

THE HINDU

Online edition of India's National Newspaper

Wednesday, March 23, 2011

FARMER'S NOTEBOOK

[Three new types of innovative sickles promise better delivery](#) - M.J. PRABU

The farmer is unable to get financial support to popularise these devices

PHOTO: SPECIAL ARRANGEMENT



Simple but effective: The sickles are multi-purpose and need not be sharpened often.

Hand tools are particularly important for small farmers and laborers who cannot afford mechanized implements.

“Even a small improvement in these hand tools can lead to large-scale improvement in productivity or in working conditions across the country. However, de-centralised production and small scale of operations do not allow these hand tools to undergo

notable changes over the years,” says Prof Anil Gupta, Vice Chairman, National Innovation Foundation (NIF), Ahmedabad.

Take the example of the simple sickle that is being used by thousands of farmers across the country for cutting grass, weeding etc. Though a simple tool, its usefulness and efficiency make it an important tool in every farmer’s household.

Regular sharpening

“But the blade needs to be sharpened at least once every two days. Farmers usually grind the blade against a sharp surface or take it to the ironsmith to sharpen it. This becomes a routine in the villages,” says Prof Gupta.

But Mr. Kishorebhai Bharadwa from Junagadh thought differently. He developed three different types of sickles that need not be sharpened regularly, and can be used for weeding, inter culturing, and harvesting.

“These address the problem of wearing out of blades in sickles due to repeated sharpening, as the shearing blades usually become blunt after cutting grass for a period of between eight to ten hours,” says Mr. Kishorebhai.

“In a normal sickle one needs to sharpen the whole blade at regular intervals. Repetitive sharpening makes the base thin and redundant. To avoid this, I developed three different types of sickles,” he explains.

Thin blade

The first type of the improved sickle incorporates two C-shaped, metallic guard plates — a thin blade sandwiched between and fastened in position through screws near the wooden handle.

The thin blade can be removed and sharpened and then fixed back to the iron base. The user need not go to the workshop for sharpening it. The second is dual type. The

two sickles face opposite directions and are joined together at the base near the wooden handle.

Mr. Kishorebhai notes that this sickle can cut tough grass, silage or hay. It is fashioned in such a way by using the right grade of steel to retain its sharpness. If the blade on one side gets blunt, the other side can be flipped and used.

Concave shape

He shaped the third type like a concave shaped edge and attached a small pointed metal piece attached between the sickle and the handle to break soil clods.

“These sickles are multi-purpose and can perform different functions like harvesting, interculturing, and weeding. They offer easy handling and maintenance to the farmer and labourer,” says Mr. Kishorebhai. Furthermore they are cheaper than the combined costs of conventional tools used for these specific processes.

Cost

The first model costs Rs.90, the second Rs. 65, and the third model is priced at Rs.55. The replacement cost of the blades varies between Rs.15 and Rs. 20.

Though these improved sickles receive a satisfactory reception from the villagers, their adoption rate is extremely slow, feels Mr. Kishorebhai.

“Most villagers find the sickles quite useful but the price is beyond their paying capacity as the normal sickle costs only Rs.30. Only three farmers have purchased the improved sickles; the rest come and borrow these sickles from me,” he adds.

Mr. Kishorebhai is quite disillusioned that he is unable to muster adequate financial support to popularise the sickles.

Economic support

He feels that sustaining the innovative spirit needs economic support, a rare commodity he does not possess adequately.

The National Innovation Fund, Ahmedabad (NIF) sanctioned a sum of Rs. 8,250 from its Micro Venture Innovation Fund for pilot production and test marketing of these Innovative Sickles.

For more details contact Mr. Kishorebhai Bharadwa, Post. Galvav, Manavadar taluk, Junagadh district, Gujarat: 362630, Phone: 02874- 248331.

Date:23/03/2011 URL:

<http://www.thehindu.com/2011/03/23/stories/2011032351930400.htm>

Tamil Nadu - 'Restrict cotton yarn exports'

Staff Reporter

Tirupur: The Tirupur Exporters Association (TEA) has requested the Union Government to restrict the cotton yarn exports in 2011-12 to 600 million kg with monthly calibration on export quantity mentioned.

“This will help avoid abnormal spurt in the yarn prices in the domestic market,” TEA president A. Sakthivel said.

The Association had also reiterated the need to put caps on yarn exports for the various 'counts of yarn' produced in the country.

