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Training in bee keeping

Staff Reporter

COIMBATORE: The Department of Agricultural Entomology of Tamil Nadu Agricultural University will organise a training in bee keeping on April 6 on the university premises.

Techniques

According to a university release, hands-on training will be imparted in identification of bee colonies and their rearing, artificial group rearing of bees, queen bee rearing and production techniques, and identification of natural enemies of bees and their management.

Interested candidates have to reach the Department of Entomology before 9 a.m. A fee of Rs. 150 has to be remitted.

Certificate will be given at the end of training. Candidates can call 0422-6611214, or e-mail to entomology@tnau.ac.in. for details.

Date:29/03/2011 URL: http://www.thehindu.com/2011/03/29/stories/2011032950930300.htm

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Tobacco farmers launch relay fast in Ongole

Staff Reporter

They demand an average price of Rs 120 per kg

Auction boycotted at 11 platforms in Prakasam district TDP farmers' wing leader urges Tobacco Board to intervene

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— Photo: Srinivas Kommuri

Seeking their due:Tobacco farmers at the relay fast camp in Ongole on Monday.

ONGOLE: Concerned over non-realisation of “reasonable" price for their produce, hundreds of tobacco growers on Monday embarked on a relay fast here on Monday.

The farmers boycotted the ongoing auction across the 11 platforms in the district and pitched a tent near the office of the Indian Tobacco Company (ITC) here seeking intervention of the Tobacco Board to facilitate an average price of Rs 120 per kg for their "high quality produce".

TDP farmers' wing district secretary K. Venkaiah urged the Board to intervene in the market and do justice for the growers, who had produced the crop overcoming the impact of cyclone Jal and incessant rains last year which had damaged their seedlings at least thrice.

“Farmers have realised on an average Rs 110 per kg for 3.15 million kg marketed so far, in spite of high quality produce", Tobacco Board former member P. Bhadri Reddy said.

“If the present trend continues we will end up getting only an average price of Rs 85 per kg, which is insufficient to meet even the cost of production and overheads" argued another former and Tobacco Board member M. Bangaru Babu. “We will have no option but to stop tobacco cultivation if the trade and industry do not come to our rescue," he said.

CPI(M)-led Andhra Pradesh Rythu Sangam district secretary N. Ranga Rao, addressing the protestors, said the Board had a responsibility to “ensure a fair price since tobacco is a regulated crop".

Accusing traders of forming themselves into a syndicate, State Tobacco Growers Association ex-chairman C. Seshaiah said it was not proper on the part of the Tobacco Board to leave them in the lurch.

The Board should ensure at least Rs 120 per kg taking into view the increase in cost of cultivation.With auctioning in Karnataka likely to extend by a month or so, traders are not showing eagerness to lift the produce from farmers in Andhra Pradesh paying a higher price, when they could get it at Rs 25 less than that from the ryots in the neighbouring state.

“The growers in Karnataka are still left with 30 to 35 million kg of tobacco", Board sources here said.

The production in Prakasam district this year was 100 million kg as against 89 million kg authorised by the Board, they said.

Date:29/03/2011 URL: http://www.thehindu.com/2011/03/29/stories/2011032965372400.htm

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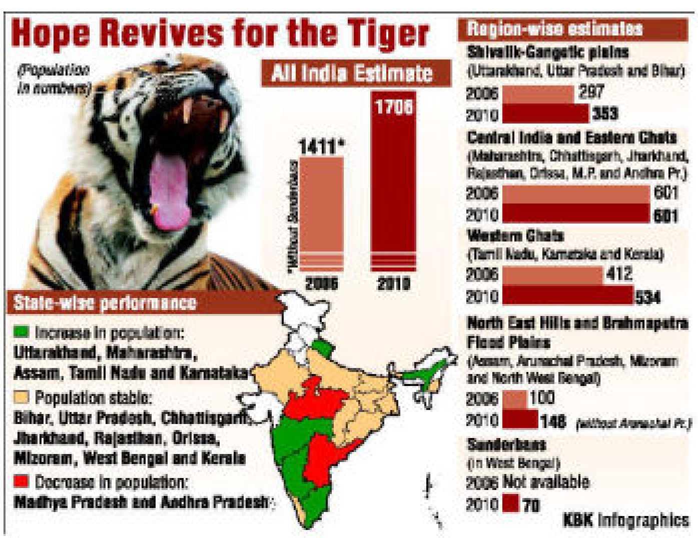
The tiger census counts 1,706; finds 12 per cent growth



NEW DELHI: There is reason for tiger enthusiasts to celebrate: India's wild tiger population has grown 12 per cent in the last four years.

According to the 2010 tiger census, whose results were declared on Monday, there are approximately 1,706 of the big cats in the country, which includes about 70 in the marshes of the Sunderbans, which have never been scientifically surveyed before. The 2006 census had estimated that there were 1,411 tigers, without including any from the Sunderbans.

Thirty per cent of the tiger population lives in areas outside the government's reserves, giving conservationists a new challenge in the effort to protect them.

The celebrations, however, were muted by the decrease in land area where tigers can thrive. “Tiger occupancy areas shrunk from 9 million hectares to less than 7.5 million hectares over the last four years,” said Environment and Forests Minister Jairam Ramesh. “This means that tiger corridors are under severe threat, especially in central India…in Madhya Pradesh and northern Andhra Pradesh.”

Not surprisingly, these are the two States that have fared the worst in the census, with tiger populations falling to 213 in Madhya Pradesh and 65 in Andhra Pradesh.

Successful efforts

The largest number of tigers lives in Karnataka – about 280 – and conservation efforts have been successful in the entire Western Ghats area, with Tamil Nadu and Kerala also seeing good results. The Terai belt of grasslands at the Himalayan foothills in Uttarakhand have also done surprisingly well in nurturing their tiger populations.

While Kaziranga in Assam has 100 tigers, the largest in a single reserve, there are worrying signs from the North Eastern area. These forested hills are capable of supporting far more than the number of tigers that were found in the area, but poaching and the pressure of developmental activities have kept the numbers low.

Planning Commission deputy chairman Montek Singh Ahluwalia and Water Resources Minister Salman Khursheed flanked Mr. Ramesh as he announced the census results.“We can deal with the threat of poachers, of the real estate and mining mafias, but it's much harder to deal with the developmental dynamic," said Mr. Ramesh, pointing to energy projects — whether coal, hydel or nuclear — irrigation schemes, and highway proposals as among the developments endangering tigers and their ecosystem.

"A country of 1.4 billion cannot survive on solar, wind and biogas alone, so we do need commercial sources of energy, but we also need to conserve these forests," he told Mr. Ahluwalia. "We must decide whether we can afford a 9 per cent growth agenda which would destroy our forests and the cultures and livelihoods that depend on them." He added that river linking, hydel and irrigation projects could destroy the Panna, Buxa and Valmiki tiger reserves.

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Tiger population has doubled

P. Oppili

CHENNAI: The tiger population in the State has more than doubled in the past four years in the Western and Eastern Ghats.

A.S. Balanathan, Principal Chief Conservator of Forests and Head of Forest Force, Tamil Nadu, told The Hindu that the tiger census data released by the Union Ministry of Environment and Forests on Monday stated that the big cat population in the State, which was declared as 76 during the 2006 census, had touched 163. The increase was more than 100 per cent, he said. K. Shankar, Professor and Research Co-ordinator, who supervised the census operations in the States of Tamil Nadu, Karnataka and Kerala, said 30 per cent of the tiger population was found outside the Tiger Reserves.

