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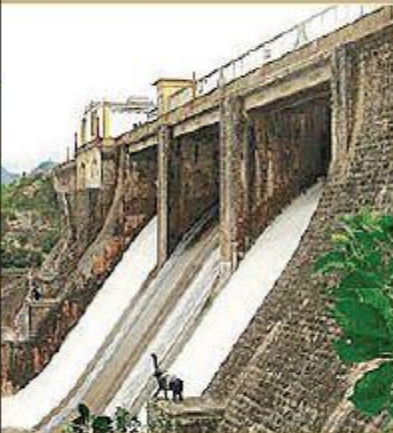
## As storage in dams dips, Centre rings alarm bells

Gargi Parsai



*The Hindu* Anxiety has built up as all major reservoirs, barring those in Central India, are showing deficient storage. File photo

DEFICIENCY IN WATER LEVELS OF 84 MAJOR RESERVOIRS MONITORED BY CWC AS ON JULY 5, 2012		
REGION	DEPARTURE FROM NORMAL STORAGE	Overall 57% of last year this time
NORTH	HIMACHAL PRADESH	-45%
	PUNJAB	-37%
	RAJASTHAN	99%
EAST	JHARKHAND	-37%
	ORISSA	-57%
	WEST BENGAL	-47%
WEST	GUJARAT	-1%
	MAHARASHTRA	-39%
CENTRAL	UTTAR PRADESH	-26%
	UTTARAKHAND	-18%
	MADHYA PRADESH	-184%
	CHHATTISGARH	-44%
SOUTH	ANDHRA PRADESH	-18%
	KARNATAKA	-59%
	KERALA	-45%
	TAMIL NADU	-4%
<b>TOTAL FOR 84 RESERVOIRS</b>	<b>LIVE STORAGE CAPACITY ( BCM )</b>	<b>CURRENT LIVE STORAGE ( BCM )</b>
	<b>154.421</b>	<b>25.191</b>



Graphic: Tony Smith

*States advised to give preference to drinking water and irrigation and enhance groundwater use.*

An alarming depletion in the water levels (at 57 per cent of last year's storage) of important reservoirs, owing to the delayed and weak southwest monsoon, has prompted the Central government to issue an advisory to the States on Monday to make "judicious and regulated" releases.

The States have been advised to give preference to drinking water and irrigation and enhance groundwater use to meet current needs.

Top officials said there was a serious concern over the spread and intensity of rain and apprehension that the monsoon might remain weak in parts of the country. Already, there are reports of damage to the kharif crop in Maharashtra, Karnataka, Rajasthan and Gujarat. A letter from Water Resources Secretary D.V. Singh to the Chief Secretaries urges the States to go in for crops that require less water.

Anxiety is building up as all major reservoirs, barring those in central India, are showing deficient storage. Against the live storage capacity of 154.421 billion cubic metres (BCM), the average storage till July 5 was only 25.191 BCM in the 84 major reservoirs monitored by the Central Water Commission.

The current year's storage is nearly 57 per cent of last year's storage. It was 62 per cent in the previous week.

The worst-hit basins are the Godavari, Krishna, Indus, Cauvery and the west flowing rivers of the south. The Kutch rivers are 'highly deficient,' say official sources.

The storage in the Thein, Bhakra and Pong dams in Punjab and Himachal Pradesh is lower by 37 to 45 per cent than normal. Despite rain in the eastern region, 15 reservoirs in Odisha, Jharkhand and West Bengal are filled only up to 40 per cent or below. The storage in Maharashtra is lower by 39 per cent and in Uttar Pradesh, by 26 per cent of the normal on an average. The 30 reservoirs in the south have storage levels that are lower by 4 to 59 per cent than the normal. Dams in Karnataka have a departure from the normal storage of 59 per cent, Kerala of 45 per cent, Andhra Pradesh of 18 per cent and Tamil Nadu of four per cent.

July 10, 2012

### **Food processing key to price reduction: Pawar**

*Union Agriculture Minister inaugurates Srini Food Park in Chittoor district*



**NEW FACILITY:** Union Minister for Agriculture Sharad Pawar, Chief Minister N. Kiran Kumar Reddy take a look at a finished product in a packaging unit after inaugurating 'Srini Food Park' at Mogili in Chittoor district on Monday. Minister for Tourism Subodh Kant Sahay and Minister of State for Agriculture and Food Processing Charan Das Mahant are seen.—Photo: K.V. Poornachandra Kumar

Union Minister for Agriculture Sharad Pawar sees food processing industry as holding the key to bringing down the prices of essential commodities, even after ensuring Minimum Support Price (MSP) to the farming community.

“As the Minister for Consumer Affairs earlier, my concern was on reducing prices, and now, on ensuring MSP. Food processing can reduce wastage and also ensure value addition to the products, thus achieving both the objectives,” he explained.

He was speaking on Monday after inaugurating Srimi Food Park, the first of the ten mega food parks sanctioned across the country, at Mogili village abutting the Chennai-Bangalore National Highway 4 in Chittoor district.

Apart from the duty exemption the sector was currently enjoying, Mr.Pawar also wanted it to be brought under the ambit of priority sector lending as an added incentive.

### **Inadequate infrastructure**

Although the country was the top producer of pulses, banana and mango and the second largest producer of rice, wheat, potato, garlic and groundnut, it could not make much progress on the productivity front due to the inadequate processing infrastructure. “We are losing revenue due to wastage of perishables and we need to address this issue,” the Union Minister observed.

Mr. Pawar pointed out, in this connection, to the National Mission on Food Processing, a decentralised initiative to encourage the State’s participation in the sector by ensuring convergence of various programmes.

Recalling Chittoor’s association with the food processing industry since the advent of the Nutrine group in the 1950s, Chief Minister N.Kiran Kumar Reddy explained the importance of cold chains in ensuring remunerative prices to farmers in sectors like dairy, poultry and horticulture. Union Minister for Tourism Subodh Kant Sahay lauded the international standards maintained at the facility.

Union Ministers of State Charan Das Mahant (Food processing) and K.H. Muniyappa (Railways), former Member of Parliament (Chittoor) D.K.Audikesavulu, State Ministers Galla

Arunakumari (Mines and Geology) and K.Lakshminarayana (Agriculture) and local legislator P.Ravi were among the participants.

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## High-level team visits Stanley Reservoir

*Members collect details of inflows at reservoir and Billigundulu*



A high-level team of State Government visited Stanley Reservoir at Mettur and Billigundulu, near Hogenakkal, on Monday. —Photo: Special arrangement

A high-level team of Tamil Nadu government on Monday studied the hydraulic details of Stanley Reservoir at Mettur and Billigundulu near Hogenakkal where the river Cauvery enters Tamil Nadu.

The team led by Public Works Department secretary M. Saikumar and including the Cauvery Technical Cell Chairman Subramaniam, Tiruchi Chief Engineer Ganesamarachan and other senior officials first inspected the Stanley Reservoir and held meetings with dam officials on its present storage, inflow, outflow and water level.

After this, they proceeded to Billigundulu Gauge Station, where they studied the details of inflows in Cauvery from Karnataka.

A senior Public Works Department official, who accompanied the team, said that the members collected the vital details of inflows at Stanley Reservoir and Billigundulu in the past two months and also its corresponding period last year.

### Importance

“The visit has gained importance in the backdrop of Karnataka’s refusal to provide Tamil Nadu the stipulated quantum of water, which in turn has affected the Kuruvai cultivation in delta districts since the dam could not be opened due to poor storage,” he said.

Mr. Saikumar, however, said that any decision such as throwing open the dam for irrigation purposes would be based on the future inflows.

HASSAN, July 10, 2012

### **Workshop on climate change**

STAFF CORRESPONDENT

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The Hassan chapter of the Bharatiya Jnana Vigyana Samiti, in association with the Department of Education, is organising a two-day workshop on climate change, at the District Training Centre here on July 12 and 13.

Professor at the Indian Institute of Science Harish Bhat will deliver talks on the environment, its conservation and birdwatching. Other persons who will deliver lectures are K.S. Ravi Kumar, B.S. Ravi Shankar, Shivu Patil and H.A. Ahmed.

In a press release, the samiti said that science teachers from high schools in the district will take part in the workshop.

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### **Opt for drought-tolerant crops, farmers told**

Gollapudi Srinivasa Rao

Agricultural scientists describe the situation as grim though the district witnessed some rain on Sunday night and advised farmers to opt for drought-tolerant crops such as castor, red gram and millets.

Stating that the rain-fed crop yield would be far below this time, senior scientist and former registrar of Agricultural University, Hyderabad, Jalapathi Rao told *The Hindu* that late sowing and moisture distress in the soil would result in low agricultural output. Paddy farmers are still in anguish as there was is enough rain to plant the saplings.

He opined that the State government make available the seeds of castor, red gram and millets and also ensure procurement and good market price as farmers had bitter experience in the past with low support price.

### **Compensation not given**

Farmers who were promised compensation for failed crops last year are yet to get the financial assistance. If the government makes payment, farmers would invest the same this season, which would help them in these uncertain conditions a lot.

Mr. Jalapathi Rao advises farmers not to apply complex fertilizers containing phosphorous and potash as those are abundant in soil. Farmers who have sandy loam soils should grow castor mixed with red gram as they suit the late sowing and the market price has been encouraging too.

The senior scientist opined that the State government encourage micro irrigation by giving more subsidy in purchase of sprinklers and drip system and help the farmers tackle the drought situation where the water availability is very low.

