

Published: December 27, 2011 00:00 IST | Updated: December 27, 2011 04:16 IST

## Registration on for TNAU flower show contests

Registration for the various competitions to be held in connection with the Covai Flower Show of Tamil Nadu Agricultural University and Rotary Club of Coimbatore Uptown to be held on January 6, 7 and 8 are open.

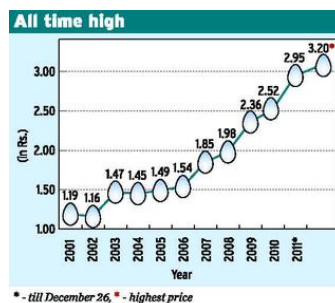
Flower arrangement and best school garden (2 to 5 acres) are open in the school sector. Flower arrangements, vegetable carving and best college / institutional garden (5 acres and above) in the college sector, are open.

For the general public, there is the best home garden for individual, best home garden for apartment, industry and corporate garden, flower arrangement, best stall competition and flower rangoli. For the garden competitions, judges will visit the gardens in the last week of December and first week of January next year. Those interested in taking part, should register at the earliest. Some competitions are free while others have a registration fee. For details, contact M. Jawaharlal, Head, Department of Floriculture and Landscaping, TNAU on 0422-6611230; or Rotary event co-ordinator N. Sivakumar on 98422-21727.

Published: December 27, 2011 00:00 IST | Updated: December 27, 2011 04:16 IST

## Egg rate touches Rs. 3.20

M.K. Ananth



The average wholesale egg rate that has been steadily soaring since the first week of December increased by five paise more on Monday, December 26, surpassing its previous highest rate of Rs. 3.15, as it stood at Rs. 3.20.

Decision for the same was taken at the National Egg Coordination Committee (NECC) Namakkal zonal meeting here on Monday.

### **Steady increase**

Poultry farmers said that the price hike was expected as it did not go as less as the lowest price of Rs. 2.05 during the same month in 2010. "This year the lowest price was just Rs. 2.79 on December 4, but since then its price has been steadily increasing to Rs. 2.84, 2.87, 2.94, 2.97, Rs. 3.13 and Rs. 3.15," a farmer added.

It is learnt that the reason behind the escalating price is the continuous increase in the demand for egg in the Northern States due to extremely chill temperature.

"This is the first time Rs. 3 has reached the hands of poultry farmers," an NECC source said and added that this was because 20 paise of the rate fixed by the NECC was deducted as handling and transportation charges.

"With the production cost of egg standing at Rs. 2.5 including feed rates, labour and management cost, it has been a long time since farmers reaped a profit of 50 paise an egg," he added.

Farmers are optimistic that the price might increase further as this time the existing rate (Rs. 3.20) was more than the highest rate of Rs. 2.86 during the end of December 2010, which was the record highest price till then.

"This year too, the wholesale price of egg increased further in January and we expect a similar hike in the days to come," a farmer of Pudanchandhai said.

Other NECC zones across the country where the price of egg is more than the price of egg in Namakkal are: Kolkata (3.65), Lucknow (3.63), Kanpur (3.57), Varanasi (3.52), Delhi (3.50), Pune (3.41), Indore (3.40), Miraj and Mumbai (3.39), Barwala (3.36), Bhopal and Raipur (3.35), Allahabad (3.33), Jabalpur (3.30), Vizag (3.25), Nagpur (3.23) and Chennai (3.22).

***Reason is the continuous increase in the demand for egg in the Northern States***

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## **Fertilizer licence suspended**

Special Correspondent

The licence for selling fertilizers was suspended for a private dealer for 10 days, following detection of hoarding of urea, on Monday. On a complaint that a dealer in Peraiyur was hoarding and overpricing fertilizers, the Collector, U. Sagayam, deputed a team led by Personal Assistant to Collector (Agriculture) Jayasingh Gnanadurai to check the premises.

The team found 20 tonnes of urea hoarded in a place in Peraiyur. The dealer had failed to display the price list at his shop. The urea was seized and the licence suspended for a period of 10 days, according to officials.

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## **Commission n-plant at earliest, say delta farmers**

Special Correspondent

*Farmers' association members plan to observe fast in January*

The Cauvery Delta Farmers Welfare Association has called for the commissioning of the Kudankulam nuclear power plant at the earliest in view of the severe power shortage faced by the State.

Members of the association, along with other farmers and allied associations, would observe a fast in Thanjavur to press for the demand in January.

Resolutions to this effect were adopted at a consultative meeting of the association and the Radio Farmers Forum here on Sunday.

The meeting was chaired by G.Kanagasabai, president of the association, and was attended by S.Ranganathan, secretary, Mahadanaparum Rajaram, working president, Murganandam, former director, All India Radio, S.Subramaniam and R.Rajagopalan, former professors, Tamil Nadu Agricultural University.

The association regretted that the commissioning of the plant has been stalled by needless opposition from a section of people despite assurances that the plant was safe from the

scientific and technological viewpoint. The intransigence of the anti-nuclear plant agitators was unjustified.

The State and the Centre should no longer remain silent and initiate appropriate action treating the opposition as a law and order issue, the resolution said.

### **Mullaperiyar issue**

On the Mullaperiyar dam issue, the association said the project was an outstanding example of inter-State cooperation as the surplus of the west-flowing water was diverted to Tamil Nadu. Agricultural produce, in turn, was received by Kerala over the years.

Ignoring the friendly relationship, the Kerala government has now sought to act in an unjust manner, instigating fears and rumours on the dam safety.

It was attempting to suppress and violate the Supreme Court order permitting raising the water level at the dam to 142 feet. An extraordinary situation has been created affecting normal life.

Even under the north-east monsoon, the dam had not received heavy inflow and there was no reason to believe that the increase in water level would trigger earthquakes.