Yarn counts

“We have mentioned in the representations to the Union Commerce Minister, Anand Sharma, and the Union Textiles Minister, Dayanidhi Maran, that there should not be any

exports in the yarn counts ranging from 1s to 40s as far as possible. If it is unavoidable, only 20 per cent of the presently decided quantity should be permitted in that range,” Mr.Sakthivel said.

Substantiating the stance on export caps, he said that lack of any caps would have a cascading impact on the raw material prices in downstream sectors such as knitwear industry, which, in turn, would give advantage to the apparel players in the competitive countries in the price-driven global market.

Date:23/03/2011 URL: <http://www.thehindu.com/2011/03/23/stories/2011032354280700.htm>

Tamil Nadu - Green Revolution saved many lives in times of famine: Former minister

Staff Reporter



Healthy food:Former Union Minister of State for Social Justice and Empowerment Subbulakshmi Jagadeesan in a food stall at the organic food products exhibition organised by students of KSR School of Management on Monday.

Namakkal: But for the Green Revolution India would have lost lakhs of lives because of starvation, former Union Minister Subbulakshmi Jagadeesan said. Ms. Jagadeesan was speaking at a two-day conference and exhibition of organic food products organised by KSR School of Management in Tiruchengode on Monday and Tuesday.

Recalling that she had the privilege to have naturally-produced food items as a young girl, when only organic farming was practised in the country, she said we should not lament about the entry of chemical fertilisers into the country.

Chemical fertilizers were necessary to give a thrust to agriculture production on a massive scale in a short time and save the country which was in the grip of a severe famine at that time, she said. She said it was the mistake of farmers not to have returned to organic farming once that situation ended.

The law was clear that no factories or industries should be established near rivers, lakes or ponds, she said. Ms. Jagadeesan wondered how the Pollution Control Board gave permission for industries to be set up very close to water bodies. Crops grown with contaminated water would definitely have antibodies not good for consumption.

Spraying of chemical fertilizers and pesticides on crops (already damaged by polluted water) to eliminate insects and pests intensified the damage caused to the soil and plants as pesticides were nothing short of poison, she cautioned. "We soak vegetable plants and crops in chemicals before planting them and also spray chemicals on vegetables before harvesting them," she said. Consumption of such vegetables affected our health. K.S.R. Group of Institutions Chairman Dr. K.S. Rangasamy, K.S. Rangasamy College of Technology Principal Dr. K. Thiyagaraja and KSR School of Management head Dr. A. Lakshmi also spoke.

Date:23/03/2011 URL:

<http://www.thehindu.com/2011/03/23/stories/2011032355130700.htm>

[Andhra Pradesh](#) - [Horticulture University to increase seats](#)

DHARWAD: Horticulture University, Bagalkot, will increase the number of seats in various courses from the next academic year.

Vice-Chancellor S.B. Dandin told presspersons here on Monday that such a decision was taken in the backdrop of the increasing demand for courses in horticulture science.

In the last academic year, only 20 per cent of the total number of applicants could be accommodated.

The university would increase the strength in B.Sc. (Horticulture) from 360 to 500 in 10 affiliated colleges. Similarly, the 120 M.Sc. (Horticulture) seats would be increased to 150 and the number of seats for Ph.D. course would be increased to 50 from the existing 25. Besides, the university also plans to introduce various diploma and short-duration courses from the next academic year.

Grants

Mr. Dandin said the State Government had allocated Rs. 60 crore as grants to the university which would be utilised to develop the learning, research and physical infrastructure.

Apart from building hostels and other structures, seven farms would be developed in addition to the existing three. In the 10 horticulture colleges, only three had experiential gardens and seven additional gardens would be developed this year, he said.

Date:23/03/2011 URL: <http://www.thehindu.com/2011/03/23/stories/2011032352760700.htm>

[Karnataka](#) - **Farmers launch indefinite fast**



SEEKING WATER:Members of the Bagwadi Canal Tail-Enders' Action Committee staging dharna in front of the taluk office in Siruguppa on Tuesday.

BELLARY: Five farmers from the tail-end area under the Bagwadi canal in Sirguppa taluk on Tuesday launched an indefinite fast demanding curbs on illegal use of water in the upper reaches and release of water into the canals up to April 30.

The agitation was launched under the banner of Bagwadi Canal Tail-Enders Action Committee in front of the taluk office in Siruguppa by president of the committee Mohan Kumar, Tirumala, Veeranna, Venkobanna and Veereshgowda.

