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Watermelons to beat the heat

K.Lakshmi

Prices remain high this year amid fewer arrivals

— Photo: S.S. Kumar



Watermelons top the list of preferred fruits in summer.

CHENNAI: Mithila, Suganthi, Kiran, Simran, Vishal – these are names of some of the varieties of watermelons being sold in the city. With the summer heat being felt a bit earlier this year, roadside fruit shops and supermarkets are doing brisk business.

Though the demand for the seasonal fruits has gone up, this seems to have made little difference to their cost. In the case of watermelons and oranges, fewer arrivals are cited as the reason for the fruits being costly compared to last year's prices. The Koyambedu wholesale fruit market is getting only 100 tonnes of watermelons daily, which is half the usual load, sources in the market said.

Wholesale vendors at the market said though various varieties of watermelons were being sold for three years now, awareness about them is growing only this year.

There are nearly 16 hybrid varieties of watermelons.

Raja Mohammed, a wholesale vendor of watermelons, said yellow skinned 'Vishal' with a red pulp, 'Kiran' with a dark red pulp and 'Mithila' with a yellow pulp are becoming popular now. They are being grown in several places across the State, including Erode, Dindivanam and Villupuram, and in the neighbouring States of Karnataka and Andhra Pradesh.

As they are expensive, the big melons 'Namdhari' remain the most preferred among the masses. The market would receive yellow melons with blue pulp in about a month, he said. The big melons are priced between Rs.70 to Rs.150 per piece depending on their size at the retail markets.

Different varieties of grapes, oranges, musk melons from various regions are also flooding the market. S. Srinivasan, president of Wholesale Fruits Commission Agents Association, said nearly 150 tonnes of grapes from Karnataka, Andhra Pradesh and Maharashtra are coming to the market daily.

Oranges are priced between Rs.50-60 a kg in the retail market. This is about 30 per cent costlier than last year, he said. Besides the local market, the city gets oranges and sweet lime from China, Italy and California.

Many retail chain of fruits stores have seen a steady increase of customers. M. Dinesh Kumar, managing director of Kovai Pazhamudir Nilayam, Anna Nagar said awareness about health benefits of fruits has gone up among people and the demand has increased by 20 per cent this year.

Low yield and urbanisation are some of the factors behind the escalating cost of the fruits. Next month, pear and mangoes will hit the market.

Government urged to start procuring arecanut

Staff Correspondent

Farmers want the Rs. 1,000-cr. fund used for the purpose

Growers demand a minimum support price of Rs. 16,000 a quintal for their produce 'Many farmers may soon be committing suicide if the Government delays its action'

DAVANGERE: Demanding a minimum support price of Rs. 16,000 a quintal for arecanut, the growers have urged the Government to start procuring the produce at that price with the revolving fund of Rs. 1,000 crore that had been kept aside to help farmers in times of steep fall in the price of any crop.

The arecanut growers said that in the wake of the Supreme Court order prohibiting the use of plastic pouches for gutka and other arecanut by-products, the prices of arecanut had come down to Rs. 10,000 a quintal from Rs. 16,000 a few months ago.

A.O. Ravi and Rajashekar, the office-bearers of the Arecanut Growers' Welfare Association, told presspersons here on Sunday that the State Government had come to the rescue of farmers whenever there was a sharp decline in the prices of paddy and copra. Since the Government had announced minimum support prices for paddy and copra, their market prices too had stabilised, much to the relief of the growers.

Similarly, the Government should help arecanut growers by announcing the minimum support price for their produce and ordering procurement at Rs. 16,000 a quintal with the revolving fund immediately.

The farmers were also hit hard by the lack of adequate demand for arecanut in the market.

Many farmers, who had raised the crop by taking loans from financial institutions and hoping to repay it after selling the produce in the market, were now in a pathetic situation as the prices had come down steeply. If the Government failed to protect the interest of growers now, several farmers might resort to committing suicide in the near future, they said.

Meanwhile, the growers and members of the Karnataka Rajya Raitha Sangha and Hasiru Sene have decided to stage dharna in front of the office of Davangere MP here on March 21. Later, they would stage dharna in front of the residence of Horticulture Minister S.A. Ravindranath, urging them to plead their case with the Government in this regard.

The growers also demanded the Government set up a separate board for arecanut on the lines of Coffee Board and Spices Board.

Date:14/03/2011 **URL:** <http://www.thehindu.com/2011/03/14/stories/2011031460010300.htm>

Rubber prices likely to fall

K.A. Martin

Traders say international market trends to affect prices

Trading begins in international market today Price dipped to less than Rs.200 here on Friday

KOCHI: The fortunes of rubber farmers in the country are likely to take a knock with traders here predicting that rubber prices will fall sharply when trading resumes in the Tokyo, Singapore and Bangkok markets on Monday after the cataclysmic tsunami in Japan on Friday.

The price of natural rubber (NR) underwent what dealers here said was a natural correction before the tsunami struck. The coming week when trading resumes will be extremely crucial.

Indian Rubber Dealers' Federation president George Valy said here on Sunday that the week would open a severely altered international market as far as natural rubber was concerned. The

sentiments in the international market would affect the domestic market, though the disaster in Japan had not yet seriously affected the rubber prices.