The paddy farmers should select short to medium duration varieties which have tolerance to brown plant hopper and neck blast since these two pests become a problem for rice cultivation.

“The future for rice growers is bleak as there is no water. The occasional and untimely rain holds no promise for paddy cultivation,” he said.

THENI, July 10, 2012

### **Agriculture activities to be stopped in Cumbum Valley**

: Failure of southwest monsoon and poor storage in the Periyar dam have forced farmers to take a very tough decision that will pose a grave threat to food production.

When Public Works Department engineers explained the precarious storage position in the dam and left the ball in the farmers’ court, heads of various farmers’ associations have unanimously decided to stop all agriculture activities in the valley and maintain status quo till resumption of the monsoon to avoid water crisis.

These decisions were taken at a special meeting between PWD officials and representatives of farmers held in Uthamapalayam near here on Monday.



At the outset, the engineers expressed their inability to supply water for raising fresh seedlings and transplantation informing the representatives that further agriculture activities will scale up water crisis further.

Water level in Periyar dam on June 20, 2011 was 125.8 feet and the inflow was 1,111 cusecs and discharge was 1,410 cusecs.

On June 30, 2011, storage was 122 feet with an inflow of 211. We had released 1,275 cusecs. On June 20, 2012, storage was 111.5 feet.

Inflow was 412 cusecs only and the discharge 30 cusecs.

On June 30, 2012, the level was 111.6 feet and inflow was 18 cusecs and the discharge 200 cusecs.

The present discharge of 200 cusecs should be utilised for drinking water purpose only.

However, PWD officials assured to maintain the supply to protect standing seedlings.

Now, farmers who did not raise seedling so far in Uthamapalayam, Chinnamanur, Veerapandi, Upparpatti and Palanichettipatti will not raise seedlings and keep land idle.

Similarly, ryots who had completed transplantation in certain pockets of Cumbum and Goodalur will not get water.

Only those who raised seedlings in Margayankottai, Goodalur and Cumbim alone will get river water. But they should not transplant till improvement in storage.

Already, transplantation in 2,000 acres was over. Those farmers will have to abandon the crop to die, deplored Dharvesh Mohideen, president of Uthamapalayam Farmers' Association.

Failure of the monsoon will have an adverse impact and ultimately hit food production on 14,700 acres in the Cumbum valley, said the farmers.

“But we have no option except to take hard decisions.”



The monsoon was supposed to start on May 27 or 30. Even after June and lapse of nine days in July, monsoon did not improve.

The present storage in Periyar dam did not improve beyond 113.9 feet and inflow too was below 400 cusecs.

PUDUKOTTAI, July 10, 2012

### **Training on pest management**

: A day-long training on 'pest management in jasmine' will be held at Krishi Vigyan Kendra (KVK) campus at Vamban near here on July 17. In a press release issued on Monday, V. Kalaiarasi, Collector, said jasmine was prone to a variety of diseases and timely action would help register higher yield. The Collector appealed to farmers to take advantage of the programme. Further details can be obtained by dialling 04322-290321.

PUDUCHERRY, July 10, 2012

### **Vegetable waste fuels eco-friendliness**

*Organic matter processed in biogas chamber; methane generated*



Economical and Eco-friendly The switch to biogas happened when there was a shortage of firewood following Cyclone Thane. One of the village women putting bio waste in the bio-gas plant— Photo: T. Singaravelou

The people of Pillayarkuppam, off the Cuddalore Main Road, have taken a step in the right direction, by switching to bio-gas for their community kitchen. The kitchen feeds a group of

senior citizens who live in the village, and every day they are fed three meals a day that are cooked on a stove fed by biogas.

The system they have adopted is fairly simple. They have given buckets to four shops in the village to collect all their organic waste, such as rotten vegetables and left over food items. The waste is then dumped into the biogas plant and left for around six hours.

Once the organic matter has been processed in the biogas chamber, methane is released. The methane fuel is then fed into the stove using a pipeline. The process is repeated twice a day in order to prepare the food for the people.

According to one of the residents of the village, they used to use firewood to prepare the meals, but, unfortunately, after Cyclone Thane, there was a dearth of firewood. It was then that they decided to switch over to biogas.

The arrangement has been in place for the past one month, and it has been working well for them and they are saving a lot of money.

The cost of installation of the biogas chamber was Rs. 22,000, and the people of the village all pooled in to buy it, the resident said.

Environmental Engineer of the Department of Science, Technology and Environment N. Ramesh, who also played a part in the installation of the biogas plant, told *The Hindu* that by using vegetable waste as fuel, there was a huge benefit to the environment.

Every kilo of vegetable waste generates one cubic metre of methane, which is a chemical that is 21 times more potent than carbon dioxide in terms of causing global warming, he said.

Also, if firewood or cow dung is used instead of this biogas plant, there would be a lot of soot and other pollutants released into the air. Often, people who cook with either firewood or cow dung for a continued period of time end up with respiratory ailments.

By converting the vegetable waste into fuel and burning the methane, the villagers are helping to protect the environment in their own way, Mr. Ramesh said.

TIRUNELVELI, July 10, 2012

### **“Small variation” in weight of fertilizer bags**

*The weight was between 44.50 kg and 46 kg: officials*



Random check: Joint Director of Agriculture K. Soundararajan checking the weight of a fertilizer bag at a retail outlet in Tirunelveli town on Monday.— Photo: A. SHAIKMOHIDEEN

Officials attached to the Department of Agriculture inspected fertilizer retail outlets across the district to verify the weight of fertilizer bags following complaints.

After ‘The Hindu’ carried a report based on complaints from farmers that most of the fertilizer bags being sold by the retailers here were underweight, officials of Department of Agriculture, led by Joint Director K. Soundararajan, conducted checks in fertilizer retail outlets. They randomly checked the weight of the fertilizer bags.

“There is a small variation in the weight and I’ve spoken to the officials concerned to rectify this problem,” said Mr. Soundararajan even as the retailers from Alangulam, Tenkasi, Maanur and Sankarankovil, after the inspection, opined that the “small variation,” causing huge loss to the farmers, should be permanently stopped.

When the officials checked the weight of fertilizer bags in a shop at Maanur, the weight was between 44.50 kg and 46 kg though the mandatory information printed on the polythene bag said that it was containing 50 kg of potash and none of the bags contained 50 kg fertilizer. And, the trader, S. Mohamed Ali, obtained an acknowledgement from officials saying that bags were underweight.

Meanwhile, the Marumalarchi Dravida Munnetra Kazhagam has decided to approach the court to get legal remedy for this serious problem faced by the farmers. MDMK’s Tuticorin district

secretary S. Joel, who had filed a case in the Madras High Court seeking its intervention in the 'underweight problem,' has decided to approach the court once again to put a permanent end to this menace. "Besides praying for automated fertilizer packing system, I'm going to seek CBI enquiry into this scientifically designed looting, in which several lakhs of poor farmers are being cheated," said Mr. Joel.

BELGAUM, July 10, 2012

### **Farmers urged to go in for alternative crops**

In view of the drought in different parts of the district, the Agriculture Department has advised farmers to go in for alternative crops. Sources in the department said here on Saturday that farmers need to take up alternative crops depending on the fertility of the soil and availability of water. The crops which they could take up include soyabean, groundnut, maize, jowar, cotton, hybrid cotton, toor, bajra, sesamum, sunflower etc.

In the event of rainfall in the first two weeks of August, farmers could sow maize, jowar, sunflower, native cotton, sesamum etc. Farmers in Saundatti, Raibag, Athani, Gokak and Ramdurg taluks could sow bajra, toor, sesamum, maize and cotton in the event of rainfall in the first two weeks of the month. If these areas receive rain during the second half of the month, the growers could take up toor, sesamum, maize, sunflower and cotton, among others.

Farmers in rainfed areas of Khanapur taluk could sow paddy, toor, cotton, maize during the month. In the event of rain in the first fortnight next month, they could go in for maize and fodder crops. Officials advised farmers to adopt scientific methods of cultivation.

MANDYA, July 10, 2012

### **Special teams to assess crop loss in Mandya**

Deputy Commissioner B.N. Krishnaiah has said the district administration has taken steps to assess the extent of crop damage owing to drought.

He visited Dudda village in Pandavapur taluk on Monday and interacted with the village residents.

**Report**

Mr. Krishnaiah told them that the district administration would submit a report to the State government by the end of the week and seek compensation for the affected crops.

“We have formed special teams to assess crop loss in Mandya,” he said.

Officials from the departments of Revenue, Horticulture and Agriculture were assessing the crop loss.

Puttaraju, Melkote MLA, and Additional Commissioner Shantha L. Hulamani were present.

ALAPPUZHA, July 10, 2012

### **Kuttanad farmers to observe agricultural hartal tomorrow**

#### *Protest against government's neglect of farmers' problems*

Farmers in Kuttanad will observe an agricultural hartal and will march to the State Secretariat in Thiruvananthapuram on July 11 to protest against the ‘indifferent attitude’ of the government to the pressing problems of paddy farmers.

Addressing a press conference here on Monday, Fr. Thomas Peeliyanikkal, executive director of the Kuttanad Vikasana Samithi, said that the paddy farmers in their traditional head gear and cotton towels will march from the Martyrs’ Column in Palayam to the Secretariat singing songs sung during agricultural activity and ‘*vanchipattu*’. Farmers’ delegation led by Fr. Peeliyanikkal will submit a petition containing 15 demands to the Chief Minister, Agricultural Minister and the Finance Minister.

