THE HINDU

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:05 IST

State gets NABARD loan of Rs. 315.81 crore

Special Correspondent

The National Bank for Agriculture and Rural Development (NABARD) has sanctioned Rs. 315.81 crore as loan to the State Government for developing rural infrastructure in various districts.

The loan will be utilised for execution of works on rural roads, bridges, minor irrigation projects, rural godowns, and Raitha Sampark Kendras, a press release said.

The projects were sanctioned in the Project Sanction Committee meeting held on December 5 under the Rural Infrastructure Development Fund.

Implementation of 321 rural road projects with a total length of 1,036 km and 12 rural bridge projects with a length of 200 metres are expected to provide connectivity to 1,206 villages with 450 marketing centres in 29 districts. It would also generate employment of 72.85 lakh mandays. Execution of 38 minor irrigation projects is expected to provide irrigation to 1,651 hectares, the release said.

Construction of 56 rural godowns is expected to create a storage capacity of 1.35 lakh tonnes. Construction of 68 Raitha Sampark Kendras is expected to benefit 4,000 villages, the release added.

- *It is meant for developing rural infrastructure*
- *68 Raitha Sampark Kendras to be constructed*

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:24 IST

Mettur level

The water level in the Mettur Dam stood at 106.22 feet on Monday, against its full level of 120 feet. The inflow was 4,173 cusecs and the discharge, 15,013 cusecs.

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:04 IST

Set up procurement centres for red gram: zilla panchayat

Staff Correspondent

PAYING ATTENTION: Members of the Gulbarga Zilla Panchayat at a meeting of the panchayat in Gulbarga on Monday.

The Gulbarga Zilla Panchayat passed a resolution urging the Government to establish procurement centres for red gram and procure it at Rs. 4,500 a quintal.

The resolution was passed after panchayat members said that red gram prices in the open marjet had crashed.Zilla panchayat president Shivaprabhu Patil moved a resolution in this regard and it was passed unanimously.“The proposal will now be sent to the Government,” Mr. Patil said.Panchayat member Prakash Jamdar alleged that agricultural implements meant to be distributed by the Agriculture Department were being sold on the black market.

He said that farmers in Afzalpur taluk had seized such implements and filed a criminal case against some officials. The Joint Director of Agriculture M. Chandrashekar said he had recommended the immediate suspension of officials who had been arrested in the case.

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:23 IST

Tobacco growers urged to cultivate other crops

A retired official of the Tobacco Research Institute, Venugopal, has described tobacco as a harmful crop with a “devastating” impact on the environment, and urged farmers to take up alternative crops.

Mr. Venugopal was speaking at a workshop on alternatives to firewood for tobacco curing at Hunsur on Monday.

Alternative crops such as maize, cotton, ginger and turmeric, could be cultivated, he said, and called for efforts to ensure that the crops fetched farmers a good price.

Western Ghats Task Force chairman Anant Hegde Ashisar urged tobacco growers at Hunsur and surrounding areas to desist from using firewood for tobacco curing and look for alternative fuels.

Tobacco cultivation in Mysore district was spread over 80 lakh hectares and curing a kg of tobacco required 6 to 7 kg of firewood, while tobacco barns required 4.5 lakh tonnes of firewood annually. Consumption at this rate would destroy the forests and it was impossible for the Forest Department to meet this demand, he said.

He appealed to farmers to reduce their dependence on firewood by 75 per cent and adopt modern technologies.

Mr. Ashisar pointed out that the Tobacco Research Institute had developed alternatives for the curing process. The Forest Department and the zilla panchayat should help the farmers to switch to the alternatives, he said.

Senior officials of the Tobacco Board were present at the workshop.

- *Concerns over use of firewood for tobacco curing*
- *'1 kg of tobacco needs 7 kg of firewood for curing'*

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:23 IST

'Conserve native species of paddy'

Correspondent

Sirsi Taluk Panchayat president Sumangala Bhat on Monday stressed the need to conserve native paddy species which were fast disappearing.

She was speaking after inaugurating an awareness jatha and “Paddy Kshetrotsav – 2011” at the house of Keriya Gouda of Kadgod. The event was organised by Sahyadri Parisara Vardhini (SPV), Yadalli, Green Foundation of Bangalore, and Sanjivini Savayava Krashikara Balaga of Kadgod. was to raise awareness.

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:25 IST

Buy paddy at higher price, rice-millers told

Special Correspondent

Collector V. Anil Kumar told rice-millers on Monday to purchase paddy from farmers at a higher price than the minimum support price.

Addressing a meeting on paddy procurement with rice-millers, leaders of farmer organisations and farmers in the Collectorate, the Collector said farmers faced hardships due to nature's vagaries, lack of remunerative prices, power supply and fertiliser prices and were in a quandary not knowing at what rate they could sell their produce.

Farmer leaders D.N. Narayana and Siva Reddy said market yards lacked electronic weighing machines and buyers were manipulating the manual weighing machines thereby farmers were losing 10 kg of turmeric per quintal and hamalis acted at will. When the Collector questioned Assistant Director of Marketing on why electronic weighing machines were not provided in market yards and directed their provision within a week.

He directed expeditious payments and wondered why they were delayed by 40 days. Farmers' association leaders sought sending of 55,000 tonnes of sugarcane to other factories and making payments within a fortnight and recalled that due to closure of Kadapa Cooperative Sugars Limited, 85,000 tonnes of sugarcane was sent to other factories last year and payments made an year later.