The tumble that the natural rubber price took in the domestic market on Friday was only in the course of a correction, long expected in the market. Since the international markets did not open on Saturday, the consequences of the tsunami are yet to be fathomed.

'Grim situation'

Veteran rubber dealer K.K. Mathew of the Pala Marketing Society said the situation was grim.

"It is difficult to say anything now," he told The Hindu. The market was already seeing a fall in prices and the speed of the fall would increase now, he said.

The arrival of extended tapping days in India and cooling off of the international market in the opening days of last week indicated that a fall in prices was in the making in the domestic market too, Mr. Vally said.

No takers

He hinted at the shape of things to come, highlighting the domestic market trend on Saturday, a day after the tsunami, when natural rubber price dipped sharply to less than Rs.200.

He said there were no takers for natural rubber at Rs.199 a kg, sending farmers into a panic late on Saturday afternoon.

Liquidation of stocks at the end of the financial year and weakening trends, in international and domestic futures, were indicators of short-term price trends, he added.

Official price

The official Rubber Board price for RSS4 on Saturday was Rs.201 a kg, while trading was reported even at Rs.198 a kg in Kozhikode and Rs.200 in Kottayam.

The tsunami's direct consequence where natural rubber was concerned was that it forced the closure of major automobile manufacturing units in Japan — Honda, Toyota, Nissan and Subaru.

Meanwhile, the stock of natural rubber in the country at the end of January 2011 is provisionally estimated at 3,27,115 tonnes, information posted on the Rubber Board website said.

Date:14/03/2011 URL: <http://www.thehindu.com/2011/03/14/stories/2011031457880500.htm>

Farmers to get incentive for growing trees on their farms

Staff Correspondent

Forest Department takes another initiative to improve green cover

25 p.c. of saplings raised by Forest Department to be distributed among farmers

Educational institutions, universities to be involved in a big way in afforestation

Shimoga: The Forest Department has planned to provide cash incentive for farmers who come forward to grow trees in agriculture land.

Farmers would be involved in the bid to enhance green cover in non-forest areas in the State. The afforestation endeavours should benefit farmers, Minister for Forest C.H. Vijayshankar told presspersons in the city on Saturday.

Apart from providing saplings from the nurseries managed by Forest Department, incentive of Rs. 10, Rs. 15 and Rs. 20 per sapling per year for the first three years to farmers. \

Henceforth, 25 per cent of the saplings raised at the Forest Department's nurseries would be distributed among farmers, he said.

Along with agricultural land, campuses of educational institutions was one non-forest space where afforestation could be taken up.

An application containing questionnaires to assess the level of interest among students towards this and the space available for the purpose would be prepared.

Students would have to take oath to protect the saplings they planted. Proposals would be invited from the educational institutions which were interested to take up afforestation activities on their campuses. He said that 25,000 saplings would be planted on Mysore University campus this year.

Rani Channamma University, Belgaum, had expressed interest in this regard. Educational institutions that had adopted eco-friendly practices would be given awards, he said.

A separate nursery and plantation wing would be established in Forest Department. 'Plantation Day' would be observed one day every month to promote afforestation, he said. Eucalyptus and acacia would be withdrawn from afforestation programmes in phases and would be replaced with local fruit-bearing varieties of trees that would provide food for wildlife. An order banning raising of eucalyptus trees on government land had been passed while a similar order to ban acacia was expected in 15 days. "Barring coastal region, land with laterite soil and in rocky regions, acacia would be completely banned in other lands owned by the Government," he said.

The Forest Department staff who died in harness would be cremated with State honours. Annual awards would be given to encourage the staff. The Forest Department was thinking of forming a separate squad to control forest fire and wild animal menace, he said.

Green zones on the model of Cubbon Park would be developed at all district centres. Four such zones would be developed in Bangalore city and 750 acres of land had been identified for the purpose. Officials had identified 250 acres of land near Tiger and Lion Safari in Tyvaraekoppa and the work would commence in May, he said.

He said that sacred groves would be developed adjacent to pilgrim centres that attract an average of 1,000 tourists daily. These groves would host nurseries where devotees could purchase saplings. A sacred grove would be raised at Maleshankara hillock near Sirigere in the district, he said.

Committed to climate change

-Photo:K. Ananthan



Linkesh Diwan.

Half-way through the 2009 United Nations Framework Convention on Climate Change in Copenhagen, the 20 youth delegates to the meet from India had to face the stark fact. That all was not well with the way things worked at the summit.

The Accord had already been reached in a secret meeting of 26 countries, and the youth and the civil society were nowhere in the picture. The youngsters came back, concluding international mechanisms in place do not consider the civil society while taking community decisions on important issues like climate change. Two years since the summit, Linkesh Diwan, an American of Indian origin who was in the youth delegation from India to Copenhagen, still holds the view.

As long as the United States is part of the framework, no community decisions can come out of the deliberations, he tells Amutha Kannan.

Mr. Diwan was a mechanical engineering student of Amrita Vishwa Vidyapeetham when selected for the summit.

Recalling the events at the meet, he said the 20 youngsters from India, part of the 200-strong youth delegation from across the world, were made to feel that they had to present the youth perspective on climate change in Copenhagen.

Inspired by this, all of them had come armed with months of serious preparations on pre-convention work dealing with policy decisions and scientific research on the topic.