In another resolution, the association welcomed the efforts aimed at providing a thrust to agriculture development in the XII plan period. It was regrettable that less than eight per cent of the youth in the age group of 25 to 35 in the country were engaged in agriculture.

Want of remuneration for agricultural prices and the neglect of the sector by the State and the Central government since 1985 were the major reasons for the state of affairs.

In this context, Chief Minister Jayalalithaa's plan to encourage youth to take to agriculture is a welcome move.

Youngsters could be encouraged to take to agriculture only if it was made profitable.

Besides, farm mechanisation, promotion of agro-based industries and bio-technology were essential, it said, and appealed to the government to draw up plans with this objective in mind.

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- *"Intransigence of the anti-nuclear plant agitators is unjustified"*
  - *State and Centre urged to treat opposition to plant as law and order issue*
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## Labour shortage prompts farmers' group to turn to mechanisation

M. Ahiraj

The severe shortage of labour, especially at crucial times, has prompted a group of farmers in Sirigeri and Muddatanur villages in Siruguppa taluk to adopt farm mechanisation.

After the paddy harvester, which has come to stay, it is now the turn of transplanter. Hitherto, the use of this machine was only being demonstrated in the fields to farm equipment dealers in several places. Siruguppa, where a major chunk of cultivable land is irrigated through the Tungabhadra reservoir and the lift irrigation schemes that draw water from river Tungabhadra, has joined the list of places which are considered rice bowls of Karnataka.

As against the total cultivable area of 51,298 hectares in Siruguppa taluk, paddy is cultivated in 28,460 hectares. Rajashekar and Ramakant, along with a couple of their friends, have jointly purchased a paddy transplanting machine and have started using it in about 500 acres owned by them. The machine is said to be transplanting paddy saplings at the rate of 10 acres a day, which would otherwise require 80 labourers working in tandem.

“We had seen the demonstration of the transplantation machine and were impressed by its performance. Owing to severe shortage of labour, as a majority of the youth are getting educated and taking up jobs, we were finding it difficult to get farm labourers, especially at a time when they were needed most, even if we were prepared to offer additional wages. To overcome this chronic problem, we decided to purchase the machine,” Mr. Ramakant told *The Hindu*.

He said the cost of the machine was about Rs. 10 lakh, which was shared by all the members of the group. Other accessories like trays, sowing equipment, among other things, were however, purchased by individuals, according to their requirement.

“The cost of transplanting the paddy is almost the same in the case of both manual and mechanical methods. But the major advantage with the transplanter is in terms of the yield, savings on fertilizer, and seeds because the trays are used to raise the nursery. We expect the savings to increase in the years to come,” Mr. Rajashekar said.

Once the nursery was raised in trays, the transplantation could be taken up from 20th or 25th day, he said.

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## **Cashew apple products bring cheer to farmers**

Mohamed Nazeer

: New products from processed cashew apple being made and marketed on a commercial basis bode well for cashew growers in the north Malabar region, which accounts for nearly 70 per cent of the total area under cashew cultivation in the State.

The products made from processed cashew apple, including cashew apple syrup and soft drinks are already in the market and the latest product being commercially made is cashew apple candy.

Cashew growers and agricultural extension officers hope that such products, if they gain popularity in the market, will be an answer to the large-scale wasting of cashew apple in the region. Kannur district, which has 27,123 hectares of area under cashew cultivation and produces 25,474 tonnes of cashew nuts a year, is estimated to discard 2.5 lakh tonnes of cashew apple.

Iritty, Sreekantapuram, Irikkur, Payam, Kathirur, Kottiyur, Kelakam, Peravur, Padiyur, Chapparapadavu, Pariyaram, Kurumathur, Alakkode and Anjarakkandi are the major cashew growing areas in the district. The potential for turning cashew apple processing into an employment and income generation activity is also highlighted by agricultural experts.

“People have not recognised the value of cashew apple as they throw it away after taking the precious nuts,” says Krishi Vigyan Kendra-Kannur (KVK) head K. Abdul Kareem. Ever since the inception of KVK in 2004 at Panniyur here under the Kerala Agricultural University (KAU), it has been promoting cashew apple processing as its employment and income generating potential in the region is immense, he adds.

A major impact of the demand for cashew apple products, according to cashew growers, is that the apple that is now thrown away in large quantities in the cashew growing areas of the region will be priced.

As a result of the launch of commercial production of cashew apple products in a small way in the district, small quantities of cashew apple are procured directly from farmers.

Currently, when a kilogramme of cashew nut is harvested, nearly 150 apples (weighing around 16 kg) are wasted. "I am paying Rs. 2.5 for a kg. of cashew apple which is otherwise wasted and that means farmers are getting additional income of Rs. 40 from cashew apple over and above Rs. 40 from one kg. of nuts," says Tomychan Syriac, a farmer-turned-entrepreneur whose Tomco Cashew Apple Products at Vaniyampara is a pioneering cashew apple processing unit in the private sector in the State started with the backing of the KVK.

Mr. Syriac, a former trainee of the KVK, says that products from his unit, syrup and soft drink, are also marketed outside Kerala and even in the United Arab Emirate and Oman. Cashew apple candy is the latest product being commercially made and labelled under the Tomco brand.

The product was formally launched by Agricultural Minister K.P. Mohanan at a function here recently.

Mr. Syriac, hailing from a locality where cashew apples are available in plenty, established the unit in the area with an initial investment of Rs. 8 lakh and production capacity of 500 litres a day.

He also secured an FPO licence for the production and marketing of cashew apple products. He has all requisite licences and registrations, including trade mark registration. Dr. Kareem says that similar small-scale cashew apple processing units can be established in the major cashew growing areas by individuals having entrepreneurial traits.