#### **Procession planned**

He said that the government still has to pay about Rs.53 crore on account of paddy procured from farmers.

He warned that if these arrears were not disbursed before July 20, a ‘*pattini jatha*’ (starvation procession) of farmers and their family members will be organised.

He said that the farmers, especially those who cultivate on leased land, were under dire straits. Though government has been apprised of the problems from time to time, it has taken no efforts

to solve them. Of the 15 demands, one was to end the sluggish progress and inefficiency in the implementation of the Kuttanad Package.

Though Central Cabinet sanction of the package will turn four years this July 24, the inefficient bureaucracy was not able to complete the construction works to prevent breaking of bunds in even a single paddy field. "We demand to oust all these officials and appoint a fresh team led by an IAS officer of Government Secretary rank, who has experience in working in Kuttanad area, is farmer-friendly, determined and has powers to act. Another demand is to increase the price of paddy by Rs. 2000 per quintal. The current subsidy to fertilizers is not sufficient and the subsidy should be hiked to at least 50 per cent," he said.

Though the first budget of the current government had promised to bear the expenses of entire farmers of Kuttanad (covering districts of Alappuzha, Kottayam and Pathanamthitta) for undertaking works for draining of water from paddy fields, no money was sanctioned and the next budget of 2012 remained silent on this matter, he alleged. The Samithy also demand that the crop insurance be increased from Rs.5000 per hectare to Rs.25000 per hectare. Other demands also include raising farmer pension from Rs.400 to Rs.1000.

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- *'Government yet to pay about Rs.53 crore for paddy procured from farmers'*
  - *Farmers to march to Secretariat on July 11*

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ALAPPUZHA, July 10, 2012

### **Paddy farmers seek government intervention**

C-Block Kayal Padasekhara Nellulpadaka Samithi has demanded that the government intervene immediately to facilitate smooth conduct of cultivation in a total of 1240 acre paddy fields in C-Block and in nearby D-block in Kuttanad.

Addressing a press conference here on Monday, Samithi office-bearers alleged that the stopping of works by contractors in the C-block lake-shore paddy polders under the Kuttanad package has led to a situation where the farmers, whose crops were destroyed as the bunds were broken in 2011, were unable to cultivate this year also, triggering a crisis. They said that

the works for the C-Block, which was given priority by the M.S. Swaminathan Commission which framed the package before two years was abandoned two months ago and the contractors were swiftly completing works for the Rani and Chitira lake shore paddy fields where cultivation has not been taken for nearly two decades now.

The contractors, they alleged, had even sent the materials to the inner bund in the name of setting up a channel in between the C and D blocks, and have built a huge bund on both sides. However the works were not started. The contractors have not completed the works for strengthening the deepest water channel in C-Block. Out of the proposed works for building walls on either sides of the channel to a length of 1000 metres, contractors have just dumped boulders only at a length of 500 metres. The farmers are finding it difficult to complete the remaining portion of the wall themselves by digging up mud from the lake because of this dumped boulders, they said.

Also, the concrete piles and slabs were set up nearly three metres away from the shore of the lake. The waters from the Vembanad Lake was gushing into the gaps which were left unfilled in the concrete piles and slabs, leading to breaks in them. The contractors have also put up several hurdles like spreading of logs of coconut tree in two rows behind the existing four motor floors with a purpose to set up new floors, but the logs were making it difficult for farmers to operate their motors now. The setting up of new motor floors will take months under the Kuttanad package. The farmers were unable to operate with hired motors because of these logs.

ALAPPUZHA, July 10, 2012

### **P.C. Thomas demands agriculture budget**

Kerala Congress chairman P.C.Thomas on Monday demanded a separate agriculture budget on the lines of the Railway budget to be presented for Centre and States.

Addressing a press conference here on Monday, Mr.Thomas said the agriculture budget will include fishing sector, animal husbandry, food security, food processing industries and apiculture. This budget will be a solution to the constant neglect to agriculture sector.

He said that the Kuttanad and Idukki packages were still far from being realized. Farmers are falling into debt trap due to non-disbursement of amount for the paddy procured.



The producing of sugar and neera from coconut should be undertaken to help the farmers. He demanded that the Alappuzha and Kollam bypasses, MC Road from Chengannur to Ettumannur and Alappuzha-Changanassery canal should be constructed without much delay.

GUNTUR, July 10, 2012

### Compensation for tobacco farmers announced

The Tobacco Board has announced a compensation of Rs 6,000 per hectare of crop fully damaged in Nellore and Prakasam districts during the Thane cyclone last year.

The compensation for partially damaged crop has been fixed at Rs. 4,000 per hectare.

Compensation for fully and partially damaged barns is pegged at Rs .3,500 and Rs. 2,500 per each barn respectively.

The Central Government has permitted the Tobacco Board to spend Rs.2.50 crore towards compensation to the ryots, its chairman G. Kamalavardhan Rao stated in a press release on Monday.

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# hindustantimes

■ ■ Tue, 10 Jul 2012

weather

## Chennai - INDIA

### Today's Weather



Partly Cloudy

Tuesday, Jul 10

Max    Min  
35.8° | 27°

**Rain:** 00 mm in 24hrs

**Humidity:** 62%

**Wind:** Normal

**Sunrise:** 5:45

**Sunset:** 18:39

**Barometer:** 993

### Tomorrow's Forecast



Rainy

Wednesday, Jul 11

Max    Min  
35° | 27°

### Extended Forecast for a week

Thursday Jul 12	Friday Jul 13	Saturday Jul 14	Sunday Jul 15	Monday Jul 16
				
32°   27°	32°   28°	31°   27°	32°   26°	31°   27°
Rainy	Rainy	Rainy	Rainy	Rainy

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## THE ECONOMIC TIMES

10 JUL, 2012, 06.19AM IST, PK KRISHNAKUMAR,ET BUREAU

### Growers dispute Coffee Board's latest output figures

KOCHI: Coffee growers have disagreed with the Coffee Board's latest output figures for 2012-13 and the final estimate for the previous year.

According to them, the production estimates are higher than what they expect. The differences existed in the previous year too in the light of record coffee exports .

Then the growers had said that the production was higher than what was projected by the board. The board has projected the post-blossom crop for 2012-13 at 3,25,300 tonne, up 3.6% over the final estimate of the previous year. But farmers in Karnataka, the major producer, feel that the crop will fall short.

"The rainfall is deficient and the arabica crop has been affected by the white stem borer pest," said Marvin Rodrigues, chairman , [Karnataka Planters' Association](#). According to Rodrigues, the production may be around 3 lakh tonne with the robusta crop around 2.10 lakh tonne and arabica at 85,000-90 ,000 tonne.

The country had a good harvest of arabica last year and normally a good harvest is followed by a lean one, he said. The final estimate of 3,14,000 tonne for 2011-12 is also higher than farmers' prediction. Rodrigues said it should be around 2.95 lakh tonne, given the shortfall in robusta crop.

A big carryover stock from the previous years helped the exports. The crop in Wayanad, the principal coffee production region in Kerala, is always inflated in the Coffee Board data, said Rajesh, secretary of Wayanad Coffee Growers Association .

"The board's estimate of 54,100 tonne in Wayanad may not be accurate. We get a fairly accurate data on the basis of sales as most of the transactions are billed. Our estimate is around 37,000 tonne," he said. Wayanad produces mostly the robusta variety.

There has been less incidence of black rot disease, he said. "The production in Wayanad has been stagnant for the last few years with the maximum crop of around 40,000 tonne," he said.

10 JUL, 2012, 06.12AM IST, JAYASHREE BHOSALE & MADHVI SALLY,ET BUREAU

### **Cotton acreage expands in Maharashtra, yield may fall due to delayed sowing**

PUNE/AHMEDABAD: Farmers sowed 10 lakh ha with cotton seeds over the weekend in Maharashtra, which has the largest acreage in India. But the yield and acreage across the country are expected to fall due to delayed sowing and farmer preference to other crops.

According to the Maharashtra agriculture department, an additional 10 lakh ha was sown with cotton in the last two to three days taking the acreage from 15 lakh ha on July 2 to 25 lakh ha on July 9.

This is 85% of the average cotton area in the state of 29 lakh ha and 65% of the state's target of 38 lakh ha for 2012-13 . Across Gujarat, the top cotton producer having the second highest acreage, sowing has been delayed.

Till last week, cotton was sown on 9 lakh ha. Cotton was sown on 26 lakh ha in the state last year. The delay in sowing is likely to have an adverse impact on yield and production.

"The delay in sowing has a negative impact on yields, especially on the long-duration hybrids as moisture might be less towards the end of the season. But if we get good rainfall in October, yields can improve," said K Kranthy, director, Central Institute of Cotton Research ( CICR), Nagpur.

The yield is expected to decline by about 15%-20 % due to delayed sowing. Dinkar Patil, a cotton farmer from Buldhana, said, "It's raining in Vidarbha since three days. Though we have started sowing cotton, it is late for Bt cotton and may result in a 10%-20 % decline in yields."

The Maharashtra government expects cotton sowing to be almost completed by July 15. Total cotton acreage in the state last year was 40 lakh ha and the industry is expecting the acreage to be about 35 lakh ha area this year.