Age-old machinery was the bane of the sugar factory and it could be run by setting up power generation and molasses production equipment, farmers said. Mr. Anil Kumar Reddy said a project report would be sent on the factory to the government soon. He promised to send available cane to the sugar factory in Nellore this year.

The Collector assured to look into farmers' complaint that private godowns storing paddy were charging rent for an entire year when paddy stocks were stored a fortnight more after six months. The government was examining the scope for linking the rural employment guarantee scheme to agriculture, he said.

He assured to apprise the government on Krishnapuram variety of onions in the Collectors' conference in Hyderabad.

Published: December 13, 2011 00:00 IST | Updated: December 13, 2011 04:25 IST

Chilli farmers stage dharna for water

Correspondent

Chilli farmers from Peddavura, Gurrampode and Kanagal mandals, who raised the crop in over 5,000 acres using the Sagar left canal water under the EMR project, staged a dharna before the Collectorate here on Monday demanding supply of water.

They raised slogans against the government's decision to stop water supply when the chilli crop is set for harvesting, which was contrary to the promise.

The farmers, some carrying chilli stocks, who protested under the banner of the district unit of A.P. Rythu Sangham, expressed anguish that the crops would be lost if no water was made available.

Led by the sangham leader N. Narasimha Reddy, the ryots submitted a memorandum to Collector N. Mukteswara Rao. He assured the delegation to discuss the issue with the EMR project officials and take a decision.

- *Farmers raise crop in over 5,000 acres using Sagar left canal water*
- *Concern over State's decision to stop water supply when chilli crop is set for harvesting*

THE ECONOMIC TIMES

Tue, Dec 13, 2011 | Updated 05.30AM IST

13 DEC, 2011, 03.40AM IST, JAYASHREE BHOSALE,ET BUREAU

Cotton, Soyabean price issue rocks Maharashtra State Assembly

PUNE: The Opposition disrupted the Maharashtra State Assembly on Monday and the House had to be adjourned on the issue of cotton, soyabean and paddy prices.

As the cotton farmers in the state have lost about 50% yield, the Opposition is demanding that the government announce a compensation package for the cotton as well as soyabean and paddy farmers. "We demanded that the government should discuss the issue of compensation to cotton, soyabean and paddy farmers in the Assembly and make an announcement about it.

However, the government refused to do so, citing the reason of election code of conduct for the

Nagarpalika elections. Now they have promised to discuss the issue tomorrow (Tuesday)," said Bharatiya Janata Party (BJP)'s leader of Opposition in the legislative assembly, Eknath Khadse.

The state cabinet has accepted in principle to give per acre compensation to the cotton farmers. According to a news agency, Chief Minister Prithviraj Chavan said in Nagpur on the eve commencement of the Assembly session: "We have already made up our mind... but due to the code of conduct imposed for the local body elections, the announcement regarding the quantum of relief has been held back."

Chavan further said the state has approached the central government for providing bonus in addition to the minimum support price (MSP) announced by the latter. "The bonus issue will be decided by the Agriculture Price Commission, an autonomous body under the Agriculture Ministry," he added.

The Opposition parties are demanding that cotton, soyabean and paddy should get Rs 6,000/quintal, Rs 3,000/quintal and Rs 2,500/quintal respectively. The minimum support price of cotton is Rs 3,300/quintal. Cotton yield has declined by about 50% in Maharashtra due to climatic reasons.

"As against the daily arrival of about 1,000 quintals, today I am getting only about 150 quintals/day at my ginning and pressing mill," said Rahul Parekh, owner of Krishna ginning in Dharagaon near Jalgaon.

Parekh, also a cotton farmer, could get only 87 quintal cotton till Monday from his 35-acre field compared to 150 quintals he had collected during the comparable period previous year. The Dharangaon APMC too has reported considerably less cotton arrivals this year right from the beginning of the season.

"The current average daily cotton arrival at our market is about 300 quintals. The quantity was about three to four times bigger last year during the same period," said Rajendrashingh Patil, superintendent of Dharangaon APMC.

13 DEC, 2011, 03.37AM IST, BLOOMBERG

Major rubber growers may back physical market in benchmark drive

JAKARTA: Thailand, Indonesia and Malaysia, which account for about 70% of natural-rubber output, plan to set up a regional physical market to create a new benchmark for the commodity, according to a trade group.

The market would help producers trade with more transparent and reliable prices, Tjahjono Budiarto Tjandra, chairman of the Committee on Strategic Market Operations at the International Rubber Consortium, said in an interview in Bali on Monday.

The countries agreed to take "specific measures" to support prices, Bayu Krisnamurthi, Indonesia's deputy trade minister, told reporters in Bali after a meeting of representatives from the three governments. Rubber has slumped in Tokyo this year as Europe's debt crisis raised concern that demand may drop.

The Tokyo Commodity Exchange, which trades that benchmark, is tracking the contract plan. The initiative may involve the Indonesia Commodity & DerivativesExchange, the Agricultural Futures Exchange of Thailand and the Malaysia Derivatives Exchange, Tjandra said.

"We're ready to start the rubber contract next year," Megain Widjaja, chief executive officer of the Indonesia Commodity & Derivatives Exchange, or ICDX, said in an interview. The three Southeast Asian exchanges and the consortium met in Phuket, Thailand last month to discuss the plan, Widjaja said.

