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## CO-4 grass used as fodder increases milk yield considerably

M. J. Prabu



ALTERNATIVE: A fodder unit at the Card-KVK farm in Pathanamthitta district. Photo: Special Arrangement

*Farmers are earning Rs. 15,000 as net profit annually by selling the grass*

In Kerala, even though 60 per cent of the milk requirement is met by procurement from other states like Tamil Nadu, Karnataka and Maharashtra, cattle rearing is fast declining due to high cost of production, labour shortage and shrinking land.

Heavy dependence on other states for raw materials pushes up the cost of concentrate feeds.

“Dry straw (hay) used to feed cattle has become scarce due to decline in area under rice cultivation. It becomes a dire necessity for dairy farmers to start growing green fodder (grass) if they desire to run their unit profitably,” says Dr.S. Prabhu Kumar, Zonal Project Director, ICAR, Zonal Project Directorate, Bangalore.

### **Grow own fodder**

And he adds that mere distribution of milch animals by the Government is of no use to farmers.

Along with the animals they must be also made aware of the importance of growing their own fodder for the animals.

Buying several commercial feeds available in the markets today is not profitable for a small farmer and is sure to burn a hole in their pocket, according to him.

Take the case of the Koipuram Milk society established on the banks of river Pampa nearly 20 years back by one Mr. Gopalakrishnan Nair to prevent dairy farmers from being exploited by middlemen who were not providing timely price for the milk supplied.

During peak production time farmers used to get only Rs.2.40 per litre of milk while the market price was Rs. 6 per litre.

The society was initially started with 400 members and 1,500 litres of milk was sent daily to the milk marketing federation of Kerala for further processing and sales. The price was fixed by the society.

### **Cultivated acreage**

Since 1995 the society encouraged fodder production for its members and introduced different fodder grasses like Congo Signal, Gunnie grass, Hybrid Napier like CO1, CO2 and CO3 in the area. By 2009, 150 hectares in the region were brought under different types of fodder cultivation.

“We brought four cuttings of CO4 Hybrid Napier grass from Tamil Nadu Agriculture University Coimbatore, and multiplied it in our KVK farm.

“Today our farmers are selling this fodder to several private farms in Kollam, Allapuzha, Kottayam and Idukki Districts. On an average 800-1,200 Kg of green fodder is being sold today

by the farmers of this society,” says Dr. C. P. Robert, Programme Co-ordinator, CARD-KVK (Christian agency for rural development- Krishi Vigyan Kendra), Pathanamthitta district, Kerala.

CARD KVK has been in the forefront of fodder promotion in the Pathanamthitta district and has been conducting many trials to identify suitable forage varieties for the district.

Dairy farmers are given training on scientific fodder management practices as and when the need arises.

### **Feeding ratio**

“Feeding one bundle (15Kg) of CO4 grass has been found to increase milk yield by almost 200 ml per cow. Seeing this superior growth characteristic, farmers are replanting CO4 variety today and it has almost replaced the previous CO3 variety,” says Dr.Robert. Till date several lakh cuttings of this grass have been sold to different agriculture project areas in Kerala.

### **Marketing**

Farmers are selling this fodder for Rs1.30 a kg and are able to harvest 7-8 cuttings a year (the cuttings may vary with the availability of water). Many are able to get an average yield of 270 tonnes per hectare and earn Rs. 15,000 as net profit annually.

The society also generates 300 days of employment through this activity a year, according to Dr. Robert.

For more details contact Dr. C. P. Robert, Programme Co-ordinator, CARD-Krishi Vigyan Kendra-Pathanamthitta District, Kolabhagam Post Office, Tiruvalla(Via), Pathanamthitta Dist, Kerala, email: cardkvk@yahoo.com, Phones:0469- 2662094 and 2661821, mobile:09447139300.

Published: June 21, 2012 02:07 IST | Updated: June 21, 2012 02:11 IST

### **Slug caterpillar management in coconut**

S. Vijay

J. Diraviam

Among several pests that infest coconut trees the coconut slug caterpillar is the most serious one especially in Karur district, Tamil Nadu.

The caterpillar is greenish brown in colour with broad anterior and narrow posterior.

## **Adult moths**

It has tiny bunches of minute hairs all over the body. Fully grown larvae feed on the leaf blades. Larval period lasts for 25-45 days.

It pupates inside a round white shell like cocoon attached to the leaves. Pupation stage lasts for a fortnight.

Brown coloured adult moths with wings emerge from the cocoon.

Females are larger in size than males and deposit about 200 eggs in groups on leaves.

The larvae feed by scraping the green leaf tissues. This causes drying and holes start appearing on the dried portion subsequently. The attack is mostly restricted to tall trees.

Affected leaf fronds show a burnt appearance and in case of severe attack the whole tree looks dry.

## **Management**

- Remove the affected leaves in the lower rows.
- Spray dichlorvos at 2 ml/litre of water with a pedal pump/rocker sprayer/tractor mounted power operated pump and spray gun to reach the tree top.
- Apply monocrotophos (10 ml + 10ml) as root feed.
- A waiting period of 45 days must be observed from insecticide application till harvest.
- Monitor the pest occurrence in new areas with the help of light traps to attract moths.
- Leaflets have to be observed for fresh incidence by cutting 1-2 leaf fronds in the garden.

(J. Diraviam, programme co-ordinator and S. Vijay, specialist, plant protection, Saraswati foundation for rural development and training, Karur, Tamil Nadu, mobile: email: skvkk@yahoo.co.in, mobile: 9488967675.)

June 21, 2012

### **Farm queries**

#### **ELECTRICITY FROM POULTRY MANURE**

Is there any entrepreneur who is generating electricity from poultry wastes in Namakkal region?

V. Mani Muthu, *Tamil Nadu*

You can contact Mr. Durairajan, Subhashri Bio Energies Pvt Ltd 67, Goundampalayam, Kumaramangalam, Tiruchengode: 637205, Namakkal, Phone: 04288- 234315, mobile: 9443233398.

#### **LANDSCAPE GARDENINGIs there any place in Chennai where they teach landscape gardening?**

Uma Maheswari, *Chennai*

Contact The Professor and Head, Tamil Nadu Agricultural University Information and Training Centre, New No.P- 44, (Old No. P- 37), 6th Avenue, (Near K- 4 police station), Anna Nagar, Chennai-40. Phone: 044 - 2626 3484 for details

HASSAN, June 21, 2012

### **Agricultural college campus to be inaugurated on June 26**

The inauguration of Karekere campus of the Hassan Agricultural College, which was postponed thrice owing to various reasons, has been scheduled for June 26.

The college was inaugurated in 1996 by the then Prime Minister H.D. Deve Gowda on the Gandhi Krishi Vigyan Kendra (GKVK) campus in Bangalore, from where it functioned before its shift to the new campus in 2006. The campus is spread over 184 acres.

M.A Shankar, Dean, told *The Hindu* that Chief Minister D.V. Sadananda Gowda would inaugurate the campus in the presence of Mr. Gowda. "We are hopeful that this time it will not be postponed and all our invitees will attend it," he said.

The college offers undergraduate courses in agriculture, biotechnology and food science.

Nearly 500 students study on the campus, considered to be the second biggest in the State after GKVK, Bangalore.

There is an administrative block, library, student hostels, auditorium, sports complex and quarters for teaching and non-teaching staff here. "The cost of setting up the infrastructure was Rs. 32 crore. It will require another Rs. 6 crore to complete the construction of the auditorium and indoor sports complex," Mr. Shankar said. The Bharatiya Janata Party government had announced a new agriculture university in Shimoga in the 2011 budget and proposed to include the college within its ambit. It did not go down well with students and teachers, who submitted many memorandums to the State government opposing the move.