As far as Tamil Nadu is concerned, in the Moyar-Sigur-Sathyamangalam belt alone the authorities recorded the presence of over 50 tigers.

This was one of the factors that contributed to the increased tiger population, he said. In Aanamalai and Parambikulam Tiger Reserves, the authorities counted the presence of 34 tigers. Similarly, in the Kalakkad–Mundanthurai Tiger Reserve and its adjoining Periyar Tiger Reserve, the authorities recorded 38 tigers. Interestingly, the census data revealed the presence of adult animals which were more than one year old, Dr. Shankar said. A marginal increase has been recorded in the population of tigers in Kerala and Karnataka. While Karnataka recorded an increase of 10 tigers, it was 25 in Kerala, he added.

Mr. Balanathan said the State had already planned to declare Sathyamangalam Forest division as the fourth Tiger Reserve.

Date:29/03/2011 URL: http://www.thehindu.com/2011/03/29/stories/2011032960070200.htm

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Introducing students to perils of climate change

Special Correspondent

Thiruvananthapuram: The British Council, Chennai, and the Association of British Scholars, Thiruvananthapuram, in partnership with scientific, educational and literary organisations, will hold a three-day programme for young audience on Climate Change from March 30 to April 1.

The programme will be held at the Museum auditorium.The theme of the event is “Climate change through the Arts.” Programmes include film shows, cartoon exhibition, quiz and painting competition, media workshop on feature writing, radio and TV programme production and a documentary film production on climate change.Visitors to the venue can also view UK Environment film fellowship award winning films on climate change by young directors.

A press note issued by the organisers said the ‘Cartoons for Climate' exhibition was designed to provide a humorous lens to look at one of the biggest threats humanity is facing today. It is aimed at inspiring the audience to take action without sermonising. It forms part of British Council's Low Carbon Futures Project that focusses on mitigating the effects of climate change in an urban environment.

Students in higher secondary schools and undergraduate college can participate. A school or college can register and nominate 10 students as participants to this programme. There is no entry fee. Prizes for the competition and certificate of participation will be issued.The programme will be inaugurated by R.V. Varma, Chairman, Kerala Biodiversity Board.Paul Sellers, Director (South India) British Council, Chennai, will be the chief guest.For details, contact on phone number 94474 29615 or e-mail: abstvm2011@gmail.com

hindustantimes
Tue,29 Mar 2011

Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
Clear	**Tuesday, Mar 29**	Cloudy	**Wednesday, Mar 30**
	Max Min		Max Min
	34.8° | 25.7°		35° | 24°
Rain: 00 mm in 24hrs	Sunrise: 6:08		
Humidity: 81%	Sunset: 18:20		
Wind: Normal	Barometer: 1009.0		

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Mar 31	**Apr 1**	**Apr 2**	**Apr 3**	**Apr 4**
31° | 21°	32° | 22°	33° | 23°	34° | 23°	33° | 23°
Cloudy	Partly Cloudy	Sunny	Partly Cloudy	Cloudy

THE ECONOMIC TIMES
Tue, Mar 29, 2011 | Updated 10.57AM IST

29 Mar, 2011, 04.19AM IST,PTI

Cotton output may rise to 40 mn bales in '11-12

NEW DELHI: Cotton production is expected to be 6.8 million tonnes (40 million bales of 170 kg each) in 2011-12 as soaring prices could spur the farmers to boost planting, according to a report.

Cotton production stood at 33.9 million bales in 2010-11 crop year (July-June), as per the government's second advance estimate released in February.

"The market expects the cotton output to reach a new high of 6.8 million tonnes (4 crore bales) in the next season as the rally in prices is expected to spur the farmers to boost planting," NCDEX, the country's second largest commodity exchange, said in its cotton overview for March 2011. According to Cotton Outlook (Cotlook), a cotton trade journal, cotton production in India for the 2011-12 season is estimated to be 5.9 million tonnes (MT), the report added.

The area under cotton rose by 8.25% to 11 million hectares in 2010-11 and experts believe that area would again rise this year as farmers received good remunerative prices last year. The spot prices for cotton in the domestic markets rose dramatically to peak at Rs 1,270 per 20 kg for Kapas (seed cotton) in Surendernagar on February 10, 2011, the report said.

The price of Shankar 6 variety, a superior variety of cotton, has doubled from around 30,000 per candy to 60,000 per candy (a cotton candy is equal to 350 kg) between August 2010 and February 2011, it noted.

"We expect the area under cotton crop in the country to increase by 15%" Cotton Association of India President Dhiren Sheth said.

On global outlook, the NCDEX's report said world cotton output for 2010-11 season has also been revised from 25.1 MT in February 2011 to 24.9 MT in March. Global consumption estimate has been maintained at 24.7 MT and the end stock has been marginally revised from 9.2 MT to 9.1 MT, it said.

According to the revised estimates of United States Department of Agriculture (USDA), cotton output is expected to go up in India in the 2010-11 season. According to USDA, the output for India, USA, Brazil, Australia and Uzbekistan is pegged at 5.44 MT, 3.98 MT, 1.91 MT, 1.02 MT and 0.98 MT, respectively for 2010-11.

Among the major cotton producers, production is expected to lower in China at 6.42 MT and in Pakistan at 1.91 MT, due to crop damage caused by inclement weather, the NCDEX report said. Global consumption is expected at 25.38 MT in 2010-11, as compared to the expected production of 25.02 MT in the same period, it said.

29 Mar, 2011, 04.17AM IST, P K Krishnakumar,ET Bureau

GI status to spice up branding of unique crop varieties

KOCHI: The Spices Board, under the ministry of commerce, has registered pepper, cardamom, chilli, ginger and turmeric as products that have unique flavour and attributes because they are grown in a specific geographical region of India. This geographical indication (GI) status will help branding these spices as premium products that cannot be matched by similar crops grown in other parts of the world.

The board has obtained GI status for Malabar pepper , Alleppey green cardamom, Coorg green cardamom and Byadgi chilli. The applications for Guntur sannam chilli, Cochin ginger and Alleppey finger turmeric are pending. These spices have a specific colour, flavour or other characteristics that distinguish them from other similar spices grown elsewhere. For instance, the Byadgi chilli from Karnataka is known for its colour while the Guntur variety from Andhra Pradesh is popular for its sharp pungency. The Cochin ginger has less fibre and lends itself well for powdering.

"The GI mark will help in preserving the uniqueness of the product and prevent other countries from taking advantage of it. Several countries are importing pepper from here and re-exporting it as Malabar pepper," said Philip Kuruvilla, MD of Indian Products, a leading spices exporting firm.

The practice is not limited to pepper. Alleppey green cardamom and Cochin ginger are the two varieties which the competing countries Guatemala and Nigeria are trying to cash in on. "The spices grown in a particular region will have special qualities, which can be exploited for increasing the exports. This is why we have prepared a list of spices for GI registration. We have got the approval for some and for the others the process is on," said Spices Board chairman VJ Kurien.

Often the name refers to the trademark and may not always indicate the exact place of origin. This is the case with Alleppey finger turmeric, Alleppey green cardamom and Cochin ginger. These types of turmeric and ginger are grown in the Idukki district but the name Alleppey has stuck on because the latter used to be the main port for shipments till the emergence of the Kochi port.