"We are ensuring seeds, electricity and even diverting the Narmada water to ensure that farmers are able to sow on time," said RK Tripathi, principal secretary for agriculture in the Gujarat government . In Kutch district, there has not been a single spell of shower this summer. In Punjab, Haryana and Rajasthan , cotton sowing has been completed across 14 lakh ha compared to 16.9 lakh ha in the previous year, according to Rakesh Rathi, president , Northern India Cotton Association . Area under cotton in India, the world's second-biggest producer, is likely to fall in 2012-13 from last year, Textile Commissioner AB Joshi told reporters on Monday as other crops like soybeans have given better returns.

9 JUL, 2012, 07.23PM IST, REUTERS

### **Wheat seen hitting new contract high**

MUMBAI: Wheat futures are likely to hit new contract high this week on expected rise in shipments, following a surge in global prices of the commodity.

The US benchmark wheat futures on Chicago Board Of Trade( CBOT) rose about 3 per cent on Monday, following the lead of corn, which has soared after sweltering weather across the US Midwest threatened yields.

"India has surplus wheat and was struggling to export as prices in the overseas markets were not attractive. Now prices have risen globally, and India could trim its bulging stocks by selling in the global market," said Faiyaz Hudani, analyst with Kotak Commodity Services.

On Monday, the key August contract on the National Commodity and Derivatives Exchange (NCDEX) closed up 2.1 per cent at 1,307 rupees per 100 kg.

Faiyaz expects the contract to touch a new high of 1,370 rupees per 100 kg this week.

Agribusiness giant Cargill Inc has sold about 32,000 tonnes of Indian wheat to Indonesia in the first large shipment of the grain to Asia in at least seven years.

India lifted a ban on wheat exports in September but shipments from the South Asian nation have picked up in recent weeks as a rally in global prices and a weaker currency made Indian wheat competitive in the world market, traders said. India, the world's second-biggest wheat producer, is struggling to trim bulging stockpile that have filled up its storage facilities after the bumper harvests of recent years.

Grain stocks in Indian government warehouses stood at a record 82.4 million tonnes on June 1 although there was storage space only for 63 million tonnes, forcing authorities to store the surplus in the open.



### Veggies get pricey again

Author: Express News Service Published Date: Jul 9, 2012 11:51 AM Last Updated: Jul 9, 2012 11:51 AM In the absence of a regulatory mechanism in the district, prices of vegetables are skyrocketing at regular intervals. Vegetable prices in Rourkela city and elsewhere in Sundargarh district are witnessing a record high with vendors' monopoly ruling the roost. With no price control mechanism, some vegetables are selling occasionally at a whopping Rs160 a kg.

Market sources said at Rourkela prices of other vegetables were in the range of Rs 30 to Rs 50 on Sunday. Cauliflowers were selling at Rs 70 each and beans at Rs 120 a kg. A week back, prices of capsicum went up to Rs 150 a kg and beans sold at ` 160 and other commonly consumed vegetables ranged between Rs 30 and Rs 80 a kg.

Sundargarh BJP workers led by its president Sahadev Xaxa on Friday stormed the Regulated Market Committee (RMC) office at Sundargarh town as the prices were at par with the commercial hub of Rourkela. The protest saw the administration stepping in and fixing prices of all vegetables to prevent unscrupulous traders from fleecing consumers. Xaxa said he blamed the administrative machinery for the price rise.

Official sources said the district has RMCs at Bonai, Rourkela and Sundargarh, which reportedly have no regulatory powers and are mere market facilitators for cultivators.

With no regulatory mechanism, unscrupulous middlemen procure bulk stocks of vegetables and sell them at inflated prices to retailers who in turn sell them at even higher rates.

District Collector Rupa Roshan Sahu said from Monday the administration would ensure prices of vegetables and other edible items at tolerable levels.

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### **Engineer of minor irrigation dept manhandled in Daltonganj**

MONDAY, 09 JULY 2012 22:54

PIONEER NEWS SERVICE | DALTONGANJ

The Daltonganj Police are investigating the motive and circumstances that led to the elbowing and jostling with the Superintending Engineer Ripu Sudan Prasad of the Jharkhand Minor Irrigation Department on Monday.

According to the town police, the SE was manhandled on Monday by a group of six or seven persons.

The SE later lodged an FIR. The SE did not name any of the accused. He termed all as unidentified. Police have registered the case.

Daltonganj town police station Officer in-Charge (OC) R Mandal has confirmed the episode but said the motive behind is unknown as the SE has not revealed any thing so far to the police.

The Minor Irrigation department undertakes water body schemes and this occurrence is linked or related to it said the Officer in-Charge town police station.

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# Business Standard

Tuesday, Jul 10, 2012

## Agri inflation on rain worry

**NCDEX benchmark index up 10% over a month, as expectations on sowing gather pace**

**Dilip Kumar Jha / Mumbai July 10, 2012, 0:57 IST**

The prices of agricultural commodities have jumped sharply in the past month, amid expectations of their output being hit this kharif season due to deficient monsoon rainfall. The India Meteorological Department has reported 30 per cent rain deficit so far this season.

The benchmark Dhaanya Index, as a consequence, is up 10.3 per cent in the past month, from 2,348.47 on June 9 to 2,590.91 on July 9. Compiled and maintained by the National Commodity & Derivatives Exchange (NCDEX), this index is an indicator of the movement in major agri commodities, with higher weightage of refined soya oil (28 per cent), rapeseed (25 per cent) and chana (20 per cent).

“June rainfall numbers pose a risk. But, it is too early to press a panic button for its impact on overall agri output during this kharif,” said D K Joshi, economist (agri commodities), with leading rating agency CRISIL.

A report by NCDEX says India received cumulative rainfall of 137.8 mm against a normal of 197.7 mm. At the same time last year, there was a surplus of one per cent over the normal.



Several agri commodities, such as paddy (unmilled rice), oilseeds like soybean, groundnut, etc., cotton and a host of other commodities, including guar seed, are sown with the onset of monsoon. Delay or deficiency here always hits sowing and the overall yield.

Interestingly, IMD’s forecast in May of a normal monsoon impelled a fall in the prices of these commodities, due to excess foodgrain stocks with the government agency, Food Corporation of India.

Prices of turmeric are up 17.85 per cent, of castor seed and cotton seed oilcake by 16.9 per cent and 16.25 per cent, respectively. Chana prices for near-month delivery on the NCDEX jumped 8.8 per cent. The commodity in spot Delhi mandis followed suit and rose 5.4 per cent to settle at Rs 4,490 a quintal today. A report by the broking firm Kotak Commodity Services Ltd, said, “Chana was expected to remain firm on low domestic inventories and low production prospects for the season. On the demand side, the seasonal festive demand for Ganesh Chaturthi and Raksha Bandhan is expected to gain pace and support the prices. In addition to these, delay in monsoon progress is affecting the pulses sowing.”

Madan Sabnavis, chief economist at Care Ratings, said: “On account of the delayed monsoon and rather erratic progress, there could be two fallouts. First, delayed sowing in central India, northern states and western India (Rajasthan and MP), which may affect crops such as pulses, oilseeds and cotton. Second, substitution of crops that use less moisture with those that need more rainfall. This is serious, as it will distort the crop area, leading to uneven growth in specific farm products. Also, normally a delayed onset leads to a protracted withdrawal, which can affect specific crops such as fruits and vegetables towards October. This can also affect sowing of the rabi crop and has an impact with a lag.”

DRY PUSH						
NCDEX spot price						
Commodities Name	Units	9-May	9-Jun	9-Jul	%chg*	%chg**
Turmeric (Nizamabad)	Rs/Qtl	3,413.55	3,526.45	4,155.85	3.31	17.85

Castor seed (Disa)	Rs/Qtl	3,162.35	2,803.75	3,278.55	-11.34	16.93
Cotton seed (Akola)	Rs/Qtl	1,279.10	1,200.00	1,395.00	-6.18	16.25
Jeera (Unjha)	Rs/Qtl	13,503.35	13,363.35	14,966.65	-1.04	12.00
Chana (Delhi)	Rs/Qtl	4,278.85	4,237.50	4,611.65	-0.97	8.83
Ref soya oil (Indore)	Rs/10 kg	744.40	716.20	774.00	-3.79	8.07
Pepper (Kochi)	Rs/Qtl	37,742.10	38,923.50	41,092.85	3.13	5.57
Coriander (Kota)	Rs/Qtl	3,928.15	3,787.50	3,966.40	-3.58	4.72
Barley (Jaipur)	Rs/Qtl	1,490.00	1,275.90	1,283.20	-14.37	0.57

\*Change between May 9 and June 9, 2012; \*\*Change between June 9 and July 9 2012

Data compiled by BS Research Bureau

Adding: "Impact of prices will be felt based on actual production numbers. The higher MSP (minimum support price) announced across the board will impact the price level to an extent. However, inflationary expectations have started coming in and there could be a tendency for stocks to be released gradually until the harvest on fears of a shortage, which will exert pressure on prices."

### **Cotton acreage down 10%: Textile commissioner**

**BS Reporter / Mumbai July 10, 2012, 0:44 IST**

India's cotton acreage is down by about 10 to 15 per cent compared to last year due to delay in monsoon, said A B Joshi, textile commissioner. Last year the area under cotton stood at 12.2 million hectare, and this year is estimated to be lower than the previous year's levels. So far sowing in Maharashtra and Rajasthan is affected due to the delay in rainfall.