"Although the current rubber price has declined from early 2011, it is still quite high," Bayu said. "We must be ready for any situation that may further pressure the price." Rubber futures in Tokyo are set for their worst annual performance since 2008, when the global economic recession reduced demand.

The contract for delivery in May closed at 277.4 yen per kg on Tocom on Monday. "We will closely watch the development of the issue," said Fuminori Kondo, a spokesman for Tocom.

"We've heard similar ideas before. As the three producing countries represent 70% of global rubber output, the idea is interesting to us as our bourse trades rubber futures."The Agricultural Futures Exchange of Thailand welcomed the rubber plan, which merits further study, according to Chairman Prasat Kesawapitak.

"The initiative also needs support from the government to help stabilize the price."
The International Tripartite Rubber Council - which represents growers and exporters from Thailand, Indonesia and Malaysia - last month encouraged members to blacklist buyers who default on purchases. Members may curb exports if necessary to limit supply and boost prices, the group said on November 19.

"There's a desire from the governments of the three countries to set up a market as soon as possible that would be based on the real supply-and-demand fundamentals," said Tjandra from the consortium, which represents growers and exporters from Thailand, Indonesia and Malaysia. The contract would most likely trade in dollars, he said.

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expressbuzz

By K Shiva Kumar
12 Dec 2011 08:40:56 AM IST

Crash in prices hits 3,000 jaggery units

MANDYA: Sugarcane growers, who were demanding good prices for their cane from the sugar factories, are badly hit with the crash in prices of jaggery.
The jaggery units, which generated employment and produced quality jaggery that is of great demand in Gujarat, West Bengal, Rajasthan and the domestic market in north Karnataka region, have stopped crushing at their units.
The 3,000 odd jaggery units in Mandya district alone, which contributed to more than 10 to 15 per cent of the sugarcane production and produced jaggery cakes weighing between 100 grams and 12 kilos, has come to halt, with many becoming jobless.
However, less than 20 per cent of the units are operating with their own sugarcane and making local arrangements for the cane.
The farmers diverted tonnes of sugarcane to jaggery units when prices of sugarcane collapsed

in the previous years and when jaggery prices per tonne was between Rs 3,200 and Rs 4,000.
With the prices of jaggery crashing to Rs 2,000 per tonne and sugar factories offering Rs 2,000 per tonne for sugarcane, the farmers have diverted sugarcane to factories in Mandya and Mysore districts, which have started crushing cane for the past couple of weeks.
Traders in Mandya had supplied more than 700 tonnes of jaggery between June and November and the market was flooded with jaggery when the prices touched between Rs 3,500 and Rs 3,800 per tonne in the previous years.
The Ganesh festival, Diwali and other festivals in West Bengal, Rajasthan, Gujarat and Maharastra also turned out to be a boon to the farmers and unit owners.
But, the jaggery unit owners and farmers are left in a lurch as they cannot run the unit by purchasing sugarcane for Rs 2,100 per tonne, crush it, produce jaggery, pack it and transport it before it is marketed in APMC as it would cost more than Rs 2,700 per tonne.
Nanjunde Gowda, a jaggery unit owner, said that the scarcity of labourers has put them in more trouble, thus forcing them to close down the unit. Sreenath, a farmer, said that the government has not considered funding them to modernise their units so that they can compete with the open market, which produces high-quality jaggery.
State Sugarcane Growers Association president Kurbur Shanthakumar said that there are more than 7,000 agro-based jaggery units in the state that has generated employment in rural areas.
He said that the authorities should exhibit will to educate public on the Union Government programmes for agrobased industries, help set up 4 to 5 units in each village in sugarcane growing areas to reduce dependency of farmers on sugar factories.
He said that there are a few farmers who have even produced organic jaggery, which is of great demand in countries like Malaysia.

the pioneer

Urea shortage bane for farmers in Madhya Pradesh

TUESDAY, 13 DECEMBER 2011 00:31

After the shortage of DAP now farmers in the State are facing another major problem due to shortage of urea and the Agriculture Department seems to be unable to fulfill their demands, writes *Girish Sharma*

After the shortage of Diammonium phosphate (DAP) in the State, the farmers are facing acute shortage of urea in Madhya Pradesh. After the sowing, when the crops are coming up, the farmers require urea, but the Agriculture Department and the primary cooperative committees are unable to fulfill the demands.

The farmers are agitating in different parts of the State demanding adequate quantity of urea. In almost all the districts, the farmers are blocking roads and demonstrating, but the authorities have not taken any steps in this direction till date.

Chief Minister Shivraj Singh Chouhan and Agriculture Minister Ramakrishna Kusmaria have been alleging that the Centre is not providing with the required quota of urea, following which there are chances of low production in the Rabi season.

Till date in December, the State could get only 92,000 tonne urea, which there was short supply of 36,000 tonne fertiliser last month.

The State Government reportedly submitted requirement note demanding 3.87 lakh tonne for the month of December to Centre. However, the Centre has allocated quota of 3.22 lakh tonne urea. This includes 1.40 lakh tonne indigenous and 1.81 lakh tonne imported fertiliser, but under the indigenous category, the State could get only 92,000 tonne urea. Regarding the imported urea, the Central Government is yet to decide which company would supply the fertiliser and thus no supply has been made till date.

Agriculture experts believe that besides the short supply of fertilisers, the mismanagement prevailing in districts is responsible for the shortage of urea. The primarily cooperative societies through which the fertilisers are being supplied are not working properly which is leading to the shortage, they opined.