29 Mar, 2011, 04.14AM IST, PK Krishnakumar & Madhvi Sally,ET Bureau

Chicken soars on costly feed, low production

KOCHI/AHMEDABAD: Costly poultry feed and lower production have pushed up chicken prices in south India . Normally, chicken prices drop when summer approaches.

The prices of maize, the main ingredient of chicken feed, have risen sharply. "Maize prices have gone up by Rs 3,500 to Rs 12,500 per tonne. This, along with a decline in chicken production, have pushed up poultry prices," said B Soundrarajan, MD of Suguna Poultry Farms.

Erode-based SKM Animal Feeds and Foods has raised the prices of poultry feed by Rs 2 to Rs 20 per kg. Ramamurthy, production general manager, said a further increase was in store as maize prices were on the upswing.

Chicken prices are currently ruling in the range of Rs 108 per kg and Rs 112 per kg in Kerala and Tamil Nadu. The prices were less by a half this time last year and the surge in the prices has happened despite the Lent season, when Christians abstain from eating meat. "Fearing a drop in the prices, traders did not stock enough birds for the March-April season this year. As a result, there was a severe shortage in the market which reflected in the prices," said Kochi-based poultry dealer Basheer.

However, the early onset of summer has seen egg prices falling by 30%. The festive period of Navratra beginning form April 2 in the north and the Lent season are expected to keep the prices under pressure, say traders and poultry owners.

"Egg consumption has drastically fallen by 20% to 25%. Prices have come down to Rs 1.85 from Rs 2.60 an egg a fortnight ago. We expect them to further go down to Rs 1.70 by next week," said Rajpura-based Mehta poultry farm owner Sandeep Mehta. He said chicken prices remained stable with a 5% fall in prices at Rs 70 a kg. In Namakkal, Tamil Nadu, egg prices have fallen to

Rs 2.20 an egg from a high of Rs 3.02 two months ago. A drop in consumption and excess stock are the main reasons for the low prices, said Sasikumar, director of Ravi Poultry Farms. As traders are consciously reducing the stock, prices may rise by 10 paise in the coming weeks.

Falling prices have led to an increase in commercial cold-storage of eggs by traders in north India. "Egg prices are very low at this time of the year compared to the last year's rate of Rs 240 for 100 eggs. Major traders across Delhi, Lucknow, Kanpur, Jhansi and Patna are keeping them in cold storage which will be later sold after and during the rainy season," said Faridabad-based Arora Egg Sale owner Surinder Kumar. According to an industry estimate, over 10-12 crore eggs are kept in cold-storage from March to May.

28 Mar, 2011, 01.09PM IST,Reuters

Jeera, turmeric trade lower; pepper steady

MUMBAI: India jeera futures traded lower on Monday afternoon weighed by mounting supplies of the new crop, analysts said.

The most-active April jeera on the National Commodity and Derivatives Exchange (NCDEX) was trading 0.95 percent lower at 15,730 rupees per 100 kg at 12:42 p.m.

India's jeera exports in April-January fell 36 percent on year to 26,000 tonnes.

As on Jan. 10, the acreage under jeera in Gujarat stood at 244,600 hectares, marginally higher than 242,700 hectares sowed a year ago, said J.H. Suthar, deputy director, state farm department.

In India, jeera is cultivated during winter from October to December, and harvested in February-April.

"The jeera April futures are projected to continue the losses on active selling initially on Monday. Increasing arrivals at spot market might also pressurize the prices. However, prices are likely to resume upside later in the day on fresh buying at lower levels," said Veeresh Hiremath, senior analyst with Karvy Comtrade.

Daily supplies in Unjha have risen to 22,000-24,000 bags of 55 kg each against 15,000-17,000 kg during the start of the month.

PEPPER: India pepper futures were steady on Monday weighed by weak export demand, though limited supplies in the spot market kept the downside limited, analysts said.

The most-active pepper April contract was trading 0.36 percent lower at 24,400 rupees per 100 kg.

Unseasonal rain during October-December affected the yield of pepper vines and is likely to slash the output for this year, industry officials said.

Weakness in export demand, however, may weigh on sentiment. India's pepper exports in April-January fell 7 percent on year to 15,700 tonnes.

"The pepper April futures are projected to continue the positive trend initially on Monday. Active buying interest might support the prices. However, prices are likely to witness decent corrections on profit booking," said Hiremath.

TURMERIC: India's turmeric futures fell more than half a percent in afternoon trade on Monday on rising spot supplies and weak demand, analysts said.

Supplies from the new season crop have been rising continuously in the spot market after farmers expanded area, lured by higher prices last season.

"Turmeric is witnessing a downtrend in the spot prices due to higher supply and its effect is felt on future price also. There could be some more decline in its prices," said Faiyaz Hudani, senior analyst at Kotak Commodities.

At 12:43 p.m., the most-traded April turmeric was down 0.64 percent at 9,580 rupees per 100 kg.

In Erode, a key market in Tamil Nadu, arrivals have risen to 20,000-25,000 bags of 70 kg each against 10,000-15,000 bags at the start of the month.

Hudani expects turmeric April contract to extend losses to 9,200 rupees per 100 kg in short term.

Business Standard

Tuesday, Mar 29, 2011

Punjab sugar output touches 2.95 mn quintals

Vijay C Roy / New Delhi/ Chandigarh March 29, 2011, 0:57 IST

The increase in the sugarcane area in Punjab and better recovery percentage has yielded its results, as the sugar output in the state has increased dramatically over the last year. According to the data, sugar output in the state touched 2.95 million quintals in the current crushing season as compared to 1.82 million quintals during the corresponding period last year.

The total area under sugarcane cultivation in Punjab was 84,000 hectares this year while last year it was 60,000 hectares. Speaking to Business Standard, senior officials in the cane commissioner office said, “The sugar output in the state touched 2.95 million quintals this crushing season as compared to 1.82 million quintals last season. The crop was very good in the current season, as 16 sugar mills in the state crushed 34 million quintal of sugarcane this season and the recovery was 8.7 per cent. The increase in output is mainly because of increase in area coupled with expectations of better recovery (of sugar) as compared to last year." While last year 15 sugar mills in the state crushed 21 million quintals of sugarcane and the recovery rate was 8.59 per cent.

It is worth mentioning that last year the sugar output in Punjab touched a historic low of 1.82 million quintals owing to shortage in cane crop and lower crushing. According to the state government data, the output is lowest in the state's history after 1980-81. The data states that in 1980-81, the sugar output in the state was 519,000 quintals and thereafter it kept on increasing. Agriculturists are of the view that with farmers shifting their preference towards wheat and paddy, the consistent fall in area under cane cultivation has badly affected the sugarcane production in the state, thus reducing the output.

Also, last year, due to shortage of cane, all the nine co-operative sugar mills in the state having crushing capacities of 15,766 TCD (tonnes crushed per day) has been affected. The crushing season has been reduced to 42-46 days last season. Even the picture of the private sugar mills was not very rosy. In order to keep themselves running, the seven mills in the private sector had to shell out anywhere between Rs 240 and Rs 270 per quintal to growers. The installed capacity of all the seven sugar mills in private sector is 31,000 TCD.

According to officials in the government their average crushing season was reduced to 85-90 days last year. While this year, even the average crushing season of the mills in both private and public sector was about 100-110 days.