Earlier, a large number of farmers from Siruguppa, Gajaginahal, Karchiganur, Baggur, Chanaknur, Srinagar Camp, Araliganur and Devalapur gathered at the spot and blocked traffic for nearly an hour to draw the attention of the authorities to their problems.

The farmers urged the authorities to ensure a flow of 65 cusecs of water in the canal from the 23rd km onwards.

Assistant Commissioner Venkatesh, along with tahsildar Geetha and Executive Engineer of the Number 6 Canal Division Jagadish, held talks with the farmers and tried to persuade them to withdraw the strike by stating that their demands would be looked into. However, the farmers did not withdraw the stir.

Date:23/03/2011 URL:

<http://www.thehindu.com/2011/03/23/stories/2011032354670700.htm>

[Kerala](#) - [Greens march for water](#)

A Correspondent

'Increasing pollution of rivers a cause for concern'



A grave issue: NGO members take out a march on Tuesday, International Water Day, in Idukki, to highlight the need for protecting water sources.

KATTAPPANA: Hundreds of people participated in the water protection march held through Periyar River from Idukki to Cheruthoni on Tuesday.

The march was organised on the International Water Day by the Swaram Cultural Forum to highlight the need for protecting the water sources. Around 20 non-governmental organisations working in the field of environment, educational institutions, and social organisations took part in the march.

At a meeting held in Cheruthoni on the banks of the Periyar, the speakers highlighted the increasing pollution of rivers and water sources, which leads to shortage of drinking water even in rural areas.

In Idukki, the streams are polluted by pesticides used in cardamom and pepper estates, they said. Various endemic species of fishes are fast depleting and human beings are also not spared from the ill effects of pollution of streams and perennial water sources.

The Periyar is also an affected river, with many fish species becoming either endangered or are on the verge of extinction with in a period of a decade or so, they said.

The speakers said that except the observance of the water protection day, the message was confined only to the environmentalists. Serious interference by all quarters was required on the issue, especially in the district, they said.

In the cities, water bodies were already hit and water in the wells would soon be categorised unfit for human consumption, they said. The Periyar was highly polluted in areas where it passed through the towns.

Cheruthoni town was increasingly being threatened by water pollution and encroachment on the Periyar had turned it a mere rivulet downstream Idukki dam, they said and added that was the reason for organising the march on the banks of the Periyar. Environmentalists representing various organisations spoke at the function. The meeting was inaugurated by environmentalist C.P. Roy.



Weather

Chennai - INDIA

Today's Weather



Clear

Wednesday, Mar 23

Max 31° | Min 24.2°

Rain: 00 mm in 24hrs

Humidity: 89%

Wind: Normal

Sunrise: 6:12

Sunset: 18:20

Barometer: 1008.0

Tomorrow's Forecast





Cloudy

Thursday, Mar 24

Max 35° | Min 24°

Extended Forecast for a week

Friday Mar 25	Saturday Mar 26	Sunday Mar 27	Monday Mar 28	Tuesday Mar 29
				
31° 22°	31° 24°	32° 24°	32° 23°	32° 24°
Cloudy	Rainy	Cloudy	Partly Cloudy	Partly Cloudy

THE ECONOMIC TIMES

Wed, Mar 23, 2011 | Updated 10.00AM IST

Cotton acreage to rise 15% in Punjab, Haryana

AHMEDABAD: Farmers with irrigated fields in Punjab and Haryana will start sowing cotton in a fortnight. Agriculture department officials estimate a 10% to 15% increase in acreage this season as cotton has become more lucrative than paddy, basmati and pulses.

Government's paddy procuring agencies and basmati exporters don't think that the staple's production will take a hit.

"We estimate the area under cotton across the country to increase by 15% and prices will see a correction in the new season," said Cotton Association of India president Dhiren Sheth.

According to the revised estimates by the Cotton Advisory Board on February 26 this year for the cotton season 2010-11, acreage was at 111.61 lakh hectare with an average yield 475.23 kg per hectare and a production of 312 lakh bales.

With wheat harvesting to begin in a fortnight across Punjab and Haryana, farmers are preparing for sowing cotton. In major cotton-growing states of Gujarat and Maharashtra, sowing will begin after the rainy season.

