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Growing support for organic farming

Special Correspondent

'It's thanks to efforts of NGOs, progressive farmers'

Farmers in Mysore region honoured on World Anti-GMO Day Exclusive outlets for organic produce being set up

MYSORE: A movement against genetically modified crops and in favour of organic farming is growing in Mysore and surrounding areas.

Although not a mass movement, support for naturally produced agricultural and horticultural products is increasing, and outlets such as Nesara, Aarambha, Nisarga and Jeevamrutha, exclusively dealing with organic produce have been set up.

K.N. Ramachandra of Southern Action on Genetic Engineering (SAGE) told The Hindu that awareness in this regard stems from the efforts of various non-governmental organisations and progressive farmers in the region.

Honour for farmers

Mr. Ramachandra pointed out that World Anti-Genetically Modified Organisms Day, which was observed on Friday, saw a good response.

Organic farmers who had shunned chemical-intensive agricultural practices were felicitated on the occasion. Syed Ghani Khan of Malavalli, who cultivates over 150 varieties of rice, S.R. Sveenivasamurthy of T. Narsipur and Shankar of K.R. Nagar were honoured for their efforts to grow traditional varieties of rice, raagi and other crops, Mr. Ramachandra said.

Vivek Cariappa of H.D. Kote and Kailashmurthy of Kollegal are also pioneers in the field who believe that organic farming holds the solution to overcoming the agriculture crisis.

The felicitation recognised the importance of these farmers at a time when multinational corporations were trying to bring in genetically modified food crops, with the objective to monopolise the food market in the country, Mr. Ramachandra claimed.

Contradiction

Though the State Government had joined the organic farming bandwagon, there was a contradiction in the State's policies in this regard, as it encouraged genetically modified crops, the SAGE representative said.

To mark Anti-GMO Day, activists placed a set of demands before the Government. This included a call for an open debate on such crops, involving farmers, environmentalists, independent scientists and consumer groups.

Besides, the proposed Bill on the Biotechnology Regulatory Authority must be examined by a new drafting committee consisting of farmers, consumers and environmentalists, Mr. Ramachandra added.

Date:12/04/2011 **URL:** <http://www.thehindu.com/2011/04/12/stories/2011041251360200.htm>

Organic fair from Thursday

Special Correspondent

KOCHI: Organic Kerala, an exhibition featuring methods of organic production and means of widening the market base, is to be held at Town Hall in the city from April 14 to 17, by the

Organic Kerala Charitable Trust, in association with several other organisations. It will be yet another initiative in trying to bring the organic world closer to the masses.

A host of production techniques, bio-manure, implements and produce will be on display. There will be organic farmers' meet, seminars, photo exhibitions and food fair to mark the occasion.

Date:12/04/2011 **URL:** <http://www.thehindu.com/2011/04/12/stories/2011041254750500.htm>

Announce support price for vegetables

Staff Correspondent



Activists of KRRS and Haseeru Sene demonstrating in Belgaum on Monday.

Belgaum: Members of the Karnataka Rajya Raitha Sangha and Haseeru Sene dumped cabbage in front of the Deputy Commissioner's office in protest against the "failure" of the State government to address the issues concerning farmers, in Belgaum on Monday.

They dumped cabbage, symbolically conveying the message that the prices of the vegetable had gone down to such an extent that growers were not able to recover transportation costs let alone making any profit by selling the vegetable.

Belgaum taluk president of the KRRS Appa Saheb Desai told the gathering that the Government should announce Minimum Support Price for all vegetables and come to the rescue of vegetable growers.

He said most farmers suffer losses because of the exploitative market and fluctuating prices.

The other speakers said that political parties were only paying lip service and doing nothing to solve farmers' problems.

Pricing policy

The Union and the State governments had not made any effort to evolve a scientific pricing policy for agricultural crops and allowed middlemen to exploit the helpless community of growers.

Date:12/04/2011 URL: <http://www.thehindu.com/2011/04/12/stories/2011041254210500.htm>

'State gives top priority to farm sector'

Staff Reporter

Efforts being made to ensure seven hours power supply, says D.K. Aruna

— Photo: M. Murali



Moment of pride: Information Minister D.K. Aruna and IT Services Minister Ponnala Lakshmaiah felicitating a farmer at 'Ugadi Puraskarams' function in Hanamkonda in Warangal on Monday.

WARANGAL: The State government was according top priority to the farming sector and strengthening the hands of farmers, said Information Minister D.K. Aruna.

'Ugadi Puraskarams'

Presenting the 'Ugadi Puraskarams' to farmers who set new trends in farming here on Monday, the Minister said it was decided to accord subsidy to the tune of Rs. 210 lakh and sanction 21 harvesters.

Loans to the tune of Rs. 638 crore were given as against Rs. 702 crore during this kharif season to the farmers in the district.

The Minister said efforts were being made to ensure seven hours power supply to farm sector.

She instructed the officials to take necessary measures as and when the problem arises with regard to power supply.

IT Services Minister Ponnala Lakshmaiah said works on the proposed Kanthanpally multi-purpose project on the river Godavari would soon begin. The existing Devadula project would serve the needs of farmers round the year.

"For the first time in the country, Andhra Pradesh is supplying seven hours power to the farming sector. The government has been according subsidy of Rs 4,900 crore for the purpose," he said, adding that it was decided to spend Rs.14 crore to set up new sub-stations and erect new transformers.

MLAs – M. Kavitha, G.V. Ramana Reddy, T. Rajaiah and T. Sridhar, ZP chairperson L. Dhanvanthi, district Collector Rahul Bojja and others were present.

Date:12/04/2011 URL:

<http://www.thehindu.com/2011/04/12/stories/2011041262800500.htm>

6,000-crore crop loans for farmers

Special Correspondent

JAIPUR: The Rajasthan Government has set the target for disbursement of crop loans worth Rs.6,000 crore to farmers through village cooperative societies this year. The Apex Cooperative Bank has released targets for its branches in each of the seven divisions in

the State.

Cooperative Minister Parsadilal Meena said here on Monday that this would be the biggest-ever disbursement of crop loans in the State. Loans worth Rs.5,500 crore were distributed during the previous year against Chief Minister Ashok Gehlot's announcement for Rs.5,000 crore in his Budget speech.

Mr. Meena said while Mr. Gehlot had projected disbursement of crop loans worth Rs.6,000 crore in this year's Budget speech, the actual release would exceed the target and amount to about Rs.7,000 crore, including Rs.4,000 crore for kharif crops and the remainder for rabi crops.

The Minister said different targets had been set for the Central cooperative banks in Udaipur, Kota, Jodhpur, Jaipur, Bikaner, Bharatpur and Ajmer divisions.

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hindustantimes



Press Trust Of India

Kolkata, April 11, 2011

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Govt steps likely to bring down inflation: Pranab

Finance minister Pranab Mukherjee on Monday said that while food inflation has come down, it still remained a matter of grave concern and steps are being taken to bring it down.

"Food inflation has come down from 20% in February 2010 to 8.9% in March 2011. But still it is very high," Mukherjee said in Kolkata on Monday.

He said that all the necessary economic measures had been taken to bring down inflation. "We have taken both demand and supply side measures to bring inflation down."

He said that while there is a short supply in food production, "measures have been taken to improve the supply position."

Besides, to curb the excessive demand, spurred by rise in disposable income at middle class level, the RBI has been mopping up excess liquidity by varying the repo and reverse repo rates from time to time.

"I hope these two measures will have a sobering effect on inflation", he said.

The government has revised its inflation forecast for the period ending March 31 to 7.5% from 7% due to a host of problems, including high crude prices. This, however, is still lower than the RBI estimates of inflation at 8% for the given period.