Black pepper prices to rise on low output

George Joseph / Kochi March 29, 2011, 0:22 IST

Black pepper prices may rise this year due to an estimated decline in the global production of the commodity. Anticipating low supply in the pepper mart, the Asta grade variety was on Monday quoted at $5,600 a tonne compared with $5,500 a tonne yesterday.

There may be a shortfall of 33,000-35,000 tonnes as global production of the spice is pegged at 257,000 tonnes for this year. Last year total production was 290,700 tonnes.

A sharp decline is projected in countries like India, Indonesia, China and Brazil while production will be static in Vietnam, Malaysia and Sri Lanka. The position of Indonesia would be more critical as this year its production is likely to be 10,000 tonnes due to adverse climatic condition.

In 2010, their production was 30,000 tonnes and had a carryover stock of 15,000 tonnes, aggregating a total supply of around 45,000 tonnes. But, for the next crop season, scheduled for this July, the total output might be 10,000 tonnes and their carryover stock is negligible. Due to aggressive selling last season, almost cent per cent of their stock was sold.

Similarly, in India production will drop to 40,000 tonnes from the usual 55,000 tonnes.

In Kerala, output was poor and the harvesting season is nearing to an end. Now, crop from Karnataka is coming to the terminal market in good quantities and the total size from there is estimated at 25,000 tonnes. So the global supply from India will be poor this year as the country needs more than 40,000 tonnes for its domestic consumption.

In Brazil and China, output may decline 10,000 tonnes and total production this year might be 30,000 tonnes each from these two countries.

A total 110,000 tonnes production is estimated in Vietnam, the largest supplier of the spice, Malaysia will have a normal crop of 15,000 tonnes and production in Sri Lanka will be 12,000 tonnes. The aggregate production of other small producing countries is pegged at 10,000 tonnes, taking the total global production to be 255,000 -260,000 tonnes this year. There may be a carryover stock of 40,000 tonnes only.

The only major supplier which will have normal crop size is Vietnam, so the global pepper mart will depend more on Vietnam in order to meet the demand. Interestingly, global demand is on an increase as the US, West Asia and Europe buy more pepper. Local demand in countries like India is also on the increase. In 2010, total consumption was 320,000 tonnes and this may increase five per cent this year. So, a weak supply will add more pressure on the price line this year.

According to experts, July onwards, global market will have to depend more on supply from Brazil and Indonesia and if their supply is weak, the prices might shoot up. to $6500 a tonne in the second half of the current year.

In view of these market conditions, Vietnam is not so aggressive in selling the fresh crop and they adopted a more controlled selling strategy this time. Also, rain affected the harvesting and processing during the last couple of weeks.

Higher MSP for cotton, sunflower soon

Anindita Dey / Mumbai March 29, 2011, 0:21 IST

The Commission for Agricultural Costs and Prices may recommend higher prices in its report.

The Commission for Agricultural Costs and Prices (CACP) may recommend higher minimum support price (MSP) for cotton and sunflower in its report.

“Cost of production for most crops have gone up by 10-30 per cent over the last year, due to higher inputs costs like labour and fodder. Cotton has fetched higher market prices compared to its MSP of Rs 2,500-3,000 a quintal. Similarly, sunflower, one of major oil seeds in India, needs to be self sufficient.

Higher MSP for sunflower will encourage farmers to grow more. For both cotton and sunflower, MSP may go up by Rs 1,000-1,200 a quintal,” said a highly placed sources in the ministry, closely associated with the development.

GOOD PROSPECTS		
Crop	MSP (Rs/quintal)	Market price Rs/quintal (2010-2011)
Paddy	1000	900-1220
Cotton	3000	6100-6900
Jowar	880	950-1050
Bajra	880	750-2200
Ragi	965	--
Maize	880	840-1190

Tur	2800	5900-6500
Moong	3170	3300-3600
Groundnut (with shell)	2300	3200-3800
Soyabean	1400	2000-2100
Sunflower	2350	2400-2750
Sesame	2900	2600- 2800
Nigerseed	2450	20000

Annually, CACP recommends MSP for kharif and rabi seasons and it is expected to submit its recommendations soon for the 15 kharif crops for 2011-12. Based on the report, the ministry of agriculture decides the MSP for various crops.

The review covers 15 kharif crops – cereals: paddy, jowar, bajra, maize , ragi; pulses: tur, urad, moong; oil seeds: groundnut, soyabean, sunflower, sesame, nigerseed and fibre crops: cotton and tobacco.

Paddy has also gained significance as it is a staple cereal crop grown in most parts of India but consistent lower MSP is squeezing the fair share for farmers. MSP for paddy may be increased by Rs 80-100 per quintal, official sources said.

For all other crops, prices may go up in the range of Rs 5-10 per kg to a maximum of 20-30 per cent, sources said, without divulging more details.

Besides, the report may recommend waiving off mandi tax for lowering wholesale and retail prices for foodgrain and entry of private retail trade in procuring foodgrain under the public distribution system alongwith Food Corporation of India. It is also of the view that if the cost of production of a certain crop is very high and international prices are ruling low, it is better to import the item instead of increasing the cost for consumers.

“At present, on an average 50 per cent of farmers have been covered under MSP. Therefore it may be suggested that if a farmer is not covered under MSP then there must be other compensatory mechanism besides a strong pitch for focused agricultural budget for seed and technology development."

"Since productivity of Punjab and Haryana has already peaked, the focus should now shift to a second green revolution in eastern states. Punjab and Haryana may grow other crops like sunflower," the official said.

CACP is of the view that higher inflation is not due to MSP or high price of foodgrain but due to higher prices of meat, diary products and fish.

MSP analysis has been done from two angles — the farmers covered under MSP and the share of the total production covered under MSP.

Determination of MSP takes into account cost of production, changes in input prices, input-output price parity, trends in market prices, demand and supply, inter-crop price parity, effect on industrial cost structure, effect of cost of living, effect on general price level, international price situation, parity between prices paid and prices received by the farmers and effect on issue prices and implications for subsidy.

Ruchi, Godrej plan more oil palm plantations

Rajesh Bhayani / Mumbai March 29, 2011, 0:19 IST

Edible oil producing companies such as Ruchi Soya and Godrej Agrovet are planning to expand their raw material sourcing base. The Rs 300 crore subsidy for developing oil palm plantations in the new Union budget has provided another impetus to producers in this regard.

The Ruchi group has 33,595 hectares of oil palm plantations at various locations. It has planned to expand this to 100,000 ha in the next five years. Godrej Agrovet, a Godrej Group company, has 33,000 ha under plantations and is looking for opportunities to expand this. The area under oil palm plantations in India is estimated at 13 million ha.

"We are looking at investing around $150 million (Rs 675 crore) in the palm plantation business globally, of which Rs 80-100 crore will be spent in India," said Dinesh Sahara, managing director, Ruchi Soya ltd. The Ruchi group is looking at opportunities to take long-term land leases for palm cultivation at various locations globally. “We have identified Africa and Asia as thrust areas for this,” he said.

Ruchi already has 25,000 ha in Ethiopia and expects more land tobe allotted there in the near future. In Cambodia, it has asigned an agremment with the govenrment and looks forward to begin cultivation soon.

“Godrej Agrovet is also looking for developing and acquiring more plantations, if available at the right price,” said R R Govindan, vice president. The company has joined a consortium formed by the Solvent Extractors’ Association to grow soybeans in Uruguay.