Fast

There were also some youngsters who were on a fast while attending the convention, to show their solidarity with the cause.

“When they came to the convention, they had already completed 33 days of the fast, and after that it continued till it ended on the 45th day.

“There were people on the streets marching for the cause, and collecting signatures from lakhs of people on the “Time for Climate Justice” petition,” Mr. Diwan said.

Great Indian Let-Down

But as the December 7-18 summit reached mid-way, the youngsters realised that it was not going the way it was supposed to. They found themselves and the civil society excluded from the negotiations. It was the ‘Great Indian Let-Down’. The demarcation had been made on a ‘racial basis’.

“The death of transparency was evident. The same thing happened at Cancun in December 2010,” Mr. Diwan said. The Copenhagen convention served as an eye opener to the Indian youth delegates, who had carried a lot of hope with them. Its outcome did not, however, douse the fire in them.

Back Home

On their return, many took it on themselves to do something locally for the cause of climate change.

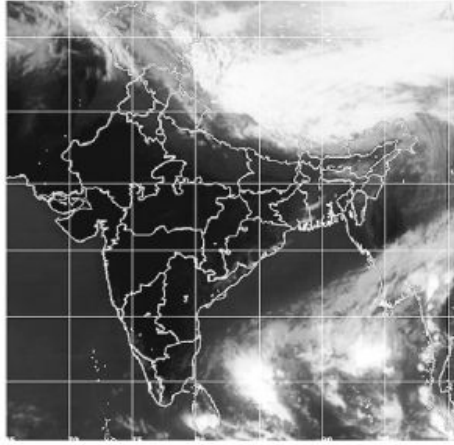
“We asked ourselves ‘where do we go from here’, and realised it was necessary to strengthen communities with emphasis on including women's views to mitigate the causes of climate change ,” he said.

Diwan is now actively involved in various activities including the Amala Bharatham initiative of the university.

Focus

He wants to focus on localising production and consumption, revitalising the ecologically sustainable rural civilisation, respect for farmers, and bringing back ethics into education.

Weather

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						Rain likely in Tamil Nadu CHENNAI: Isolated rainfall occurred over Tamil Nadu and Kerala. Mainly dry weather prevailed over south interior Karnataka and dry weather prevailed over Lakshadweep, Andhra Pradesh, coastal and north interior Karnataka. On Saturday, the maximum temperature fell appreciably at one or two places over north interior Karnataka, Telangana, fell at one or two places over south coastal Tamil Nadu, Rayalaseema, coastal Karnataka, rest of north interior Karnataka. They were appreciably below normal at one or two places over north interior Karnataka, below normal at one or two places over Telangana, rest of north interior Karnataka, appreciably above normal at one or two places over north coastal, Tamil Nadu, coastal Karnataka, Kerala. The minimum temperature rose appreciably at a few places over south Tamil Nadu, at one or two places over north interior Karnataka. They were appreciably below normal at one or two places over Telangana. FORECAST (Valid until Tuesday morning): Isolated rain or thunder-showers may occur over coastal Tamil Nadu, Puducherry, Kerala, Lakshadweep and coastal Andhra Pradesh and mainly dry weather will prevail over Karnataka, interior Tamil Nadu, Telangana and Rayalaseema.				
						The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (trace) and total rainfall in mm since March 01, 2011.				



Press Trust Of India

New Delhi, March 13, 2011

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Inflation to fall below 8% for February: Experts

The headline inflation for February is likely to fall below 8% as the rate of price rise in the food segment has declined to a single digit figure, according to experts.

The government will release the headline inflation numbers for February on Monday.

In January, inflation was at 8.23%.

"We expect February headline inflation to soften to sub-8% levels, we see the main relief coming from sharp fall in food prices," *Barclays Capital* said in a research note.

The overall inflation has remained above 8% since February 2010. The government expects it to fall to 7% by March end.

Barclays said the core (non-food manufacturing) inflation would be around 5% in February.

IIFL economist Ashutosh Datar said, "We expect inflation (for February) to moderate from over 8% now, but do not foresee it falling to sub 7% in the next couple of months, given the strong underlying inflationary pressures in the economy," he said.

CRISIL chief economist D K Joshi, however, sees headline inflation coming down to 7% range in the coming months.

"Food inflation is falling, so, I think the overall inflation too should be in the range of 7% by the fiscal end."

Experts said that despite likely moderation in inflation, RBI would continue its monetary tightening measures in its March 17 mid-quarterly review.

Barclays said the elevated headline and sticky core inflation prints, amid continued weakness in industrial production, would complicate RBI's policy moves.

The Reserve Bank has hiked policy rates seven times since March 2010 to tame inflation, which has remained over its comfort level of 5% to 6%.

"At the moment, the RBI's bias appears to prioritise inflation management over growth. We expect the RBI to hike the key policy rates (repo and reverse repo) by 25 bp each," Barclays said.

Datar, too, expects the RBI to tighten rates by another 75 bps in 2011.

Finance Minister Pranab Mukherjee had last week said that though the food inflation has come down, it was still at an "unacceptable" high level.

According to latest figures, it has, however, dipped to 9.52% for the week ended February 26.