Students argue that their campus is bigger than the one in Shimoga, where the new university is proposed to come up, and it is closer to the State capital. They demanded that their college be upgraded into a university.

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- *The function was postponed thrice*
  - *Chief Minister D.V. Sadananda Gowda expected to attend*
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DILABAD, June 21, 2012

### **TRS seeks supply of soya seed on subsidy**

The Telangana Rashtra Samiti (TRS) on Wednesday sought supply of soyabean seeds on subsidy to save farmers of problems. The party wanted the government to discontinue collecting the actual price of seed though the latter has promised to reimburse the amount accruing on account of 30 per cent subsidy.

Addressing a press conference, TRS leaders B. Goverdhan Reddy, Ratan Reddy and others said the new scheme of reimbursing subsidy is being implemented only in Adilabad district.

They said this has resulted in imposing a burden of Rs. 2 crore additionally on the farmers.

The TRS leaders demanded release of input subsidy to farmers who have lost crops during last year's year's drought.

They said only 30 per cent of the Rs. 190 crore released by the government has been disbursed in the last three months.

COIMBATORE, June 21, 2012

### **Go hybrid this Kuruvai: TNAU**

Tamil Nadu Agricultural University (TNAU) has urged farmers to grow hybrid rice CORH 3 during the Kuruvai season. This variety was released by TNAU in 2006.

The rice is suitable for cultivation in Kuruvai / Kar season, which marks the commencement of the agricultural season in Tamil Nadu, wherein rice will be sown in the Cauvery Delta zone, Thamirabarani and Periyar Vaigai command areas, which makes up for around five lakh hectares.

Considering the importance of this season, TNAU has advised farmers to go for CORH 3 hybrid rice cultivation due to its high-yielding potential and other unique advantages like resistance to blast and rice tungro virus disease, salinity and cold, being suitable for making idli and dosa, and for the System of Rice Intensification cultivation, and for fetching market price equal to that of other varieties and private hybrids.

Since hybrid seed is more expensive than inbred seed, it should be used economically and judiciously to reduce the cost of cultivation, according to a TNAU release. Hence, farmers are advised to go in for a lower seed of rate 15 kg per hectare.

CORH 3 matures in 115 days and gives an average yield of over 7,500 kg a hectare. Yields can surpass 10,000 kg a hectare with modern management practices. This new hybrid has a definite yield advantage over popular varieties, like ADT 36, ADT 43, ADT 45 and ASD 16. When compared to other rice hybrids available in the market, CORH 3 produces rice with acceptable cooking quality.

Under favourable growing conditions, a net return of more than Rs. 50,000 a hectare is expected from cultivation of this hybrid.

CORH 3 seeds are available for sale at the Department of Rice, TNAU, Coimbatore. The price of one kg of seed is Rs. 150.

For details, contact 0422-2474967; or e-mail to .

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- *CORH 3 seeds available at TNAU*
  - *It gives average yield of over 7,500 kg a hectare*
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VELLORE, June 21, 2012

### **IFFCO to sell fertilizer stocks at old rates**

Despite the increase in the cost of Complex and DAP fertilizers owing to a sharp increase in the prices of raw materials and the sudden weakening in the dollar-rupee value, the Indian Farmers Fertilizer Cooperative Limited has decided to sell the existing stocks of complex and DAP fertilizers available with the Primary Agricultural Cooperative Credit Societies at the old rates. IFFCO stocks will be available only in the PACCS.

B. Krishnan, State Marketing Manager, IFFCO, Chennai has in a release appealed to the farmers to purchase DAP and complex fertilizers at the old rates till the stocks existed.

BANGALORE, June 21, 2012

### **Study shows Bt cotton's pluses; minuses crop up too**

*Post-Bt cotton period boasts higher yield, but from 2008 onwards there has been some decline*  
A socio-economic impact assessment, commissioned by the Bharat Krishik Samaj (BKS) and conducted by the Council for Social Development (CSD), claims that introduction of Bt cotton in the country has resulted in higher yield, reduced use of pesticides and has transformed India "from a net importer into a net exporter of cotton".

Sharing key findings of the report with *The Hindu*, BKS chairperson Ajay Jakhar said that it was only a socio-economic study and does not look into scientific and environmental concerns related to genetically modified crops.



Citing the study, he said since the cultivation of Bt cotton in India from 2002 till 2011, the growth rate of cotton area, production and yield had increased by 4.91 per cent, 9.25 per cent and 4.95 per cent respectively. This had resulted in better socio-economic status of farmers in terms of their education and health spending, he added.

### **Instability**

However, the study shows that during the post-Bt cotton period “also registered a marked increase in instability” and the average cotton yield “also showed some decline from 2008-2009 onwards”.

### **Data used**

The study, which surveyed 1,050 farmers and 300 agricultural labourers in nine cotton-growing States and used data from government departments, found pesticide consumption decline by 23 per cent in the post-Bt cotton period when compared to pre-Bt cotton period (1996-2001).

It says that though there was decline in damage due to Bollworm pest, there was increased damage by sucking pests “not supposed to be controlled by Bt cotton technology”, which could to some extent have been responsible for the decline in cotton yield since 2008-09.

### **Other factors**

The other factors leading to decline, according to the study, are marginal lands in rain-fed areas being brought under cultivation and erratic weather conditions.

### **Increased cost**

“It was noticed from data received from the Ministry of Agriculture that the average per hectare cost of cultivation increased by 67.68 per cent in the post-Bt cotton period,” said the socio-economic study, attributing escalation to labour costs, fertilizer costs, seed costs and mechanisation.

### **Report summary**

Mr. Jakhar said that the BKS was primarily concerned with “famer prosperity and giving farmers the choice”. The executive summary of the report can be accessed on the website of the magazine, Farmers’ Forum (<http://farmersforum.in/policy/study-on-socio-economic-impact-assessment-of-bt-cotton-in-india>).

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- *Study surveyed 1,050 farmers, 300 agricultural labourers in nine cotton-growing States*
  - *Pesticide consumption declines by 23 per cent in post-Bt cotton period: study*

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HITRADURGA, June 21, 2012

### **Banks told to release crop loans to farmers in time**

*‘Else the farmers will use the money for domestic needs’*

Although banks in Chitradurga district have achieved 143 per cent of their target in disbursing crop loans in the last financial year, the money was utilised by farmers for other purposes, as it was not released at the right time, zilla panchayat Chief Executive Officer N. Jayaram has said.

Presiding over the district-level bankers’ review committee meeting here on Wednesday, he said banks should release the crop loans during March and April so that they could be used for farming activities. Else, farmers used the money for domestic purposes, making it difficult for banks to recover the loan amount.

### **Allied activities**

Expressing dissatisfaction that just 18 per cent of the target had been met in disbursing loans for allied activities in 2011-12, Mr. Jayaram appealed to officials of the Reserve Bank of India (RBI) and the lead banks to initiate action against those banks that did not disburse enough loans for allied activities in the district.

He also pointed out that some banks were demanding deposits from labourers for opening savings accounts. But, as per RBI guidelines, banks should not demand this amount, as payment under the Mahatma Gandhi National Rural Employment Guarantee Act was directly

deposited to the bank accounts. He urged bank authorities to work with the Education Department in creating awareness about education loans.