### **Synthetic rubber output growth stays flat in 2011-12**

**George Joseph / Chennai/ Kochi July 10, 2012, 0:32 IST**

The domestic production of synthetic rubber (SR) remained steady during 2011-12 as it rose marginally to 110,599 tonnes from 110,340 tonnes in 2010-11, registering a growth of just 0.2

per cent. The increase in production during 2010-11 was 3.4 per cent, compared to the previous financial year. In the production basket of SR, the share of poly-butadiene rubber (BR) was 71 per cent.

India produced 78,745 tonnes of BR, 18,791 tonnes of Styrene Butadiene (SBR) and 13,063 tonnes of other varieties of SR last fiscal. SR consumption increased to 423,350 tonnes during 2011-12, registering a growth of 2.8 per cent as against 411,830 tonnes consumed in 2010-11, as per the Rubber Board data. The total consumption of natural rubber in 2011-12 was 964,415 tonnes. The automotive tyre sector consumed 307,365 tonnes of SR during 2011-12 as against 298,414 tonnes in 2010-11, recording a growth of 3 per cent. The general rubber goods industry consumed 115,985 tonnes as against 113,416 tonnes in 2010-11, registering a growth of 2.3 per cent. On the table of consumption, SBR tops with 185,265 tonnes followed by BR with 134,630 tonnes and 103,455 tonnes of other grades of synthetic rubber. The relative share of consumption of NR and SR in India was 69 : 31 during 2011-12. This was 71 : 29 in the previous financial year.

Meanwhile, the import of SR during 2011-12 rose to 327,625 tonnes compared to 302,030 tonnes during the previous financial year. Natural rubber imports during the same 12-month period was 205,433 tonnes. On the global front, the SR production during 2011 was 15 million tonnes as against 14 million tonnes in 2010, recording an increase of 7.3 per cent.

Global SR consumption too rose 6 per cent to 14.93 million tonnes during 2011 compared to 2010. World NR and SR consumption ratio in 2011 was 42 : 58 as against 43 : 57 during 2010.

### **Potato weakens 1% on subdued demand**

Increased supplies in the physical market also pulled prices higher

**Press Trust of India / New Delhi July 09, 2012, 14:10 IST**

New Delhi, July 9 (PTI) Potato prices fell by Rs 13.50 to Rs 1,300 per quintal in futures trade today as speculators offloaded their positions driven by subdued demand in the spot market.

Increased supplies in the physical market following persistent arrivals from producing region against lower demand led to the fall in potato futures prices.

At the Multi Commodity Exchange, potato for August delivery fell by Rs 13.50, or 1.02%, to Rs 1,300 per quintal, with a business volume of 22 lots.

The commodity for delivery in July slipped by Rs 4.50, or 0.38%, to Rs 1,173.50 per quintal, with a trading volume of three lots.

Marketmen said fall in potato prices was mostly due to offloading of positions by speculators, driven by subdued demand in the spot market.

### Chana up on better spot demand

Delayed sowing due to less rainfall also supported trading sentiment

**Press Trust of India / New Delhi July 09, 2012, 14:03 IST**



Chana prices rose by Rs 56 to Rs 4,677 per quintal in futures trade today as speculators enlarged their positions on good demand in the spot market.

Delayed sowing due to decline in rainfall in major producing regions also supported the trading sentiment.

At the National Commodity Derivatives Exchange, chana for August contract rose by Rs 56, or 1.21%, to Rs 4,677 per quintal, with an open interest of 1,10,640 lots.

Similarly, the commodity for delivery in July gained Rs 55, or 1.21%, to Rs 4,600 per quintal, with an open interest of 12,100 lots.

Analysts said increased buying by speculators on good demand in the spot market mainly led to a rise in chana futures prices.

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## Low arrivals drive turmeric to 8-month high



Erode, July 9:

Spot turmeric prices touched an eight-month high of Rs 5,000 a quintal as arrivals were the lowest this year.

“It (hitting Rs 5,000) is purely unexpected for both traders and turmeric growers. On November 9, 2011, the finger variety was sold at Rs 5,034 a quintal at the Erode Turmeric Merchants Association sales yard and on the November 10, 2011, the crop was sold at Rs 5,009 a quintal at the Gobichettipalayam Cooperative Marketing Society. Further today’s arrival of 7,100 bags is the lowest for the current year,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. Turmeric prices have not appreciated in other North Indian markets where it is still selling at Rs 4,300 a quintal.

He said that if rains failed and no water is released into the Lower Bhavani Project canal after August 15, turmeric prices will surge. Mr Palanisamy Gounder, a traditional turmeric grower, expressed happiness at the sudden increase in prices. He hoped that prices regain the Rs 15,000 a quintal level again.

On Monday, the finger variety increased by Rs 900 a quintal and the root variety by Rs 300 a quintal. Of 7,100 bags that arrived, 90 per cent of the stocks were sold. About 95 per cent of this was procured by stockists.

At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 2,399-5,026 a quintal and the root variety Rs 2,399-4,009. **Salem Crop:** The finger variety fetched Rs 4,986-5,616 and the root variety Rs 3,909-4,636. Of the arrival of 945 bags, 498 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 4,679-5,119 and the root variety Rs 4,599-5,100. All the 1,160 bags on offer were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 4,009-5,499 and the root variety Rs 3,980-5,116. Of the 1,167 bags of turmeric on sale, 1,164 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety was sold at Rs 3,517-4,980 a quintal, root variety Rs 3,572-4,698 a quintal. All the 55 bags kept for sales were sold.

### Aromatic rice gains as floor price on exports goes

Our Correspondent



Karnal, July 9:

The Government's decision to abolish the minimum export price for aromatic rice varieties has started showing its effects in the domestic market as well.

Prices of aromatic varieties went up Rs 100-300 a quintal on Monday while non-basmati varieties remained range bound.

Mr Amit Chandna, Proprietor of Hanuman Rice Trading Company, told *Business Line* that aromatic prices have increased after the Government's statement of removing floor prices for



aromatic rice. It is unlikely to see any major uptrend in the prices of aromatic varieties as the domestic demand is still not picking up. In the physical market, Pusa-1121 (steam) went up Rs 100 and quoted at Rs 5,850-5,900 a quintal, while Pusa-1121 (sela) sold at Rs 4,900-5,000. Pure basmati (raw) increased by Rs 100 and quoted at Rs 5,550-5,600, while pure basmati (sela) ruled at Rs 5,125 a quintal, Rs 125 up. Duplicate basmati, witnessed the major spike, went up Rs 300 and quoted at Rs 4,800-4,900. For the broken of Pusa-1121, Tibar sold at Rs 3,400, Dubar at Rs 2,800-2,900 and Mongra at Rs 2,100-2,200.

On the other hand, non-basmati varieties were ruling range bound but within a positive territory. Demand for non-basmati is picking up and prices may increase later this week, said Mr Amit. PR-11 (sela) fetched Rs 2,500, PR-11 (raw) Rs 2,350-2,450, Permal (raw) Rs 2,000-2,120 and Permal (sela) Rs 1,900-2,110.

### **Sugar may gain more after topping Rs 3,000/quintal**



Mumbai, July 9:

Sugar prices touched their highest level this year crossing Rs 3,300-a-quintal-mark in the spot market. Prices may rise further as the consumer demand is expected to rise during the upcoming festival season.

The new crushing season starts from October and this year the late arrival of monsoon is causing concern for the standing crops.



On the Vashi wholesale market, sugar extended last week's gain by Rs 20-30 a quintal on firm sentiment at the upper level, expecting higher demand for quality sugar during the Ramzan festival.

Naka rates improved by Rs 20 for S-grade, while for M-grade, rates declined by Rs 10 on selling pressure.

Mill tender rates were up by Rs 20-30 a quintal. Sugar prices shot up by Rs 100-150 last week on lower than expected free sale quarterly quota for July-September. Fresh buying inquiry from Eastern the region and local traders in Maharashtra, along with bullish trend in world sugar futures markets, lifted sentiment in the domestic markets, said sources. A wholesaler said local demand at higher price level slightly eased on Monday. Rain during the day arrested new demand which led to lower offtake from the market. In Vashi, market arrivals were 52-53 truckloads and local dispatches were 49-50 loads. On Saturday 22-24 mills sold about 1.1-1.15 lakh bags of 100 kg each (including one rail rake of 27,000 bags of M-grade to an eastern region buyer at Rs 3,128) at a higher price of Rs 3,030-3,100 (Rs 3,000-3,070) for S-grade and Rs 3,090-3,150 (Rs 3,080-3,150) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,102-3,235 (Rs 3,072 -3,161) and M-grade Rs 3,200- 3,301 (Rs 3,201- 3,301). **Naka delivery rates:** S-grade Rs 3,100 -3,130 (Rs 3,070 -3,140) and M-grade Rs 3,160-3,240 (Rs 3,170-3,250).

#### Crop delay concern pushes up oils



Mumbai, July 9:

Most edible oils extended last week's gain on firm reports from abroad and from domestic producing centres. Concern that erratic monsoon may delay the kharif crops pushed up prices. Imported palmolein and soya oil rose by Rs 2 for 10 kg each while rapeseed and cottonseed refined oil increased by Rs 3 for 10 kg each. Sunflower refined oil was up by Rs 5 for 10 kg.

Malaysian crude palm oil futures rose on worries unfavourable weather in many parts of the world could crimp oilseed production and tighten global cooking oil supply during peak festivals season. Due to rains volume was need-based but expected higher demand for Ramzan will keep market firm in the medium term. About 1,100-1,200 tonnes of palmolein and sunflower oil were traded during the day, said sources.