The government has taken various steps in the budget like special initiative for agriculture, supply chain management, promotion of coal chains among others, Mukherjee said.

<http://www.hindustantimes.com/StoryPage/Print/672838.aspx>

Weather

Chennai - INDIA

Today's Weather



Clear

Monday, Mar 14

Max Min

31° | 24.5°

Rain: 00 mm in 24hrs

Sunrise: 6:18

Humidity: 89%

Sunset: 18:19

Wind: Normal

Barometer: 1010.0

Tomorrow's Forecast








Cloudy

Tuesday, Mar 15

Max Min

34° | 22°

Extended Forecast for a week

Wednesday Mar 16	Thursday Mar 17	Friday Mar 18	Saturday Mar 19	Sunday Mar 20
				
31° 22°	31° 23°	30° 22°	29° 23°	31° 23°
Cloudy	Cloudy	Cloudy	Cloudy	Cloudy

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buzz

By PTI

14 Mar 2011 08:53:42 AM IST

Inflation to fall below 5 % next fiscal: Basu

NEW DELHI: Chief Economic Adviser Kaushik Basu expects inflation to decline in the coming months and reach a "comfortable level" of below 5 per cent next fiscal.

"I feel we will reach the comfortable level of below 5 per cent sometime during the next fiscal," Basu told PTI.

He further said that inflation for March is likely to be a little over 7 per cent. There would be a sharp reduction in March though there would not be much relief in February, he added.

Inflation declined marginally to 8.23 per cent in January from 8.43 per cent in the previous month, as prices of certain commodities like wheat, pulses and sugar eased, although essential items like onion and other vegetables continue to remain dearer.

Finance Minister Pranab Mukherjee had termed the current level of inflation as "uncomfortable".

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Wheat procurement to start from March 15

March 14, 2011 11:41:00 AM

Staff Reporter | Bhopal

The wheat procurement process has taken the shape of a grand farmers' festival in the State. Realising that this is the biggest scheme for providing direct benefits to farmers, the State Government is also giving `100 per quintal bonus to them. The procurement will start from March 15 and will continue up to May 31, 2011.

Since the objective of the scheme is to benefit farming community, only real farmers who are domicile of the State have been covered under it. Loan-book has been made the document of identity of real farmers of the State for procurement of wheat.

The mistake of procuring wheat in violation of the above mentioned parameters would cost dear to the procurement agency and they will have to pay the cost of wheat and amount of bonus to the State Government in such cases.

Since foolproof arrangements have been made to ascertain farmer's identity, the role of middlemen in the procurement process has come to an end in its natural course. The procurement agencies will ensure that even then middlemen do not try to get active. For this, the agencies will have to check the loan-book of every farmer before making payment to him. Wide publicity is being undertaken in the state asking farmers to take their loan-book along with them at the time of selling their product.

The procurement agencies have also been told to have a close look at the loan-book in which area and capacity of production of each farmer is written and ensure wheat should be procured from a farmer as per this capacity and paid at the rate of `1,220 per quintal including the bonus.

This will preclude the role of middlemen in the process. They have been told to put a seal on the loan-book after making procurement and keep an attested copy of it with them.

Morcha head presents agriculture proposal

March 14, 2011 11:41:11 AM

Staff reporter | Bhopal

BJP Kisan Morcha president Banshilal Gurjar presented the agriculture proposal in first session of the second day of BJP State executive meet on Sunday.

After this, State president of Women's Cell Nita Pateria, State president of Minority Cell Hidaytullah Sheikh, State president of BJYM Jitu Jirati presented the details about the Morcha.

While addressing the meet, State organisational general secretary Arvind Menon said that throughout the country, Madhya Pradesh is best in organisational work. All have accepted this fact, claimed Menon. If all people will work for public contact, dialogue, cooperation and coordination then our State could become an ideal one, he added.

He urged all the public representatives and office-bearers of the party to participate in the local committees' meeting during their visits. Our workers are playing important role in expanding our organisation, he claimed. This helps in creating a good image of Government and organisation in the society, said Menon.

He urged that 21st century is ours and great men have said this. The incidents, which are occurring in the country, are indicating towards this fact. Menon said that the coming time belongs to BJP. The UPA Government has lost the faith of public of the country, he claimed.

Every day lots of scams are being exposed. Corruption has crossed all the limits, in this condition if people of the country have faith on BJP, so our responsibility increases.

Gaur assures better, cleaner fish market

March 14, 2011 11:41:27 AM

Staff Reporter | Bhopal

Urban Administration and Development Minister Babulal Gaur inspected the fish market located at Itwara area on Sunday morning. After getting removed the temporary shades, he ordered to remove the garbage house to provide systematic parking arrangements.

Gaur has promised to provide better facilities to the citizens and businessmen. He had discussions with the recently displaced traders also. On this occasion, Rafiq Qureshi and other officers of corporation were present.

During the construction of shops in the market, the temporary shades were given to the fish and meat shopkeepers. So after construction of shops, 45 shopkeepers have been shifted to these shops after completing all the formalities.

Businessmen pleased with the developmental activities in the area. After this they are asking for the better parking facilities and cleanliness around the market. Promising the same, Gaur said he will be back after 15 days. The BMC commissioner Manish Singh also accompanied the minister. Zonal officer Shankar Vishvas, former corporators Rammohan Sahu and Shuhma Sahu, Rashid Khan alias 'Mamu,' other businessmen and the officers of corporation were present during the inspection.