A couple of days ago, the district administration in Sehore had raised a Godown and seized a haul of urea stored illegally. This is evident that the hoarding of urea is going on unabated in the State and to check the shortage of fertilisers, the State Government needs to conduct raids at massive scale.

Over the issue, State Congress president Kantilal Bhuria said that the situation has become explosive as the State Government is not making any efforts to check the blackmarketing of urea. The farmers are forced to remain in the queue for fertilisers, but those associated with the ruling BJP are engaged in blackmarketing and selling urea at almost double price, he added.

Bhuria further alleged that the State Government has no control over the fertiliser distribution system and the mediators are openly engaged in the blackmarketing.

Sandeep Shrivastava of the Bharatiya Kisan Sangh feels that the State Government is similarly at fault like the Central Government in the shortage of fertilisers. "We had been raising voice over the shortage of fertilisers time and again, but in vain," he said, adding that Chief Minister cannot save himself just by saying that he has written to Union Agriculture Minister or Prime Minister Manmohan Singh demanding more allocations.

He informed that in Gujarat and Uttar Pradesh too, there are non-Congress Governments, but they are getting adequate quota of fertilisers. The Chief Minister should find out where the problem is on the State's relations with the Central Government. He alleged that besides the standardised fertilisers, spurious urea is also available in the market that strictly needs to be checked.

Agriculture Director DN Sharma claimed that the urea supply system is improving fast in Madhya Pradesh. In past two days, 17 racks of urea have left for different parts of the State. Some of them have already reached and by this, total supply figure reaches 1.26 lakh tonne. If the supply continues with the same pace, the situation would improve soon. "We are maintaining strict vigil on the distribution system and the Chief Minister is in constant touch with the Centre," he added.

IG Law and order Sudhir Saxena said the Collectors and Superintendents of Police in the districts concerned are handling the situation at local level. Whenever there is any demand for additional force, the police headquarters (PHQ) is providing them with reinforcement.

CM WRITES TO JENA

On December 8, Chief Minister Shivraj Singh Chouhan had written a letter to Union Minister for Chemicals and Fertilisers Shrikant Jena urging him to ensure early supply of rest of 1,33,000 tonne of DAP and complex fertiliser allotted to Madhya Pradesh for the month of December.

Recalling the meeting with Jena at New Delhi in October in his letter, Chouhan said that at that time also he had apprised the Union Minister for Chemicals and Fertilisers about the extreme shortage of DAP and complex fertiliser and problems cropping up due to it in the State. The crops sown in the State have reached the stage when they require urea input absolutely.

For the last fortnight, timely and adequate supply of urea to farmers has becoming a challenge. With this in mind we have requested for 3.87 lakh metric tonne of urea allocation for November. Against this, the State had been allocated 3.70 lakh metric tonne. However, the actual supply was only around 2.37 lakh metric tonne, resulting in a huge shortfall of 1.33 lakh metric tonne.

Business Standard

Tuesday, Dec 13, 2011

Potato storage deadline may be extended

Press Trust Of India / Kolkata December 13, 2011, 0:53 IST

The state government which has just announced a Rs 10 crore subsidy on export of potato, might also extend the deadline to store the cash crop in cold storages beyond the December 15 deadline.

“We understand that 10 lakh tonne of potato is lying with the cold storages due to bumper crop and the subsidy announcement should have come earlier. In these circumtances, we may extend the deadline to allow potato to be kept in cold storages,” Agriculture Marketing minister Arup Roy said while addressing the AGM of the West Bengal Cold Storage Association.

The state government has extended the deadline for storage of potato till December 15. Usually cold storages are cleared and kept closed for maintainence from November 15 to February 15.

Roy said the government would offer export subsidy of Rs 2 per kg for transport by non-refrigerated vans and Rs 3 per kg for refrigerated vans.

Roy acknowledged that though the potato price at the cold store point was Rs 2 a kg, but the consumer price remained at Rs 8 a kg.

The government has decided to make higher use of potato in mid-day meal.

Tomato price rise not due to traders' cartel: Govt

Press Trust of India / New Delhi December 12, 2011, 12:56 IST

The government today said high volatility in retail prices of kitchen staple tomato is not due to hoarding by traders' cartel but because of seasonal factors.

"No such issue about the cartel of traders stocking. But there is high fluctuation of prices of perishable items like tomatoes," Food and Consumer Affairs Minister KV Thomas said during the Question Hour in the Rajya Sabha.

Prices of tomato have largely been affected by the seasonality factor, he said.

The general trend shows that the prices tend to move upwards during the September-November period. However, there was no increase in tomato prices during the last week of October till the first week of November, he added.

Replying to a supplementary, the minister further said that there was fluctuation in tomato prices because supplies were affected due to strike in Andhra Pradesh, the main growing state.

In Delhi wholesale market, tomato prices were ruling Rs 11 per kg on December 9, a week before it was ruling higher at Rs 13 per kg and a month back prices were as high as Rs 33 per kg, he said reflecting price volatility.

Replying to another supplementary, the minister said that the Department of Agriculture and Cooperation has taken up a market intervention scheme through the Horticulture Department to protect the growers if prices fall below the economic cost.

The minister also said that the Food Processing Ministry also provides funds through a scheme to construct cold storages and also for manufacturing value-added products from vegetables like tomato and others.