<http://www.hindustantimes.com/StoryPage/Print/683853.aspx>

Chorus to raise rates as inflation hits world economy

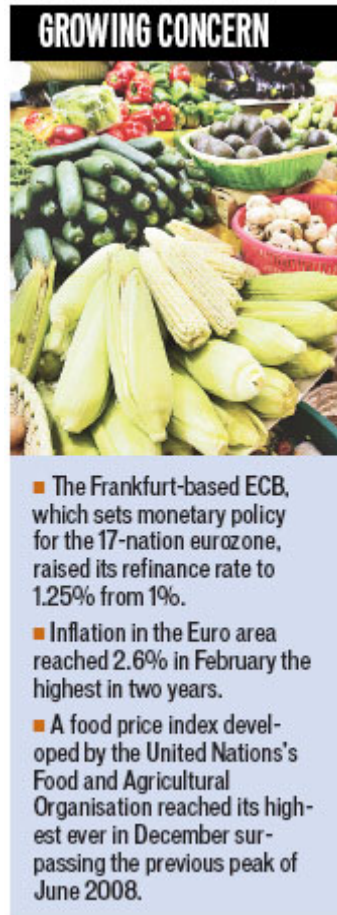
It's not India alone, where authorities are battling to keep growth on track while reining in price. Governments and policymakers across the world are confronting the same challenge on the back of a sustained spike in global commodity prices.

Last week, the European Central Bank (ECB) increased its benchmark interest rate by a quarter percentage point, its first such move in three years, as it looks to control inflation.

The ECB joined China, India, Poland and Sweden in raising interest rates to tame surging energy and food prices that are fanning prices of most goods. Last week, China raised its benchmark one-year lending rate to 6.31% from 6.06%.

Chinese premier Wen Jiabao has described inflation as a tiger that "once set free will be very difficult to put back into its cage." Back home, the RBI has raised benchmark interest rates eight times since March last year to cool prices.

Analysts and economists will be keenly watching for cues sent out by the US Federal Reserve, which many believe is unlikely raise interest rates immediately but could signal rolling back of the \$600 billion (about R27 lakh crore) by June.



“We have to monitor inflation and inflation expectations extremely closely because if my assumptions prove not to be correct, then we would certainly have to respond to that and ensure that we maintain price stability,” US Federal Reserve chairman Ben Bernanke said last week.

Experts warned global food and commodity prices could rise higher still in the wake of political uncertainties in the Middle-east. Since its spike in mid-February, on the heels of the political developments in the Middle East and concerns of nuclear energy spurred by the earthquake in Japan, the oil price has become a major investor concern.

Crude oil prices are hovering above \$120 a barrel.

RBI deputy governor Subir Gokarn said soaring prices may hurt growth in the world's second fastest growing major economy that is forecast to grow by more than 9% in 2011-12.

Weather

Chennai - INDIA

Today's Weather



Clear

Tuesday, Apr 12

Max Min

34.2° | 25.2°

Rain: 00 mm in 24hrs

Humidity: 75%

Wind: Normal

Sunrise: 5:59

Sunset: 18:21

Barometer: 1009.0

Tomorrow's Forecast



Cloudy

Wednesday, Apr 13

Max Min

35° | 26°

Extended Forecast for a week

Thursday

Apr 14



33° | 23°

Cloudy

Friday

Apr 15



32° | 25°

Cloudy

Saturday

Apr 16



33° | 24°

Cloudy

Sunday

Apr 17



33° | 23°

Cloudy

Monday

Apr 18



33° | 24°

Cloudy

12 Apr, 2011, 04.40AM IST, Madhvi Sally,ET Bureau

Bumper wheat crop beckons global buyers

AHMEDABAD: International wheat companies Cargill, Louis Dreyfus, Olam India and Glencore (Agri Core) have started procuring wheat from Gujarat and Rajasthan mandis. A bumper production and an increase in supplies have pushed prices down by 10% in the past fortnight to 1,025 a quintal in the Rajkot mandi.

Across Uttar Pradesh, Madhya Pradesh, Punjab and Haryana supplies are yet to pick up pace. Kirit Parekh, the owner of Rajkotbased trading company RK Industries, said, "Prices have fallen from 235 for 20 kg to 205 for 20 kg in the past fortnight.

Major players such as Cargill, Louis Dreyfus and Olam are procuring thanks to a bumper crop this year compared to the previous year." Although prices should drop due to selling pressure, he said that FCI procurement at 224 for 20 kg could arrest a further decline. With production expected to touch 3.5 million tonne from 2.2 million tonne in the previous year, major trading, food processing and milling houses are zeroing in on Gujarat which offers other incentives .

"There is no stock limit nor high taxes as in other states, which makes it conducive for companies to procure wheat from Gujarat. At the beginning of the season, we were procuring wheat at 1,210 per quintal. Now we are paying 1,025 per quintal to 1,085 per quintal depending on the quality," said an official of a large multinational trading house. In Rajasthan's Kota mandi, supplies have touched 65,000 quintal with farmers getting more money than they got last year.

ITC's agri business division has been procuring the Lok 1 variety for 1,100 per quintal and the

4037 variety at 1,100 to 1,200 a quintal, said Rakesh Khandelwal, a Kota-based trader. The ITC food division, however, has yet to start procurement for its Ashirwad atta brand and biscuits. Other major local processing companies such as Shakti Bhog, Parle and Britannia have entered or planning to step into the market in the next one week when Uttar Pradesh begins supplies.

"The quality of wheat is good. The crop has been delayed by a fortnight owing to rains in north India. We expect prices to fall by 30- 40 a quintal, when arrivals from Uttar Pradesh begin. However, we are also looking at government statements on farmers getting bonus and likely export opportunities to be opened up this year. If this happens, prices will not crash," said an official of a major conglomerate. Owing to the prevailing cold weather conditions, supplies from Punjab and Haryana are yet to gather pace.

Supplies to Punjab mandis has only been 1,705 tonne, with FCI and other government agencies procuring over 1,435 tonne till date and traders buying 269 tonne. As on Saturday, supplies in Haryana touched 44,569 tonne with agencies procuring 44,012 tonne.

Rising output has buyers smiling

With production expected to touch 3.5 million tonne from 2.2 million tonne in the previous year, major trading, food processing and milling houses are zeroing in on Gujarat. In Rajasthan's Kota mandi, supplies have touched 65,000 quintal with farmers getting more money than they got in the previous year. Major local processing companies such as Shakti Bhog, Parle and Britannia have entered or planning to step into the market in the next one week when Uttar Pradesh begins supplies

12 Apr, 2011, 04.48AM IST, Jatin Singh,

Rains likely to affect wheat yield

The onset of summer in India is going to get delayed by at least 10 days and temperatures across India will continue to be below normal by at least 2-3 degree Celsius this week. The current pre-monsoon conditions of thunderstorms and dust storms are expected to intensify further.

The ongoing light rain spells over the plains of north-west India are going increase from April 12 to 18 due to a strong western disturbance . (Western disturbances are storms that originate in the Mediterranean sea and travel east, causing rain in north India during winter.) During this time of the year, the western disturbance is affecting north Jammu & Kashmir and the regions further above. But right now, their track is unusually towards the south. Maximum temperatures in the region are expected to hover in the range of 31 degree Celsius and 35 degree Celsius.

After bringing down temperatures in the north, the western disturbance is expected to affect Bihar, Jharkhand, Orissa, West Bengal and Chhattisgarh between April 14 and 17. These regions might witness isolated intense thunderstorms or thunder showers with very strong wind (this weather phenomenon is also called Kal Baisakhi). Central India will also witness scattered rain and thundershowers up to April 17. Showers in eastern Madhya Pradesh and Vidharbha will be more intense.

South India will continue to remain cool due to a north-south trough causing scattered rain in the region. (A trough is a line where winds from opposite directions meet and travels anticlock wise, causing cooling or rain.) The trough is extending from central India to Kerala coast. Isolated rain and cool temperatures will continue in the south for the next 10 days at least. Rainfall of more than 10mm in Punjab, Haryana and West Uttar Pradesh accompanied by strong wind could lead to flattening and lodging of the crop along with other problems that might eventually affect the yield.