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• *The commodity is wasted in large quantity now*

• *Focus on job potential, income generation*

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**Load relief gives drought-hit farmers sleepless nights**

S. Murali, *Seven-hour power supply in one spell during daytime demanded*



Distressed: A peasant does all his morning chores in his field while waiting for power to his farm pumpset at Patimeedhapalem in Prakasam district.—Photo: Kommuri Srinivas

With power supply getting frequently disrupted due to load relief during daytime, farmers in this drought-affected division are clueless about the measures to be taken to save their standing crop.

“As dry spell continued in rabi also, we have gone for paddy cultivation with borewell water in only one-third of the area this year. Yet we are unable to provide water to the standing crop in the wake of power shortage,” a group of farmers in Sakirala village, 4 km from Kangiri, says. The farmers have demanded seven-hour power supply in one spell during daytime to avoid the same portion of land getting water from a borwell.

About the power position, A.P. Southern Power Distribution Company Limited (APSPDCL) Superintending Engineer H. Harinatha Rao has said the power shortage in the district is to the tune of 16,000 units. “As against the demand of 96,000 units of power, only 70,000 units are available.”

“One group of farmers in an area is provided power for farm pumpsets from midnight to 7 a.m. and another set from 7 a.m. to 2 p.m. The third group is provided power in two spells from 2 p.m. to 6 p.m. and 8 p.m. to 10 p.m.,” he says.

However, the farmers in Kanigiri division are not getting power for not even five hours at a stretch during daytime, says A. P. Rythu Sangam leader Tirupati Reddy. Power officials attribute frequent disruption mostly during daytime to load shedding, he adds.



## Groundwater

In the wake of the prolonged dry spell, the groundwater level has also come down, says Kandula Venkatasubbaiah, a farmer who has two borewells to water five acres of land owned by him in Sitarampuram village.

"I have taken up paddy cultivation with borewell water in only one acre as against three acres last year. Yet I am unable to provide enough water to my field," laments P. Venkateswarulu who owns seven acres in Sakirala.

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**hindustantimes**

■ ■ Tuesday, December 27, 2011

Pune, December 27, 2011

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### **Pawar worried about Food Bill impact**

Union agriculture minister Sharad Pawar on Monday again questioned the usefulness of the food security bill, now in Parliament for approval, saying he suspected the move would bring down people's work efficiency. Pawar, who also heads the Nationalist Congress Party (NCP), a key component in the ruling United Progressive Alliance at the Centre, had earlier sought clarity on the bill when it had come up for discussion in the Union cabinet.

Once the bill becomes effective, it will ensure that 60% of the country's population will get jowar at R1 per kg, wheat at R2 per kg and rice at R3 per kg.

"I am worried even if these policies are pro-poor, we need to see that such decisions taken in the public interests should not adversely affect people's penchant for work," Pawar said at a function.

Pawar pointed out that the falling "work culture" standards should be dealt with by bringing mechanisation to improve agricultural output.

In accordance with a fresh policy of the Maharashtra government, harvesters will be introducers for cutting sugarcane, a move Pawar supported and said the Centre would help the state in this endeavour.

Pawar is not happy with the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) either.

He had suggested to the Centre that the scheme be halted when farm operations were on so that there was no dearth of agricultural labour.

In another development he has asked the Maharashtra government not to get involved in deciding sugarcane prices, an issue that picks up political momentum every year as farmers demand more.

Speaking on the sidelines of the annual general meeting of the Vasantdada Sugar Institute on Monday, Pawar asked the government to shed the responsibility of supporting sugar factories on payment issue.

<http://www.hindustantimes.com/StoryPage/Print/787560.aspx>

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## THE ECONOMIC TIMES

27 DEC, 2011, 05.11AM IST, P K KRISHNAKUMAR, ET BUREAU

### **Mullaperiyar dam dispute hampers cardamom trade**

KOCHI: Labour charges go higher than cardamom prices as the Mullaperiyar dam controversy hits cardamom trade. While cardamom prices have plunged to Rs 350 per kg, labour charges of local workers have shot up to Rs 400 per kg in the absence of Tamil workers.

As a result, several estates have stopped plucking. Cardamom prices were hovering around Rs 500 per kg when the dispute over the Mullaperiyar dam between Kerala and Tamil Nadu snowballed into a major crisis. The last cardamom auction was held on December 5 in Kerala after which the flow of the commodity between the two states ground to a halt. Now, prices have fallen to Rs 350 per kg.

"Around 10,000 workers used to come from Tamil Nadu daily to work on the cardamom estates in Kerala. This has stopped. Plantation owners are depending on local workers who are charging more. Daily wages have shot up from Rs 200-250 to Rs 400," said a leading grower Reji Njallani.

In the absence of adequate harvest, there could be a shortfall of up to 3,000 tonne in production. With favourable climatic factors, production was expected to be good this year. Growers had forecast around 13,000-tonne output against 11,000 tonnes in the previous season.

"The breakeven price for cardamom could be Rs 750 to 800 per kg now with a rise in input prices. Local workers are charging Rs 400 for just six hours of work. Cardamom plucking has come down and it will be a loss for the grower," said Michael, a planter.

The disruption in auction has led to a shortage of cardamom for exports which have done well this year in the absence of good-quality Guatemalan cardamom in the global market.

"We are not getting enough cardamom for export as the flow from Kerala has stopped. Some quantity has been smuggled into the state. But there is over 1000 tonne with planters remaining unsold," said SPGR Nithyanandan, senior partner of SPG Ramaswamy Nadar & Sons.

Though traders, auctioneers and planters have decided to resume auctions from Tuesday following an initiative by the Spices Board, the extent of participation remains to be seen. The movement of workers between the two states is yet to restart.

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26 DEC, 2011, 10.06PM IST, ET BUREAU

### **Guarseed, gum margins on longs raised to 30%**

FMC, commodity futures market regulator, on Monday imposed a further 10% margin on buyers of guarseed and guargum to curb volatility. The margin will take effect from Tuesday.