'Good scope for entrepreneurs in fisheries, animal husbandry'

March 14, 2011 11:43:19 AM

PNS | BHUBANESWAR

Inaugurating the workshop on Fisheries and Animal Husbandry in collaboration with the National Small Industries Corporation (NSIC) on the fifth day of the ongoing State-level Entrepreneurs' Week here on Thursday, Agriculture and Fisheries and Animal Husbandry Minister Damodar Rout said the development of animal husbandry would be the key role for the

improvement of the socio-economic growth of the rural poor. This would be the necessary steps to eliminate the lack of malnutrition among the BPL and APL families of the State. To produce more milk, eggs, meat and fish, young entrepreneurs should come forward to start projects, Rout exhorted.

Forest landscape restoration workshops end

March 14, 2011 11:52:53 AM

PNS | Dehradun

The successful initiatives undertaken for forest landscape restoration in different parts of Uttarakhand were discussed in detail during a series of workshops organised by the Uttarakhand Forest Department.

These workshops were organised as part of the first phase of the Global Partnership on Forest Landscape Restoration. Addressing the media after concluding ceremony of these workshops, the Chief Conservator of Forests (Garhwal) Dig Vijay Singh Khati said that Uttarakhand, Odisha and Madhya Pradesh had been selected in India as part of this project. Presentations on about 10 cases of successful forest landscape restoration in different areas of Uttarakhand were made in the workshops held in Dehradun.

The cases discussed pertained to efforts undertaken in Dehradun, Uttarkashi, Haridwar, Badarinath, Alaknanda valley, Ramnagar, east and west Terai, Almora, Ranikhet and Lansdowne. Speaking about the factors responsible for successful restoration of degraded forest landscapes Khati said that in addition to the efforts undertaken by the forest department, the awareness of the public regarding the loss from damaged landscape and benefits of restored forests was responsible for successful restoration of the forest lands. The site of the Dhanaulti eco-park was a waste land about four years ago but since its establishment the facility has been benefiting the environment and local residents. About 40 per cent of the income from this eco-park is being received by local residents who have also benefited from direct employment and related sources of income.

About 105 hectare land area in Haridwar has also been improved by bamboo plantation which is benefiting both the wildlife and humans in addition to improving the environment. The Indian Council of Forestry Research and Education (ICFRE) is the nodal agency for this project. Senior officials from the United Kingdom will be in Uttarakhand on March 16 and 17 for deliberations on this project. The second phase of this project is expected to start from April.

The Global Partnership on Forest Landscape Restoration is a proactive network that unites Governments, organisations, communities and individuals with a common goal. The partnership was initiated with the purpose of catalysing and reinforcing a network of diverse examples of restoration of forests and degraded lands that deliver benefits to local communities and to nurture and fulfill international commitments on forests. The Dehradun Divisional Forest Officer, Meenakshi Joshi and other departmental officers were also present during the Press Conference.

Business Standard

Monday, Mar 14, 2011

Fertiliser prices climb, may not hit 2008 levels

Reuters / London March 13, 2011, 0:39 IST

Fertiliser prices have climbed sharply in recent months, in line with global grain markets, but they are unlikely to reach 2008 highs, with producers better prepared to respond to rising demand.

“We’re not going to get anywhere near those sort of figures (2008 highs). I think that was a one-off,” said trader Calum Findlay of UK’s Gleadell Agriculture, adding manufacturers were caught on the hop as demand surged in 2008. “We’ve got manufacturing capacity that has come on stream since then and there is more coming on stream.”

The price of ammonium nitrate fertiliser had risen to about \$300 per tonne (FOB Black Sea), from \$181 in June 2010 but remain well shy of a peak of about \$500 set in August 2008.

Analysts said capacity has been added in response to the 2006-2008 price boom. The lead time on new fertiliser projects is between three and five years. (EXPENSIVE SPREAD)

Supply of urea, for example, is seen rising to 164.2 million tonnes in 2011, up 18 per cent from 139.1 million tonne, the International Fertiliser Industry Association estimates. "Although fertiliser prices are expected to remain elevated compared to historical values, they are unlikely to revisit the peaks set two years ago," said CRU analyst Andrew Prince.

Price pull

Severe drought in Russia and growing demand from biofuel producers, particularly in the US, have led US corn (maize) prices to more than double since June 2010. They peaked at \$7.35 a bushel earlier this month, the highest price paid for the front month since the summer of 2008, when it reached a record high of \$7.65 a bushel. "Grain prices took off in June and the global nitrogen market followed," said Ken Bowler, marketing manager with leading UK fertiliser manufacturer GrowHow, a joint venture company owned by Yara and CF Industries.

High prices encourage farmers to use more inputs such as fertiliser to boost yields. They also increase the area on which crops are grown. US corn plantings this spring are expected to cover the second-largest area since World War Two.

Even so, analysts and producers see room for only limited fertiliser price gains this year. "The waning seasonal demand towards the middle of 2011 should bring some relief to the market tightness," Prince said.

Fertiliser trading is most active during the Northern Hemisphere winter and demand typically declines in summer. "The prices we see in 2011 are relatively flat during the first half of the year, then start to rise again as we get to the end of 2011," Bowler said.