Moisture percentage should be 12% for proper storage. The Food Corporation of India has cut the wheat procurement price with moisture above 12 % and will not buy if the moisture content exceeds 14%. Rains at this stage can increase moisture in the grains and affect the quality. In Rajasthan, the prevailing weather is favourable for the mature chana crop and harvesting and threshing operations are being undertaken in the state. In Uttar Pradesh, the crop is nearing maturity. Higher chilli supplies to the physical market have limited the upside. Rains in December end had badly affected the crop quality.

12 Apr, 2011, 04.56AM IST, PK KRISHNAKUMAR & JAYASHREE BHOSALE,ET Bureau

Rising turmeric acreage may curb last year's record prices

KOCHI/PUNE: Last year's record prices have led to a higher turmeric production this year. With more land brought under the crop, the production would be higher in the coming years too. The farmers who earned a high income last year are likely to end the current year with less earnings.

"There are around 50,000 farmers engaged in turmeric cultivation in Erode belt alone. While some new farmers have moved into the crop, the existing ones have extended farming to more areas with prices shooting up last year," said leading turmeric trader RK Vishwanathan .

According to the figures available with Spices Board , the total area under turmeric is 1,94,358 hectare.

In a year, there has been over 15% rise in acreage in Erode and Salem , the main growing regions of the spice, according to a senior official of Spices Board. The production is predicted to be in the range of 65 to 70 lakh bags (each bag weighs 70-75 kg), which is over 40% higher than the previous year.

Higher production is not limited to south India. Turmeric farming in Sangli district in Maharashtra has intensified. "The area under turmeric is expected to double this year. It may go up from

1,200 hectares last year to 3,000 hectares next year," said BG Birajdar, district superintending agricultural officer, Sangli. The arrivals at the Sangli APMC are up by 20% from 3.76 lakh quintal last year to 4.50 lakh quintal this year.

11 Apr, 2011, 12.38PM IST,PTI

Chilli futures up 2.97 pc on strong demand, short-covering

NEW DELHI: Supported by a strong demand at the spot market and tight supplies, chilli prices shot up 2.97 per cent to Rs 10,886 per quintal in the futures trade today.

At the National Commodity and Derivatives Exchange counter, Chilli for delivery in far-month July spurted by Rs 314, or 2.97 per cent, to Rs 10,886 per quintal, with an open interest of 2,970 lots. Similarly, the spice for delivery in April gained Rs 270, or 2.92 per cent, to Rs 9,520 per quintal, with an open interest of 5,710 lots.

The spice for delivery in June fell by Rs 282, or 2.76 per cent, to Rs 10,500 per quintal, with an open interest of 11,845 lots.

Market analysts said the rise in the chilli futures was mainly supported by strong spot demand and covering-up of pending short positions by speculators.

Business Standard

Tuesday, Apr 12, 2011

Monsoon meet likely to forecast near-normal rain

Reuters / New Delhi April 12, 2011, 0:51 IST

Global experts meeting this week are likely to forecast a near-normal monsoon for India, providing international commodities market the first hints of demand and supply in 2011-12 from one of the world's top producers and consumers of key farm goods.

Failure of monsoons can force India into the international markets as a buyer, pushing up global prices of basic foodstuffs, while favourable rainfall can boost its exports, helping governments throughout Asia to battle food inflation.



Agriculture accounts for a 14.6 per cent of India's GDP and the outcome of the annual June-September southwest monsoons impacts the nation's economy, which is struggling with high food inflation and a massive subsidy bill for fuel, grains and fertilisers. A normal monsoon means the country receives rainfall between 96-104 per cent of a 50-year average of 89 centimetres during the four-month rainy season, according to the India's weather office classification.

Monsoon also impact demand for gold in India, the world's top consumer of the metal, as purchases get a boost when farming incomes rise amid high crop output. Rural areas account for about 70 per cent of India's annual gold consumption. India witnessed normal rains last year and the April 13-15 meeting of weather officials in the southwestern city of Pune is likely to forecast a near-normal monsoon this year based on various forecasting models, Indian officials said.

"The weakening phase of La Nina has given rise to the expectation of a near-normal monsoon in 2011," said D R Sikka, former director of the Pune-based Indian Institute of Tropical Meteorology.

Other officials of the Indian weather office, who did not wish to be identified, agreed. A La Nina weather pattern causes heavier-than-normal rains in South Asia. After the weak phase, the La Nina is expected to enter a neutral phase without posing any threat to good rainfall during the monsoon season. The Pune meeting will issue a consensus forecast for the monsoon on the final day of the conference.

While India is mostly self-sufficient in staples like wheat and rice for its 1.2 billion population, drought can push the country into international markets as it did in 2009 when India had to import sugar — sending global prices to record highs.

The government subsidises the price of key crops to contain inflation and ensure half a billion poor — many of whom spend up to 60 per cent of their incomes on food — can afford to eat.

The first official Indian forecast is not due until later this month. During 2009, the driest monsoon in 37 years caused widespread losses to key crops such as oilseeds and sugarcane, pushing up food inflation and causing a political headache for the government.

POLITICAL IMPLICATIONS

Monsoon forecasting in India is carried out by government-backed organisations and has significant political implications in a country where more than 60 percent of voters are in rural communities and form the bulk of the government's support base.

Bad rainfall results in political pressure on the government, as farmers demand higher rates for their produce and ask bureaucrats to waive loan repayment and electricity charges, impacting public finances.

Prime Minister Manmohan Singh's ruling Congress government, mired in a slew of corruption charges, has struggled with double-digit food inflation for most of its second term in office since 2009 when it won an election partly by boosting farm incomes. In early 2010, India's food inflation went as high as 22 percent on supply constraints.

The government hopes monsoon — which traverses the subcontinent from its southern tip to the Himalayan north from June through September — would boost farm output and help lower prices, potentially providing a timely political boost ahead of key state elections.

“The budget, and the economy as a whole, it is said is a gamble on the monsoon,” Paranjay Guha Thakurta, a leading Indian political columnist, told Reuters. “The reason is simple — roughly 60 per cent of crop area in the country is rain-fed.”

HIGHER EXPORTS

Higher agricultural supplies triggered by normal rains could encourage the Indian government to allow overseas sale of wheat and lift export curbs on rice.

India faces a storage problem as the 2011 wheat harvest is set to be a record, exceeding demand for a fifth straight year.

"The government can make a bold decision on grain exports. It can tinker with policies if the monsoon shapes up on expected lines," said Veeresh Hiremath, research head of the Hyderabad-based broking Karvy Comtrade.

Higher oilseed output last year helped India increase oilmeals exports to traditional buyers in southeast Asia by more than half to 5.1 million tonnes.

In most parts of India, the monsoon accounts for 75-90 per cent of the total annual rainfall.

The monsoon impacts other sectors of Asia's third largest economy, as farmers spend their cash on cars, motorcycles and consumer goods. Good rainfall reduces demand for diesel, used to pump water from wells for irrigation when rainfall is scant.

Cotton ginners see margins improving as prices take a dip

BS Reporter / Mumbai/ Rajkot April 12, 2011, 0:50 IST

A fall in cotton prices has rejuvenated cotton ginners in Gujarat as they see improved margins.

Of the around 1000 ginners in Gujarat only 10 per cent remained operational during March, when prices had peaked up to Rs 62,000 per candy of 356 kg. With cotton prices easing over the last one week, more and more ginners have resumed their operations. The number of operational ginning units in Gujarat has increased to 300 during past two weeks from 100 reported in March.

"In last month, arrival from Maharashtra was almost nil, with this, domestic arrivals were also slow, due to which ginners had to stop operations but now the situation has improved as arrivals from Maharashtra has gained momentum," said Dilip Patel, president of All Gujarat Ginners' Association.

Meanwhile, industry experts maintained that the upbeat mood in the ginning industry was mainly on account of the reduced prices of cotton. "The prices have come down in recent days and this has triggered the ginning activity. However, many ginning units still remain non-operational not only in Gujarat but also in Maharashtra," said Arun Dalal, a cotton expert in Ahmedabad.

The prices have come down by around Rs 4000 over last two weeks from Rs 61,000-62,000 per candy to Rs 57,000-58,000 now. The Sankar-6 quality of raw cotton hovered in the range of Rs 1100-1350 per 20 kg, while Maharashtra cotton traded in the range of Rs 1250-1300 per 20 kg in Gujarat.