Bill to compel disclosure of cotton, mill output mooted

Anindita Dey / Mumbai December 13, 2011, 0:59 IST

The Union textiles ministry proposes to make collection of cotton production data a real-time and formal exercise, under a legal framework.

A Cotton Development Bill proposes to compel all stakeholders to provide data of production and availability. The bill is under preparation, said officials.

“The data for arriving at the cotton estimate is quite disorganised, informal. Primarily, we depend on mandi arrivals for working out the estimate. The Cotton Advisory Committee (CAB) which works out the estimate relies on data which is voluntarily disclosed and provides the estimate with a lag. At any given point, the data is of no use. One has to rely on field observations for real-time data,” explained an official source.

The bill will mandate disclosure of production data at ginning and mill consumption levels. There are reports of farmers holding on to cotton production and in such a situation, we do not have a correct estimate of total production, added officals. Earlier reports said cotton export was seven million bales, while current data shows export at 7.5 mn bales, which put the closing stock at 4.25 mn bales, unlike what we have in the CAB estimate, said official sources.

[redacted]			
Year	Area	Production	Yield

2000-01	8.57	14.0	278
2001-02	8.73	15.8	308
2002-03	7.67	13.6	302
2003-04	7.63	17.9	399
2004-05	8.78	24.3	470
2005-06	8.70	24.4	478
2006-07	9.14	28.0	521
2007-08	9.41	30.7	554
2008-09	9.40	29.0	524
2009-10	10.31	29.5	486
2010-11	11.16	31.2	475
Source : Cotton Advisory Board *Note: Area in million hectares, production in million bales* *(1 bale +170 kg), yields in kg/hectare*			

The textile commissioner’s office (TCO) has to extrapolate data for arriving at estimates. There are around 3,300 spinning mills in India, both small and large. Each month, the TCO receives data from 95 per cent to 97 per cent of spinning mills, and needs to extrapolate the data for the remaining ones. Besides, cotton consumption estimates reported by the TCO do not include linters, which are by-products. Officials add that when a mill stops operating, the TCO does not initially know if this is temporary or permanent. Similarly, any large spinning unit coming into operation will be known, but new small spinning units can go undetected for some time.

THE HINDU Business Line

Sweet and delicious

From the north-east: A Manipuri tribal holds oranges produced in Manipur at the “Inter-State Horti Sangam 2011” at NEDFi Convention Centre in Guwahati. The 3-day long horticulture show has been organised by the National Horticulture Board, Union Ministry of Agriculture. Farmers from Maharashtra, West Bengal, Punjab, Haryana and other North-eastern States are taking part in the show. This is the first time that such a programme has been organised in the North-East. — Ritu Raj Konwar

(This article was published in the Business Line print edition dated December 13, 2011)

Prices of select grades improve at Kochi tea auction

OUR BUREAU

Kochi, Dec. 12:

Prices of select grades improved at the dust and leaf tea auctions in Kochi. Arrivals remained more or less steady at 11, 97,000 kg at the dust and 2, 97,000 kg at the leaf auction. Good liquoring grades remained firm to dearer at the CTC dust auction. Bold and grainy CTC quoted higher. All other grades remained irregular often tending lower. There were some withdrawals.

AVT was active on good liquoring CTC dust grades while Tata Global and Kerala State Civil Supplies Corporation lent fair amount of support. Hindustan Unilever (HUL) remained very selective. Clean black grades elicited better enquiry from exporters. High grown and good medium grades remained steady at the orthodox dust auction. Other grades quoted lower with several withdrawals. There was some support from exporters.

Leaf Auction

Nilgiri whole leaf grades and fannings were steady while broken grades quoted lower and witnessed some withdrawals at the orthodox leaf auction.

Primary whole leaf, fannings and smaller broken grades witnessed a steady market, while bolder grades showed a decline in price. Secondaries remained barely steady.

Exporters to CIS countries remained selective while exporters to Tunisia focused on medium grades. HUL lent fair amount of support and focused on whole leaf grades. Smaller broken grades and fannings were absorbed by tea bag exporters.

There was good demand at the CTC leaf auction where price of medium and smaller broken grades and fannings remained steady.

Other CTC leaf grades were irregular. Exporters were active on medium and plain grades while upcountry buyers were less active. HUL did not operate in the CTC leaf auction.

Top Prices

Injipara SFD fetched the top price at the dust auction at Rs 121 followed by Injipara SRD at Rs 119, Pasuparai RD at Rs 118 while Injipara RD and Pasuparai FD quoted Rs 116. At the leaf auction Pascoe's green tea fetched the top price at Rs 258 followed by Chamraj FOP and Chamraj OP at Rs 211 while Havukal BOPF quoted Rs 171.

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(This article was published in the Business Line print edition dated December 13, 2011)

Mullaperiyar row grinds cardamom auctions to halt

G.K. Nair

Transportation, movement of estate owners, workers also hit

Kochi, Dec. 12:

Cardamom auctions have been brought a grinding halt following violent protests and consequent stoppage of traffic between Kerala and Tamil Nadu due to unrest in the two States over the Mullaperiyar dam issue.

Movement of traders as well as estate owners and workers from Tamil Nadu and transportation of goods from the growing areas in Kerala to the auction and trading centres in Bodinayakannur has been totally stopped since early last week, trade sources in Kumily told *Business Line*.