"Whether we see any significant rises is very debatable, as we are at a high level at the moment," he added.

West Asia, emission norms

Fertiliser prices have received some support in the past month from turmoil in North Africa and West Asia, a key producing region due to low energy costs. The production of fertiliser such as ammonium nitrate requires a huge amount of energy, and natural gas represents more than 70 per cent of production costs, GrowHow's Bowler said.

"Urea supplies from Egypt were suspended in the first week of February, following the political unrest. Only a few sales of urea to traders were realised at prices that were the highest level since the peak of 2008," CRU analyst Prince said. "By the end of February, supplies of urea from Egypt were back to pre-crisis levels, and prices also retreated."

Yara, the Norwegian fertiliser group, said this week the Libyan government and rebel forces had engaged in fighting around its fertiliser factory in Brega, though without causing much physical damage so far. "Unrest in Libya hasn't supported urea prices yet because Libya is a small exporter, with exports of around 500,000 tonnes a year of urea," Prince said.

The importance of West Asia and North Africa is, however, set to increase over time due to their comparative advantage in energy costs. "All new urea manufacturing is built on top of cheap gas," Gleadell's Findlay said, pointing to Qatar, Saudi Arabia, Iran and Egypt as key areas of expansion.

European producers also face the challenge of stricter environmental standards. Bowler said GrowHow is currently investing £15 million (\$24 million) at its Billingham plant in northeast England on technology to control emissions of nitrous oxides.

"I think at the moment we are in a position to be able to afford the investments (in new emissions technology)," Bowler said. "Fortunately, we've seen the improvement in commodity prices. Without that money, we would never be able to meet those standards and, quite frankly, European plants would close."

'High crude oil unlikely to spur further ethanol production'



Business Line Mr Narendra Mukumbi, Managing Director, Shree Renuka Sugars Ltd.

New Delhi, March 13:

Will crude oil at above \$ 100-a-barrel prompt more cane diversion to ethanol, causing further spike in world sugar prices?

Unlikely, says Mr Narendra Murkumbi, Managing Director of Shree Renuka Sugars Ltd (SRSL), which controls two companies in Brazil with a combined cane crushing capacity of 14 million tonnes (mt), yielding one mt of raw sugar and one billion litres of ethanol annually.

According to Mr Murkumbi, millers are currently making more money on sugar than on ethanol. "I don't see this changing unless sugar falls below 25 cents a pound. Only then will diversion of cane to ethanol really happen", he told *Business Line*.

New York raw sugar futures for May 2011 delivery closed at 28.91 cents on Friday, with the July and October contracts trading at 26.45 and 25.13 cents a pound, respectively.

Economics now favour sugar

Mills in Brazil are now realising around 1,370 real or \$820 on every cubic metre of ethanol sold domestically. As one cubic metre of alcohol is equivalent to 1.6 tonnes of sugar, it translates into an ex-factory raw sugar price of \$ 512.5 a tonne. After adding freight and handling costs of \$65 at Paranagua or Santos port, the free-on-board (f.o.b) raw sugar equivalent price comes to \$577.5 a tonne or 26 cents a pound.

The realisations are even lower for exports, where the f.o.b price is just \$750/cubic metre, corresponding to \$680/cubic metre or \$425 a tonne of sugar at the factory gate. If to this, freight and related costs are added, the equivalent raw sugar f.o.b price would be \$490 a tonne or 22 cents a pound.

“The economics are at present loaded in favour of sugar. Sugar prices are ruling high, independent of any link with ethanol or oil. But \$ 100-a-barrel oil over a sustained period will help set a floor price of, say 25 cents, for sugar. It will not go below 25 cents, so long as oil remains at \$ 100-plus”, Mr Murkumbi pointed out.

No major output jump seen

During 2010-11 (April-March), mills in Brazil's main South-Central belt are expected to crush some 560 mt of cane, producing 33.5 mt of sugar and 25.5 billion litres of ethanol. This is against the corresponding 2009-10 levels of 542 mt, 28.6 mt and 23.7 billion litres.

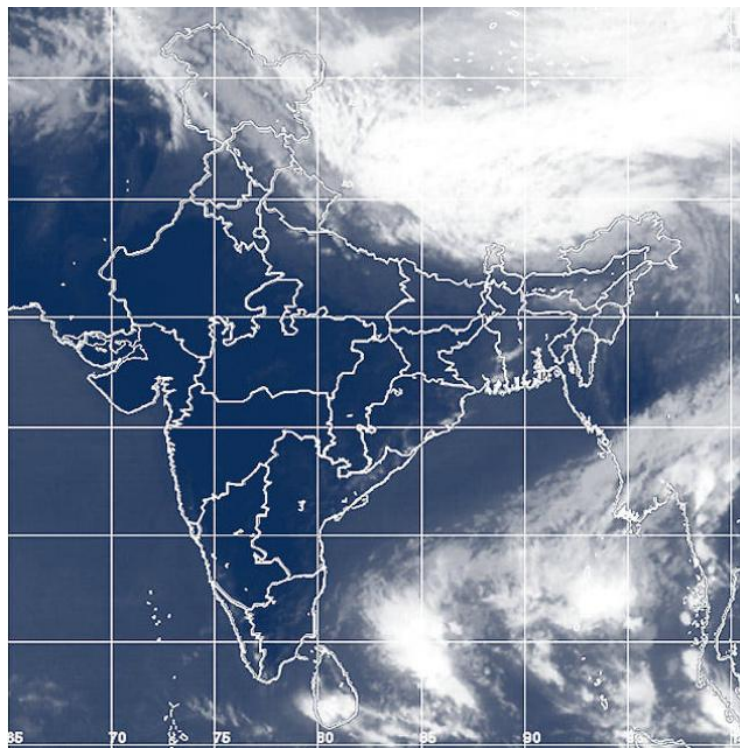
“I estimate cane production to be flat in 2011-12, with the crop's share going to sugar rising marginally from this year's 45 per cent. While the proportion of cane for ethanol will fall, it is not going to bring about a big jump in sugar output”, Mr Murkumbi felt, while ascribing this to the absence of adequate crystallisation capacity in the country.