As ultra-small branches played a “crucial” role in taking banking services to the grassroots, banks should open more of them, he added.

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- *Action urged against banks that failed to disburse enough loans for allied activities*
  - *'Banks should not demand deposits from labourers for opening savings accounts'*

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MYSORE, June 21, 2012

**Supply paddy and maize seeds to farmers in time, officials told**

*Provide fertilizers to farmers as per the prevailing prices: ZP president*



President of the Kodagu Zilla Panchayat, Ravi Kushalappa, presiding over the progress review meeting in Madikeri on Wednesday.

President of the Kodagu Zilla Panchayat, Ravi Kushalappa, on Wednesday, asked officials of the Department of Agriculture here to take steps to distribute paddy and maize seeds to needy farmers in view of the commencement of monsoon in the district.

He was presiding over the progress review meeting pertaining to the zilla panchayat departments at the Old Assembly Hall in Madikeri, said a release. Apart from keeping enough stock of seeds, the department must ensure purchase of paddy (old stock) by providing the minimum support price to farmers. The department must see that fertilizers were supplied to farmers as per the prevailing prices.

The Joint Director of Agriculture, Shivamallu, said that 2,372 quintals of paddy seeds were stocked in the district of which 1,505 quintals had been supplied. Similarly, there was 9,374 tonnes of fertilizers available to farmers in the district.

Expressing concern at the inadequate spending of the 22.75 per cent grants meant for the SC and ST community in the district, Mr. Kushalappa said that they must be utilised in the current year. Or else, the Executive Officers of the taluk panchayats and the Deputy Director, Planning, would be held responsible for lapses, he cautioned.

The vice-president of the zilla panchayat, H.M. Cauvery, sought details from the officials of the B.R. Ambedkar Development Corporation on the programmes and benefits availed by the people in the corporation. She told officials of the Department of Education to ensure proper implementation of the Right to Education Act in government schools for the benefit of the poor.

Mr. Kushalappa called upon the officials of the Public Works Department to take steps to prevent illegal sand mining in the district against which protests and demonstrations were organised. The names of the persons who were awarded tenders for sand mining in the district should be published in newspapers, he told the officials.

He instructed the officials of the Chamundeshwari Electricity Supply Corporation (CESC) to take measures to energise the drinking water projects on priority in the district. The president of the Kodagu District Kannada Sahitya Parishat, T.P. Ramesh, expressed concern over the tardy progress in energising drinking water projects since for three years.

Zilla panchayat members drew the attention of the Chair on several problems in the district such as housing schemes, distribution of title deeds to poor people, and ensuring medicines in hospitals.

KOLLAM, June 21, 2012

### **High production costs hit cashew industry in State**

*State, Centre should help the sector: exporters*

Cashew processors and exporters have said adverse factors are pushing the industry into crisis and the intervention of the State and the Central governments is vital to save it from the present situation.

At a press conference here on Wednesday, president of an association of cashew exporters and processors, Baldwin Austin, and its general secretary, A. Abdul Salam, said one of the imperative requirements was a package from the Central and the State governments. It should have restoration of Income Tax relief on exports and import benefits, which should just be for the exporters.

In the past, India enjoyed international monopoly over processed cashew but now faces heavy competition. The problem of the Indian cashew industry was that it was heavily dependent on imported raw cashew nuts, they said. The Indian rupee falling against the US dollar also made things worse for the industry.

The paradox was that while the price of raw cashew was soaring, the price of kernels was falling. There was a 20 per cent fall, of late, in the price of kernels. As a result, during the on-going season cashew exporters suffered a loss of over Rs.14 lakh on each container of kernels exported.

The industry in Kerala was the worst affected because of high production costs. While the production cost on an 80-kg bag of raw nuts was around Rs.550 in Odisha and West Bengal, in Kerala it stood at Rs.2,100. This made the industry in Kerala difficult to compete even in the domestic market.

While cashew processors in other States enjoyed several tax benefits, the processors in Kerala were heavily taxed.

All these factors contributed towards pushing the industry in the State into a crisis and if the situation continued, it would not be surprising if cashew factories started closing down, they said.

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weather

## Chennai - INDIA

### Today's Weather



Sunny

Thursday, Jun 21

Max Min

38.1° | 28.5°

Rain: 0.1 mm in 24hrs

Humidity: 46%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1005

### Tomorrow's Forecast



Cloudy

Friday, Jun 22

Max Min

35° | 27°

### Extended Forecast for a week

Saturday Jun 23	Sunday Jun 24	Monday Jun 25	Tuesday Jun 26	Wednesday Jun 27
35°   28°	35°   28°	35°   28°	33°   27°	31°   27°
Rainy	Cloudy	Rainy	Rainy	Rainy

## THE ECONOMIC TIMES

20 JUN, 2012, 05.47PM IST, PTI

### Groundnut oil gains on fresh demand

MUMBAI: Groundnut oil prices recovered at the oils and oilseeds market here today due to renewed demand from stockist and retailers.

Refined palmolein strengthened further on good retail offtake following firm Malaysian cues.

Castorseeds bold and castoroil commercial surged owing to good demand from shippers and soap industries.

In futures market, castorseeds prices maintained an uptrend on consistent demand on the back of higher export orders.

In the edible section, Groundnut oil climbed by Rs 10 per 10 kg to Rs 1,200 from Tuesday's closing level of Rs 1,190. Refined palmolein rose by Rs 4 per 10 kg to Rs 601 from Rs 587. Linseed oil held unchanged at Rs 705 per 10 kg.

Turning to non-edible section, castorseeds bold spurted by Rs 40 per 100 kg to Rs 3,285 from yesterday's closing level of Rs 3,245 and castoroil commercial moved up by Rs 8 per 100 kg to Rs 687 from Rs 679.

In the futures section, castorseed for September contract resumed high

20 JUN, 2012, 03.22PM IST, PTI

### **Cashew rises on fresh buying**

NEW DELHI: Cashew prices rose by Rs 5 per kg in the national capital today largely on the back of fresh buying support from retailers and stockists, driven by firm domestic demand.

Lower stocks following tight supplies from growing regions also supported the upside in prices.

Cashew kernel No 180, No 210, No 240 and No 320 rose by Rs 5 to settle at Rs 670-745 Rs 645-685, Rs 565-615 and Rs 570-585 per kg, respectively.

Marketmen said increased buying by retailers and stockists against tight stocks position mainly pushed up cashew prices.

The following are today's quotations (per 40 kg): Almond (California) Rs 11,900 Almond (Gurbandi-new) Rs 6,400-7,100; Almond (Girdhi) Rs 2,800-3,000; Abjosh Afghani Rs 6,000-20,000.

Almond Kernel (California) Rs 430-435 per kg, Almond Kernel (Gurbandi-new) Rs 320-440 per kg.

20 JUN, 2012, 03.19PM IST, PTI

### **Chilli, turmeric fall on subdued demand**

NEW DELHI: Red chilli and turmeric prices drifted by Rs 100 per quintal in the national capital today due to sluggish demand from retailers and stockists amid adequate stocks.

Increased arrivals from producing regions also put pressure on the prices.

Red chilli and turmeric prices declined by Rs 100 each to settle at Rs 5,500-10,900 and Rs 4,300-7,800 per quintal, respectively.

Marketmen said subdued demand from retailers and stockists amid adequate stocks mainly pulled down the chilli and turmeric prices at the wholesale kirana market here.