Market sources informed that prices were also one of the factors for ginners for reopening. Raw cotton price has fallen by almost Rs 80 per 20 kg in the range of Rs 1,300-1,350 from Rs 1,400-1,435 per 20 kg. Farmers are releasing their stocks from the beginning of this month, informed a source.

Cargill India to enter animal feed business

Ajay Modi / New Delhi April 12, 2011, 0:47 IST

The Indian arm of global agri business conglomerate, Cargill, is planning to enter the animal feed industry, an area where it has established a vast business globally. Blessed with the largest cattle, buffalo and goat population, the country offers tremendous growth opportunities for feed manufacturers.

"We want to grow our animal feed business in India. We have a presence in the northern region as far as cattle and poultry feed are concerned. For aqua feed, we are dominant in the south. Seeing the growth in demand, we are looking at expansion in these regions," said its Chairman Siraj Chaudhry.

Cargill will have to compete with the likes of Godrej Agrovet and Venky's.

The Indian animal feed industry is broadly categorised into poultry, cattle and aqua feed. Though quite old, it is still in a nascent stage, supplying 10 per cent of cattle and aqua feed and 50 per cent of poultry feed in India, says a Rabobank report. The bulk of the remaining feed is being produced by the unorganised sector, which comprises of home and custom mixers. The total production of compound feed for all livestock stands at 17 million tonnes.

According to Pawan Kumar, an animal feed analyst at Rabobank, the feed requirement for cattle as well as poultry is expected to increase.

“This is one business where Cargill has considerable global knowledge and experience. We would like to employ the same for the benefit of the Indian farmers. Meat, poultry and dairy consumption is expanding and there is a need to improve production with better inputs. We have a good global experience and think we can replicate it in India,” Chaudhry said.

Cargill provides customised animal productivity solutions to commercial producers across the US, Europe, and Asia, apart from supplying branded feed and ingredients to feed manufacturers and retailers.

Cargill Animal Nutrition develops and markets a broad range of animal feeds and customised animal productivity solutions to commercial producers in 28 countries across North and South America, Europe and Asia. The business unit is supported by 180 plants worldwide.

The animal feed industry is evolving from being a fragmented sector to an organised one. It is increasingly using modern and sophisticated methods to incorporate the best global practices. The industry’s growth and potential are evident from the fact that India is among the largest livestock-producing countries and that the feed industry has been characterised by home mixers.

Rain, heat to affect cardamom production

George Joseph / Kochi April 12, 2011, 0:42 IST

Summer showers in most parts of Idukki district in Kerala have upset the production cycle of cardamom plantations, according to farmers. Idukki has the maximum area under the crop (around 32,500 hectares) and gives 60 per cent of the total production in the country.

The heavy rainfall, especially in the night, followed by summer heat has destroyed fresh panicles. According to growers this would badly affect the flowering of plantations leading to a decline in production. Next harvesting season would commence from July. The growth of fresh panicles from the suckers normally happens in May-June with the beginning of monsoon. But the on going, wide spread summer shower has upset the production cycle of plantations.

Branches of these panicles carry flowers which ultimately produce cardamom. As the summer is at its peak, the heat damages the new offshoots that upsets the hopes of farmers here.

They said the drying of plants might affect the formation of new panicles and flowering during May-June. So, growers foresee a drop in production in the next cardamom season.

Meanwhile, the average price of the spice dropped to Rs 990 a kg in latest auction sales. On March 7, the price was Rs 1,008 a kg and on the March 6, it was Rs 1,010 a kg. Except on these two days of this month, auction centers quoted an average price below Rs 1,000 a kg. This is off season in cardamom production and growers and traders expected a sharp upward movement in prices during this period. But, to the dismay of growers and traders, the price is dropping now.

In last April, average price was Rs 1,353 a kg. In the harvesting season last year (July-September), the average price was Rs 1,200 a kg.

Cotton cultivation up in south, centre

D Gopi / Vijayawada April 12, 2011, 0:37 IST

The central and southern states are increasing cotton production, while it is slowly coming down in the northern states. There has been a slow decline in the production of cotton in Punjab, Haryana and Rajasthan. The western states, Gujarat, Maharashtra and Madhya Pradesh and the southern states, Andhra Pradesh, Karnataka and Tamil Nadu recorded considerable growth in the last three consecutive years.

The Central India produced 17 million bales from 6.12 million hectares in 2008-09, followed by 17.6 million bales from 6.73 million hectares in 2009-10 and 20.22 million bales from 7.26 million hectares in 2010-11, while the south recorded 6.7 million bales from 1.92 million hectares in 2008-09, followed by 6.6 million bales from 2.02 million hectares in 2009-10 and 8.25 million bales from 2.34 million hectares in 2010-11 season.

The northern region recorded slow fall in both area and production in the last three years. The three states of Punjab, Haryana and Rajasthan have contributed 3.9 million bales from 1.29 million hectares in 2008-09, followed by 4 million bales from 1.49 million hectares in 2009-10 and 3.68 million bales from 1.23 million hectares in 2010-11.

When asked about the reasons for increase in the production of cotton in the central and southern parts of India, the Andhra Pradesh Cotton Association president, G Punnaiah Chowdary, said the farmers were attracted to the high prices from cotton. Besides, farmers are also shifting to cotton from other crops because of high yield and less risk in the Bt cotton cultivation. "Farmers from Andhra Pradesh are moving to cotton from groundnut, chillies and other spices, while their counterparts from Gujarat have moved away from sowing groundnut and pulses for cotton. In Maharashtra, farmers are withdrawing from soybean and sunflower and cultivating cotton," Punnaiah Chowdary said.

Maharashtra continues to top the list of cotton cultivating states in the country with the crop spread over 3.14 million hectares in 2008-09. The crop area had gone up to 4 million hectares in 2010-11. Gujarat occupies the second place with 2.35 million hectares in 2008-09, which had gone up to 2.62 million hectares in 2010-11.

There has been an increase in the crop area in Andhra Pradesh, which stands third in the country in extent. The crop which was cultivated in 1.4 million hectares in 2008-09 had gone up to 1.71 million hectares in 2010-11. Tamil Nadu stands at the bottom of the cotton growing states in the country with the crop cultivated in 160,000 hectares in 2010-11.

However, Gujarat stands ahead of other states in total production by getting 9 million bales in 2008-09 and 10.68 million bales in 2010-11. Andhra Pradesh contribution too is on the higher side with only a slight fall in 2009-10, where the total production had come down by 100,000 bales against the previous year. The state had produced 5.3 million bales in 2008-09 and had seen a positive increase to 6.57 million bales in 2010-11.

A COMPARISON				
		North (Punjab, Haryana & Rajasthan)	Central (Gujarat, MP & Maharashtra)	South (AP, TN & Karnataka)
2008-09	Area	1.29	6.12	1.92
	Production	3.90	17.00	6.70
2009-10	Area	1.49	6.73	2.02

	Production	4.00	17.60	6.60
2010-11	Area	1.23	7.26	2.34
	Production	3.68	20.22	8.25
Area in million hectares & production in million bales (1 bale is 170 kg)				
<i>Sources: Andhra Pradesh Cotton Association, Cotton Corporation of India</i>				

Quarantine issues raise concerns over oilmeal exports to Vietnam

Dilip Kumar Jha / Mumbai April 12, 2011, 0:33 IST

Following the decision of Vietnamese importers to quarantine two container-load of oilmeal from India, apex trade body Solvent Extractors' Association of India (SEA) has advised its 850 members to change the booking strategy from the existing cost-insurance-and-freight (CIF) to the free-on-board (FoB) basis.

"We have advised our members to start quoting oilmeal prices on fob basis and remain cautious especially while dealing with traders in Vietnam," said B V Mehta, executive director of SEA.



Under FoB the seller has to fulfil his obligation to physically load the goods on the ship at the country of origin and his cost excludes the cost of freight and insurance. This means that the buyer would have to bear all costs and risk of loss of or damage to the goods from that point.