A broker said in absence of monsoon in main oilseeds-producing States, such as Maharashtra, Gujarat and Madhya Pradesh, may hit kharif output and strengthen the bullish market sentiment. According to official data, area covered under oilseeds was 10.8 per cent less at 26.55 lakh hectars compare with 37.37 lakh hectares last year till July 6. Erratic monsoon will delay the new season by a month.

Market sources said tracking firm Malaysian and domestic futures markets domestic refiners hiked prices of imported oils. Stockist continued covering quality stocks to meet the expected higher demand during upcoming festivals. Liberty sold about 500-600 tonnes of palmolein at Rs 624-628. About 100-150 tonnes of palmolein was traded in the resale market at Rs 619-620. Ruchi sold about 350-400 tonnes of sunflower oil at Rs 746-747. Liberty quoted super palmolein at Rs 660, soya oil at Rs 760 and sunflower refined oil at Rs 755. Ruchi quoted palmolein at Rs 625 for July and at Rs 629-632 for August; soya refined oil at Rs 752 for July and Rs 755 for August; and sunflower refined oil at Rs 748-753. Allana offered palmolein at Rs 625 for delivery between July 25 and August 5. In Saurashtra and Rajkot, groundnut oil dropped by Rs 10 each to Rs 1,870 for a *telia* tin and to Rs 1,210 for loose (10 kg).

**Malaysia's crude palm oil's** August contracts settled at 3,142 (MYR3,110) and September at MYR3,153 (MYR3,130) a tonne. On the National Board of Trade in Indore, soya refined oil for July delivery closed at Rs 778 (Rs 766.80) and for August at Rs 793 (Rs 781.10).

**The Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 1,190 (1,190), soya refined oil 747 (745), sunflower exp. ref. 675 (675), sunflower ref. 750 (745), rapeseed ref. oil

853 (850), rapeseed expeller ref. 823 (820) cottonseed ref. oil 718 (715) and palmolein 620 (618).

## Export, crushing demand push up soya, its oil

Our Correspondent



Indore, July 9:

Soyabean and soya oil continued to rise on Monday on declining arrivals, higher buying by crushers and higher export demand for soyameal.

With the monsoon continuing to play truant in producing regions of Madhya Pradesh and arrival declining to 35,000 bags in the State (2,000 bags here), soyabean prices in *mandis* perked up by Rs 100 at Rs 4,050-4,100 a quintal. Improved buying by crushers even at the higher rate also perked up soyabean plant deliveries by Rs 100 at Rs 4,150-4,200 a quintal. In the past one week, soyabean prices have gone up by almost Rs 300 a quintal, while soyabean plant deliveries have risen by Rs 250-300 a quintal.

Soyabean futures also traded higher on improved global cues and strong demand. July and August contracts on the National Commodity and Derivatives Exchange closed at Rs 4,295 a quintal (up Rs 137) and Rs 4,328 a quintal (up Rs 125).

Due to erratic rains, soyabean sowing in the State has so far been unsatisfactory. According to the State Agriculture Department, up to July 6 13.58 lakh hectares were sown against 23 lakh hectares up to the same period last year, primary reason for the rise in prices this year.

Traders here differ on soyabean prices in the coming days. While a section foresees soybean going as high as Rs 4,500 a quintal, others rule out any further rise as the Malwa region, the major soyabean-growing centre in the State, has received heavy rains in the past two days. With sowing to proceed in full flow, soyabean is unlikely to rise further, said soya trader Mr Sanjay Bansal.

Soyameal remains bullish on strong export demand. Soyameal prices in the port in the past one week have gone up by over Rs 2,000 a quintal to Rs 36,500-Rs 37,000 a quintal. Soya oil also ruled higher on strong demand for soyameal and erratic rains. Soya refined perked up to Rs 735-740 for 10 kg (Rs 720-725), even as demand at the higher rate remained slack. Resellers traded soya refined mostly at Rs 732-733 for 10 kg. Soya solvent ruled higher on strong global cues, though demand was scattered, with spot and delivery prices at Rs 703-707 for 10 kg (Rs 690-695).

Strong foreign markets and demand pushed up soya refined's July and August contracts on the National Board of Trade here to Rs 778 (up Rs 11.80) and to Rs 793.60 (up Rs 11). On the National Commodity and Derivatives Exchange also, soya oil's July and August contracts closed higher at Rs 783.10 and Rs 793.50. According to Mr Ramesh Malpani, a local soya oil broker, soya oil may turn bullish on demand for soyameal and improved domestic demand.

#### Late rains may damage cotton crop



Rajkot, July 9:

Cotton increased by about Rs 400-500 a candy of 356 kg as monsoon is delayed in production areas. Prices may rise further if the wait for rains prolongs.

“The market is worried as late rains may damage the crop. Buying by mills and exporters has pushed up the fibre crop. Though the supply is restricted, export demand is low too,” said a broker here.

The Sankar-6 variety was traded at Rs 34,800-35,000 a candy the new V-797 variety at Rs 28,000-28,500. About 9,000 bales of 170 kg each arrived in Gujarat, while 21,000 bales arrived in the rest of the country. Kapas or raw cotton gained Rs 20-25 to Rs 800-905 for a *maund* of 20 kg.

In Maharashtra, A grade low micronaire (29 mm) quoted at Rs 34,700-35,000 a candy and high micronaire at Rs 35,000-35,700.

**Reuters reports:** The sowing of the fibre crop has started, but poor rainfall has slowed the pace in some areas, the Textile Commissioner, Mr A.B. Joshi, told reporters on Monday. His office provides data on fibre output, consumption and surplus available for shipments to the government. The country has so far received 25 per cent lower rainfall than normal since the beginning of the monsoon season on June 1, weather department data showed. “The area (under cultivation) might be lower as farmers are not inclined to grow cotton as prices are not good,” Mr Joshi said.

### Spot rubber rules steady





Kottayam, July 9:

Physical rubber prices finished unchanged consecutively for the fourth trading session on Monday. The commodity lost its direction as there were no quantity buyers or sellers in the market to set a definite trend.

Sheet rubber finished unchanged at Rs 187 a kg at Kottayam and Kochi, according to traders and the Rubber board. The transactions were meagre.

In futures, the July series improved to Rs 185.50 (184.53), August to Rs 185.19 (184.12), September to Rs 184.11 (183.01), October to Rs 184 (182.09) and November to Rs 183.50 (182.43) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) weakened to Rs 177.12 (178.36) a kg at Bangkok. The July futures dropped to ₹244 (Rs 171.25) from ₹249 during the day session but then finished unchanged in the night session on the Tokyo Commodity Exchange.

**Spot rates were (Rs/kg):** RSS-4: 187 (187); RSS-5: 181.50 (181.50); ungraded: 176.50 (176.50); ISNR 20: 181.50 (181.50) and latex 60 per cent: 133 (133).

### Chana futures up on strong demand

Suresh P. Iyengar



Chana futures may continue its upward journey on NCDEX with strong demand during the ensuing festival season.

Mumbai, July 9:

Chana futures may continue its upward journey on NCDEX (National Commodity and Derivatives Exchange Ltd) with strong demand during the ensuing festival season.

Chana for August delivery on NCDEX had gained 2.6 per cent at Rs 4,621 a quintal on Saturday. The contract was up 0.39 per cent at Rs 4,621 at 11.50 am on Monday. It touched a high of Rs 4,677 and low of Rs 4,625 per quintal.

The area under chana cultivation during this kharif season was at 13.04 lakh hectares till July 6, same as last year.

However, delay in the onset of monsoon and deficient rains in the growing areas are likely to impact the output this year.

NCDEX has allocated 2,950 tonnes of chana through staggered delivery in July contract.