The following are today's quotations: Ajwain 10,000-15,500, black pepper (per kg) 470-540, betelnut (kg) 160-195, cardamom brown-Jhundiwali (kg) 850-950, and cardamom brown-Kanchicut (kg) 950-1,100.

Cardamom small (kg): Chitridar 810-910, cardamom (colour robin) 820-850, cardamom bold 815-885, cardamom extra (bold) 1,060-1,090 and cloves (kg) 700-800.



### **UP govt assured to bring new policy to increase milk production**

TUESDAY, 19 JUNE 2012 21:30

PIONEER NEWS SERVICE | LUCKNOW

inShare



Admitting in the Vidhan Sabha that adulterated and chemical-laced milk was being sold in the open market, the UP government assured that it would bring a new policy to increase milk production and curb malpractices. An announcement was made by Animal Husbandry minister Paras Nath Yadav in this connection while replying to a question of Suresh Rana (BJP).

“It is no longer a secret that large quantity of adulterated and chemical-laced milk are being supplied and sold in the state. The government is committed to preventing such illegal acts,” the minister said.

Yadav said that UP is the largest producer of milk in the country and there are 190.70 lakh cows, 264.40 lakh buffaloes and 148.29 lakh goats.

Cutting across party lines, members questioned whether milk produced by these animals was equivalent to what was being sold in open market, the minister said that volume of milk available is much more than these animals produce. “This shows that adulterated and even chemical-laced milk was being sold in the market,” he said.

Yadav minister said the government was working on a milk policy which would entail steps to increase milk production thereby curtailing malpractices.

Sports Stadium: Replying to a question of Dharampal Singh (BSP), Minister of state for Youth and Sports, Kameshwar Upadhaya said that the government would set up stadiums at the gram panchayat level, with central assistance.

Rape of deaf and dumb: The Opposition raised the incident of rape of a 11-year-old deaf and dumb girl in Allahabad. The government said the guilty would be arrested and the Panchayat members who imposed a fine of Rs 21,000 on the guilty and let him go scot free, would also be punished.

Leader of Opposition, Swami Prasad Maurya said that the incident was serious and questioned the dubious role and jurisdiction of the Panchayat.

Parliamentary Affairs minister, Azam Khan said that the incident was condemnable and the government would order a probe against the Panchayat.

Yamuna: BJP legislature party leader Hukum Singh raised the issue of less water being released by Haryana and Delhi in Yamuna river leading to a water scarcity in the western parts of the state. Singh said that UP should get two-thirds of the water but not they are not get even one-third of water. on this, the government assured to look into the issue.

## Punjab asks farmers to use water judiciously

WEDNESDAY, 20 JUNE 2012 22:55

PNS | CHANDIGARH

Due to decreasing water level in the dams, Punjab Government on Wednesday asked farmers to "use water judiciously" in their fields.

Irrigation Minister of Punjab Janmeja Singh Sekhon made an appeal to the farming community to use irrigation water with "utmost restraint" as water level in the dams was decreasing due to slow and late melting of snow in the catchments areas.

In a statement, Sekhon said that snow on the high peaks was not melting at a pace as it was expected in this time of summer. He said that due to decreasing inflow of water in the dams, the water level has been decreasing day-by-day.

Sekhon said that the water level of Pong Dam was 1,299.64 feet, which is 50.22 feet less as compared to last year. He said that the water level of Bhakhra Dam was 1,527.62 feet, which is 50.46 less as compared to last year. The Minister said that the water level of the dams is decreasing by one-foot every day.

He said that if the same conditions persisted, the water in the canal would have to be released on weekly basis.

"Punjab Government was committed to provide all assistance to the farmers and was ensuring eight hours power supply to the tube wells and engineers have been deputed to ensure optimum utilisation of canal water for the irrigation purpose," he said, adding that it becomes imperative for the farmers themselves also to use the available canal water for irrigation of paddy fields with utmost discipline so that keeping in view of reduced availability of water in the canals.

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# Business Standard

Thursday, Jun 21, 2012

## Rs 1,900-cr windfall for flour millers from govt wheat sale

Press Trust Of India / New Delhi June 21, 2012, 0:18 IST

Flour millers and biscuit makers will get windfall gains of Rs 1,900 crore with the government deciding to supply them 3 million tonnes of wheat at subsidised price of Rs 1,170 per quintal.

Short of storage space in the monsoon season, the government yesterday decided to sell wheat at Rs 1,170 per quintal to bulk users under the open market sale scheme (OMSS), against the procurement price plus other costs of Rs 1,822 per quintal.

Flour millers said they would pass on the gains to consumers who can hope to get products like flour, maida, and sooji at reduced rates.

"We will benefit from the OMSS sale. It will bring down retail prices of wheat products mostly in consuming states and not so much in producing states like Punjab," Roller Flour Mills Federation of India President Adi Narayan Gupta said.

Gupta said the price fall is expected to be more in southern states as the government promises to bear the entire freight cost. As wheat is available at lower price in northern states, there might not be big change in prices.

Presently, retail price of unpacked wheat flour is ruling at Rs 16 per kg, while branded wheat flour is available at Rs 19 per kg in the national capital.

Karnataka Flour Millers Association ex-president M K Datta Raja said, "It is good for industry as we will get wheat at lower price. This gain will be passed on to consumers as retail prices of wheat products may come down by up to Rs 3 per kg in southern states."

In Bangalore, retail price of wheat flour may come down to Rs 13.50 per kg from current Rs 15 per kg. Similarly, maida may cost Rs 13 per kg instead of Rs 15.35 per kg, he said.

In order to benefit consumers in Northern India, Punjab Roller Millers Association President Naresh Ghai, however, suggested that "the government should keep wheat price for north millers below Rs 1170 per quintal."

There are as many as 1,200 flour millers across the country, of which 75 per cent are located in north India. The total annual capacity of these mills is estimated to be 25 million tonnes, industry experts said.

To create space for new crop, the government has also decided to give additional 5 million tonnes of foodgrains to BPL families through ration shops. Presently, the government godowns are overflowing with a record 82 million tonnes of foodgrains against the storing capacity of 63 million tonnes. The stocks have risen due to a record production and procurement in the last few years.

#### **Bids invited for import of RBD Palmolein**

**Press Trust Of India / New Delhi June 21, 2012, 0:04 IST**

State-run trading firm PEC has invited bids for import of 18,000 tonnes of refined, bleached and deodorised (RBD) palmolein for the domestic market. The last day for bids submission is July 25 and the contract will be awarded on the same day, PEC said in a notification on its website.

The firm has asked for a shipment of 9,000 tonnes of the refined soyabean oil to be delivered at the Chennai and Tuticorin ports between June 25-30 and another 9,000 tonnes between July 5 and 15.

#### **FCI seeks land from states to add storage facility**

**Readying Rs 1,000-cr investment over 3 years to add 2 mt capacity bids to be sought after board approval**

**Dilip Kumar Jha / Mumbai June 21, 2012, 0:02 IST**

Faced with acute shortage of storage on record high purchases of wheat and rice, the central government-owned Food Corporation of India (FCI) has asked state governments for land to build modern silos within three months.

“Failing which, FCI would identify locations and buy land at market prices to build scientific silos in line with facilities in developed countries,” a senior FCI official said. It is readying a capital expenditure plan of Rs 800-1,000 crore to construct two million tonnes of silo capacity across the country.

In consuming centres, a silo with 50,000 tonnes of storage capacity would require a minimum of Rs 26 crore. In procuring states, the cost would be Rs 32-50 crore.