On the other hand, CIF price allows sellers (exporters) to take the entire burden and responsibility of the transported goods until the commodity is downloaded at the destination port.

The advice was a welcome move as Indian oilmeal exporters were facing stiff quarantine regulation in Vietnam, resulting in losses. There was no export to Vietnam during January and February. Although, exports have resumed, traders are cautious from both sides.

Authorities in Vietnam had quarantined two shiploads of oilmeal from India after very high levels of methyl bromide – a fumigant used for pest control – was found in the commodity about two months back. After keeping the shipment on hold for two months, Vietnam rejected it and Indian exporters were forced to sell the commodity at a discount to Vietnamese traders.

The current global industry norm allows upto 30 gram per square meter of methyl bromide for 72 hours which Indian oilmeal exporters are maintaining. “Including demurrages for over a month, Indian exporters lost nearly US \$0.5 million in two shipments,” said Mehta.

With an estimated annual export of nearly 850,000 tonnes, Vietnam accounts for 17 per cent of India’s total oilmeal exports worth Rs 8,200 crore (2010-11). SEA has sought the Commerce Ministry’s intervention to sort the matter out.

Traders want the matter to be sorted out amicably, fearing further loss. Although, alternate markets are available, Vietnam remains a big market for Indian exporters that can not be ignored, Mehta said.

The trade body has recommended a high power delegation to Vietnam comprising senior officials from the Ministry of Commerce and Food and experts from the industry to assess the situation in the neighbouring country. The apex trade body, however, is yet to receive any communication from the ministry.

“Although, we have not received any communication from the Commerce Ministry yet, I hope the ministry will understand the gravity of the issue,” said Sushil Goenka, president of SEA and director of Andra Pradesh-based agro processing company Foods Fats & Fertilisers Ltd.

According to industry insiders, Indian exporters are facing two problems while shipping oilmeals to Vietnam. First, Vietnam comes under the non-tariff barrier which makes trading difficult. Secondly, Bunge from the US has set up a 5,000 tonnes per day oilseed processing unit in Vietnam which assures local oilmeal consumption.

A Japanese company has also reportedly set up a mid-size oilseed processing plant. Since, the local companies are facing stiff competition from Indian imports, a quarantine issue was raised to restrict supply from India, a trader alleged.

THE HINDU Business Line

Marginal fall in rice procurement



A file picture of a farmer cutting the mature paddy in a field in the Milanmore village area near Siliguri.

New Delhi, April 11:

The Government has procured 25.46 million tonnes of rice for the central pool so far in the 2010-11 season, ending September, down 1 per cent compared to the year-ago period.

The Food Corporation of India (FCI) had purchased 25.69 mt in the year-ago period, it said in its latest data.

FCI had procured 32 mt of rice in the entire 2009-10 marketing year. The government agencies were able to buy more rice in Tamil Nadu and Andhra Pradesh so far.

In Andhra Pradesh, rice procurement has risen to 4.21 mt so far from 3.9 mt in the year-ago period. In Tamil Nadu, it stood at 1.16 mt till yesterday against 8.81 lakh tonnes in the year-ago period.

In contrast, the government rice purchases in Uttar Pradesh fell to 2.21 MT so far from 2.57 MT in the review period. Likewise, in Orissa rice procurement declined to 1.55 mt so far from 1.82 mt, the data said.

In Punjab, rice procurement stood at 8.63 mt so far compared with 9.28 mt in the corresponding period last year, it added.

Edible oils stockists liquidate inventories



Mumbai, April 11:

The edible oil market showed a mixed trend in prices and volumes were almost nil on Monday. Imported oils, palmolein and soya oil declined by Re 1 and Rs 2 for 10 kg.

At the Malaysian market, palm oil was unable to sustain the initial rally and expectations of further decline weighed on the trade sentiment. Indigenous oils, groundnut oil rose sharply by Rs 10 on firm reports from producing centres in Gujarat.

Rapeseed oil also rose by Rs 5 on less-than-expected arrivals at producing centres. Sunflower oil ruled unchanged.

Crude palm oil futures in Malaysia initially extended gains on speculative buying interest and the sharp rally in Chicago soya, despite a bearish key crop report by the USDA.

Market sources said, according to reports, the pace of Argentina's soya harvest picked up over the last week, with conditions mixed, but surprisingly well in many areas, the Buenos Aires Cereals Exchange said in its weekly crop report. To date, over 14 per cent of the soya crop has been harvested, with final production estimated at 48.8 million tonnes, according to the exchange.

In Saurashtra, Gujarat, arrivals of new groundnut increased but half of them are of export quality HPS seeds, leaving a small quantity for oil millers. So, on shortage of seeds most of the mills have stopped crushing. Brand makers' fresh buying for the approaching marriage season pushed up groundnut oil sharply in Saurashtra recently.

At Rajkot, groundnut oil prices were steady at Rs 1,275 for *telia* tin and Rs 830 for 10 kg "loose." In Mumbai market, in absence of demand, there was literally a zero trade in spot.

Most of the stockists have preferred to empty/unload old commitments and keep away from fresh buying. Resalers were quoting Palmolein at Rs 562.

Malaysia's CPO futures

Malaysia's CPO April contracts closed at MYR 3,460 (3,434), May at 3,430 (3,409) and June closed at 3,417 (3399) MYR a tonne.

Mumbai commodity exchange spot rate (Rs/10 kg):

Groundnut oil 825 (815), soya refined oil 611 (612), sunflower exp. ref. 630 (630), sunflower ref. 675 (675), rapeseed ref. oil 615 (610), rapeseed expeller ref. 585 (580), cotton ref. oil 603 (604) and palmolein was 566 (568).

Buyers avoid high moisture wheat



Karnal, April 11:

Wheat arrivals at the Karnal grain market terminal remained sluggish and only 300 tonnes arrived on Monday. Unstable weather is hindering harvest and moisture in the harvested produce is high. Due to this there are not many buyers in the market, said Mr Tara Chand Sharma, a wheat trader.

Around 5,000 quintals arrived in the last three days and just around 500 quintals were procured by the DFC, government-owned procurement agency.

High moisture in the crop is a prime reason behind the low buying. According the guidelines, moisture level should be around 12 to 13 per cent but the moisture level in the crop is around 15 per cent, said Mr Sharma.

Farmers have spread their produce out in the *mandis* for drying and have been advised to bring back the produce with lower moisture.

They have started harvesting through combines as there were clouds in the sky and they did not want to take chances with the matured crop, he added.

New wheat was quoted at Rs 1,120 a quintal, which is also the minimum support prices, and PBW17 and 711 were the varieties that arrived in the market.

In the *desi* wheat varieties, with not much trading in the market, prices continued to rule flat.

Tohfa variety was at around Rs 2,300 a quintal, Doodh Malai was quoted around Rs 2,300 a quintal while the Aaj Tak variety traded at Rs 2,300 a quintal.

Flour Prices

Flour prices continued to witness the downtrend, dropped by Rs 5 and quoted at Rs 1,135 for a 90-kg bag. On the other hand, *Chokar* ruled flat at Rs 540 for a 49-kg bag.

Mills' sales continue to put pressure on sugar



Mumbai, April 11:

Sugar price on the Vashi wholesale market ruled weak on continued selling of mills on Monday. On fresh support of local demand and upcountry buying, the sentiment was positive for volumes as the arrivals and dispatches were at par. Spot rates were down by Rs 10 initially, but bounced back on retail demand. Naka and Mill tender rates witnessed a steady trend. The undertone of the market was positive as pressure of selling for last month's carryover stock is now over. Freight rates ruled steady said, traders.

Mr Jagdish Rawal of B. Bhogilal and co, said on support of fresh local demand, dispatches to retailers were higher. At the current lower rate, bulk consumer's inventory buying sentiment improved. Demand in other centres is also showing positive signs.