The margin has gone up to 30% from 20% earlier, reducing the leverage for a buyer. Prices have run up over threefold close to Rs 7000 per quintal in the last one year and more sharply

recently because of alleged cornering of the market by entities having little or no actual exposure to the commodity whose production ranges from 10-15 lakh tonnes yearly.

Both FMC and NCDEX, the bourse which offers the most liquid guar contracts, are conducting an enquiry into alleged irregularities in trading.

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# DECCAN Chronicle

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## **Vegetable prices set to fall in 2012**

It's the season of cheer and Bengalureans have enough reason for it! HOPCOMS says prices of vegetables are all set to fall in the New Year as supply has exceeded demand. Vegetable prices have been fluctuating, thanks to inflation round the year. While last week you might have bought tomatoes at Rs 30 per kg, the prices have come down to around Rs 10 per kg this week.

Speaking to Deccan Chronicle, HOPCOMS managing director, Shanmugappa said: "Bengaluru happens to be the centre point for Karnataka; the inflow of vegetables grown not only in Karnataka but other neighboring States like Tamil Nadu and Andhra Pradesh has been very good, this time.

Last week the vegetable prices saw a little rise but this week they are going to come down. The price fluctuation depends on the markets and is very temporary. Since there is no scarcity of any vegetable so far, the prices will remain normal or they will see a decline in the coming weeks." Good weather in the State and neighboring states has also been a cause for high production of seasonal vegetables.

About two months ago, the weather had caused heavy damage to certain crops. But now both the production and prices seem to be under control. "Also, fruits and vegetables of better-quality are flowing into local markets. There is not much being exported. With these arrivals, vegetable prices are set to go down further in January," he said. Last year during this time, the vegetable

prices were sky-rocketing due to non-seasonal rains that had destroyed the crops and prices of onions and tomatoes were as high as Rs 50 per kg.

**Source URL:** <http://www.deccanchronicle.com/channels/cities/bengaluru/vegetable-prices-set-fall-2012-719>

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### **Bamboo depletion to make summer hard for Wayanad wildlife**

SUNDAY, 25 DECEMBER 2011 21:27

VR JAYARAJ | KOCHI

Depletion of bamboo clusters in Kerala's Wayanad Wildlife Sanctuary is threatening to make the coming summer hard for several species of wildlife there and in the adjoining forests that constitute the Nilgiris biosphere. Experts say that the phenomenon could even lead to a famine as far as Wayanad jungles' herbivores are concerned.

Almost all the bamboo clusters which used to grow in about 100 sq km of the 344-sq km area of the Wayanad Wildlife Sanctuary have disappeared in the past six years due to flowering of the plants indicating that surviving the coming summer would be difficult for the herbivores in the forest like elephants and gaurs.

The reason for the disappearance of the bamboo clusters, the mainstay of herbivores in summer when water becomes scarce in the jungle due to drying up of springs and ponds, is the gregarious flowering of the monocarpic plant.

The flowering cycle of thorny bamboo, belonging to the grass family, varies from 30 years to 50 years, according to botanists. Officials in the Kerala Forest and Wildlife Department said that the situation was very serious as the bamboo groves in the adjacent sanctuaries also have begun to get depleted due to flowering.

While the destruction of bamboo clusters in the Wayanad sanctuary is almost exhaustive, a 20-percent to 30-percent bamboo cluster depletion due to flowering has happened in the adjacent Rajiv Gandhi National Park, Nagarhole and the Bandipur Tiger Reserve in Karnataka, a major habitat of tigers, elephants and other species, since last year.

Botanists with the Kerala Agricultural University at Vellanikkara, Thrissur said that the bamboo clusters, disappearing altogether due to flowering, could grow back in some years as seeds, which have no dormancy, could germinate in favourable climatic conditions. "Bamboo regeneration is quite natural and profuse," said a KAU botanist.

However, he said that the Forest Department should be extra careful to ensure that no fire incidents occurred in the jungle. "Forest fires can end the possibility of the bamboo clusters' growing back as the seeds could get reduced to ashes. But fire incidents are rare in the Wayanad sanctuary," the botanist said.

Established in 1973, the Wayanad Wildlife Sanctuary, contiguous to the protected area network of Nagarhole and Bandipur on the northeast and Mudumalai of Tamil Nadu on the southeast, is home to 20 to 25 tigers. Rich in bio-diversity, the sanctuary was established with the specific objective of conserving the biological heritage of the region.

There are reports that the sudden disappearance of the wall of bamboo clusters in the eastern part of Wayanad could be one of the reasons for the climate shift being felt in the hilly district. Environmentalists fear that the bamboo depletion could have led to the creation of a hot wind pass into Wayanad from the Deccan plateau.

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## Business Standard

Tuesday, Dec 27, 2011

### **Maharashtra bats for sugar decontrol**

**Sanjay Jog / Pune December 27, 2011, 0:51 IST**

Amid volatility in sugar prices in both domestic and global markets, Maharashtra today made a strong pitch for the decontrol of the sugar industry — on a priority basis. The government also called for the discontinuation of the Centre's levy sugar regime and release mechanism.

State chief minister Prithviraj Chavan said on Monday that decontrol would enable the sugar industry to take decisions based on market conditions. Crucially, he chose the occasion of the 55th annual general meeting of the Federation of Cooperative Sugar Factories in Maharashtra, a representative body of over 200 mills, to make the government's pro-decontrol argument.

"I am aware that the sugar industry is passing through a difficult times. The prices in the global market have fallen to around \$603-608 per ton and mills are finding it difficult to export," the chief minister noted. Similarly, the prices have been volatile in the domestic prices, currently standing at Rs 2,700 per quintal. Future trading, too, is witnessing a similar trend.

"Therefore, the centre needs to consider decontrolling the sugar industry," Chavan said. "It will help mills take decisions as per prevailing market conditions. It will also make them more professional, efficient and competitive in their functioning."