The Planning Commission has been entrusted with preparing the draft model concession agreement and a Request For Proposal, the first stage of asking bids. The decision on such an investment is in a preliminary stage and has to be finalised by a high-level board of directors. Once the board approves, the awarding of contracts, based on the requests received, would begin.

According to Anoop Kumar, executive director (storage), FCI, while all formalities are expected to be completed by the end of the current year, the actual construction of silos would begin only in 2013-14. By the end of 2015, however, a majority of these would be ready for use, with all scientific facilities.

FCI has 30.2 million tonnes of covered storage space under its control. Out of this, 13 mt is owned and 17.2 mt hired. Additionally, the agency handles 3.4 mt of cover and plinth capacity, of which 2.6 mt is owned and 0.75 mt hired. Due to a record procurement FCI is also using storage facilities of the Central Warehousing Corporation (CWC) and various state warehousing corporations.

Still, the agency requires massive storage facility to bridge the deficit. Currently, the government has about 64 mt of storage space, including 20-25 mt of a temporary set-up.

The building of silos will be part of the overall additional storage capacity of 15 mt. The food ministry, along with FCI, is currently working on these plans, according to an official. In a recent meeting with FCI, Food Minister K V Thomas had asked FCI to finalise the location of two mt of silos with the help of state governments as soon as possible. He also asked it to persuade states to undertake scientific construction, especially in wheat procuring states. And, for special attention to the northeastern states with regard to movement of foodgrain and for construction of godowns.

While Punjab, Madhya Pradesh and Bihar are expected to see an addition of modern silo facilities of 400,000 tonnes, 350,000 tonnes and 200,000 tonnes, both Haryana and Uttar Pradesh might receive 300,000 tonnes each. West Bengal is expected to be the only state in the eastern region, other than Bihar, to receive investment on silos for a 200,000-tonne capacity. With the food minister's intervention, northeastern states might see an additional 50,000 tonnes of modern silos under this programme.

FCI's procurement of wheat hit a record 34 mt on May 31, as compared to 26 mt on the same date last year. With the intensified procurement, overall grain stocks in the central pool swelled to 82 mt.

### **Grain price falls below MSP in spot market**

**Bulk traders remain absent, await a clear trend prices likely to fall further on excess procurement, storage by govt agencies**

**Dilip Kumar Jha / Mumbai June 21, 2012, 0:00 IST**

The price of grain fell below the minimum support price (MSP) in the Delhi spot market yesterday due to a supply glut on bumper output and absence of large trading firms. The Food Corporation of India's much higher purchases than the earlier estimates, resulting in storage problems, added to the woes.

Wheat for fair average quality variety was quoted at Rs 1,222 a quintal, substantially lower than the MSP announced by the government for the 2012-13 marketing season. The Centre had only last week raised the MSP for wheat by 15 per cent or Rs 165 to Rs 1,285 a quintal for the current marketing season. Similarly, the price of paddy slumped to Rs 990-1,020 a quintal and to Rs 1,240-1,250 a quintal for the common and fine varieties. On Thursday, a rise in the MSP for paddy had been announced, from Rs 1080 to Rs 1,250 a quintal for the common variety. The MSP for the fine variety has been raised to Rs 1,280 from last year's price of Rs 1,110 a quintal. While these are for the kharif season, open market prices for the earlier season's stock is creating anxiety among farmers.

The fall in the spot trading price of major grains indicates that traders have given a thumbs-down to the MSP rise, which is set to benefit only producers of a couple of states, including Punjab and Haryana, where FCI has been active in grain procurement. Distress sale, however,

continues in other major grain producing states such as Bihar, West Bengal, Uttar Pradesh and Madhya Pradesh, where farmers continue to sell to the arhatiyas, the middlemen, at a substantially lower price than the MSP. The FCI's absence and private players finding it unviable to procure grain at the MSP in these states have pulled down prices of major foodgrain across the country.

“Traders have realised only FCI can procure grains at the MSP, that too, with funds from the government. Since private players would have to go back to sell it in the open market, they do not feel much sense in their procurement. Hence, grain prices are likely to remain lower in the near future,” said Vikash Gupta, proprietor of Superior Agro Crops Pvt Ltd, a Delhi-based grain trader.

Bulk traders such as Cargill, Adani and others remained absent from active buying, according to some traders in the Delhi grain market.

Wheat prices on the National Commodity & Derivatives Exchange have plunged to trade at Rs 1,205 a quintal for delivery in September. The July expiry wheat contract is trading even lower, at Rs 1,168 a quintal. Grain prices are down, on a record harvest, with rice and wheat output estimated to be 102 mt (90.2 mt last year) and 88.3 mt (86.9 mt), respectively.

To meet the annual procurement obligation, FCI requires an allocation between Rs 3,000 and Rs 4,000 crore. With the rise in MSP, the allocation is estimated to increase. Private sector entities such as the National Collateral Management Services Ltd (NCMSL) and National Bulk Handling Corporation, along with others, have offered to reduce the procurement cost by 10 per cent if they are allowed to procure on its behalf.

“While procuring foodgrain from the market, the government must decide the objective for doing so -- whether it is being procured for food security and buffer norms for market intervention or release through the Public Distribution System at a subsidised rate for people below the poverty line. Mixing the two can create confusion,” said Sanjay Kaul, managing director, NCMSL.

Total grain stock in FCI's central pool had swollen to 82.4 mt as on June 1, compared to 65.6 mt in the corresponding period last year. A quantity of 31.8 mt of wheat was initially estimated to be procured during the current rabi marketing season (RMS). However, as on May 24, a quantity of 32.3 mt had been already procured in the central pool as against a total procurement of 28.3 mt

in the previous RMS. It is estimated the procurement during the ongoing RMS will be 36 mt, about 7.7 mt higher than last year.

FCI should require 9.8 mt of buffer stocks and 2 mt of strategic reserves of rice as on July 1. Wheat stocks as on the same date ought to be 17.1 mt and 3 mt under buffer norms and strategic reserves, respectively. The available stock, therefore, is 250 per cent higher than the required buffer stock. FCI has procured 16.2 per cent additional rice (including unmilled paddy) at 32.15 mt this year, as compared to 27.7 mt last year.

According to Kaul, it makes no sense for private players to stock grain for future sale. For stockists to make a profit, the spot price should remain higher than MSP, he said.

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## THE HINDU Business Line

### Castorseed futures down on profit-taking

Suresh P. Iyengar



Castorseed was in good demand at the futures market and the prices had increased in the last few days, leading to profit-booking by investors.

Mumbai, June 21:

Castorseed for July delivery was down by Rs 13 to Rs 3,410 a quintal on NCDEX (National Commodities and Derivatives Exchange Ltd), while the August contract fell by Rs 11 to Rs 3,473 a quintal on profit-booking.

It may witness further fall during the week.



Castorseed was in good demand at the futures market and the prices had increased in the last few days, leading to profit-booking by investors.

In the domestic market, the demand was up due to industrial demand. Spot prices have been increasing in the last 10 days as traders are building inventory on expectations of more demand.

On Wednesday, about 70,000-75,000 bags of castorseed arrived in Gujarat and the prices were at Rs 630-660 per 20 kg. About 6,500-7,000 bags arrived in Saurashtra and were sold between Rs 600 and Rs 645 per 20 kg.

On the Rajkot Commodity Exchange, castorseed September contract was flat at Rs 3,525 a quintal. RCX spot castorseed price moved up by Rs 75 to Rs 3,220 a quintal.