Mills, after crushing cane, have the option to either ferment the juice into ethanol or crystallise it into sugar. Brazil's mills, however, have primarily invested in ethanol manufacture. With their existing crystallisation capacities more or less used up, it limits the scope for further augmenting sugar production.

“While the average sugar-to-ethanol mix in Brazil is 45:55, our units have sufficient crystallisation capacity to enable us go to 65:35 and come down to 40:60 in the event of sugar prices dipping”, claimed Mr Murkumbi.

In 2010-11, SRSL produced 0.672 mt of sugar and 0.407 billion litres of ethanol from its Brazilian operations. “In the coming season, we plan to do one mt of sugar and 0.400 billion litres of ethanol”, he added.

Brazil's mills export over two-thirds of their sugar output, whereas they ship out less than a fifth of the ethanol. The bulk of the ethanol produced is consumed internally – either as anhydrous alcohol for 25 per cent blending with petrol or as hydrous spirit that can be used up to 100 per cent in flexible-fuel vehicles. Brazil is the world's No. 1 ethanol exporter and No. 2 producer after the US.



India Meteorological Dept satellite picture at 16-00 hrs.

Thiruvananthapuram, March 13:

Strong westerly winds were shown tearing into the top of the clouding kicked up by a persisting upper air cyclonic circulation over south Bay of Bengal.

Some of the clouds are being blown away north-northeast while a chunk has headed southwest and set up a perch over the west coast of Sri Lanka.

CYCLONIC WHIRLS

Another chunk, as big in size as the island nation, was waiting its turn in the southwest Bay of Bengal (just northeast of Sri Lanka).

Meanwhile, the other upper air cyclonic circulation over Assam and neighbourhood has also been persisting.

Saturday's upper air trough to the east of the country has descended to the lower levels of the atmosphere and was shown running down from Gangetic West Bengal to Telangana through Orissa.

This continues to be a potential weather destabilising feature what with lower atmosphere pressure, rising motion of air, convection and occasional precipitation.

THUNDERSHOWERS

Satellite imagery on Sunday afternoon showed the presence of convective (rain-bearing) clouds over parts of south Bay of Bengal and Andaman Sea.

An India Meteorological Department (IMD) outlook valid until Wednesday said that widespread rain or thundershowers would occur over Andaman and Nicobar Islands.

Scattered rain or thundershowers has been forecast over the Northeastern States, West Bengal and Sikkim.

It would be isolated over Orissa, Jharkhand, Chhattisgarh, coastal Andhra Pradesh, coastal Karnataka, Tamil Nadu, Kerala and Lakshadweep on Monday and Tuesday.

The IMD has also indicated the possibility of a gradual rise by 1-2 deg Celsius in maximum and minimum temperatures over many parts of the country during this period.

DISPARATE WEATHER

An extended forecast until Friday said that the fairly widespread rain or thundershowers would continue over Andaman and Nicobar Islands.

Scattered rain or snowfall is expected to unfold over Jammu and Kashmir while it would be isolated over Himachal Pradesh and Uttarakhand.

An IMD update for the last 24 hours ending on Sunday morning said that isolated rain or snowfall occurred over Himachal Pradesh and Uttarakhand.

Widespread rainfall occurred over Andaman and Nicobar Islands, scattered over Arunachal Pradesh and Assam and isolated over Orissa, Kerala and Tamil Nadu.

MERCURY LEVEL

Minimum temperatures were below normal by 3-5 deg Celsius over parts of Madhya Pradesh and by 2-3 deg Celsius over Rajasthan, Haryana, west Uttar Pradesh, Gangetic West Bengal, Maharashtra and Chhattisgarh. The lowest minimum temperature of 9.8 deg Celsius was recorded at Adampur in Punjab.

Pepper remains volatile, moves against fundamentals



Business Line PEPPER. File Photo: P. V. SIVAKUMAR

Kochi, March 13:

Pepper futures is giving the impression that it is running completely against the fundamentals and in the hands of operators who are, in fact, playing with the market to their whims and fancies.

The market drops when there is increase in open interest/additional buying and moves up when there is decline in the open interest and so on.

The farmers and dealers are said to be not interested and as a result spot pepper was not available. Some had to buy futures against their commitments.