Further, Chavan also made a strong case for the removal of levy mechanism. Currently, the sugar mills have to allocate 10 per cent of their production for levy, which is for the public distribution purpose.

The rest is a non-levy, meant for open market sale. "The centre can consider the purchase of sugar from the open market and allocate it for public distribution by removing the levy sugar regime. The state government supports industry's view for the removal of levy sugar," he added.

On the discontinuation of the release mechanism, Chavan said it was necessary in the "larger interest" of the industry, especially when the market was volatile. "In the case of Maharashtra, this month's quota released by the central government has been substantially higher compared to the last year," he revealed. "It is difficult for the mills to sell it within the stipulated time when the prices are falling."

At the function, Chavan soon found his views being seconded by union agriculture minister Sharad Pawar and Federation of Cooperative Sugar Factories in Maharashtra chairman Vijay-sinh Mohite-Patil.

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## **Fertiliser companies cutting imports**

**Anindita Dey / Mumbai December 27, 2011, 0:32 IST**

Ripples from the rupee's sharp depreciation are impacting the import-sensitive fertiliser sector in many ways.

Fertiliser companies are cutting imports, delaying shipments and negotiating hard for discounts from suppliers. On the domestic front, weak demand may trigger a price cut, adding to existing worries.

The sector faces a huge demand and supply gap in India. While urea is completely regulated, supply and pricing of two other major varieties, diammonium phosphate (DAP) and muriate of potash (MoP), is deregulated.

"For urea, the government imports and allocates to fertiliser companies, MoP is completely imported and DAP demand is met by 70 per cent imports. In such a scenario, the government adopts a floating market price (MRP) and a fixed subsidy for DAP and MoP , with a fixed MRP and floating subsidy for urea," explained a fertiliser company official.

They say demand for fertiliser in the domestic market is weak till May-June, when the kharif season starts, except for the south where there is some activity due to the retreating monsoon.

The total installed capacity of the industry is 17.7 million tonnes. According to 2009-10 data, annual domestic consumption of fertilisers has increased from 70,000 tonnes in 1951-52 to 26.4 million tonnes in 2009-10.

So, companies are proposing special discounts for dealers to stock fertilisers and clear their own inventory before March 2012. "Direct selling to farmers will be too difficult, even with discount and no sale will increase inventory cost for the companies. Therefore, we propose to lure dealers with credit to buy the product and pay when they offload it to the farmer", said a company source.

"The prices will have to be revised downwards from January - February," said an official.

Indian Farmers Fertiliser Cooperative Limited (Iffco) has already announced price cuts in DAP,



and announced this move would amount to a Rs 400-crore loss in its balance sheet. Iffco buys in bulk and thus has secured \$35 per tonne discounts from foreign suppliers in DAP.

All other companies are negotiating existing contracts even if the shipment is done. The payment is done at the prevailing spot rate of the rupee- dollar, even when the contracts have been cleared three months before. "Overseas suppliers are offering 3.5-4 per cent discount to the MRP and not more. This is because many global suppliers are also running on lean capacity due to easing in global demand," said officials of a private fertiliser company.

However, many companies are delaying the shipment if the letter of credit (credit period) has a few months time to expiry , hoping for recovery in the rupee-dollar exchange rate. Some have decided to go slow on imports and cut the shipment quantity as well. Currently, the annual fertiliser subsidy stands at Rs 90,000 crore.

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### **Fluctuations in temperature take spice out of jeera**

**Rutam Vora / Ahmedabad December 27, 2011, 0:29 IST**

Jeera farmers in Gujarat stare at a not-so-encouraging season this time, after having recorded a 264,000-hectare jump in sowing so far in the current rabi season as compared to last year. Uneven climatic conditions are showing up frequent temperature fluctuation, This is likely to hamper the quality of yield in the country's largest producer state.

Such is the negative sentiment in trader circles that prices of the commodity have already been jacked up in the spot and futures market.

The government says jeera sowing as on December 19 was reported at 264,000 hectares. "This is higher from 125,000 hectares reported during the same period last year," notes a senior official of the state agriculture department. But, jeera is a winter crop and the weather remained largely warm till recently.

Jeera futures on the NCDEX rose on Monday on the back of thin supply in the spot markets. The January contract traded at Rs 16,580 per quintal — up four per cent against the previous close.

Arrivals remained thin in the spot market, with prices in the range of Rs 13,500 to Rs 14,000 per quintal at the Unjha market.

“We see a breakout in the technical chart of jeera at this level,” says Jagdeep Garewal, Kunverji Commodities here. “We don’t notice a substantial resistance till Rs 17,000 per quintal, with a stop-loss level at Rs 15,700. Temperature fluctuations are likely to cause a drop in quality and yield.”

Also, there is no fresh stockist selling at current price levels. “So,” Garewal adds, “we see strong reasons for prices to rise further over the next 15-20 days.”

According to trader sources in Palanpur, prices may rise further, as production may not rise at par with the rise in the acreage of jeera.

Insiders, though, claim the carryover stock has been high at around one million bags (a bag is 55 kg) against 400,000 bags last year. The production was 2.9 million bags in 2010-11, estimated to swell to four million bags this year, considering sharp increases in the acreage.

“Export inquiry is less in recent days, mainly due to Christmas holidays,” said an exporter from Unjha (India’s largest jeera market). But we’ll see demand rise significantly over the next week, as production in Syria and Turkey will fall short of overseas demand.” According to him, export so far in the current financial year has remained higher at around 20,500 tonnes, as against 19,800 tonnes in the year-ago period.

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## THE HINDU Business Line

### **Ace gets FMC nod to start Delhi-based sugar futures**

Latha Venkatraman

Mumbai, Dec. 26:

Ace Derivatives and Commodity Exchange Ltd, a national multi-commodity exchange, is likely to launch a Delhi-based sugar derivatives contract in January, an official of the exchange said.