### Quality turmeric takes spot prices up

Our Correspondent



Erode, June 20:

The spot prices for turmeric improved due to the arrival of quality goods. Turmeric prices in the Regulated Marketing Committee and Erode Cooperative Marketing Society saw a sharp rise of Rs 300 a quintal.

However, in the other two markets – the Erode Turmeric Merchants Association Sales Yard and the Gobichettipalayam Agricultural Cooperative Society – prices decreased by Rs 80 a quintal.

“The increase in prices was due to the arrival of quality turmeric which was purchased by stockists and some traders,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. He also said that only 8,500 bags of turmeric arrived for sales on Wednesday.

Traders purchased the good turmeric as they had received specific orders from Delhi and Punjab for quality goods. Some traders purchased the turmeric for use in Virudhunagar, Madurai, Coimbatore and some other towns in powdering units. Though the Government had declared that they would procure turmeric from farmers directly through the Tamil Nadu Co-operative Marketing Federation Ltd (Tanfed), so far no procurement has taken place. Further, turmeric growers had said they would not sell their crop at Rs 4,000 a quintal to Tanfed. They would consider government procurement only if the price is raised to Rs 7,000 .

At the Erode Turmeric Merchants Association Sales Yard, the finger variety was sold at Rs 2,267-3,694 a quintal and root variety at Rs 2,189-3,514. Salem crop’s finger variety was sold at between Rs 3,389 and Rs 4,469 and root variety at Rs 3,199-3,811. Out of 1,507 bags that arrived , 1,103 bags were sold.

At the Regulated Marketing Committee, the finger variety sold at Rs 3,245-3,845 a quintal and root variety at Rs 3,181-3,649 . Of the 800 bags for sale, 746 bags were sold.

At the Erode Cooperative Marketing Society, finger variety sold at Rs 2,909-4,309 and root variety at Rs 2,896-3,666 a quintal. All the 1,247 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety sold at Rs 3,099-3,929 and root variety at Rs 2,789-3,569. All 315 bags of turmeric were sold.

#### **Palmolein tops Rs 600 for 10 kg**



Mumbai, June 20:

Bullishness continued in edible oil market, tracking extended gains in palm oil and soya oil futures abroad. Imported palmolein and soya oil extended gains by Rs 14 and Rs 8 for 10-kg respectively.

Palmolein crossed the Rs 600-mark in domestic market again after gaining Rs 19 in the last four days. Malaysian CPO futures hit a near 3-week high on Wednesday as hot and dry weather in the US threatened to curb the soya crop. Groundnut oil rose by Rs 10, cotton refined oil increased by Rs 11 and sunflower oil was up by Rs 5 in line with palm oil futures. Volume eased at higher price levels and most traders have covered heavily in last two days.

Tracking bullish trend abroad, local stockists have covered more than 7,500 tonnes of edible oils for ready and forward delivery in last three days. On Wednesday, buyers bought palmolein after stiff hike in price by refiners. As local pipeline is empty, prices may go up further.

According to sources, Liberty and Ruchi sold about 150 -200 tonnes of palmolein each at increased rates. Some speculators booked profits by reselling about 200 – 250 tonnes of palmolein at Rs 598-600.

Liberty quoted palmolein at Rs 607-608, super palmolein at Rs 645, soya oil at Rs 715 and sunflower refined oil at Rs 730. Ruchi quoted palmolein at Rs 603- 605 for July and Rs 610 for August 1-15 delivery, soya refined oil at Rs 715 for July 15 delivery and Rs 718 for July 15-31 delivery.

Sunflower refined oil ruled at Rs 725-728. Allana's rate for palmolein was Rs 612. In Saurashtra – Rajkot, groundnut oil ruled steady at Rs 1,920 for *Telia* tin and Rs 1,250 for loose - 10kg.

**Malaysia's crude palm oil** July contracts settled at MYR 3,035 (MYR 2,930), August at MYR 3,045 (MYR 2,942) and September at MYR 3,041 (MYR 2,948) a tonne.

**The Bombay Commodity Exchange spot rates were (Rs/10 kg):** groundnut oil 1,200 (1,190), soya refined oil 710 (702), sunflower exp. ref. 655 (650), sunflower ref. 725 (720), rapeseed ref. oil 808 (800), rapeseed expeller ref. 778 (770) cotton ref. oil 686 (675) and palmolein 601 (587)

## Spot castorseed gains on industrial offtake



Rajkot, June 20:

Spot castorseed prices moved up on domestic industrial demand, while castor futures declined as market participants booked profits.

“Prices in the spot market has been rising in the past 8-10 days as traders are building inventories and also due to domestic demand . Prices will continue to move up as we are expecting good exporter buying too,” said Rajubhai Pobaru, President of Rajkot Commodity Exchange.

A broker said that since prices in the futures market has been increasing for the last few days, traders were booking profits. Futures could decline further in this week.

On the National Commodity and Derivatives Exchange, castorseed July contracts declined by Rs 13 to Rs 3,410 a quintal with an open interest of 28,790 lots. August contracts decreased by Rs 11 to Rs 3,473 with an open interest of 27,750 lots.

On the Rajkot Commodity Exchange, castorseed September contracts ruled flat at Rs 3,525.

RCX spot castorseed price moved up by Rs 75 to Rs 3,220.

About 70,000-75,000 bags of castorseed arrived in Gujarat and the price was Rs 630-660 for a *maund* of 20 kg. Around 6,500-7,000 bags arrived in Saurashtra region and sold between Rs 600 and Rs 645 for a *maund*.

## Pepper turns hot on buying support

G. K. Nair



Kochi, June 20:

The pepper market continued to run north on Wednesday on strong buying support amid tight availability. All active contracts moved up and the spot price for the MG 1 touched Rs 400 a kg level.

Large operators, who are allegedly pumping huge funds into the market, bought 1,009 tonnes from the exchange platform. Of this, 606 tonnes were reportedly delivered under the staggered delivery system.

“They appear to be planning to jack up the market by cornering the stocks and squeezing the market,” traders said.

On the spot 25 tonnes of pepper arrived from different locations while 35 tonnes were traded. There were more buyers than sellers in the market.

Demand for physical pepper is picking up from the domestic consuming centres where the pipelines are claimed to be empty. Onset of monsoon has also accelerated the demand, they said. All these bullish factors have aided the price rise, market sources said.

June contract, which matured today, was up by Rs 250 to the last traded price of Rs 40,400 a quintal. July and August went up by Rs 250 and Rs 200 respectively to the LTP of Rs 40,700 and Rs 40,900 a quintal.

### **Turnover**

Total turnover increased by 609 tonnes to 2,422 tonnes. Total open interest dropped by 89 tonnes to 5,075 tonnes.

June and July open interests decreased by 85 tonnes and 69 tonnes respectively to 403 tonnes and 3,296 tonnes. August open interest increased by 40 tonnes to close at 1,319 tonnes.

Spot prices in tandem with the futures market trend and good demand amid limited supply increased by Rs 200 a quintal to close at Rs 38,500 (ungarbled) and Rs 40,000 (MG 1).

Indian parity in the international market was at \$7,450 a tonne (c&f) Europe and \$7,800 a tonne (c&f) for the US and remained at around 15 per cent above other origins.

### **Tur turns bullish on hike in support price**

#### **Our Correspondent**



Indore, June 21:

The hike in minimum support price for tur by Rs 1,000 a quintal has added to the bullish trend in the commodity, according to a trader, Mr Rahul Vora.