Godrej Group’s international plantations operations are being managed by Godrej international. Its director, Dorab Mistry, said, “Godrej International, in partnership with local interests, has a land bank of about 11,000 hectares in East Kalimantan province of Indonesia. Planting is about to start on some of that land.”

Godrej will only acquire degraded forest land and clear it in a sustainable manner and then proceed to plant oil palm. “We have no plans to buy mature plantations,” he said.

By industry estimates, going by the availability of sprouts with the industry, in the next one year, 40,000 ha can be covered under oil palm plantations with the additional support and subsidy announced in this year’s budget.

Government subsidy will include the cost of sprouts (plants developed in nurseries which are generally provided by these companies to farmers) and subsidy towards fertiliser and a few other farm expenses. The subsidy is needed for the first three-four years; after this, the tree starts bearing fruit for 25 years.

Tur import prices fall on domestic crop arrival

Sadananda Mohapatra / Kolkata/ Bhubaneswar March 29, 2011, 0:19 IST

Import prices of tur, which were hovering around $1,100 per tonne at Indian ports until first two weeks for February, have come down to as low as $850 per tonne recently, weighed down by Indian crop harvest, said traders and analysts.

New crop tur has started arriving in spot markets of Karnataka, Maharashtra and Madhya Pradesh and thus have pressurised the local prices. Tur is currently trading at 35-37 rupees a kg, down by 5-10 rupees from January. Similarly tur dal prices are trading at 50-55 rupees a kg in key wholesale markets, down by 5-10 rupees.

"We are expecting Indian crop size this year at around 22 lakh tonne, which is lower than usual 23-24 lakh tonne output. But it is still higher than what we had estimated a month ago because of adverse weather in key growing areas during crucial growth period," said Reena Gomes, agro-trading manager with Indore-based Ruchi Group.

Tur is planted in summer season in Jun-Jul period and is harvested next Mar-April. India imports around 3 to 4 lakh tonne tur annually from Myanmar and African countries to meet its 27-28 lakh tonne demand.

"The import rates shot up in January because of chilly weather in key growing areas of Madhya Pradesh and Maharashtra. But as weather concerns eased, the prices declined too," said Gomes.

Besides, lower domestic demand for the pulses also affected the rates, commented experts.

"Currently cheaper vegetable is eating away the market of tur. Once the vegetable supplies start fading, we hope tur prices may go up post-April", said a Mumbai-based pulses analyst.

Amidst lower demand and expectation of better availability of the pulses, India has scaled down imports, thereby affecting the rates , added Gomes.

"Currently the PSUs (public sector trading units) are not buying on large scale basis, which is why the prices are lower. On the other hand, the crop size is good in Burma. So I don't think prices will shoot up like last year," said the Ruchi Group official.

Tur dal prices had skyrocketed to Rs 100 per kg last year on production short fall in both domestic and global key producing areas.

Sugar industry petitions Centre for early exports

Sanjay Jog / Mumbai March 29, 2011, 0:14 IST

The sugar industry has petitioned the central government to formally issue the trade notice allowing exports of 5,00,000 tonnes of the sweetener at the earliest.

The Centre had taken the decision to allow exports under the open general license on March 22 but is yet to formally announce the same. Industry insiders say it takes about three to four weeks from the day of the notification for exports to start and exports have already been delayed by almost three months.

So far, India has produced 20 million tonnes of sugar against the target of 24.5 to 25 million tonnes. The Maharashtra Commissioner of Sugar has already set up a special cell to facilitate exports.

Sugar industry sources told Business Standard: “The market sentiments are dull and they have not positively responded to the Centre’s decision allowing 5,00,000 tons of exports. The decision has come three months late.”

“On January 1, the then food minister Sharad Pawar had proposed exports of 5,00,000 tonnes and issued mill-wise quota. He had also assured that within three days the mills will be given clearance for exports. Based on his assurances the export deals were to take place but the whole scheme was put on hold till the EGoM approved it on March 22.”

Sugar producers expect better results ahead

Dilip Kumar Jha / Mumbai March 29, 2011, 0:12 IST

Export okay, higher stock limits enourage bullish cues; industry urges more on these lines.

With government policies gradually turning favorable, sugar producers are expecting a turnaround in their fortunes in the next quarter. Official permission to export 500,000 tonnes of sugar and increase in stock limits are boosters announced by the government last week.

Taking a bullish cue from these, sugar prices have started firming up, while sugar companies’ share prices have also risen in recent days (see graphics). Sugar ex-factory prices have started improving and are now quoting above cost for most mills. Covering of sugar for exports and the demand for higher stock could lead to some more increase in sugar prices in the weeks to come.

SWEET RETURNS
Prices • Ex-factory sugar prices up Rs 100 a quintal to Rs 2850 (M) a quintal in the last three days • Spot price also up by Rs 100 a quintal to Rs 2,841-2,926 a quintal (M-30) in three days, similarly, small sugar (S-30) quality shot up to Rs 2,801-2,841 a quintal. International prices have also improved after a fall making sugar exports profitable and projected to remain high over concerns that cool, wet weather may be causing some production problems for Brazil's sugarcane crop, according to traders. **Government's initiatives** • The government allows 500,000 tonnes of exports • Stock limits were also raised to 500 tonnes from the existing 200 tonnes permission to carryforward unsold free sale quota to next month **Industry demands** • The industry has demanded to allow 1 million tonnes of further exports **Industry scenario and outlook** • Average cost of production at Rs 28 a kg, average cost of selling between Rs 28-30 a kg for Indian producers. This means, producers will break even or make marginal profit. Next quarter looks lucrative

due to favourable government decisions. if price stays above Rs 30, companies will do better

Narendra Murkumbi, president, Indian Sugar Mills Association, termed the government's steps the beginning of a turnaround.

While 500,00 tonnes of export has been allowed, the sugar federation in Maharashtra has demanded to be allowed to export another million tonnes. This is, they say, the exportable surplus, with 25 mt of output this year and 23.5 mt estimated consumption. With an estimated 4.8 mt of carryover stocks, the government may create buffer stocks for market intervention, when required.

"One positive indication is that the government has understood the situation the industry was passing through. The government has also realised that the industry is facing a real problem in selling the allotted monthly quota and, therefore, the producers are getting extension for selling in the subsequent month. This has avoided distress sale at the mandatory levy price," said Sanjay Tapriya, Director - Finance of Simbhaoli Sugars Ltd.

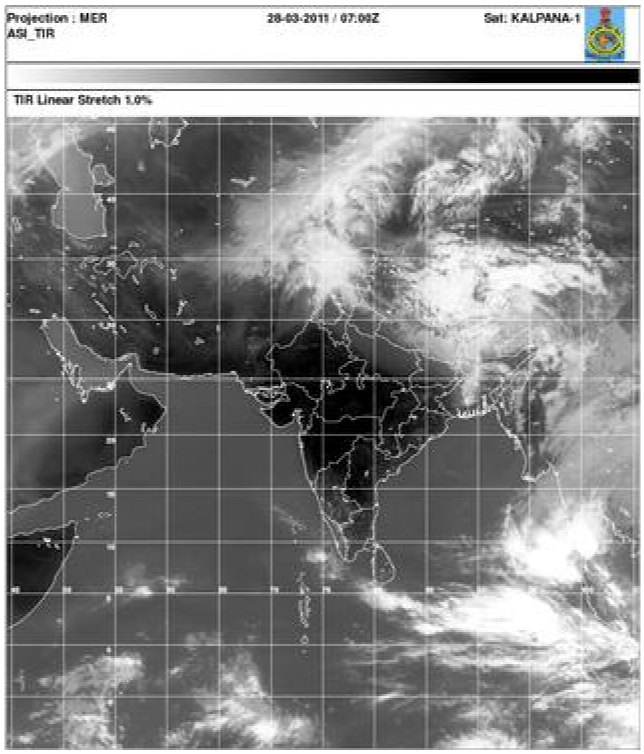
The quarter ending March 31 is likely to remain subdued for a majority of producers because of the lower sale price, compared to the average cost of production. Most sugar companies are expected to end this quarter with a break-even or some profit on gross business from selling sugar. But, "given the fact that the government has started thinking in the right direction, the next quarter will be profitable, provided the steps continue to remain favourable for industries," said Sageraj Baria, an equity analyst with Mumbai-based Angel Broking.