Ace has got approval from Forward Markets Commission to launch a Delhi-based sugar derivatives contract. The exchange is currently running Kolhapur-based contracts.

Ace had initially launched a north-based contract but had to change it to Kolhapur-based contract on the advice of the regulator. The National Commodity and Derivatives Exchange has been running a Kolhapur-based contract. Therefore Ace wanted to go in for a north-based contract in a bid to offer a different product.

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### **Global black tea output falls marginally**

P.S. Sundar

Coonoor, Dec. 26:

Global production of black tea so far this calendar has fallen marginally by 0.79 per cent over 2010 despite a significant increase in Indian production because almost all producing regions have posted lower output, reveals an analysis of the latest data available with tea auctioneers.

“According to our compilation, global black tea production has fallen to 1657.52 million kg (mkg) from 1670.79 mkg”, Mr Rajesh Gupta, Director, Global Tea Brokers, told *Business Line*.

This fall of 13.27 mkg marks a decline of 0.79 per cent.

The steepest fall of 23.91 mkg has occurred in Kenya with production dropping to 299.70 mkg. Indonesia lost 9.17 mkg to dip to 46.28, Uganda 6.96 (40.28), Malawi 5.69 (39.34) and Sri Lanka 1.96 (302.14). Zimbabwe and Tanzania also posted lower output.

India's production rose by 33.43 mkg to reach 847.16 mkg. But, here again, South Indian output dipped by 3.68 mkg to 198.16 mkg. North Indian production rose significantly by 37.11 mkg to touch 649 mkg. Bangladesh is the only other region to post an increase in production.

This increase has not been adequate to wipe out the decline in production posted by almost all regions. However, if China's production of all teas (including non-black teas) is also considered, the overall output would show an increase of about 66 mkg.

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## Kerala Cashew Corp to buy raw nuts to ensure fair prices

G. K. Nair

*To set up 10 procurement centres in major growing districts*



Kochi, Dec. 26:

The Kerala State Cashew Development Corporation(KSCDC) will procure raw cashew nuts from the market during the current season to meet raw material requirements of its processing units and ensure remunerative prices for growers.

The Public Sector Corporation processes around 60,000 tonnes of raw nuts annually and made available 15,000 tonnes of exportable cashew kernels, providing employment for its workers for about 280 days a year.

“The Corporation, probably the largest manufacturers and employer of cashew kernels in the country, has been set up by the State Government with a view to grooming it as a model employer in the field providing employment to mainly women and physically challenged and has at present, 30 factories and more than 25,000 workers, out of which 95 per cent are women,” Dr K.A. Retheesh, Managing Director, KSCDC, told *Business Line*.

### **PROCUREMENT CENTRES**

By setting up 10 procurement centres in major cashew growing districts of Kannur, Kasargode, Malappuram, Palakkad and Thrissur, the Corporation might be able to do some market intervention exercise, he said.

It would buy raw nuts from the growers directly at the prevailing market prices. Last year, it was at around Rs 80 a kg, he said.

“If cashew industry is successful it will be beneficial for all stake holders like farmers, farm workers, industrialists, industrial workers, traders, brokers, etc,” he said.

The primary aim is to enhance production of raw cashew nuts by ensuring fair prices for their produce, he said.

KSCDC, he said, focuses on procurement of raw cashew nuts directly from local farmers avoiding intermediaries. “This will guarantee realistic prices to farmers who will then be able to depend on it for their livelihood, thus facilitating the propagation of cashew cultivation in Kerala. Now, middlemen operating in this sector gather raw material from the farmers at a very low price and sell it in the market with a bulky margin, the beneficiaries being the middlemen and farmers crook up with little to spare,” he said.

Corporation has already invited expression of interest for association for purchase from cooperative societies which have infrastructure facilities like drying yards and godowns, he said.

“As a Government company, KSCDC's purpose of setting up procurement centres is to protect the farmers from traders and middle men, to provide them with a minimum support price and at the same time procure good quality raw material required for its own production.” Dr Rethhesh said.

## **NO PRICING POLICY**

No pricing policy has helped the value of raw cashew nut and cashew kernel so far.

However, market intervention of government agencies would protect the farmers from being exploited by middlemen, he said.

During the last six years, the intervention of KSCDC in local procurement has helped the farmers to get good price for raw cashew nuts.

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## **Mixed trend in rubber market**

Our Correspondent

Kottayam, Dec. 26:

Physical rubber prices continued to remain almost unchanged on Monday. The market was still in a holiday mood. The trend was partially mixed.

According to reports, subdued demand and higher imports continued to limit gains in the domestic market even amidst rising natural rubber production. However, the peak production will come to a close in January and wintering season will commence by the February-end which will be the beginning of a low production phase.

Sheet rubber finished steady at Rs 200 a kg, according to traders. The grade slipped to Rs. 200.50 (201) a kg both at Kottayam and Kochi, according to the Rubber Board.

The January series closed at Rs 203.70 (204.62), February at Rs 205.90 (206.85), March at Rs 209.00 (209.61), April at Rs 214.40 (214.40) and May at Rs 214.12 (214.85) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) improved to Rs 180.64 (178.92) a kg at Bangkok. The January futures dropped to ¥ 257.0 (Rs 174.09) from ¥ 259.5 a kg during the day session and then to ¥ 256.0 (Rs 173.42) a kg in the night session on Tokyo Commodity Exchange.

The spot rubber rates/kg were RSS-4: 200 (200); RSS-5: 196.50 (196); ungraded: 190 (190); ISNR 20: 191 (191) and Latex 60 %: 110 (110).

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## Sugar stocks fall on outlook concerns

Our Bureau



New Delhi, Dec. 26:

Stocks of sugar companies such as Balrampur Chini, Bajaj Hindusthan and DCM Shriram Industries fell on Monday on concerns over weak outlook.

The stocks dropped even as the BSE benchmark Sensex gained 232 points or 1.47 per cent as positive macro data lifted the market sentiments.