Demand is expected to rise during the monsoon season and dependence on imports will increase leading to a firm trend in tur prices, according to Mr Hanuman Jain, a trader.

Weak arrivals have added to the bullish sentiment.. Tur imports are on the rise and fresh demand from southern States of Kerala, Tamil Nadu and Karnataka has emerged in the form of tenders for purchase for the Mid-Day Meal Scheme. Tur (Maharashtra) prices on Wednesday soared to Rs 4,300 a quintal (up Rs 100).

On the other hand, tur (Indore variety) ruled at Rs 3,100-3,400. In the past one week, tur (Maharashtra) prices have gone up by almost Rs 200 a quintal. Rise in tur also perked up its dal with tur dal (full) ruling at Rs 5,850-5,900 a quintal (Rs 5,800-5,850), tur dal (sawa no.) ruled at Rs 5,100-5,150 (Rs 5,050-5,100), while tur marka ruled at Rs 6,800-6,900 (Rs 6,700-6,800). With rise in tur prices and increased buying support, tur marka, in the past one week, has gone up by Rs 200 a quintal.

Moong: Higher demand and weak arrival also perked up moong and its dal in the past few days with moong (bold quality) in the spot being quoted at Rs 4,000-4,150 a quintal against Rs 3,800-3,900 a week ago. Moong (medium ruled stable at Rs 3,600-3,800. Moong and its dal prices have gone up by Rs 150 a quintal since the beginning of this week. Moong dal (medium) ruled at Rs 5,000-5,100 a quintal (Rs 4,900-5,000), while moong dal (best quality) rose to Rs 5,500-5,600 (Rs 5,400-5,500) and moong mongar ruled at Rs 5,200-5,500 against Rs 5,100-5,300.

### **Poultry feed products likely to turn cheaper**



Karnal, June 20:

Prices of poultry feed products are likely to turn cheaper in the near future as soyameal, maize and bajra rates have dropped.

Mr Satpal Singh, Proprietor of Sarvottam Poultry Feed Supply Centre Pvt Ltd, told *Business Line* that prices of the key ingredients of poultry feed products have started to soften and the industry may slash the prices of feed products in the coming days.

On Wednesday soyameal prices decreased by Rs 60 and was quoted at around Rs 3,040 a quintal against Rs 3,100 last weekend.

Similarly, maize prices dropped by Rs 120 to Rs 1,050 a quintal. Bajra eased by Rs 95 and settled at Rs 985 a quintal, while DCP was quoted at Rs 36 a kg, Rs 2 down from the previous level.

On the other hand, the price of fish oil improved by Rs 15 to Rs 83 a litre.

### **Poultry feed products**

After witnessing a fall last week, prices of poultry feed products remained unchanged. Broiler concentrates feed was quoted at Rs 1,560, while Broiler Starter Mash ruled at Rs 1,240 for a 50-kg bag.

Broiler Pre-Starter Concentrate 30 per cent was sold at Rs 1,370 for a 30-kg bag, while layer concentrate at Rs 1,200 for a 50-kg bag.

Pre-lay mash quoted at Rs 800, while broiler finisher was sold at Rs 1,220 for a 50-kg bag.

Meanwhile, low production, coupled with good domestic demand, has pushed egg, chick and broiler prices up. High mortality rate among the birds is the prime reason behind the low production, said Mr Satpal. The mortality rate has increased by 5 per cent, while the production has decreased by 20 per cent, said a poultry farmer.

On Wednesday, broiler was quoted at Rs 105 a kg against Rs 100 last week. The price of an egg was up by 26 paise to Rs 2.86, while chick prices went up by Rs 3 and was sold at Rs 13-16.



## Offtake by eastern States sweetens sugar

Our Correspondent



Mumbai, June 20:

Sugar prices increased by Rs 5-10 a quintal in the physical market on Wednesday on lower resale sales.

Naka rates continued uptrend with prices gaining Rs 5. Mill tender rates increased by Rs 10–30 on fresh buying from traders in the eastern parts.

A miller sold one rail rake about 27,000 bags of S-grade at Rs 2,830 to eastern buyers on Wednesday morning, said sources. This kept the sentiment firm until close of trade, said traders.

Market sources said that fresh enquiries from Kolkata side traders have increased. Neighbouring States such as Gujarat, Rajasthan, and Madhya Pradesh are expected to begin

buying soon. As festival seasons will start from next month and the crushing season is set to end, the domestic market may possibly see limited supply.

A wholesaler said that domestic millers continued selling at prevailing rates due to higher production. Local retail demand is not expected to rise till month end. In the Vashi wholesale market, arrivals were 52-53 truckloads and local dispatches were 49-50 loads. On Tuesday, 11-12 mills offered tenders and sold 45,000-50,000 bags to local traders in the range of Rs 2,825-2,880 (Rs 2,820-2,870) for S-grade and Rs 2,930-3,010 (Rs 2,900-2,980) for M-grade.


Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,942-2,991 (Rs 2,932-2,991) and M-grade Rs 3,002- 3,181 (Rs 3,000-3,181). Naka delivery rates: S-grade Rs 2,905 -2,945 (Rs 2,900-2,940) and M-grade Rs 2,955-3,055 (Rs 2,950-3,050).

### Seed makers stare at inventory pile-up as cotton area shrinks

Vishwanath Kulkarni

#### FLIP-FLOP POLICY EFFECT

- The lower seed demand to result in an inventory of around one crore packets of 450 gram each
- The overall seed production is estimated at 5 crore packets, while sales are expected to be in the range of 3.5-4 crore packets
- Volatility in prices caused by the Government's unsteady stand on exports has mpted farmers to look at other alternatives



*Lower demand to hurt sales as farmers look at alternative crops*

New Delhi, June 20:

Bt cotton seed makers face an inventory build-up this year as acreage is seen shrinking by up to 15 per cent with farmers planting more of guar, soyabean and groundnut.

Last year, the cotton area had touched a record high of 121.91 lakh hectares and the scarcity of Bt seeds had led to a scramble among farmers for their preferred brands or hybrids.

“The area is clearly down by 15 per cent in the North, though sowing is yet to pick up in central and southern States,” said Dr M. Ramasami, Chairman and Managing Director, Rasi Seeds Pvt Ltd.

## **Slack demand**

Dr Ramasami expects the lower seed demand to result in an inventory of around one crore packets of 450 gram each, as almost every player has been impacted. At an average price of Rs 1,000 a packet, the inventory costs translates to around Rs 1,000 crore for the industry.

The overall seed production is estimated at 5 crore packets, while sales for the year are expected to be in the range of 3.5-4 crore packets. Rasi Seeds, which claims a market share of 12-13 per cent, has seen about 10 per cent dip in sales so far, Dr Ramasami said.

Estimating a 20 per cent decline in cotton area, mainly in the North, Dr Paresh Verma, Director – Research at Bioseed Research India Pvt Ltd, expects the seed inventory in the year ahead at around 60 lakh packets.

“Sales of most companies have been impacted, but the non-popular or less preferred brands have been hurt more,” Dr Verma said.

However, Dr Verma said sales of Bioseed, an outfit of DCM Shriram Consolidated Ltd, have increased by 47 per cent this year, mainly with demand coming from central and southern States.

Bioseed, which has launched two more Bt hybrids, expects its market share to double to around 10 per cent this year.

Sowing in Gujarat, Maharashtra and Andhra Pradesh will continue for another two months.

Mahyco-Monsanto Biotech has licensed its Bt trait to around 26 seed makers, of which the top six to seven companies control about 85 per cent of the market.