"We are targeting to increase the area under cotton by 50,000-60,000 hectare this year covering 5.5-5.6 lakh hectare. The government has been working to divert the cropping pattern from paddy to cotton with depleting water table," said Punjab agriculture joint director Tarsem Singh. Production figures are expected to be at 25 lakh bales (one bale=170 kg) compared to 20 lakh bales in 2010.

In Haryana too, cotton acreage is targetted to touch 6 lakh hectare from 4.92 lakh hectare in the previous year, according to Haryana additional director agriculture BS Duggal. Production is expected to be 20 lakh bales compared to 17.44 lakh bales in the year 2010-11.

In Maharashtra, the area is expected to increase by 10% this year. Sowing was done on 40 lakh hectare in 2010, of which irrigated farms constituted only 2% to 3%. "The area under summer cotton may go up by about 10% due to good water levels in the reservoirs and wells," said Maharashtra agriculture director (extension) Jayant Deshmukh.

However, acreage under cotton in Gujarat is not expected to see a major increase. "Farmers have to spend more while sowing cotton starting from seed to fertiliser. Hence we don't see an exponential increase in the acreage," said Gujarat's principal secretary, agriculture, RK Tripathi while adding that sowing will begin by the third week of May on over 26 lakh hectare after pre-monsoon showers.

Surinder Ahuja, a 71-year-old farmer who has been planting Bt cotton on 50 acre in Hisar, and 10 acres in Fazilka, Punjab, since the past four years, will be increasing the area this year by 25%.

"In the next 15 days, after wheat is harvested, sowing of cotton will begin. The returns have been very good and we hope the weather remains predictable," he said adding that the main concern was on seed procurement which were in short supply. Farmers rue that seed prices might increase further from the previous year.

Mango processors bet on good harvest

PUNE | AHMEDABAD: With three weeks left for the mango processing season to start, pulp makers are busy making arrangements for buying the fruit and signing export orders.

Mango and its pulp, a major ingredient for the global fruit juice industry, are expected to be cheaper this year after an exceptionally bad year. India is the largest mango producer and processor and sets the benchmark for the fruit and processed products.

"Last year, we could produce only 30% of the normal pulp production. This year, the season looks good for the processing of Alphonso and Totapuri varieties," said an official of Jain Irrigation, the largest processor of mangoes in India.

Totapuri, grown in Andhra Pradesh and Karnataka, is the main variety used by the processing industry. Its price had jumped to an all-time high of Rs 18-19/kg last year but is expected to come down to Rs 10-12/kg this year. The country produces two lakh

tonne of mango pulp annually, of which a half is used locally.

The domestic demand has grown four times in the last five years and is expected to double in the next five years. Ahmedabad-based ice-cream major Vadilal Industries is expecting an increase in export orders. It exported 4,000 tonne of pulp across 40 countries in 2010-11.

Corn ends higher, anxiety over China rumours

CHICAGO: Corn futures ended higher in volatile trading on Monday, with expectations still high for confirmation of rumored US corn sales to China, which rallied the market by 11% over two days last week. Some traders speculated the US government's announcement of Monday that 116,000 tonnes of old-crop US corn was sold to an unspecified buyer was actually for China, the world's second largest consumer of the grain. Last Thursday, the US Agriculture Department announced a similar sale, also to an unidentified buyer.

"There's a possibility it could be for China but there's nothing confirmed. China is always testing the water so there is a possibility it could be for them," said Terry Reilly, analyst for Citigroup, of the Monday sale. The rumors, which last week took corn futures higher by their daily 40-cent trading limit on Thursday and by the expanded 45-cent limit on Friday, continued to be the talk of the grain trading floor on Monday. "Half the commercials say they (China) did, and half say they didn't," said Joe Bedore, CBOT floor manager for trade house Intl/FC Stone.

In earlier dealings corn fell, reversing the overnight trend, as rumors of China buying a

large quantity of corn from the United States went unconfirmed. "The market would surely do better if we got confirmation of the China purchase," said Bill Nelson, analyst for Doane Advisory Services, St. Louis, Missouri.

"Absent that, there's a lack of upside follow-through and technicals turned negative as trendlines became resistance." Gains in corn also were limited by a report from Goldman Sachs predicting US corn acreage this year at 92.1 million (37.3 million hectares), above the US Department of Agriculture's current estimate for 92.0 million. USDA will release its first plantings data for 2011 based on a farmer survey on March 31.