Assembly polls in Uttar Pradesh, the second largest producer of sugar, in the middle of the crushing season could dampen the sentiments for sugar producers as they were hoping that the Centre would allow further exports. *Business Line* reported on Monday that the code of conduct in the run-up to the Assembly polls could prompt the Centre to delay its decision.

Stocks of Balrampur Chini Mills Ltd and DCM Shriram Industries, which have their mills in Uttar Pradesh, fell over 5 per cent.

The Balrampur Chini scrip touched an intra-day low of Rs 35.90 before recovering to close at Rs 36.25, a loss of 5.48 per cent over previous close. Balrampur had hit a 52-week low of Rs 32.70 on December 19.

The DCM Shriram Industries scrip shed 6.12 per cent to close at Rs 37.60.

Scripts of Bajaj Hindusthan Ltd, Simbhaoli Sugars Ltd, Mawana Sugars, Dhampur Sugar and Triveni Engineering and Industries Ltd, which have mills in Uttar Pradesh, ended in negative territory on Monday. Scripts of other producers such as Shree Renuka Sugars, Shakti Sugars and Bannari Amman Sugars declined.

Sugar producers have been seeking approval for further exports to take advantage of the relatively high global prices that would have helped them with cash flows in the peak crushing season.

Indian producers have a window till March when the Brazilian sugar enters the export market.

Any delay in export approval may put the sugar millers in a spot as cane arrears are expected to start building up from middle of January, by which time their existing credit drawal limits would have been exhausted.

India is witnessing a bumper cane production and sugar output, according to ISMA, is projected at 26 million tonnes for the 2011-12.

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## Cotton blooms on purchases by mills, exporters

Our Correspondent



Rajkot, Dec. 26:

Demand from mills and exporters buoyed cotton by Rs 200 a candy of 356 kg on Monday.

The Sankar-6 variety was traded at Rs 34,100-34,400 a candy, up Rs 200. While about 62,000 bales of 170 kg each arrived in Gujarat, 1.9 lakh bales arrived in rest of the country. *Kapas* or raw cotton was up Rs 10 at Rs 840-845 for a *maund* of 20 kg here, while it fetched Rs 860-865 for delivery to Kadi.

In Maharashtra, average new cotton quoted at Rs 31,800-32,500 a candy and A-grade 29 mm at Rs 33,000-33,400 a candy. In Madhya Pradesh, average new cotton quoted at Rs 31,800-32,500 a candy and A-grade cotton 29 mm at Rs 33,000-33,400 a candy.

Arrivals till December 25 in the current season that started October 1 stood at 8.81 million bales, 25.26 percent less than in the same period last year. Daily average arrivals were reported at 2 lakh bales.

Demand is up at lower prices, said a Rajkot-based broker. Because of a holiday there were no export enquiries. Prices were unchanged in North India despite higher arrivals. Traders said prices are unlikely to fall much as mills have increased purchases.

In North India, 35,000 bales of new cotton arrived. Ready delivery cotton traded at Rs 3,410-3,445 a quintal in Punjab, at Rs 3,335-3,355 in Haryana and at Rs 3,335-3,355 in Rajasthan.

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## Edible oils up despite thin physical demand

Our Correspondent



Mumbai, Dec. 26:

Despite thin physical demand, prices of palmolein and soya refined oil increased by Rs 3 and Rs 5 for 10 kg in the domestic market on Monday.

Cotton refined oil increased by Rs 3, while groundnut oil, rapeseed oil and sunflower oil were unchanged in spite of weak demand. Domestic soya oil futures breached the Rs 700-mark, the highest level in the current year, on continued buying.

A Mumbai-based wholesaler traders said that local refiners increased rates of palmolein and soya oil further by Rs 5-7, which led resellers to increase the rates by the same margin, although demand was very thin and volume negligible.

The futures markets contributed to hike in prices in physical market, which is under pressure due to lack of demand. Traders feel that bull operators of other agri commodities may have entered the edible oils futures market and are presently running the show . About 400-450 tonnes of palmolein was resale-traded in the range of Rs 593-Rs 596. Resellers were offering palmolein at Rs 596-597.

Liberty quoted palmolein at Rs 600-602 for December-January delivery and super palmolein at Rs 620. Ruchi was quoting palmolein at Rs 597, soya refined oil at Rs 678 and sunflower refined oil at Rs 715 for January.

Allana's palmolein was at Rs 598 for January. Mewah was quoting palmolein at Rs 598 for December and super palmolein at Rs 616. In Saurashtra and Rajkot, cotton oil was at Rs 628-

630 (Rs 627-628). Groundnut oil was at Rs 1,510 (Rs 1,570) for a *telia* tin and at Rs 1,005 (Rs 1,025) for loose (10 kg).

**Bombay Commodity Exchange spot rates (Rs/10 kg):** Groundnut oil 995 (995), soya refined oil 678 (673), sunflower exp. ref. 655 (655), sunflower ref. 725 (720), rapeseed ref. oil 780 (780), rapeseed expeller ref. 750 (750), cotton ref. oil 643 (640) and palmolein 595 (592).

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### **Low offtake keeps rice varieties flat**

Our Correspondent



Karnal, Dec. 26:

With trading being lukewarm, except for duplicate basmati, prices of all other aromatic and non-basmati varieties on Monday ruled flat.

Ample stocks and easy availability against low off-take in the markets kept prices of almost all rice varieties unchanged, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company.

Duplicate basmati eased by Rs 100 and sold at Rs 3,000-3,150 a quintal.

Pusa-1121 (steam) quoted at Rs 4,050-4,100 a quintal while Pusa-1121 (sela) was at Rs 3,200 a quintal. Pure basmati (sela) sold at Rs 3,700-3,750 a quintal, while basmati (raw) was at Rs 4,100 a quintal.