If further exports are allowed or any buffer norm for sugar is set, the industry will benefit at large. Baria sees sugar prices also improving for the export market and the domestic market in the weeks to come.

The increase in stock limit means large consumers such as cold drinks' and sweets' manufacturers would be able to procure a larger quantity of sugar at a competitive price. This will also increase pipeline inventory. The onset of summer is expected to increase the demand for sugar from ice cream and soft drink makers.

THE HINDU Business Line

Busy weather unfolding over plains of northwest, east India



A prevailing western disturbance straddling north Pakistan, adjoining Jammu Kashmir backed up by mutually perpendicular upper

March 28, 2011:

A prevailing western disturbance straddling north Pakistan, adjoining Jammu Kashmir backed up by mutually perpendicular upper air trough formations have lit up the skies over northwest east,east-centralsouthern peninsular India. An India Meteorological Department (IMD) update on Monday morning said that the western disturbance would continue to affect the western Himalayan region for a couple of days.

The cooler northwesterly flows would be made to rise over the heated up plains of northwest, east India thanks to intense convective activity, which could throw up varyingly violent weather in these regions. This apart they are expected to charge up the atmosphere downstream as two potential ‘minefields’ lie in wait - an upper air trough running down from east Uttar Pradesh to north Orissa coast topped up by an embedded cyclonic circulation over east Uttar Pradesha,counterpart from Vidarbha to southeast Tamil Nadu.

The air is already in churn within these formations what with some moisture form adjoining Bay of Bengal finding its way in providing sufficient fuel for convection. An IMD weather warning valid for the next couple of days has said that isolated thunder squalls with wind speed exceeding 60 km/hr would affect east Uttar Pradesh, Bihar, Jharkhand, West Bengal, Sikkim, north Orissa, the Northeastern States.

Isolated dust storms or thunderstorms would occur over plains of northwest India as well. Meanwhile, towards the southeast, the active easterly wave in the Bay of Bengal has thrown up a low-pressure area over south Andaman Sea. Isolated heavy rain has been forecast over Andaman Nicobar Islands until Wednesday morning. An IMD update on Monday morning said that isolated rain or snow, occurred over Himachal Pradesh until the previous (Sunday) evening. Widespread rainfall occurred over Andaman Nicobar Islands while it was isolated over Assam, Meghalaya, West Bengal, Sikkim, south interior Karnataka, Tamil Nadu.

Maximum temperatures rose by 1 to 2 degree Celsius over isolated pockets of northwest central northeast India. They fell by 2 to 5 degree Celsius over parts of West Bengal, Sikkim, changed little elsewhere. They were above normal by 2 to 5 degree Celsius over parts of northwest adjoining central India below normal by 2 to 4 degree Celsius over parts of West Bengal, Sikkim Assam.

The highest maximum temperature of 41.1 degree Celsius on Sunday was recorded at Barmer in Rajasthan. Maximum minimum temperatures may look slightly up over the plains of northwest India by 2 to 3 degree Celsius over west central India over the next couple of days. Satellite pictures early on Monday morning showed the presence of convective clouds over parts of Jammu Kashmir, southeast Bay of Bengal, Andaman Sea.

A short-term forecast said that fairly widespread rain or snow would occur over Jammu Kashmir, Himachal Pradesh scattered over Uttarakhand until Wednesday. However it may become fairly widespread on tomorrow (Tuesday). Widespread rain or thundershowers would occur over Andaman Nicobar Islands. Fairly widespread rain or thundershowers would occur over the

Northeastern States; scattered over Bihar, Jharkhand, West Bengal, Sikkim, Kerala, Tamil Nadu; isolated over east Uttar Pradesh, Chhattisgarh, Orissa the rest of south peninsular India.

Extended forecast valid until Friday said that widespread rain or thundershowers would occur over Andaman Nicobar Islands, the Northeastern States with isolated heavy falls over Andaman Nicobar Islands.

Meet to fix Bt cottonseed prices ends in stalemate; Govt decision this week

Hyderabad, March 28:

With cottonseed sales season fast approaching for the kharif season, the Andhra Pradesh Government is evaluating opinions from farmers, seed growers, seed companies and technology provider (Mahyco-Monsanto) to finalise prices for Bollgard-I (BG-I) and Bollgard-II (BG-II). A decision in this regard is expected this week, most probably in a day or two.

There were heated arguments at the Monday meeting, the second such meeting in 10 days, after a Mahyco-Monsanto executive argued that trait value in India was the lowest and that it was just a fraction of the benefits farmers reaped. Representatives of farmers' organisations opposed any move to increase the seed prices.

Though there was no consensus among stakeholders on the issue of royalty and cost of production (to companies and seed growers), a seed company representative told *Business Line* that the Government would take cue from the North Zone price of Rs 1,000 (for a packet of 450 gm) for BG-II and Rs 850 for BG-I.

Seed companies have demanded the Government should allow them to sell the seed at Rs 1,050 (BG-II) and Rs 750 (BG-I) against Rs 750 and Rs 650 respectively.

North Zone cue

Prices in the North Zone, which comprises Punjab, Haryana and Rajasthan, have gone up from Rs 925 to Rs 1,000 for BG-II and Rs 750 to Rs 850 for BG-I. “Sales cycle begins early there and they approved the hike. We might also see a similar increase if not more,” the representative said. North Zone price could act as guidance for the Central and Southern Zones which consist of the cotton growing States of Maharashtra, Gujarat, Andhra Pradesh and Tamil Nadu.