## **Price volatility**

The volatility in cotton prices induced by a flip-flop in the Government's export policy has prompted farmers to look at other alternatives. However, with a hike in minimum support prices last week, there might be a rebound in interest in some pockets.

The Confederation of Indian Textiles Industry expects a 7-10 per cent decline in area over last year, said Dr D.K. Nair, Secretary-General.

Mr M. Prabhakar Rao, CMD, Nuziveedu Seeds, sought to term the trend in inventory build-up as a company-specific issue. "Some companies may have seen this situation, but we haven't," he said, estimating the overall decline in area under cotton at around 5 per cent.

### Global sericulture body shifts base to Bangalore

Our Bureau Bangalore, June 20:

The International Sericulture Commission (ISC) has shifted its secretariat to Bangalore.

The ISC is an inter-governmental organisation of silk producing countries and established in the year 1960 at Lyon, France.

India is one of the founder members of International Sericulture Commission. There are 13 countries, including Brazil, Egypt, France, Greece, India, Indonesia, Iran, Japan, Lebanon, Madagascar, Romania, Thailand and Tunisia as members.

Ms Ishita Roy, Member-Secretary, Central Silk Board, who has been elected as Secretary-General of ISC recently, said the secretariat would be shifted to Central Silk Board, Bangalore, in January 2013.

Ms Roy said that the shifting would help Indian silk industry to take advantages of global silk platform. Especially some of the research and development institutes in India could be elevated to global standards by forging fruitful collaboration with other reputed institutes.

### Cotton blooms as mills compete to buy more



Erode, June 20:

Prices of Bt and Surabi cotton varieties increased as spinning mills lined up to buy more.

"Good competition was seen at the Bhoodapady Regulated Marketing Committee among buyers, mostly spinning mill from Coimbatore, Annur, Avinashi and Madurai. They bought cotton

at a higher price this week,” said Mr A. Subramani, Superintendent, Bhoodapady Regulated Marketing Committee on Wednesday.

He said that 3,980 bags (35 kg each) of Bt Cotton variety arrived for sale. Only 20 bags of Surabi variety arrived for sale. He said that the Bt cotton fetched Rs 3,850-4,190 a quintal against Rs 3,700-4,120 a quintal last week.

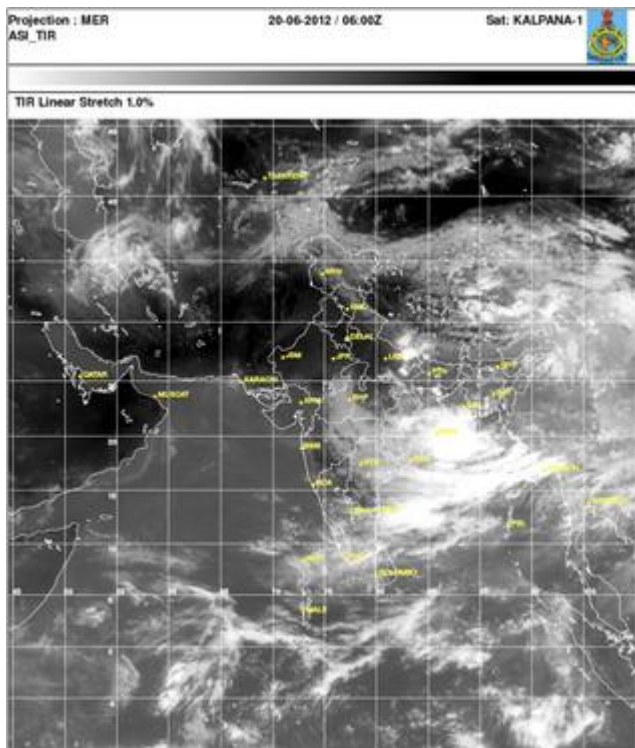
Traders said that cotton was in demand for spinning and they purchased at a higher price. They said that the quality of arrivals at the Bhoodapady market was satisfactory.

Marketing authorities said that from next week arrivals will increase but prices will decrease. They said that this year they are expecting arrival of over one lakh bags this season. They said that there will be heavy arrivals of Surabi variety from next week.

Meanwhile, the Anthiyur Regulated Marketing Committee authorities announced that they would begin sales from June 25 at their sales yard.

## Monsoon pauses as low pressure area fails to build up

Vinson Kurian



Thiruvananthapuram, June 20:

There is no sign of an expected low-pressure area taking up in northwest Bay of Bengal even as a parent cyclonic circulation persisted.

The 'low' would be crucial in not just scaling up the intensity of rains over east and adjoining east-central India but also extending the reach of monsoon.

## **OUTLOOK OFF**

On Wednesday, India Meteorological Department (IMD) seemed to have withdrawn its outlook for the 'low.'

It did not also give guidance as to the expected timeline for its formation. This is a day after South China Sea tropical storm 'Talim' struck a path to the east-north-east into northwest Pacific.

In doing this, 'Talim' was literally following the footprint of predecessor typhoon (cyclone) 'Guchol' with intensity assessed at several times more.

'Talim' was the fourth storm this season and the third in the northwest Pacific/South China Sea to interfere with the progress of the Indian monsoon. All east-bound storms in these ocean basins are contra-indicated for a concurrent Indian monsoon.

## **NORTHERN LIMIT**

Meanwhile, the northern limit of monsoon was stuck to the Veraval, Navsari, Malegaon, Betul, Seoni, Ambikapur, Gaya, Patna and Raxol alignment.

The seasonal rains had entered into entire Vidarbha, Orissa, West Bengal, Sikkim, parts of Chhattisgarh, south Madhya Pradesh and many parts of Bihar and Jharkhand on Tuesday.

Forecast valid until Saturday said that rain or thundershowers may break out at many places along west coast and over the north-eastern States, West Bengal, Sikkim and Orissa.

## **RAINS FORECAST**

Thundershowers are also likely at a few places over east Uttar Pradesh, Bihar, Jharkhand, east Madhya Pradesh, Chhattisgarh, Vidarbha and north Andhra Pradesh.

Towards the west, rain has been forecast over Gujarat, Madhya Maharashtra, Marathawada, west Madhya Pradesh and south interior peninsular India.

### **Delayed monsoon hits kharif crop sowing in Maharashtra**

RAHUL WADKE

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#### **MUMBAI, JUNE 20:**

Delayed monsoon has affected kharif crop sowing in Maharashtra with the area sown declining by 50 per cent.

A senior Maharashtra Government official said though the government is worried about the situation, it has not reached an alarming stage. Normal rains in July could completely alter the picture.

Of the total area of 132.34 lakh hectares cultivated under kharif, about 2.24 lakh hectares have been sown by the farmers in the State, while last year it was 4.48 lakh hectares. In the current crop season, just four per cent of the cultivable area has been sown with paddy; cotton (5 per cent); maize and groundnut (one per cent each), said a statement from the Chief Minister's office.

The statement added that till June 19, the State has received 104 mm of rainfall, which is 74 per cent of the average rainfall for the month.

In the comparable period last year, the State had 109 per cent rainfall.

Meteorological Scientist at the Mumbai Met office, Mr K.S. Hosalikar, told *Business Line* that despite late arrival, the South-West monsoon has covered almost 90 per cent of the State.

However, areas such as Nashik and Dhule in North-central region of the State continue to be under dry spell, he said.

"Monsoon is delayed but its overall performance cannot be predicted today. We would be closely watching July, as the whole State receives maximum rains in that month," Mr Hosalikar said.