Among the brokens of Pusa-1121, Tibar sold at Rs 3,000, Dubar was at Rs 2,500 while Mongra was trading at Rs 2,020 a quintal.

Sharbati (steam) quoted around Rs 2,800- 2,900 while Sharbati (sela) was at Rs 2,750-2,775 a quintal.

PR-11 (sela) sold at Rs 2,100-2,200 a quintal, while PR-11 (raw) quoted at Rs 1,900-2,150 a quintal. Permal (sela) sold at Rs 1,800-1,950 a quintal, while Permal (raw) was around Rs 1,900-1,950 a quintal.

### **Paddy Arrivals**

Around 15,000 bags of paddy varieties arrived at the Karnal grain market terminal. Around 1,500 bags of PR arrived and sold at Rs 1,000-1,120 a quintal. About 2,000 bags of Sharbati variety arrived and quoted at Rs 1,220-1,300.

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### **Soya oil rises on buying support**

Our Correspondent



Indore, Dec. 26:

Even in absence of cues from the global markets that were closed on Monday, higher domestic demand lifted soya oil in the local mandis on enthusiastic buying support.

Improved buying support perked up soya refined to Rs 665-673 for 10 kg (Rs 655-665), while in resale soya oil fetched Rs 665-670 for 10 kg. Similarly, soya solvent also perked up to Rs 632-637 for 10 kg (Rs 624-628) on scattered demand and buying support. Total trading volume in soya refined and solvent was recorded at around 1,000 tonnes.

Buying support also lifted soya oil in the futures. Soya refined futures (January contract) on the NBOT closed Rs 14 higher at Rs 705.50 for 10 kg. On Saturday, soya refined January contract on the NBOT had closed Rs 5.50 lower at Rs 692.50 for 10 kg. Similarly on the NCDEX, soya

futures ruled higher on enthusiastic buying support with its January and February contracts closing at Rs 706.50 (Rs 9.40 up) and Rs 705.20 for 10 kg (up Rs 13.20).

Comparatively weak arrival with about 1.5 lakh being offloaded in Madhya Pradesh mandis and improved buying support in soya oil also perked up soya seeds with its prices in the State mandis being quoted at Rs 2,310-2,360 a quintal against Rs 2,300-2,350 in Indore mandis. Arrival of soyabean in Indore mandis was recorded at 7,500 bags, in Ujjain at 7,000 bags and in Dewas at 9,000 bags.

Plant deliveries in soyabean also perked up to Rs 2,400-2,450 a quintal. Soyabean futures also ruled higher on improved buying support with soyabean's January and February contracts on the NCEDX closing at Rs 2,435.50 (up Rs 21.50) and Rs 2,463 a quintal (up Rs 17).

Soya de-oiled cake, on the other hand, ruled sluggish on slack export demand with its prices in the port being quoted at Rs 17,900 a quintal against Rs 16,800 a quintal in the domestic market.

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### **Selling pressure weakens sugar**



Mumbai, Dec. 26:

Sugar ended weak on Monday on selling pressure in Maharashtra, while it ruled flat in Uttar Pradesh on lukewarm demand.

In Maharashtra, ready and naka delivery declined by Rs 10 a quintal due to sales by producers. Mill tender rates were lower by Rs 20 a quintal in the absence of fresh demand. The volume was thin as markets are now waiting next month's free sale quota announcement. The Government may announce a lower quota to help the market stabilise, traders said.

In Uttar Pradesh, sugar produced this season that began in October was quoted at Rs 2,940 a quintal, while the one produced last season ruled at Rs 2,840.

Mr Jagdish Rawal, a wholesaler of Vashi market in Mumbai, told *Business Line* that “ there is no support from local, neighbouring States bulk demand in physical market and weak trend in export front keep sentiment bearish. This month, producers have not seen much buying from other States”.

At Vashi market on Saturday, about 16–17 mills offered tender and sold about 35,000–40,000 bags in the range of Rs 2,770-2,830 (Rs 2,790-2850) for S-grade and Rs 2,850-2,950 (Rs 2,870-2,960) for M-grade.

Arrivals in Vashi market were at 51-52 truckloads and local dispatches were around 48-50 truckloads. Freight rates were steady. In international market, March-12 futures were \$611.20 (\$608.80) and May-12 futures \$601.60 (\$599.10) last Friday.

**Bombay Sugar Merchants Association's spot rates :** S-grade Rs 2,921-2,991 (Rs 2,932-3,001) and M-grade Rs 3,001-3,100 (Rs 3,001-3,102).

**Naka delivery rates :** S-grade Rs 2,860-2,910 (Rs 2,870-2,910) and M - grade Rs 2,970-3,020 (Rs 2,970-3,060).

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### **Turmeric pales on poor crop quality**

Our Correspondent



Erode, Dec. 26:

Prices of hybrid turmeric variety decreased by Rs 650 a quintal on Monday, while that of spot turmeric ruled stable.

“As the quality of hybrid turmeric (Salem crop) that arrived for sale was poor, prices decreased sharply. Bulk buyers who have a few orders for the hybrid variety were disappointed in view of the quality on offering. So they offered lower price and made limited purchases,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said over 9,000 bags arrived for sales and for want of demand, only 40 per cent was sold.

At the Erode Turmeric Merchants Association sales yard, the finger variety fetched Rs 3,560-4,169 a quintal, the root variety Rs 3,366-3,939.

**Salem crop:** The finger variety was sold at Rs 3,866-4,834, the root variety Rs 3,664-4,311. Out of 2,345 bags that arrived, 512 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,299-4,299, the root variety Rs 2,799-4,168. All the 270 bags were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 3,831-4,359, the root variety Rs 3,800-4,181. About 700 bags were sold against the arrival of 727 bags.

At the Regulated Marketing Committee, the finger variety was sold at Rs 3,889-4,394 a quintal and the root variety at Rs 3,786-4,164 a quintal.

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