On December 4, auction was held in Kerala by the Kerala Cardamom Processing and Marketing Cooperative in which 97 tonnes of cardamom arrived and that were almost sold out.

The auction average price was at Rs 508.36 a kg. However, the next day STCL conducted its auction at Bodinayakannur where the average price dropped to Rs 455.82 a kg due to quality issues, trade sources in Bodi told*Business Line*.

No supply

They said the supply from the main growing areas in Kerala has stopped completely in the absence of vehicular traffic. “There is said to be upcountry demand which is met by dealers in Bodi, the major cardamom trading centre in the country, who are selling it at Rs 50 to Rs 60 a kg above the prices which were prevailing during the week before last,” they said.

Traders in Kumily said 60 per cent of the cardamom growers (estate owners) in Kerala's Idukki district are from across the border while 80 per cent of the workers are also from Tamil Nadu. Suspension of traffic, coupled with violent protests, has compelled them to stay back, they said.

“I have been living in Kumily, deeply involved in cardamom trade for over a quarter of a century and for the first time in my life I have come across such an unfortunate and bitter experience”, said Mr P C Punnoose, General Manager, CPMC.

The suspension of cardamom auctions alone has resulted in an estimated loss of Rs 50 crore so far and an identical amount of loss could be estimated for trading activities in other spheres in the Kumily town, he said.

BLESSING IN DISGUISE

Decline in the movement of Sabarimala pilgrims via Cumbum, Theni, Kumily, Vandiperiyar route has also affected business activities there.

However, the current situation is a blessing in disguise for the cardamom and pepper traders in Bodi, who can meet the upcountry demand by releasing some of the stocks held by them now at a comparatively good price, they said.

According to the cardamom growers and traders, a fear psychosis has been created in the minds of small and medium farmers in the five districts in Tamil Nadu, who are the beneficiaries of water from the Mullaperiyar dam for irrigation.

They said the worst affected are cardamom estate owners in Tamil Nadu and Tamil workers, who have no other alternative other than joining the masses on the other side of the border.

The weather conditions are favourable for the crop. But harvesting has been affected badly in the absence of sufficient workers, some of the growers in Kumily said.

(This article was published in the Business Line print edition dated December 13, 2011)

Lacklustre trade in cashew market

G.K. Nair
Kochi, Dec 12:

The cashew market was steady last week with some sales for W320 for shipments up to April in the price range of $3.70 to $3.80 a lb (f.o.b.). Some processors were reportedly able to sell few cents higher.

There was not much business in other grades for which price levels were: W240 from $4.00 to $4.20, W450 and SW320 from $3.65 to $3.75, SW360 from $3.50 to $3.60, SSW from $3.10 to $3.20, splits and butts were from $3.00 to $3.15 and pieces from $2.80 to $3.00 a lb (f.o.b.).

Quiet domestic market

Indian domestic market was very quiet. China continued to be a steady buyer in Vietnam few cents above the international market price but for selected processors and grades, trade sources said.

The raw cashew nut (RCN) market was quieter than the kernel market, which is not surprising as shellers are reluctant to buy unless they see some activity or trend in the kernel market. “One concern, which has been expressed earlier, is that we might find ourselves in a situation that although RCN will be available, kernel availability in the first quarter might be lower because Indian and Vietnam shellers have not bought RCN,” Mr Pankaj N. Sampat, a Mumbai-based dealer told *Business Line*.

For the last several months, he said, everyone has been in “wait-and-watch” mode. Business is being done every month for 2-3 months ahead. Nobody is taking long positions. It seems that this will continue through December and may be early January.

“If the shellers come under pressure to sell before the buyers need to buy, we will see prices drifting lower in the first quarter. On the other hand, if buyers find in Jan that last quarter off take was not as bad as feared and they come into buy for first half of 2012, prices could stabilise in the current range, and may be even move up a bit for nearbys as processing in Jan-Mar in India and Vietnam is likely to be lower”. What happens in the financial markets in the next 6-8 weeks will also have an impact on consumer sentiment and buying / selling strategies and risk appetite of everyone in the chain, he said.

Demand trend

Until there is some indication of demand trend and 2012 supply prospects, which will be known only by second quarter of 2012, the trend of short term buying and selling will mean that there will be periodic spikes and dips in activity and prices.

Whether the range in early 2012 will remain the same or drift lower will depend on how things develop on demand side in the first few weeks of 2012 “the joker in the pack will be the developments in the financial markets!”, he pointed out.

For the time being, market is quiet with a steady to soft tone but this could change quickly if demand decline is not as much as feared or if there is problem with any of the 2012 crops.

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Lower prices lead to slow arrivals in cotton

Latha Venkatraman
Mumbai, Dec. 12:

The country is on track for a huge cotton crop in the current season ending September 2012 but arrivals so far have been slow and lower compared with the previous season due to fall in prices.

“Farmers are possibly holding back crop as prices are quite low,” said Mr Piyush Shah, a trader at Surendranagar, Gujarat.

Cotton arrivals until December 11 stood at 62.47 lakh bales (of 170 kg), lower than the same period last year when 83.91 lakh bales of cotton had come into the *mandis*.

Indian cotton farmers, buoyed by a sharp rise in prices of the commodity last season, brought more land under cultivation but have been disappointed by the sharp fall in prices.

Cotton Advisory Board, a government panel that makes an assessment of acreage, output, import, export and availability, has estimated that cotton acreage during the current season is 12.2 million hectares compared with 11.1 million hectares in the previous year.