THE HINDU Business Line

Crisil sees milk on the boil as demand exceeds supply



Mumbai, March 22: Milk prices will continue to rise over the medium term because of sustained demand-supply mismatch and increasing input costs, credit rating agency Crisil said in a report.

With milk product exports forming around 5 per cent of India's total milk production, and domestic demand for dairy products remaining strong, the demand-supply gap is expected to continue to widen over the medium term. This, along with increasing input (fodder and transportation) costs, will push milk prices up over the next three to five years, the report said.

However, the Government of India's recent order prohibiting export of milk powder and casein and allowing duty-free import of milk powder and butter will help enhance domestic supply over the near term, and keep milk prices stable over the next 12 months.

The impact of the ban on export of milk powder and casein is expected to be minimal on the credit risk profiles of 55 Crisil-rated dairy players (including co-operative milk federations).

The rating agency assessed that buoyant demand scenario will enable these rated players to increase their sales in the domestic market, and pass on increases in the prices of raw milk. In addition, flexibility in the production process will enable players in the dairy industry to shift production to milk and milk powder, which have strong demand in the domestic market, rather than also producing casein, which has low demand in India.

In February, to contain further price increases and shore up supplies, the Government prohibited export of milk powder and casein (which form 70 per cent of India's dairy product exports, estimated at \$144 million for 2009-10. Furthermore, Gol has allowed National Dairy Development Board to import 30,000 tonnes of milk powder and 15,000 tonnes of butter and butter oil at zero duty, which will boost milk supply by up to 0.35 million tonnes.

“With exports forming less than 5 per cent of the total milk production, and imports comprising a small portion of overall demand, the Government's measures will, at best, plug the demand-supply gap over the next 12 months,” said Mr Gurpreet Chhatwal, Director, Crisil Ratings.

Milk prices, according to Mr Manish Kumar Gupta, Head, Crisil Ratings, are expected to continue their upward trend over the next three to five years as domestic demand for milk and dairy products is expected to outpace supply.

The demand for milk and value-added dairy products in the domestic market has been growing at over 6 to 8 per cent per annum because of increasing income, rising aspirations, and consequent growth in per capita milk consumption.

However, the report said growth in milk production will continue to lag at around 4 to 5 per cent per annum over the next five years, despite the Government's plan to double India's milk production by 2020, through initiatives such as enhancing milk productivity through genetic improvement of milch animals, increasing availability of fodder, and incentivising farmers. This is because the benefits of Government's plan are expected to accrue after three to four years.

Excess fertiliser use has 'eroded' soil health



New Delhi, March 22: The use of fertilisers in India has risen astronomically in the last 60 years, resulting in deterioration of soil health in many parts of the country, particularly the intensively cultivated Indo-Gangetic plains, also known as the “Great Plains.”

In 1951-52, usage averaged less than one kg per hectare, which has now risen to 133 kg per hectare, according to information given on the Department of Fertilisers Web site. However, despite this increase, consumption is still less in India than many developed countries. Per hectare fertiliser consumption (kilogram per hectare of arable land) in India, China, Japan, Bangladesh, USA, Pakistan, and Israel in 2007 stood at 142.3, 331.1, 171.2, 166.2 and 524, respectively.

Spot rubber rules firm



Kottayam, March 22: Physical rubber prices ruled firm despite a weak closing in domestic futures on Tuesday. The market surged ahead following the sharp gains in

international markets. According to sources, buyers were on the toes to cover their positions expecting the bullish trend to continue in the days ahead.

Meanwhile, the key Tokyo rubber futures bounced back once again led by rising physical rubber prices in major producing countries and firm oil prices.

Sheet rubber closed firm at Rs 229 (224) a kg as quoted by the traders. The grade increased to Rs 228 (223) a kg both at Kottayam and Kochi according to Rubber Board.

The April series weakened to Rs 231.34 (236.85), May to Rs 237 (242.89), June to Rs 241.60 (248.11) and July to Rs 242 (249.86) a kg for RSS 4 on the National Multi Commodity Exchange (NMCE).

The volumes totalled 20714 lots and open interest 7980 lots. The turnover was Rs 490.66 crores.

RSS 3 (spot) increased sharply to Rs 251.76 (241.34) a kg at Bangkok. The March futures flared up to ¥440 (Rs 243.87) from ¥411 a kg during the day session and then to ¥449 (Rs 248.88) in the night session on the Tokyo Commodity Exchange (TOCOM).

