds in the mandis and drop in demand in the domestic market have contributed to fall in pulses prices.

Low trend set to continue

With increase in coverage of pulse seeds in the current kharif season by about 18 lakh hectares and weather turning conducive with good rains in the recent past, it seems unlikely that the pulses rates will increase in the near future, he added.

On Friday, about 1,300 bags of moong arrived in Indore mandis and prices crashed to Rs 3,600 a quintal, down Rs 300. On Friday morning, trading of moong in the spot market commenced at Rs 3,8003,850 a quintal and plunged to Rs 3,600 a quintal at the end.

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Back **Poor offtake grounds turmeric**

Our Correspondent

Erode, Sept. 3

Turmeric prices fell Rs 800 a quintal in Erode on Friday due to low demand.

The finger variety sold at Rs 9,899-13,091 a quintal in the Erode Turmeric Merchants Association sales centre.

The root variety declined the same margin to trade at Rs 9,699 Rs 12,895 a quintal.

In Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold at Rs 12,697-13,519; and root variety for Rs 12,027-13,051.

In the Erode Cooperative Marketing Society, the finger variety traded at Rs 12,529-13,206 and the root variety at Rs 12,239-13,286.

Total arrivals in the three markets were 2,029 bags, but due to poor demand only 947 were sold.

The President of the Erode Turmeric Merchants Association, Mr R.V. Ravishankar, said: “Prices of turmeric in the futures were quoted at Rs 12,100 and this reflected in the spot turmeric sales. Consequently, the prices decreased Rs 800. Because of the fluctuation in the futures, the price of turmeric has come down by Rs 2,000 in two months from the levels of Rs 15,500 a quintal.”

In the Regulated Market also, the prices were down Rs 350 to Rs 400 a quintal.

The finger variety was sold at Rs 12,666-13,376, while the root variety fetched Rs 12,199-12,926. Of the Out of arrival of 1,065 bags that arrived, only 445 were sold.

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Back **Govt's foodgrains carrying costs spurt 50%**

G Chandrashekhar

Mumbai, Sept. 3

There is a steep increase in the carrying cost of foodgrains in the Central Pool.

According to the Government, the buffer carrying cost of surplus stock held by Food Corporation of India (FCI) is Rs 31.18 a quintal for a month. This works out to nearly Rs 312 a tonne for a month and over Rs 3,700 a tonne a year.

The costs appear unusually high.

When Business Line enquired with a few private sector food handlers including multinational companies in the grains business, they were unanimous in asserting that their current carrying cost for foodgrains is approximately Rs 180-200 a month for a tonne equivalent to a maximum of Rs 2,400 a tonne a year.

It is a great mystery why the FCI should be incurring carrying costs at least 50 per cent more than the private sector does.

If anything, the FCI should benefit from the economies of scale, as it handles tens of millions of tonnes rice and wheat continuously, while most private sector companies individually handle some tens of thousands of tonnes.

Given the size of the operation, scale economies and clout that goes with size, the Government agency ought to be incurring much less on carrying costs, perhaps closer to what the private trade incurs.

However, it is not the case, as borne out by the statement of the Minister of State for Food and Consumer Affairs, Prof. K.V. Thomas, who recently told the Lok Sabha,

“The buffer carrying cost of surplus stock held by the FCI is Rs 31.18 a quintal a month. The carrying cost of this surplus stock for a day is around Rs 27 crore.”

No wonder, a significant part of the burgeoning food subsidy burden is accounted for by inventory carrying costs.

There is case for examining the various elements that constitute FCI's carrying cost.

With better operational efficiency, there is belief that carrying costs can be reduced substantially.

Cost reduction

Mechanical handling and rationalisation of movement, too, can contribute to overall cost reduction.

One remembers, until a couple of years ago, FCI's carrying costs were stated to be around Rs 2,400 a month.

At that time, the private sector incurred costs one-third lower.

There has no doubt been a general escalation in costs; yet, for the Government parastatal to spend unconscionable amounts on carrying excessive levels of inventory does not speak well of the Government's foodgrains management policies.