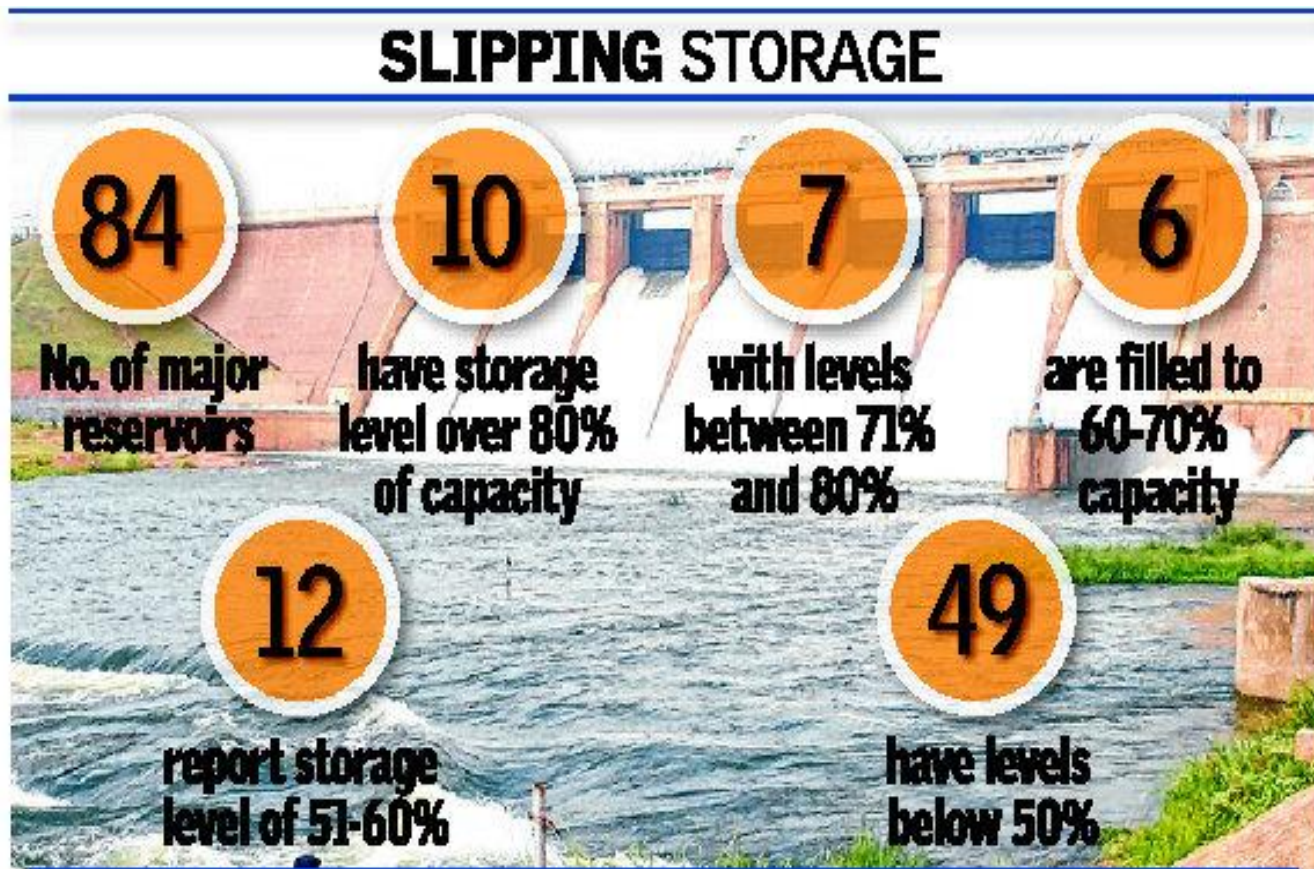
### Water level in major reservoirs at 10-year low

M R Subramani





A view of Mettur dam (file photo)



Chennai, July 9:

The water level in 84 major reservoirs in the country has dropped lower than the last 10 years' average. This is the result of prolonged dry weather from November and a truant monsoon.

According to data from the Central Water Commission, the storage level in the reservoirs is 25.191 billion cubic metres (bcm). This is 16 per cent of the full reservoir level of 154.421 bcm. During the same period last year, the level was 29 per cent of the storage capacity. The average level for the last 10 years is 20 per cent.

The level this year is only 57 per cent of what it was during the same time a year ago.

Until last week, the monsoon was 30 per cent deficient. But rains lashed various parts, cutting the deficit to 25 per cent as of Monday. However, it is unlikely to make up for the deficiency since the last quarter of 2011.

During October-December last year, rainfall was 48 per cent deficient, while for the January-February, it was five per cent deficient and during March-May the shortfall was 24 per cent.

The poor storage position could also affect power generation. According to the Commission, the storage level is lower than normal in 26 of the 37 reservoirs from where significant amount of power is produced.

The water level is zero in seven of the reservoirs, including Kabini, Krishnaraja Sagar and Almatti.

Of the 12 river basins in the country, the storage level is higher than the last 10 years' average in only three.

The situation seems to be pretty dicey in the West with rivers of Kutch basin being highly deficient. In Gujarat, the water level is higher in only two of the 10 reservoirs and in Maharashtra, the storage is higher than the 10 years' average in two of the 12 and closer to that level in four.

Despite the monsoon gaining momentum last week, water received by storages was better only in Rajasthan, Madhya Pradesh and Chhattisgarh. Over the rest of the country, it has been only a trickle.

### **Soaring rents make lease renewal unviable for tenant farmers**

K.V. Kurmanath

*Land owners cut rents by 10-15% to woo tillers*

Hyderabad, July 9:

With rents touching Rs 50,000 an acre in some areas, tenant farmers in Andhra Pradesh have become reluctant to renew the lease on the land that they till on behalf of owners. Seeing this unusual trend, land owners have started reducing the rents by 10-20 per cent.

Rents on farm land range from Rs 5,000 to Rs 50,000 in Andhra Pradesh. While it is low for crops cultivated on dry land, it goes up to Rs 25,000 for chillies, Rs 50,000 for turmeric and other top commercial crops. Tenant farmers in East and West Godavari districts submit up to 25-30 bags (for two crops) of paddy to the landowners. Sugarcane farmers return 10-20 tonnes of cane in lieu of rents.

Mr Javvadi Nani, a farmer in West Godavari district with 33 acres of land, said several tenants are unwilling to renew their leases as the rents have become exorbitant.

“The owners are going back to them by offering to reduce rents by 5-10 bags (of paddy),” he said.

With drought hitting the State last year, tenant farmers made huge losses across the State.

### Credit crunch

The biggest problem they are facing is the credit crunch. “Of the Rs 58,000-crore crop loans given by banks last year, tenant farmers received only Rs 390 crore. It is less than one per cent,” Mr Vangala Subba Rao, Andhra Pradesh Rythu Sangham, told *Business Line*.

Most of the loans are going to landowners, who have long ceased to be farmers. According to a Government estimate, there are about 26 lakh tenant farmers. This means, 20 per cent of all the farmers in the State are tenants. Bankers are sanctioning loans to the owners who own *pattas* (private land deed). With most of the land rental deals having no legal sanction, tenant farmers are dependent on private sources for loans. The State Government had issued an Order that sought to give tenant farmers the ‘licensed cultivators’ tag and had asked banks to provide loans to farmers holding such cards. “But banks say they need cards that are valid for at least five years to meet their requirements,” Mr Subba Rao [said.kurmanath@thehindu.co.in](mailto:kurmanath@thehindu.co.in)

### Pepper turns hot on limited supply

G. K. Nair



Kochi, July 9:

The pepper market on Monday turned hot with all the active contracts increasing substantially on good buying support amid limited availability. Ungarbled touched unprecedented Rs 400 a kg level while the Malabar garbled hit Rs 415 a kg.

Quantity of pepper arriving at the terminal market was very thin. Availability of spot pepper is tight, market sources told *Business Line*.

They said taking cues from the market fundamentals the bull operators are pushing the market up.

In a rising market there will not be sellers. All the bearish efforts by operators turned out to be futile, the sources said.

### **Spot market**

On the spot market, 14 tonnes arrived and 16 tonnes were traded at Rs 400, Rs 405 and Rs 415 depending upon quality, grade and area of production, they said.

July contract on the NCDEX increased by Rs 1,000 to the last traded price (LTP) of Rs 42,830 a quintal. August and September contracts went up by Rs 1,035 and Rs 1,105 respectively to the LTP of Rs 43,340 and Rs 43,790 a quintal.

### **Turnover**

Total turnover increased by 2,900 tonnes, indicating good circular trading. Total open interest went up by 137 tonnes to 5,314 tonnes, showing added buying.

July open interest decreased by 241 tonnes showing liquidation/switching over to close at 1,384 tonnes while that of August and September increased by 315 tonnes and 37 tonnes respectively to close at 3,719 tonnes and 177 tonnes.

Spot prices shot up by Rs 700 in tandem with the futures market trend and limited availability to close at Rs 40,000 (ungarbled) and Rs 41,500 (MG 1) a quintal.

Indian parity in the international market has shot up to \$7,900 a tonne (c&f) for the Europe and \$8,300 a tonne (c&f) for the US.

### **Overseas trend**



With the sharp rise in prices, Indian pepper completely isolated from the world scene, an overseas report said.

“Looks to be a very dangerous market, Cochin pepper exchange, in case you get caught... in a short position”, the report claimed.

Coming weeks will be summer holidays in Europe and market on buyers side will become easy/quiet, it said.

Pepper market remains in easy trend with Indonesia and Brazil offering their new crop at competitive levels.

### Scanty rainfall reduces tobacco area in Karnataka

Our Bureau



Bangalore, July 9:

Erratic and poor rainfall has reduced area under tobacco cultivation nearly 17 per cent to 90,000 hectares in Karnataka.

“Due to insufficient rains and lack of moisture, the planting area has seen sharp reduction this crop year,” Mr K.N. Vishakantaiah, Regional Manager, Tobacco Board, told *Business Line*.

“Tobacco growing taluks of Hunsur, Peryapatna, KR Nagar and Hassan are experiencing dry weather condition. The area had good rainfall up to May and had few showers in June,” he added.

Rains in May facilitated early plantation in about 60,000-65,000 hectares. Rains in June, saw another 25,000-30,000 hectares being added.

### **Crop assessment**

“Growers now need good amount of rains, in the next 10 to 15 days, for quality crop. Rains now can save early plantation and facilitate growth in late planting areas,” said Mr Vishakantaiah.

“It is too early to assess the quality of the crop. But, the fear of unregistered growers’ and their effect on the market needs fresh assessment in the wake of prevailing dry weather condition,” he added. The State has about 42,000 registered growers and around 57,000 registered barns. There are about 40,000 unauthorised barns according to the Tobacco Board estimate. Early this year, the Board had cut Karnataka’s crop size to 98.57 million kg (mkg) from last year’s 101.6 mkg.

### **Additional salesyard**

Tobacco Board is establishing additional auction platform at Shantipura village in HD Kote, Mysore district. Former Union minister and Member of Parliament, Mr Oscar Fernandes, will lay the foundation stone for the centre. This will be the second auction platform in HD Kote and the 12th in the State.