Prices of Sankar-6 variety of cotton have fallen to Rs 35,100 a candy (one candy is 356 kg) levels last week compared with Rs 40,900 a candy quoted a year ago, data from Cotton Association of India Web site showed.

In Gujarat, the leading producer of cotton in the country, cotton arrivals were down 25 per cent on year at 21.02 lakh bales.

In Maharashtra, the second leading producer of cotton, arrivals were sharply lower at 9.52 lakh bales compared with 18.58 lakh bales in the same period last season.

“Farmers are not getting the price they expected. They may hold on to their produce hoping prices would move up,” said Mr Bhadresh Mehta, managing director, Bhadresh Trading Corporation Ltd, a cotton ginning and exporting company.

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Spot rubber rules steady

Our Correspondent
Kottayam, Dec. 12:

Spot rubber continued to rule unchanged on Monday. Sentiments were almost neutral following a weak closing in domestic futures on the National Multi Commodity Exchange (NMCE).

According to sources, the market remained under pressure on comparatively higher imports and slightly increased supplies above the Rs 200-mark. Imports showed a rise of almost five per cent in November, while exports went up to 580 tonnes compared with 60 tonnes during the same period last year, they added.

Sheet rubber finished steady at Rs 202 a kg, according to traders. It was flat at Rs 201.50 a kg both at Kottayam and Kochi, as reported by the Rubber Board.

In futures, the December series slipped to Rs 201.20 (202.98), January to Rs 202.50 (205.01), February to Rs 204.50 (207.19), March to Rs 207.65 (209.75), April to Rs 211.51 (214.63) and May to Rs 213.51 (216.50) a kg for RSS 4 on the NMCE.

The December futures increased to ¥263.4 (Rs 178.28) from ¥260.3 a kg during the day session but then dropped to ¥260 (Rs 176.01) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 202 (202); RSS-5: 199 (199); ungraded: 193 (193); ISNR 20: 189 (189) and latex 60 per cent: 111 (110).

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Farmers' body asks PM to speed up FDI in retail

Our Bureau
New Delhi, Dec. 12:

The Consortium of Indian Farmers Association (CIFA) has urged the Prime Minister, Mr Manmohan Singh, to speed up the process of foreign direct investment (FDI) in retail sector stating it would benefit the farmers.

“We met the Prime Minister and urged him to grant permission for FDI in retail before December 31,” said Mr P. Chengal Reddy, Secretary General, CIFA, which claims to represent over 40 million farmers, on Monday. CIFA members will be forced to go on an agitation from January 1 if their demands are not met, he said. “We also urged the PM to set up a regulatory authority to check exploitation of the farmers,” Mr Reddy said. He said that FDI would help establish producer groups and arrange for forward-backward linkage between the farmers and retailers.

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Weak global markets may hit cotton demand

Our Correspondent

Rajkot, Dec. 12:

Even as demand for cotton drops, the Kisan Sangh has started a protest to put pressure on the State to increase the minimum support price, leading to lower arrivals in Saurashtra. Export demand will fall further as international markets are weakening, said a Rajkot-based broker.

The Sankar-6 variety traded at Rs 34,700-34,800 a candy of 356 kg. *Kapas* or raw cotton sold at Rs 830-870 for a *maund* of 20 kg. While about 50,000 bales of 170 kg arrived in Gujarat, 1.55 lakh bales arrived in rest of the country. About 500-600 trucks arrived from Maharashtra and the produce offloaded sold at Rs 850-870 a *maund*.

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According to the US Department of Agriculture (USDA) reports, as exporters await greater clarity on tariff levels in and interest from China, export registrations in India may slow around mid-December. India's export registrations have reportedly touched 2 million tonnes on purchases from China and Bangladesh.

The country is estimated to have exported around 6 million bales of cotton in 2010-11 season. For the current season, USDA has kept output forecast unchanged for India at 35 million bales.

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Brand-makers' buying buoys groundnut oil

Our Correspondent

Mumbai, Dec. 12:

Imported palmolein and soya refined oil fell by Re 1 and Rs 2 for 10 kg each, tracking bearish markets overseas on Monday. New demand from brand-makers lifted fine-quality groundnut oil by Rs 15 for 10 kg. Rapeseed oil was up Rs 2 for 10 kg. Sunflower and cotton refined oils were unchanged despite weak reports from producing centres.

Crude palm oil (CPO) futures on the Bursa Malaysia Derivatives (BMD) fell sharply as investors liquidate long positions on rising soyabean stock estimates by the US Department of Agriculture and a narrowing palm oil versus soya oil discount. Local refiners reduced prices of palmolein by Rs 3 for 10 kg. Liberty offered palmolein at Rs 580-582 and super palmolein at Rs 595. Ruchi quoted palmolein at Rs 578, soya refined oil at Rs 635 and sunflower refined oil at Rs 700. Allana offered palmolein at Rs 581 for delivery on December 20. In Saurashtra and Rajkot, cotton oil declined to Rs 590-592 (Rs 596-598) with about 38-40 tankers arriving in the market and groundnut oil, whose arrivals were at 18-20 tankers, improved to Rs 1,335 (Rs 1330) for a *telia* tin and to Rs 870 (Rs 865) for loose (10 kg).