Spot rates were (Rs/kg): RSS-4: 229 (224); RSS-5: 225 (220); ungraded: 222 (217); ISNR 20: 221 (219) and latex 60 per cent: 130 (120).

'No repeat' of last year's record coffee exports *(cont...)*

LOSING AROMA



- Better prices and a bumper crop are seen to have spurred exports in 2010-11.
- Lack of carryover stock this time may reduce exports.
- Shipments to Japan, the fourth largest consumer, fell from 5,995 tonnes in 1998-99 to 1,110 tonnes in 2009-10.

Bangalore, March 22: India's all-time high coffee exports in 2010-11 may not recur in 2011-12.

Speaking to *Business line* on the sidelines of the Coffee Board's "Coffee Awards Nite" function, Mr Ramesh Rajah, President, Coffee Exporters' Association, observed: "The export performance is unlikely to be repeated in 2011-12, as whatever is produced would have to be shipped. There are no carryover stocks left."

Industry observers said that the export performance in 2010-11 – a record three lakh tonnes yielding \$758 million (Rs 3,488 crore) as on March 18 – was a result of a bumper crop and high international prices, rather than the emergence of new markets for Indian coffee.

However, high prices may persist in 2011-12, particularly in the wake of arabica output concerns in Central America and Brazil. This could rub off on robusta prices as well, industry observers said.

Mr Nishant Gurjer, Managing Partner, Kaapi Royale, an exporter of premium robustas, said: "The inquiries at present are better than last year."

On robusta prospects, Mr. Rajah said: "Shipments are expected to be good from India over the next couple of months, but after that one cannot be sure. Usage of robustas has increased and Vietnam growers are holding back on sales, resulting in higher prices in the short term."

Disaster-hit Japan is not expected to play a major role in 2011-12 exports.

Mr Rajah said: "There might be a marginal effect on exports to Japan, as the levels are already low. Moreover, it remains to be seen whether the disaster leads to Japanese cutting down on coffee consumption."

India's exports to Japan, the world's fourth largest coffee consumer, fell from 5,955 tonnes in 1998-99 to 1,110 tonnes in 2009-10. A controversy over the presence of lindane in India's washed robustas years ago, owing to the water being used in the fermentation process, contributed to the decline in exports.

A delegation to Japan of planters and Coffee Board officials in mid-2010 sought to dispel such apprehensions, leading to a revival of interest. "New entrants would suffer as a result of the setback in Japan," Coffee Board officials said.

On the 2010-11 export performance of three lakh tonnes (up to March 18), against 1.9 lakh tonnes in the corresponding period last year (yielding \$414 million or Rs 2033 crore), Mr M. P. Devaiah, General Manager, Allansons said that it was a result of better production and good prices, rather than the emergence of new markets.

Mr Gurjer said: "India has been able to benefit from output concerns in arabica the world over."

“In the last quarter of 2010-11, India may have benefited from relative differentials in relation to the terminal prices,” Mr Devaiah said. Industry observers said that during the earlier part of the year, India's export surge was output-driven.

“As against entering into long-term contracts, buyers have been buying in the short-term as a result of high prices,” Mr Devaiah said.

Meanwhile, Coffee Board Chairman, Mr Jawaid Akhtar, said, “The export awards are part of a twin strategy to strengthen our share in traditional markets on the one hand and making our presence felt in USA, Canada, Japan, Australia and New Zealand.”

Awards were distributed to the top coffee exporters for 2009-10 and to those estates who excelled in cupping quality, the latter being called ‘Flavour of India – the Fine Cup award cupping competition.

The arabicas of Badnekhan Estate were adjudged the best, while Harley Estate bagged the award for the best robustas.

Cardamom: Slow down in buying makes market bearish



Kochi, March 22: Cardamom prices were nearly steady on limited buying at the auctions held in Kerala and Tamil Nadu, due to concern over the recent political developments in some of the Arab nations that are major markets for small cardamom.

Exporters were not active as their overseas clients slowed down buying because of fear of uncertainties following political crisis in the Gulf, North Africa and West Asia region, trade sources said. Besides, they are also on a wait and watch mode, hoping the prices might decline further.

However, huge domestic market would keep the prices steady to firm as the demand may have an edge over current supply, trade sources claimed.

Added to this, the cloudy weather in the growing regions has also created bearish sentiments in the market, Mr P. C. Punnoose, General Manager, CPMC, told *Business Line*.