On the other side, mills are carrying higher stocks due to improvement in production. They are under pressure to ease inventories. On Saturday, 28-30 mills sold about 90,000-1,00,000 bags (100 kg each) of sugar in the range of Rs 2,610-2,640 for S-grade and Rs 2,630-2,720 for M-grade including one rail rake (about 27,000 bags) mostly sold to neighbouring States.

Most of the mills kept tender offers open. On Monday arrivals at the Vashi market were higher by about 58-60 truckloads (100 bags each) and local dispatches were 60-62 truckloads.

Bombay Sugar Merchants Association sugar rates:

Spot rates: S-grade Rs 2,750-2,825 (Rs 2,761-2,815) and M-grade Rs 2,798-2,906 (Rs 2,810-2,911). Naka delivery rates: S-grade Rs 2,710-2,740 (Rs 2,710-2,740) and M-grade was Rs 2,750-2,790 (Rs 2,760-2,790).

48% Coonoor tea unsold



A tea garden near Coonoor. (file photo)

Coonoor, April 11:

As much as 48 per cent of the offer remained unsold at Sale No: 14 of Coonoor Tea Trade Association auctions.

This was the highest percentage of teas remaining unsold so far in 2011 and 2 per cent more than the hitherto highest percentage recorded last week.

About 6.53 lakh kg out of the year's second highest offer of 13.60 lakh kg was withdrawn for want of buyers despite shedding Rs 3 a kg.

Consequently, teas worth about Rs 4.60 crore – the highest so far in 2011 – remained unsold reflecting absence of adequate demand arising from lack of promotion.

“Substantial orthodox leaf was withdrawn despite shedding Rs 2-3 a kg. High priced and better medium CTC leaf lost Rs 2-5 while plainers suffered heavy withdrawal despite easing Rs 2-3. Primary orthodox dust eased Rs 5-10. High priced and better medium CTC dust lost Rs 2-5, while plainers suffered huge withdrawal despite shedding Rs 2-3,” an auctioneer told *Business Line*.

Vigneshwar Estate and Sree Lakshmi Estate speciality topped CTC market at Rs 148 a kg each. Homedale Estate got Rs 142, Hittakkal Estate Rs 136 and Blue Monte Estate Special Rs 130. In all, 55 marks got Rs 100 and more.

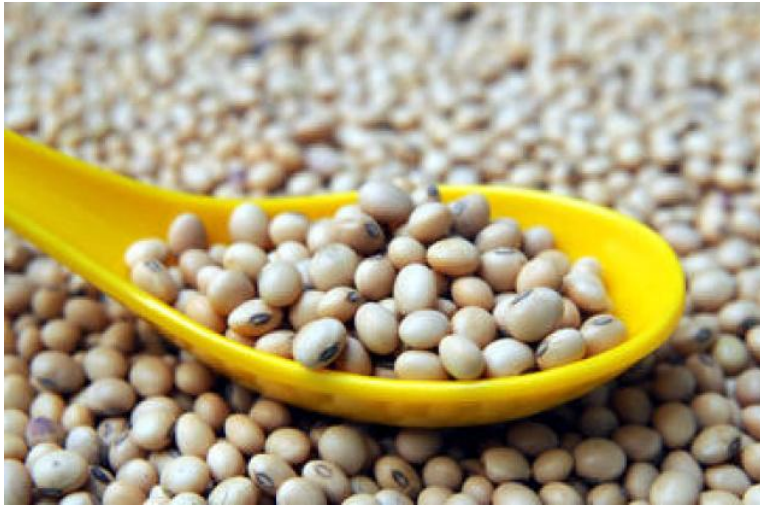
Among orthodox teas from corporate sector, Curzon got Rs 180, Havukal Rs 165, Kairbetta Rs 161, Corsely Rs 158, Chamraj Rs 156, Quinshola clonal and Tiger Hill clonal Rs 155 each. In all, 29 marks got Rs 100 and more.

Export purchases were among the weakest of the recent weeks. Pakistan and the CIS bought very selectively for Rs 57-79 a kg.

Quotations held by brokers indicated bids ranging Rs 48-52 a kg for plain leaf grades and Rs 85-130 for brighter liquoring sorts.

They ranged Rs 50-54 for plain dusts and Rs 85-135 for brighter liquoring dusts.

Soyabean rules firm in lacklustre trade



Indore, April 11:

Soyabean ruled firm on a comparatively weak selling pressure day compared with Saturday. Because of partial closure of *mandis* due “Chaitra Navratri Ashtmi” on Monday, the arrival was weak with merely 10,000 bags of soyabean being offloaded in local *mandis* on Monday.

Soyabean prices in *mandis* across Madhya Pradesh was quoted marginally higher at Rs 2,300-2,360 a quintal, while in Indore it was quoted at Rs 2,280-2,340 a quintal. Plant deliveries of soyabean ruled at Rs 2,420-2,460 a quintal against Rs 2,360-2,450 a quintal.

According to Mr Mukesh Purohit of M/s Premier Oil Industrial India Ltd, currently soyabean has plenty of demand from Maharashtra side from where traders are procuring soyabean at about Rs 2,400 a quintal. Limited supply and encouraging meal export demand attracted scattered buying from the crushers but the local market, by and large moved in line, with weak overseas market.

In soya oil also, there was absence of aggressive trading due to slack demand in the physical market. Soya-refined ruled firm at Rs 590-592 In delivery, soya-solvent quoted at Rs 568-570, while in the spot, it was quoted at Rs 563- 565 for 10 kg, up Rs 5. According to traders, besides no demand, soy oil witnessed decline in buying interest at higher rate.

Soyabean spot prices witnessing a jump of Rs 30-40 a quintal. Soya refined April contract on the NBOT witnessed the first cut of the month at Rs 617.10 after opening at Rs 621.50.

Similarly, soya-refined May contract closed Rs 7.60 lower at Rs 632.40. On Saturday, soya refined May contract had closed Rs 3.20 higher at Rs 637.20. Similar sentiments prevailed on the NCDEX with soya oil April and May contracts closing lower at Rs 623 and Rs 633.80. Soyabeans' April and May contracts closed Rs 32 and Rs 31 lower at Rs 2,425 and Rs 2,470 a quintal respectively.

Pepper stays north-bound on bullish trend

Kochi, April 11:

Pepper futures continued to rule hot on positive reports from Vietnam and bullish activities by international operators through their clients here.

Reports that Vietnam has pushed up its prices for farm-grade GL500 and GL550 to \$5,900 and \$6,200 a tonne (fob) respectively have aided the price rise.

Besides, Vietnam-based operators were reportedly looking for Asta-grade pepper in India.

There are worries that Vietnam might default, given the rising trend in prices. Indonesia is reported to have defaulted in February shipments, market sources told *Business Line*.

Buyers were buying afloat pepper from Wayanad, Idukki and the plains at Rs 24,900-Rs 25,500 a quintal. Sellers were available. But demand is said to have outweighed supply.

April contract on the NCDEX went up by Rs 160 to close at Rs 26,457 a quintal. May and June shot up by Rs 368 and Rs 342 respectively to close at Rs 27,219 and Rs 27,674 a quintal.

Turnover increased by 10,845 tonnes to 20,382 tonnes. Open interest dropped by 222 tonnes to 14,206 tonnes, indicating liquidation. Yet prices went up in the futures market, sources said.

Spot prices went up by Rs 200 to close at Rs 24,900 (ungarbled) and Rs 25,700 (MG-1) a quintal on good buying support and in tandem with the futures market trend.

Indian parity in the international market has gone up to \$6,300 a tonne (c&f) for Europe and Rs 6,400 a tonne (c&f) for the US. It would have been higher but for the weak rupee against the dollar. Indian parity remained competitive worldwide, the sources added.

Spot turmeric firm; futures decline



Chennai, April 11:

Spot turmeric prices ruled firm on the spot market but futures dropped on selling by speculators.