### **Designer rice varieties soon to meet future needs**



*Business Line* Combating demand gap: (from right) Mr Robert Zeigler, Director- General, International Rice Research Institute, Manila, and Mr S.K. Datta, Deputy Director-General (Crop

Sciences), ICAR, addressing a press conference at the International Dialogue on 'Designer Rice for Future: Perception and Prospects', in Hyderabad on Monday. — P.V. Sivakumar  
Hyderabad, July 9:

The humble rice grain is set for a significant makeover soon. Rice scientists across the world have announced plans to develop 'designer rice' varieties that hold the promise to meet the ever growing need for food.

At the forefront of this initiative is International Rice Research Institute (IRRI), the Philippines-based United Nations arm.

The Indian Council of Agriculture Research (ICAR) has already begun work on designer rice by implanting good resistance attributes in wild rice varieties into the popular varieties.

Dr Robert Zeigler, Director-General of IRRI, said there was need to develop varieties with flood tolerance, three to four broadest spectrum blast resistance genes and drought resistance.

Materials with this combination would merit the label 'IRRI inside' and can form the basis for the creation of 'designer' rice varieties.

Dr Zeigler was addressing the inaugural two-day global meet on designer rice being organised by the Directorate of Rice Research (ICAR agency) and International Crops Research Institute for Semi-Arid Tropics here on Monday.

Transgenic varieties with beta carotene and iron fortification could be built on the same platform, he said.

Later addressing reporters, he refuted the argument that designer rice varieties would increase cost of production. On the contrary, it will reduce it as these varieties would ensure lesser intake of inputs and less dependence on water.

Dr Swapan Kumar Datta, Deputy Director-General of ICAR, said the country would require varieties for shorter duration crops that are independent of calendar. "At seedling stage, it requires cold resistance and at later stages it requires resistance to heat," he said.

Eminent rice scientist and former ICAR DDG, Dr E.A. Siddiq, said the country was able to reap only 50 per cent of the high-yielding varieties. "There is no doubt they can take care of the country's food needs for the next 20 years. But to address the needs thereafter, we need to have designer varieties," he said.

## IRRI breeding facility in India

The International Rice Research Institute (IRRI) has set up its regional centre here, ending months of speculation on where the institute is locating the centre in India.

The centre, which will be inaugurated on Tuesday at Icrisat premises, will focus on research in breeding that will take care of the needs of India and other South Asian countries.

“We have been exploring various options to locate the regional centre. To start with, we are setting up the breeding facility here. We are doing this in association with Icrisat and Directorate of Rice Research,” Dr Robert Zeigler, Director-General of IRRI, said.

Dr Zeigler, who was here to attend the two-day international meet on designer rice, said this facility would go a long way in IRRI’s endeavour to have regional presence here.

Though Hyderabad has been on the IRRI’s radar, there were reports in media that the premier rice research institute might look at locations outside of Andhra Pradesh.

## IGC further trims wheat output forecast to 665 mt

PTI



The outlook for world wheat production in 2012-13 continues to be affected by unfavourable conditions in some countries, including a further deterioration in crop expectations in Russia.

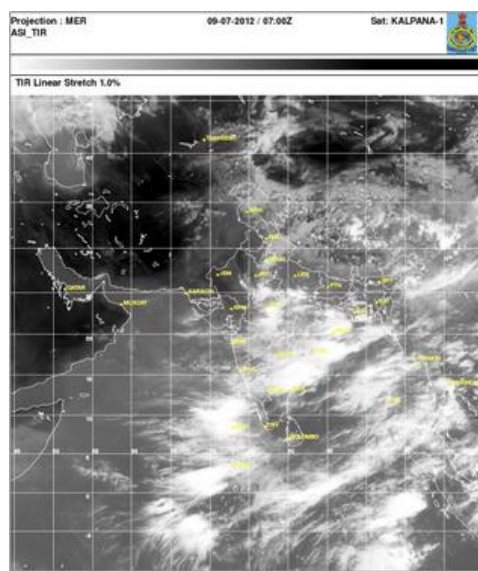
New Delhi, July 9:



The International Grains Council (IGC) has further trimmed its global wheat production forecast for 2012-13 to 665 million tonnes due to unfavourable conditions in some countries including Russia. In May, the London-based organisation had pegged the global wheat output at 671 mt for 2012-13. The revised forecast is lower than 695 mt output in 2011-12. "The wheat production forecast is reduced by six million tonnes from last month to 665 mt, down 4 per cent from the 2011-12 record," IGC has said in its latest Grains Report. The outlook for world wheat production in 2012-13 continues to be affected by unfavourable conditions in some countries, including a further deterioration in crop expectations in Russia. However, the US wheat harvest was generally better than expected, while recent rains helped crops in parts of Europe to show some recovery from the less-than-ideal conditions earlier in the season, it added. Similarly, world wheat consumption may fall to 682 mt from 689 mt, the IGC said. China, with more than 100-mt output, is the world's largest wheat producer. India is the world's second-biggest producer and is estimated to have harvested 90.23 mt in 2011-12, as per the government data. According to the IGC report, global trade in wheat is expected to be lower at 134.6 mt in 2012-13 against 143.5 mt in the year-ago, as milling wheat imports, particularly in North Africa, are nearly balanced by an increase in projected feed wheat trade. Smaller export surpluses in the Black Sea region will see demand switch to other regions in the year ahead, especially the US, it added.

## Rains build up over central India yet again

Vinson Kurian



Thiruvananthapuram, July 9:

As expected, prospects of rains over central India have brightened up with the formation of a land-based rain system over north Madhya Pradesh on Monday.

It will rain down its contents over Northwest Madhya Pradesh and southeast Rajasthan.

#### BREAKING UP

But global models indicate the system breaking up over north Gujarat by Thursday and rains weakening.

This is likely to end up a case of being 'so near, yet so far' in terms of the rains for extreme western parts of Rajasthan.

During this phase, however, peninsular India is forecast to see a revival of rains over parts of peninsular India.

Elsewhere, most of the heavy rains are likely to migrate to the foothills of western and eastern Himalayas and adjoining regions of the bordering states.

Meanwhile, India Meteorological Department (IMD) seems now resigned to the fact that the monsoon may not be able cover the landmass by July 15, the usual time line.

#### NORTHERN LIMIT

Eastern parts of the country are now devoid of heavy to very heavy rains for now, though there are signs of fresh clouds building over the Andhra Pradesh and Orissa coasts.

An IMD update this morning said that the northern limit of monsoon Naliya, Bhubaneswar, Ahmedabad, Jaipur, Churu and Ganganagar.

A weather warning for next two days said that heavy rainfall may break out over Chhattisgarh, Madhya Pradesh, coastal Karnataka, Lakshadweep, Kerala, Konkan, Goa and Orissa.

An extended outlook valid until Monday next said that rains would lash the west coast, east India, the northeast, western Himalayan region and parts of central India.

#### DEFICIT SCENARIO

Overall monsoon deficit for the country as a whole stood at 25 per cent as on Saturday, IMD statistics showed.

The worst affected is northwest India at 43 per cent, which, however, is a huge improvement on the 76 per cent until a week ago.

East and northeast India runs short of the normal by 14 per cent, while for central India, it is 26 per cent. For the southern peninsula, the deficit is 31 per cent.

Given this, the next five 10 days could prove crucial for the 2012 monsoon.

### Demand drives upswing in Kochi tea auction

K. Sajeev Kumar



Kochi, July 9:

Good demand last week resulted in an upswing in the tea market with the prices of almost all varieties soaring at the Kochi tea auction.

The quantity on offer in the CTC dust category was 14,16,000 kg.

The market was firm to dearer by Rs 1 to Rs 2 and occasionally more, especially the good liquoring varieties. The auctioneers Forbes, Ewart and Figgis said in a statement that AVT, Hindustan Unilever and the Kerala State Civil Supplies Corporation were active on good liquoring varieties along with the Kerala Loose Tea Traders, while Tata Global was selective.

The upcountry market was fair and exporters were confined to the medium and plainer varieties.

In the Orthodox dust category, the quantity on offer was 22,500 kg. The market was lower with many withdrawals, while primary grades were absorbed by exporters.

In the best CTC dusts, PD varieties stood at Rs 90/110, RD varieties quoted at Rs 86/100 and SRD varieties ruled at Rs 93/107.

In the leaf category, the quantity on offer in the Orthodox varieties was 2,11,500 kg. Highgrown Bolder Brokens, Whole Leaf and Fannings were fully firm to dearer by Rs 5 to Rs 10 or more following quality. Smaller Brokens were irregular and sometimes lower. Medium Whole Leaf Bolder Brokens and tippy grades were firm to dearer by Rs 5 to Rs 10 and sometimes more.

The corresponding Fannings barely remained steady and tended to ease. The Secondaries and Plainer varieties were irregular and lower.

Unilever was active along with exporters to the CIS countries. The Tunisian account was less, while upcountry buyers and the Tea Bag account absorbed Fannings.

In the CTC leaf grades, the quantity on offer was 75,500 kg. Better varieties remained steady to firm, while others were irregular and lower by Rs 3 to Rs 5 and sometimes more. There was good demand from upcountry buyers.

In the dust category, Injipara (Prm) RD quoted the best price of Rs 137 followed by Injipara (Prm) SFD at Rs 136. In the leaf varieties, Pascoes Woodlands Green Tea quoted the best price of Rs 261 followed by Chamraj OP at Rs 255.