Malaysia's BMD CPO's January contracts settled lower at MYR2,996 (MYR3,083) and February at MYR2,998 (MYR3,084) a tonne. Soya oil for December delivery closed lower at Rs 642.20 (Rs 645.50) while for January closed at Rs 650.60 (Rs 655.60) on the National Board of Trade in Indore.

Bombay Commodity Exchange spot prices (Rs/10 kg): groundnut oil — 885 (870), soya refined oil — 633 (635), sunflower exp. ref. — 650 (650), sunflower ref. — 710 (710), rapeseed ref. oil — 738 (736), rapeseed expeller ref. — 708 (706), cotton ref. oil — 620 (620), and palmolein — 580 (581).

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M.P. farmers hold back soyabean

Our Correspondent

Indore, Dec. 12:

Arrivals of soyabean dropped in Madhya Pradesh as farmers held back stocks after a US Department of Agriculture report project a bleak prospects on the price front.

With only about 2.75 lakh bags of soyabean being offloaded, bean in gained Rs 20 at Rs 2,275-2,300 a quintal. In Indore *mandis*, 8,500 bags arrived; 8,000 bags arrived in Ujjain and 7,000 in Dewas. Plant deliveries of soyabean, in contrast, declined on weak foreign markets and sluggish buying to Rs 2,270-2,275 a quintal.

Soya seeds' December and January contracts on the National Commodity and Derivatives Exchange (NCDEX) dropped at Rs 2,258 (down Rs 8) and Rs 2,286 a quintal (down Rs 19) on weak buying.

Weak foreign markets and sluggish local demand also dragged soya oil in the physical market. Soya refined declined to Rs 610-612 as Malasiyan palm oil futures fell.

Similarly, soya solvent declined to Rs 580-584 for 10 kg (Rs 584-586). Plant owners sold soya refined in the resale market at Rs 610-611 for 10 kg. Sluggish buying support and weak foreign markets pulled down soya oil futures, with the December contract on the National Board of

Trade closing Rs 2.80 down at Rs 641.40 a quintal. On the NCEDX, too, soya oil's December and January contracts closed lower at Rs 641.40 (down Rs 2.60) and at Rs 651 (Rs 655.22).

Soya de-oiled cake also declined by Rs 100 on sluggish export demand, quoting at Rs 17,200 a quintal in the port against Rs 15,100-15,200 a quintal in the local market.

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Mixed trend in sugar market

Our Correspondent

Mumbai, Dec. 12:

Sugar on the Vashi wholesale spot market witnessed a mixed trend on Monday. Prices increase by Rs 5-15 a quintal for normal quality, while fine quality eased by Rs 5 a quintal in the physical market. *Naka* rates for S-grade increased by Rs 10 while for M-grade declined by Rs 10 in absence of demand. Mills' tender rates were up Rs 10-20 a quintal as mills refrained from selling at lower prices. Bulk buyers are avoiding buying as they think that current month's 17-lakh-tonne free-sale quota is sufficient to meet local demand. Demand is likely to improve in the last week due to Christmas festival.

On Saturday, 20-22 mills offered tenders and sold about 68,000-70000 bags at Rs 2,900-2,970 (Rs 2,880-2970) for S-grade and at Rs 2,990-3,070 (Rs 2,980-3,060) for M-grade. Arrivals in the Vashi market were higher at 48-50 truckloads and local dispatches were around 47-48 truckloads. Local freight rates were unchanged.

Bombay Sugar Merchants Association's spot rates: S-grade — Rs 3,041-3,115 (Rs 3,026-3,120), and M-grade — Rs 3,131-3,252 (Rs 3,126-3,252).

Naka delivery rates: S-grade — Rs 2,980-3,020 (Rs 2,980 - 3,010), and M-grade — Rs 3,080-3,170 (Rs 3,090-3,180).

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Turmeric falls below Rs 4,500 a quintal

Our Correspondent

Erode, Dec. 12:

Spot turmeric prices for almost all varieties decreased by Rs 450 a quintal on Monday due to lack of demand and drop in quality.

"For want of demand from north Indian towns, traders quoted lower price at the Regulated Marketing Committee and finger and root varieties decreased by Rs 450 a quintal. Similarly, due to quality, prices hybrid Salem crop decreased by Rs 200 a quintal. But sales of the variety was encouraging, as all the 300-odd bags were sold. Overall, 60 per cent of the arrived stocks of 12,000-odd bags was sold.

"Both finger and root varieties in the Gobichettipalayam Agricultural Cooperative Marketing Society increased by Rs 250 a quintal, because of the arrival of quality goods. Prices in other markets were stable," said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. For the past 15 days, arrival of turmeric is on the rise and due to quality and lack of orders, bulk buyers have been quoting a lower price.

He said that prices were ruling below Rs 4,500 a quintal, which is Rs 11,000 less than the last year price during this season. (Last year during the middle of December the turmeric was sold at Rs 16,000-odd a quintal)

At the Erode Turmeric Merchants' Association sales yard, the finger variety was sold at Rs 3,466-4,294 a quintal, the root variety Rs 3,232-4,064.

Salem Crop: The finger variety was sold at Rs 3,877-5,299, the root variety Rs 3,799-4,479. Totally, 2,488 bags arrived for sale and 598 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,827 -4,517 a quintal, the root variety Rs 3,769 - 4,250. Of 459 bags kept for sale, 408 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 3,769-4,389, the root variety Rs 3,889-4,279. About 1,226 bags were sold against the arrival of 1,446.

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