“Prices had run up abnormally last week in spot and futures market. What we saw in the futures was some correction,” said Mr Poonam Chand Gupta, a trader from Nizamabad in Andhra Pradesh. Turmeric prices at the Nizamabad market were quoted at Rs 10,500 a quintal. Prices have been ruling at this level for the last three session. However, on the National Commodities and Derivatives Exchange (NCDEX) April contracts dropped 2.17 per cent or Rs 228 to Rs 10,290 a quintal. May contracts dipped Rs 214 or 2.21 per cent to Rs 9,361, while June contracts ended Rs 138 lower at Rs 9,116.

Traders opine prices could gain another two per cent, particularly with the NCDEX warehouses running out of stocks. Arrivals of the new crop were good throughout the country, especially in

Erode, Duggirala and Warangal. “Domestic demand is good while export enquiries are coming in from Dubai,” said Mr Gupta. Markets in Erode are closed ahead of Rama Navami and will reopen on April 15 only after elections to Tamil Nadu Assembly, Ambedkar Jayanthi and Chithirai Thirunal.

Soya-based fish feed accelerates growth: Expert



Vijayawada, April 11:

Fish as food can not only help generate employment and incomes for the rural population, but also help fight pervasive protein deficiency in the country.

This was the message during an interactive meeting between fish feed producers and aquaculture experts representing the American Soybean Association (ASA), in the presence of local media representatives here on Sunday.

According to Dr Michael Cremer, global aquaculture technical director of ASA, feed-based technologies in practice in some of the Asian countries have shown beyond doubt that soya-based fish feeds have delivered immense commercial benefits.

The work done so far in India has resulted in the country emerging as a significant producer of soya-based extruded floating feeds and sinking pellets for fish. “Indian entrepreneurs have invested in imported extrusion machinery to produce floating fish feeds,” said Dr Vijay Anand, technical director of ASA's Asia subcontinent aquaculture programme.

Currently, there are as many as seven feed mills with installed capacity of 72 tonnes an hour which is set to soon expand to 203 tonnes an hour.

Soyabean meal is the main source of protein in the formulations and the incorporation levels are in the 35-45 per cent range. Other ingredients used include rice-bran, broken rice, wheat bran, wheat flour, corn gluten meal and copra meal.

Conceding that feed is only a part of aquaculture value chain, the aquaculture industry needs species diversification — in addition to the current carp and Pangasius — improved hatchery technology, refinement of farming system, diversification of farming system and improved fish marketing for better consumer acceptance, Dr Cremer said.

Earlier in the day, this correspondent was witness to harvesting of a record 20,000 kg of fish — each weighing one kg on an average — by renowned feed-makers Growel Feeds from a leased pond near Gudivada. The fish were fed soya-based feed.

India's fish production is approximately 8 million tonnes and the fisheries sector provides employment to about 15 million persons. Given that we have 7,000-km-long coastline and the biodiversity, the potential offered by fisheries sector is immense.

Cashew steady with firm undertone



Roasted cashewnuts on sale. File Photo: K.K. Mustafah
Kochi, April 11:

Cashew market was steady last week with a slightly firm undertone. Business was done from India and Vietnam to the US and Europe for W240 from \$4.40 to \$4.45, W320 from \$3.90 to \$4, Splits at around \$3.40, Pieces at around \$3.25 (f.o.b). Some processors were even able to sell few cents higher. Indian domestic market continued to remain quiet, trade sources said.

Raw cashewnut (RCN) market was also “very steady with Benin offering at around \$1,550 and Ivory Coast (IVC) at around \$1,400. As shipments from both origins are slow, buyers are reluctant to buy additional quantities,” Mr Pankaj N. Sampat, a major dealer told *Business Line*.

Initial reports, he said, indicate yields are lower than normal in both origins and there is concern that there will be further reduction with delays in movement and shipment, especially from IVC where the situation is becoming more difficult even for shipments from other ports due to the civil strife. There are reports of some trades for Guinea Bissau at around \$1,600. India and Vietnam RCN prices came down a bit but still very high compared to the kernel market.

In the last one year, cashew prices have increased by about 35 per cent and “we should expect some correction but since the increase has been gradual and reflects processing cost increases

to a great extent, the decline may not be sudden or large. A significant decline will not happen till RCN prices ease and supply position becomes comfortable”, he said.

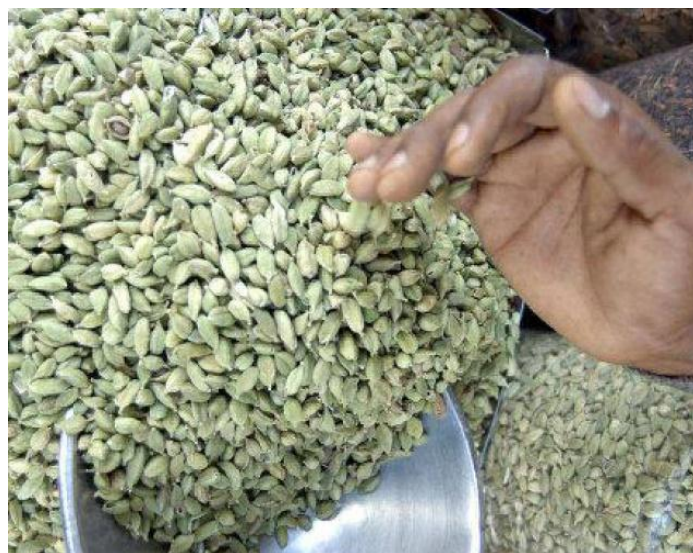
Reduced offtake

Europe and the US expect reduced offtake by retailers due to less promotions and consumers' shift to other nuts or snacks consequent to the high prices. However, the entire increase has not yet been passed on in the retail prices. Clear picture of this trend will be available by middle of the year, he said.

But this may not have a significant immediate impact on prices because share of the US and Europe in world consumption is lower than what it used to be few years ago and the reduced availability will offset reduction in offtake in these two regions. The real impact of reduced offtake will be felt only when inventories are replenished and there are good crops in all origins to bring supply back to normal.

“We expect the market to move in the current range – with periodic spikes and dips – for next the few months because kernel availability will be lower due to late crops in Vietnam/India and slow movements from Africa plus short crop in Brazil; last 15-18 months pattern of buying for nearbys means there will always be buying interest from some direction every few weeks; and India and West Asian demand is expected to pick up mid-May onwards,” he added.

Cardamom gains flavour on export, local buying



Cardamom being weighed and packed at an outlet in Kochi. - File Photo: K. K. Mustafah
Kochi, April 11:

Cardamom prices recovered last week after a month-long sluggishness on good domestic and export buying at auctions held in Kerala and Tamil Nadu.

North Indian dealers were actively covering. Similarly, exporters were also buying and estimated 15 tonnes of cardamom were bought by them, trade sources said.

sunday auction

The market sentiment has changed and demand started pouring in from Wednesday last onwards, which in turn helped the prices to improve, they said.

The individual auction average price crossed Rs 1,000 a kg on Wednesday and Thursday last and on Sunday, it ended nearly at Rs 1,000 a kg.

Arrivals at the Sunday auction conducted by the Kerala Cardamom Processing and Marketing Company stood at 56 tonnes and the entire quantity was sold out.

“The rise in arrivals was due to the coming holidays in connection with the Assembly elections on April 13 and Tamil New Year day on April 14,” Mr P.C. Punnoose, General Manager, Cardamom Processing and Marketing Company, told *Business Line*.

The maximum price on Sunday stood at 1.274 a kg and the minimum was at Rs 712 a kg. The average was at Rs 997.40 a kg.

The sellers are anticipating that the average price would stabilise at Rs 1,000 a kg and it might sustain at this level which some consider as moderate trade sources in Bodinayakannur claimed.

Arrivals, sales

Total arrivals during the current season from August 1 to April 10, 2011, stood at 8,638 tonnes. Of this, 8,427 tonnes were sold.