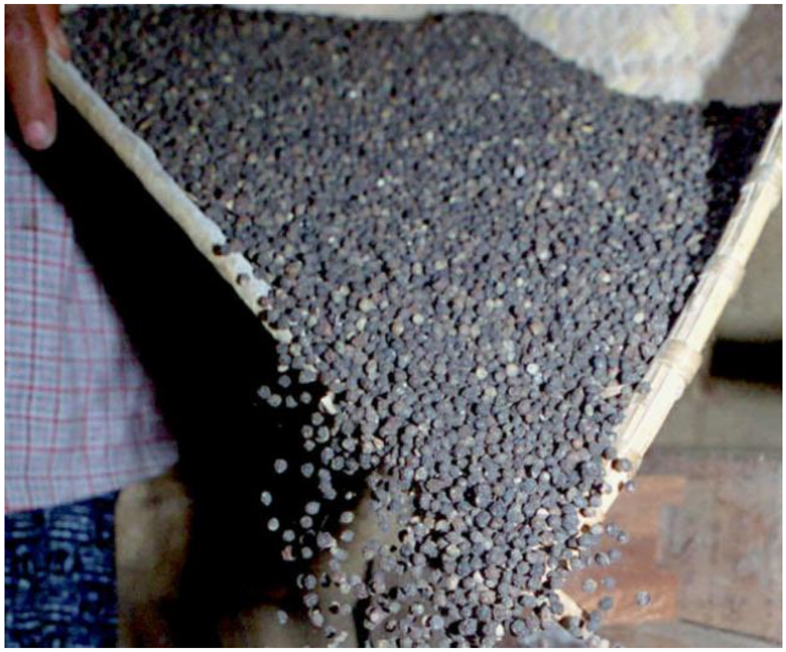
Mr Sunil Sharma, the Commissioner for Agriculture, and an agri-economist, Prof Aldas Janaiah of Acharya N G Ranga Agricultural University, have refused to buy the Mahyco-Monsanto's argument that trait value was just a fraction of farmers' income.

“Prices are generally fixed based on their cost of production and not on the utility value of the products,” they argued.

Representatives of farmer organisations affiliated to Congress, BJP, CPI and CPM have strongly opposed any move to increase the seed prices.

On the other hand, they demanded that compensation for seed growers should be increased and royalty value decreased.

Pepper market head south on liquidation



Pepper being packed at a godown

Kochi, Mar 28:

The pepper futures market on Monday fell sharply on heavy liquidation and selling pressure.

More sellers came forward offering at Rs 10 below the April delivery price earlier in the day and thus it was traded in good quantity at Rs 236, Rs 235 and Rs234 a kg when the April price was ruling at Rs246, 245 and Rs 244 a kg respectively. However, when the April delivery price dropped to Rs243 and below the sellers withdrew, market sources told Business Line.

Similarly, low bulk density inferior quality pepper was also traded at Rs 227 to Rs 230 a kg in small quantity. They were also said to be not ready to sell below Rs 227a kg due to a squeeze in availability. This material was not from the farmers. It is a mixture of rejected pepper bought from the exporters and then mixed with some good pepper and traded in markets where low quality material is in demand, they said.

However, bulk trading took place in good quality pepper, they said.

The futures market fell on heavy liquidation, over 400 tonnes of pepper were liquidated and 284 tonnes were switched over. April contract on the NCDEX dropped by Rs 379 to close at Rs

24,109 a quintal. May and June fell by Rs 325 and Rs403 respectively to close at Rs 24,463 and Rs24,744 a quintal.

Total turn over increased by 1,642 tonnes to close at 10,738 tonnes. Total open interest dropped by 409 tonnes to 10,756 tonnes indicating heavy liquidation.

April open interest dropped by 709 tonnes to close at 7,881 tonnes while that of May and June moved up by 236 tonnes and 48 tonnes respectively to close at 2,421 tonnes and 320 tonnes indicating switching over.

In the international market good buying by Dubai based operators and Chinese buyers from Vietnam said to have pushed the prices of Vietnam pepper up last week. The former is believed to be instrumental in pushing the Indian futures market also, trade sources alleged.

Indian parity in the international market on Monday was at $5,650 -$5,675 a tonne (c&f). The price trend in other origins would be known on Tuesday, they said.

Cardamom slips marginally on low buying

K_K_Mustafah Harvested cardamom at a collection centre near Kochi. Cardamom arrivals are expected to increase from next week as harvesting will be on in full swing. As cardamom growing areas in Kerala receiving incessant rains for the past days which will harmful to plants as it may lead to decaying of stems, pinnacles and young fruits. Such weather conditions might pave the way for the onset of fungus, according to farmers. Digital Picture By K_K_Mustafah.03/09/2010

Kochi, March 28:

Cardamom prices were marginally down due to sluggishness in the market at auctions held last week in Kerala and Tamil Nadu. Both up country dealers and exporters were not active; and were covering only small quantities.

The reasons attributed to the bearish sentiments were liquidity crunch due to the financial year closing and inferior quality of the material arriving from the present picking, trade sources said.

Acute shortage of labour led to deployment of unskilled workers for picking and they have harvested even immature capsules. Consequently, arrivals were small in size and of light weight, they said.

Rains in the growing region last week have given the impression that it would reduce the gap between the current crop and the next crop and this in turn has helped create a bearish sentiment in the market.

Better crop

With good farm management, improved irrigation facilities coupled with the timely summer rains, harvesting might continue throughout the year without any break as the plants are healthy and yielding.

Apart from these factors, some have opined that the good quantity of material was being held by major growers and primary market dealers. All these factors contributed to create a bearish sentiment in the market. As a result, the buyers have slowed down their activities.

Exporters bought only an estimated five tonnes last week, they said.

At the Sunday auction conducted by the KCPMC stood at 48 tonnes and of this two tonnes were withdrawn. The maximum price was at 1,300 a kg while the minimum was at Rs 695.50 a kg. The Auction average was at Rs 960 a kg, Mr P C Punnoose, General Manager, CPMC told

Business Line. He said the individual auction average price was vacillating between Rs 1,000 and Rs 950 a kg last week.

Total arrivals during the current season from August 1 to March 27 stood at 8,237 tonnes. Of this 8,031 tonnes were sold.

Arrivals and sales in the same period of the previous season were 8,262 tonnes and 8,084 tonnes respectively. Weighted average price as on March 27, 2011 was Rs 1,101.70 a kg, up from Rs 801.84 a kg same day last year.

Prices for graded varieties in Rs/kg in Kumily on Monday were: AGEB 1,245-1,255; AGB 1,145-1,155; AGS – 1,115-1,125 and AGS1 – 1,095-1,105. Prices as per trade sources in the open market in Bodinayakannur in Rs/kg were: AGEB (7-8 mm) 1,225-1,235; AGB (6-7 mm) 1,125-1,135; AGS (5-6mm) 1,100- 1,115, and AGS 1– 1,075-1,085. The weather in the growing areas in Kerala's Idukki district were favourable for the crop as the estates received rains on two days last week. It is going to be good for the plants which may continue yielding through to the next season, growers said.

Delay in sugar export decision will cause Rs 250 cr forex loss

Mumbai, March 28:

The Government may have got the timing wrong in respect of five lakh tonnes sugar export announced recently. The delay in taking a positive decision will cost the country up to Rs 250 crore by way of loss of foreign exchange earnings via lower prices.

The final decision has come at least two months too late. From their peak levels, world sugar prices have declined during the last several weeks by about 20 per cent. This forces India as an exporter to realise lower export prices, an invisible loss the country will suffer.

World prices have declined from the peak of well over $800 a tonne by over 15 per cent. Indian sugar will currently fetch about $100 a tonne lower than it would have commanded say two months ago. Loss of $100 a tonne translates to an aggregate loss of $50 million equivalent to well over Rs 225 crore on export of five lakh tonnes.

Mills ready for exports are heaving a sigh of relief over the announcement to permit export, but are tight-lipped about loss of lucrative export prices.

Although the world sugar market was somewhat rattled initially by India's announcement of five lakh tonnes export, it managed to stabilise soon. The market is trading at around 28 cents a pound, having declined from the peak of 34 cents a pound a couple of months ago.

No further dip

However, given the tight global demand-supply fundamentals, world prices are most unlikely to decline further, despite India's decision to ship out half a million tonnes. The macroeconomic picture is supportive of a firm sugar market.