Upcountry markets

All upcountry markets bought limited quantities so as to cater to the immediate requirements. The sellers are ready to climb down to Rs 1,000 a kg, given the bearish scenario prevailing in the market.

In the domestic market also “the fever from scams” is said to have affected the market negatively as investors have slowed down buying, dealers claimed.

At the same time, some felt that all these bearish propaganda might be aimed at pulling the prices down so as to enable them to cover cheap.

Despite these sentiments arrivals at the KCPMC auction on Sunday declined to 52.6 tonnes from around 57 tonnes in the previous auction and almost the entire quantity was sold, Mr Punnoose said

The maximum price increased to Rs 1,364 a kg from Rs 1,297.50 a kg last Sunday and the minimum was Rs 713 a kg. However, the auction average dropped to Rs 994.97 a kg from Rs 1,012.64 a kg from the previous Sunday.

At present, the seventh round of picking is underway and one more picking is expected before the end of the current season, he said.

Total arrivals

Total arrivals during the week increased to 240 tonnes from 232 tonnes the previous week, traders said.

Individual auction average last week was vacillating from Rs 990 and Rs 1,015 a kg.

Total arrivals during the current season from August 1 to March 20, 2011, stood at 7,812 tonnes. Of this 7,640 tonnes were sold.

Arrivals and sales in the same period of the previous season were 7,868 tonnes and 7,773 tonnes, respectively.

Weighted average price as on Mar 20, 2011 was Rs1,013 a kg, up from Rs 734 a kg same day last year.

Trade sources in Bodinayakannur told *Business Line* that the prices for 8 mm bold and graded varieties remained steady at previous weekend levels. 8mm bold with good colour was sold there at Rs 1,300-1,400 a kg, while good colour bulk fetched Rs 1,020-1,050 a kg, while slightly dim colour, Rs1,000-1,020 a kg.

Graded varieties

Prices for graded varieties for a kg in Kumily on Monday were: AGEB — Rs 1,220-1,230; AGB — Rs 1,100-1,150; AGS — Rs 1,060-1,070 and AGS1 — Rs 980-1,000.

Prices according to trade sources in the open market in Bodinayakannur for a kg were:

AGEB (7mm-8 mm) — Rs 1,200-1,210; AGB (6mm-7 mm) — Rs 1,050-1,100; AGS (5mm-6mm) — Rs 1,000-1,050 and AGS 1 — Rs 970-980.

The weather in the growing areas in Kerala's Idukki district remained cloudy with the potential for some showers. It is going to be good for the plants but may turn out to be bad for the market, trade sources said.

EGoM approves 5 lakh tonnes sugar exports under OGL



New Delhi, March 22: The Centre has allowed export of 5 lakh tonnes (lt) of sugar under the open general license (OGL). This was a decision that had already been taken in mid-December, but was kept on hold on account of food inflation worries.

But with food prices softening in recent weeks and in the face of heavy lobbying by industry, an Empowered Group of Ministers (EGoM) under the Finance Minister, Mr

Pranab Mukherjee, has decided to lift the curbs with regard to export of the earlier approved 5 lt quantity.

The EGoM's go-ahead, at a meeting here, has been welcomed by millers, despite white sugar prices in London easing significantly from their \$ 850-a-tonne levels breached in early February. The May delivery contract is currently trading at around \$ 705 a tonne.

“The \$ 705 price is for refined sugar of 45 ICUMSA grade. Indian sugar will fetch a discount of \$ 30-35, which comes to \$ 670-675 or Rs 30,150 a tonne. From this, if Rs 2,000 is deducted towards freight from mill and port handling charges, the ex-factory realisation is Rs 28,150 a tonne. But that is still higher than the Rs 26,000-27,000 a tonne from domestic sales,” said a Maharashtra-based miller.

The 5-lt exportable quantity is likely to be distributed among all factories, pro-rated to their average production in the last three sugar seasons. This exercise had already been undertaken in early-January by the Directorate of Sugar just before the decision to keep the exports on hold and refer the issue to the EGoM.

The EGoM's meeting on Tuesday was preceded by the Agriculture Minister, Mr Sharad Pawar, writing to Mr Mukherjee to relax the suspension on exports. Mr Pawar cited problems of cash flow faced by mills, which, he warned, could lead to a build up of payment arrears to cane farmers.