Domestic market also reportedly needs coverage and “dabba trading in bucket shops” are going in north India, market sources told *Business Line*.

Competitive Indian parity on the one hand and some supply squeeze in the market on the other is likely to bring in some business from overseas.

“Some demand is cropping up”, they said. But, the slow work at the Kochi port is a cause for concern and “overseas buyers are upset over this problem as it would affect negatively the delivery schedule”, they said.

Add to this, the March-April “badla” is higher and hence the exporters are reluctant to sell because of the delay in moving the cargo out from the port, they said.

Trading at the terminal market has been very thin as the material was being moved out from the primary markets directly and afloat business was taking place rampantly, the trade said.

Tightening of the borders by the Sales Tax department in Kerala has forced some to bring the goods to the terminal market, they said.

The market has been highly volatile with the prices moving up and down consequent to the ‘tug of war’ between the bull and bear operators.

One can witness the bears becoming bulls and vice versa in the market, they alleged.

Last week market showed a mixed trend with marginal ups and down at the weekend close.

March contract declined by Rs 67 a quintal to Rs 22,354 while April and May moved up marginally by Rs 35 and Rs 11 respectively to Rs 22,821 and Rs 23,035 a quintal.

Total turnover increased by 13,043 tonnes to 52,217 tonnes.

Total open interest and went up by 531 tonnes to 13,927 tonnes. And yet, spot prices dropped by Rs 100 during the week to Rs 21,700 (ungarbled) and Rs 22,500 (MG 1) a quintal at the weekend.

Indian parity in the international market was at \$5,175 a tonne (c&f) and remained very much in line with other origins and therefore some business may take place, export sources indicated.

Overseas scenario

According to the International Pepper Community (IPC) in the beginning of last week, price of ungarbled Malabar black pepper in local market decreased from the previous week's close.

The price then increased daily and reached Rs 21,900 for 100 kg on Thursday from Rs 21,500 on Monday.

On an average however, the price was still lower by 1 per cent from previous week's average.

Trading activity on the Commodity Exchange was relatively calm with a slight improvement.

This was reported due to the lack of fresh triggers of export market.

Nearly 27% tea unsold at Coonoor sale



A tea garden near Coonoor. File Photo: D. Radhakrishnan

Coonoor, March 13:

For the sixth consecutive week, Homedale Estate tea, auctioned by Global Tea Brokers, topped CTC market in Coonoor Tea Trade Association auctions fetching Rs 156 a kg at Sale No: 10.

“Paras Tea Co bought two of our teas – Pekoe Dust (PD) and Red Dust (RD) each for Rs 156. Our Broken Orange Pekoe (BOP) topped leaf market at Rs 155.

In all, our 9 grades got Rs 127 and more”, Homedale Managing Partner, Mr Prashant Menon, told *Business Line*.

Vigneshwar Estate got Rs 146, Shanthi Supreme Rs 137, Hittakkal Estate Rs 136, Darmona Estate Rs 133, Deepika Supreme Rs 132 and Professor Rs 130. In all, 78 marks fetched Rs 100 and more. Among orthodox teas from corporate sector, 33 marks got Rs 100 and more.

As much as 27 per cent of the 11.19 lakh kg on offer was withdrawn for want of buyers even after shedding Rs 3 a kg. Teas worth Rs 2.19 crore remained unsold.

“Orthodox whole leaf eased up to Rs 10 a kg and the rest Rs 1-3. High-priced CTC leaf lost Rs 5-10, better mediums Rs 2-3 and plainers suffered withdrawal even after shedding Rs 3. Orthodox dusts lost Rs 2-5 but primary grades managed to gain up to Rs 5. CTC dusts eased Rs 1-4 and plainers suffered withdrawal”, an auctioneer said.

Export market

Export purchases continued to be weak. Pakistan bought very selectively for Rs 50-75 a kg and the CIS, Rs 58-78. Internal unrest in West Asia and North Africa has restricted export purchases to those destinations.

Quotations held by brokers indicated bids ranging Rs 44-56 a kg for plain leaf grades and Rs 85-130 for brighter liquoring sorts. They ranged Rs 52-61 for plain dusts and Rs 85-135 for brighter liquoring dusts.

Lecture on aquatic risks on Tuesday

Thiruvananthapuram, March 13:

The Trivandrum Management Association (TMA) will organise an evening lecture on 'Aquatic risks – Beach and water safety tips' by Ms Brooke Irvine, General Manager-Education and Training, Life Saving Victoria, South Melbourne, Australia, here on Tuesday.

Life Saving Victoria is an initiative of the Royal Life Saving Society Australia, Victoria Branch, and Surf Life Saving Victoria. Life Saving Victoria's mission is to prevent aquatic-related death and injury in all Victorian communities, a TMA spokesman said here. There shall be no entrance/registration fee.

Karnataka planters' to honour Lakshman Gowda

Hubli, March 13:

The Karnataka Planters' Association is holding its 53rd budget general meeting at 10 A.M., on March 16, at Kadur Club, Chikmagalur.

According to Mr Sahadev Balakrishna, chairman of the association, the executive committee will honour Mr U.K. Lakshman Gowda, founder chairman of the association, on at the meeting.

Also inauguration of the association's new Web site and presentation on its scientific team's visit to Vietnam will be held.