Crude oil is trading well above $100 a barrel with little prospect of correction anytime soon. Support is also coming from firm grain markets following tightening fundamentals, weather concerns and Chinese demand.

While these external factors are likely to keep the sugar market steady on pullbacks, fund activity in the sugar counter is not pronounced. Because of tight balance sheet, even a small change in either demand or supply will see speculative capital rushing to the market, which will have a disproportionately larger impact on prices.

Brazilian exports

On the other hand, on every advance in price, Brazilian exporters will be sellers as the harvest season approaches. What can trigger a price surge from current levels are weather concerns in the southern hemisphere. Brazilian centre-south production on a best case basis might not be much better than last year's reduced level, commented an expert.

Back home, one can expect sugar market to begin to firm up and reach Rs 3,000-a-quintal level soon, a gain of about 10 per cent. Directionally, what is important is whether cane planting for 2011-12 will be at least 50 lakh hectares, same as previous year. In the event, and of course subject to normal southwest monsoon, cane production next season should match at least current year's.

Domestic demand

But there is nagging feeling that domestic demand is underestimated, consciously or otherwise. The economy is growing at a robust rate and incomes are rising in the hands of over a third of the population. Demand for foods – all kinds including processed, ready-to-eat foods – is rising rapidly. Sugar is a critical ingredient for many food products. Institutional demand is rising rapidly.

If we have to keep sugar prices on leash and also produce some export surplus, our sugar production must expand by over 10 lakh tonnes every year from the current level. This calls for concerted effort by all stakeholders.

Cashew market sluggish on lack of buying

Business Line
Kochi, March 28:

The cashew market was quiet last week, after two weeks of good activity in all markets, for want of buying support.

Buyers were bidding 5-10 cents lower last week but there was no selling interest at the lower levels, trade sources said. However, some stray business was done for W240 at around $4.45, W320 at around $4.05, SW320 at around $3.80, splits at around $3.40 (f.o.b.), they said.

Meanwhile, some markets paid few cents higher for W240 and W320.

Indian domestic market has been quiet for almost a month and inventories at consuming centres are running low and, hence, activity is expected to pick up in April, Mr Pankaj N. Sampat, a major Mumbai-based dealer, told *Business Line*.

Africa arrivals

Raw cashew nut (RCN) market is steady, he said. Benin is at around $1,600, Ghana and Ivory Coast (IVC) at around $1,450, Nigeria at around $1,400 (c&f). Shipments from Nigeria and Benin have started. Shipments from Ghana and Ivory Coast are expected to start soon.

Vietnam scene

Shellers hope that movements of RCN in IVC– and more importantly, shipments to India and Vietnam – will pick up in April and provide relief from the tight supply and high prices. However, unseasonal rains in Vietnam are causing concern, he said. Drying is going to be a problem due to the rains and it will affect kernel quality/yield.

Crop size may also be lower if rains do not stop. Situation needs to be watched closely, he said.

Due to the late crops in India and Vietnam and slow shipments from West Africa, processing in April (and may be even May) will be lower than normal. This could lead to squeeze in kernel supplies in the second quarter unless the off take in first quarter is much lower than normal, Mr Pankaj said.

Trading pattern

For the time being, there seems to be nothing that will change the trading pattern – everyone in the chain will continue to operate for the short term and refrain from taking any large forward positions. “This means, there will be regular bursts of activity followed by some quietness. Each burst will mean a dip or spike in prices, depending on who/what initiates the activity. This pattern will keep the market moving around the current range unless there is some big improvement in RCN flow or there is a big kernel demand”, he said.

A trend change, as discussed earlier, will happen “only if there is a big drop in off take in several markets together or there is a sudden pressure of RCN arrivals (or there is some big external development).

Otherwise, it will take several months for supply-demand balance to be restored and prices to soften from the current levels”, he added.

Urea decontrol: Govt to meet fertiliser cos in

Business Line Farm worker spreading fertilizer at a paddy field (file photo): K K Mustafah
New Delhi, Mar 28:

The Fertiliser Ministry today said it will hold a meeting with the industry in the next 2—3 days to discuss decontrolling of urea in line with potassic and phosphate fertilisers.

This decision was taken at the meeting of the Committee of Secretaries (CoS), which is studying the feasibility of freeing the urea sector.

“Nothing is finalised yet (on urea decontrol). We still have to consult with stakeholders and that meeting we will have in next 2—3 days,” Fertiliser Secretary, Mr Sutanu Behuria said after the CoS meeting here.

The committee has not yet arrived at a subsidy model for urea, as it is still trying to address the issues of the stakeholders, he said.

Fertiliser companies such as DCM Sriram, Kribhco and Nagarjuna Fertilisers have expressed certain concerns, said a senior official present in the meeting.

The government had introduced the Nutrient—based Subsidy (NBS) scheme in April 2010 wherein it decontrolled potassic and phosphate fertilisers, but kept its control on price and movement of urea, which constitutes half of India's total fertiliser consumption.

The Finance Minister, Mr Pranab Mukherjee during 2011—12 budget had said that urea-based fertiliser would be brought under the NBS scheme from April 2011.

The industry was of the view that full benefit of the NBS initiative would accrue once urea was also brought under the scheme. This would encourage entrepreneurs to invest in the sector and ensure assured supply of fertilisers.

After a meeting with the stakeholders, the CoS would finalise its report and refer it to the GoM for its nod. The CoS is also looking into the issue of finalising new investment policy for the fertiliser sector.

Presently, urea price is fixed at Rs 5,310 per tonne. The country's urea demand was 18.19 million tonnes in 2009—10.

Sugar futures fall on low demand

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

New Delhi, March 28:

Sugar futures prices fell by 0.18 per cent to Rs 2,841 per quintal on Monday as speculators reduced their positions amid weak trend at the spot markets.

Besides, expectations that the government may release higher free-sale quota for April also kept pressure on the sweetener's prices at the futures trade.

At the National Commodity and Derivatives Exchange, sugar for delivery in May fell by Rs 5, or 0.18 per cent, to Rs 2,841 per quintal, with an open interest of 15,156 lots.

Similarly, sugar for delivery in April also lost Rs 2, or 0.07 per cent, to Rs 2,758 per quintal, with a business volume of 7,920 lots.

Analysts attributed the fall in sugar prices to subdued demand in the spot markets, forcing speculators to reduce their positions.

Also, hopes of higher free-sale quota for April put pressure on the sugar futures prices. However, government's decision to allow export of up to 5 lakh tonnes, restricted the losses, they added.

MMTC invites bids for sale of 2,000 tonnes of pulses

Business Line Pulses displayed for sale at a shop in Kochi. File Photo: K. K. Mustafah.

New Delhi, March 28:

State-run trading firm MMTC has invited tenders for the sale of 2,000 tonnes of red lentils in the domestic market.

Bids will close on March 31 and a decision on awarding the tender will be taken on the same day, MMTC said on its website. MMTC said that it would sell 2,000 tonnes of red lentils.

However, bidders are encouraged to quote for a higher quantity as the same can be increased based on the bids received and the requirement of bidders.

The offered pulses have been sourced from Canada/Australia and are of the 2009 crop year, it said. At present, the pulses are stored at a godown in Kolkata, MMTC added.

PEC, MMTC and other state-run trading agencies like STC import different varieties of pulses on behalf of the government to augment domestic supply.