Arrivals and sales in the same period of the previous season were 8,640 tonnes and 8,450 tonnes, respectively. Weighted average price as on April 10, 2011, was Rs 1,099.20 a kg, up from Rs 808.60 a kg same day last year. Prices for graded varieties in rupees per kg according to the official sources in Kumily on Monday were: AGEB 1,245 –1,255; AGB 1,135–1,145; AGS 1,120–1,130 and AGS1 1,095–1,105. Prices according to the trade sources in the open market in Bodinayakannur in rupees per kg were: AGEB (7mm – 8 mm) 1,060 –1,110; AGB (6mm – 7 mm) 1,005- 1,015; AGS (5mm – 6mm) 975-990 and AGS 1 – 950– 960.

Good bulk was being sold at Rs 1,010-Rs 1,050, while medium was fetching Rs 980-Rs 1,000 a kg, trade sources in Bodi said. The growing areas experienced dry spell last week and the temperature was ruling at higher levels. However, the growers are expecting summer showers in the coming days.

Sheet rubber slips on buyer resistance



Kottayam, April 11:

Physical rubber prices witnessed a mixed trend on Monday. The market remained under pressure following the early declines in domestic futures but the losses were limited since the prices recovered partially on the National Multi-Commodity Exchange (NMCE).

Sheet rubber slipped to Rs 240 a kg (Rs 241) on buyer resistance. The grade improved to Rs 240 a kg (Rs 239.50) both at Kottayam and Kochi, according to the Rubber Board.

RSS-4 weakened in the April series to Rs 239.50 (Rs 241.41), May to Rs 245.90 (Rs 249.05), June to Rs 251.11 (Rs 253.40), July to Rs 250.85 (Rs 253.93), August to Rs 245.50 (Rs 248.39) and September to Rs 238.50 (Rs 242.75) a kg on the NMCE.

The volumes totalled 12,620 lots and open interest 8,679 lots. The turnover was Rs 311.49 crore.

Spot rates

RSS-3 (spot) closed at Rs 271.23 a kg (Rs 270.39) at Bangkok. April futures improved to ₹492 (Rs 257.60) from ₹480 during the day session but then declined to ₹485 a kg (Rs 253.88) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4 — 240 (241); RSS-5 — 238 (238); ungraded — 233 (234); ISNR 20 — 235 (235) and Latex 60 per cent — 142 (142).

Rice procurement dips marginally



Farm workers in Kuttanad, the “rice bowl of Kerala.” - File Photo: H. Vibhu
New Delhi, April 11:

The Government has procured 25.46 million tonnes of rice for the central pool so far in the 2010-11 season, ending September, down 1 per cent as compared with the year-ago period. The Food Corporation of India (FCI) had purchased 25.69 mt in the year-ago period, it said in its

latest data. FCI had procured 32 mt of rice in the entire 2009-10 marketing year. The Government agencies were able to buy more rice in Tamil Nadu and Andhra Pradesh so far, it said. In Andhra Pradesh, rice procurement has risen to 4.21 mt so far, against 3.9 mt in the year-ago period. Rice purchase in Tamil Nadu till Sunday stood at 1.16 mt as against 8.81 lakh tonnes in the year-ago period. In contrast, the Government rice purchases in Uttar Pradesh fell to 2.21 mt so far from 2.57 mt in the review period, it said. Likewise, in Orissa rice procurement declined to 1.55 mt so far as against 1.82 mt in the review period, it added. In Punjab, rice procurement stood at 8.63 mt so far as against 9.28 mt in the corresponding period last year, it said.

Fertiliser body declares potash import 'holiday'

New Delhi, April 11:

In an apparent attempt to talk down world prices, the Fertiliser Association of India has declared a potash import 'holiday', claiming that "the country has enough stocks for the ensuing kharif season".

In a statement issued here on Monday, the association's Director-General, Mr Satish Chander, noted that India imported 6.4 million tonnes (mt) of muriate of potash (MOP) in 2010-11.

Imports

Besides, it imported 1.2 mt of NPK complexes, which also contain potash, along with nitrogen and phosphorous. All this has resulted in "good closing stocks" of potash with distribution channels.

Moreover, in view of high application of potash during the recent years — which have seen MOP imports grow from a mere 2.3 mt in 2003-04 — the availability of this nutrient in the soil has improved considerably.

Taking in view all these factors plus the “unreasonable and exorbitant international prices of potash as a result of cartelisation of suppliers”, the Indian fertiliser industry has decided “to take a holiday (from imports) for the present”, the statement added.

'temporary phase'

For 2010-11, Indian companies had jointly negotiated a price of \$370 a tonne, cost and freight, for MOP sourced from Canada's Canpotex, Israel's ICL and the Belarusian Potash Company.

This time around, these global suppliers are quoting a price of around \$520 a tonne.

They are said to taking advantage of a surge in demand from Brazil and Australia, which have had good rains and grow sugarcane that requires lot of potash.

“Our feeling is that this is a temporary phase of buying. After May, the demand from the western hemisphere will recede and the suppliers will have to agree to more reasonable prices,” an industry source pointed out.

Unlike urea and to an extent di-ammonium phosphate, India does not produce any MOP and meets its entire potash requirements through imports.

Food Min not in hurry to issue sugar export licence: Thomas



Mr K V Thomas

New Delhi, April 11:

In the wake of high food inflation, Food Ministry today said it is in no hurry to issue licence for 5,00,000 tonnes of sugar export and would be “cautious” while allowing overseas shipment of wheat.

The Food Ministry has not been issuing the sugar export licence despite the Empowered Group of Ministers (EGoM) approving the export of five lakh tonnes of the sweetener via the Open General Licence (OGL) on March 22.

“We have agreed for sugar exports. These (licence) are all departmental procedures. It takes its own time. We are not in haste. We have to first look into our own market,” Food Minister Mr K V Thomas told reporters here.

On wheat exports too, the minister said that in view of lower global wheat production and the proposed National Food Security Act, “we have to be very cautious in allowing exports”.

Significantly, the Agriculture Ministry, headed by Mr Sharad Pawar has proposed that wheat exports be allowed in the wake of bumper production of 84 million tonnes this season.

“Agriculture Ministry has proposed wheat exports and that has to be looked into by the EGoM. We will discuss and take a decision,” Mr Thomas said.

The country’s food inflation is still ruling high at 9.18 for the week ended March 26.

With sugar production estimated to rise to 24.5 million tonnes in 2011-12 (October-September), against domestic demand of 22 million tonnes, the government had earlier allowed mills to meet their export obligations of one million tonnes under the Advance Licence Scheme (ALS).

Mr Pawar had earlier written to the Finance Minister Mr Pranab Mukherjee stating that sugar export should be allowed to prevent a situation of cane arrears to farmers.

The industry has been demanding exports under OGL as there is an exportable surplus of about 1.5 million tonnes of sugar even after meeting the export obligation under ALS.

They also pointed out that ex-mill price of sugar has fallen below the cost of production. In Uttar Pradesh, cost of sugar production is Rs 2,950/quintal, while ex-mill price is Rs 2,800/quintal.

Retail prices of sugar have declined sharply in the national capital to Rs 30-32 per kg from nearly Rs 50 per kg in January last year.

Maize prices up 5% on high demand: USGC



A file picture of maize cultivation in Yelagiri hills.

New Delhi, April 11:

Maize prices rose 5.1 per cent to Rs 10,598 per tonne against Rs 10,083 per tonne last week on high demand, a US Grains Council (USGC) report has said.

On annual basis, the prices this week are 16.4 per cent higher compared to the year-ago period.

In Maharashtra, maize prices rose 8.61 per cent to Rs 10,715 per tonne, Andhra Pradesh 6.86 per cent to Rs 10,292 per tonne, Uttar Pradesh 4.73 per cent to Rs 10,933 per tonne, Karnataka 4.36 per cent to Rs 10,936 and in Rajasthan 1.53 per cent to Rs 10,963 per tonne.

Spot prices of maize in key markets were also up. While prices fell in Tamil Nadu by 4.06 per cent to Rs 10,460 per tonne, in Gujarat they were down marginally by 0.45 per cent to Rs 10,838 per tonne.

In Davangere, the prices rose 6.11 per cent to Rs 12,150 per tonne, Nizamabad 3.11 per cent to Rs 12,311 per tonne and in Karimnagar 2.63 per cent to Rs 12,275 per tonne.