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Do not stock small onion: TNAU cell

Staff Reporter

Onion is cultivated on a continuous basis Area and production of onion in India are on an upswing

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COIMBATORE: As the price of good quality small onion is expected to be around Rs. 1,900 and Rs. 2,400 a quintal for the next three months, farmers are recommended to sell them upon harvest without resorting to storage.

If the present export ban is lifted, which is mainly based on Bellary onion prices, the farm gate price of small onion will also increase by Rs. 2 to Rs. 3 a kg, according to the Domestic and Export Market Intelligence Cell of Tamil Nadu Agricultural University.

Tamil Nadu accounts for five per cent of the country's onion area and more than 70 per cent of this is occupied by small onion. Bellary onion cultivation is only 30 per cent as the availability of this type from North India is cheaper and storability of the onion is poor. Hence, farmers prefer to take up cultivation of small onion in Tamil Nadu.

There is no season for onion and it is cultivated on a continuous basis as it is one of the profitable vegetables. At present, onion from Perambulur, Dindigul and Tuticorin are arriving in the markets and soon arrivals from Coimbatore are also expected to start from the month end.

The area and production of onion in India are on an upswing. In 2001, the area under onion was 4.52 lakh hectares and it has increased to 7.57 lakh hectares till now. Nearly 40 per cent of India's annual onion production is during the summer season and the remaining in the winter season. Late Kharif crop started from mid-January 2011 and is expected to continue till mid-March 2011 with increased arrivals this month. Export variety of onion is higher in the Rabi season. But due to recent price hike, export of onion is banned indefinitely.

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Farmers asked to take up groundnut sowing

Staff Reporter

Maize sowing is also expected to be profitable Take into consideration soil and irrigation condition

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COIMBATORE: Econometric analysis of groundnut price by the Domestic and Export Intelligence Cell (DEMIC) of Tamil Nadu Agricultural University has revealed that the price of groundnut pods during April-May will hover around Rs. 34 - Rs. 36 a kg.

In Erode, groundnut is sold for use in confectionery business and hence the price is higher.

Based on the analysis, farmers are asked to take up groundnut sowing in Thai-Masipattam. Since maize sowing is also expected to be profitable, farmers are told to consider this option too.

They have also been asked to take into consideration the soil and irrigation condition, labour availability and fodder requirements.

In Tamil Nadu, groundnut is cultivated on nearly 4.89 lakh hectares and around 10.26 lakh tonnes of groundnut is produced with an average yield of 1,775 kg a hectare. Major groundnut producing districts of the State are Thiruvannamalai (14.90 per cent), Villupuram (11.50 per cent), Vellore (8.57 per cent), Kancheepuram (7.35 per cent), Namakkal (6.15 per cent) and Erode (6.05 per cent). In most of the above districts, groundnut is sown in Thai-Masipattam as an irrigated crop and it comes to harvest in April-May.

At the national level, the major groundnut growing States are Gujarat (45.61 per cent), Andhra Pradesh (14.63 per cent), Rajasthan (10.98 per cent), Karnataka, Tamil Nadu and Maharashtra.

Kharif is the major producing season for groundnut in India. Production during Kharif in 2009-10 was 32.9 lakh tonnes and in 2010-11 it is estimated to be 41 lakh tonnes.

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TNAU proposal for free cellphones to benefit farmers

Staff Reporter

SMS now being sent to 25,000 farmers on wholesale, retail price of agri produce

COIMBATORE: The entire farming community is expected to benefit from mobile-based agro-advisory services if the proposal to the Tamil Nadu Government by Tamil Nadu Agricultural University (TNAU) to provide free mobile phones to the 81 lakh farm families in the State is accepted, according to Vice-Chancellor of TNAU P. Murugesa Boopathi.

At a six-day training on “Development of Participatory Irrigated Cropping Systems” held at the university, he said if free mobile phones were given, then the SMS that was being sent to 25,000 farmers and extension officials on a daily basis on the wholesale and retail price of agricultural produce would receive an impetus.

“The university is involved in providing market price information for various perishables such as fruits, vegetables, flowers, and plantation crops, besides others, through SMS. The agri-portal (http://agritech.tnau.ac.in) is a treasure house for knowledge and services for farmers, extension workers and others,” the Vice-Chancellor said.

Regarding the Sustainable Sugarcane Initiative (SSI) of the university, he said that if farmers of the country adopted this technology, it would become the first in the world in sugar production.

“TNAU is also intensively promoting Rajarajan 1000 under the System of Rice Intensification (SRI) as it gives increased yields and helps to conserve 40 per cent of water. Due to SRI, the average rice yield has gone up from three to four tonnes a hectare to six tonnes a hectare in the State,” Mr. Boopathi said.

Former World Bank expert M. Balasubramanian said that the productivity per unit of water should be kept as the goal and not productivity per unit of land.

This was feasible only if farmers were involved in planning appropriate cropping systems that were best suited to the prevailing irrigation systems in their area.

He urged the agriculture officers to become conversant in planning the head reach, mid-reach and tail reach of the irrigation systems, since each reach was endowed with different levels of resources.

“Dovetailing of the existing government development programmes with the proposed cropping system plans should also be aimed at for greater synergy” Mr. Balasubramanian said.

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Free training in dairy farming

Staff Reporter

COIMBATORE: The Veterinary University Training and Research Centre, Coimbatore, of the Tamil Nadu Veterinary and Animal Sciences University, will organise a free on-campus training in dairy farming on March 8 and 9.

According to a release, there is an increasing awareness in Coimbatore district about dairy farming as a profitable livestock enterprise.

Farmers are maintaining high-yielding crossbred dairy animals for milk production. Mini dairy units are being established in the district.

There is a large domestic as well as export demand for quality milk. The training will comprise lectures and video lectures on selection of dairy animals, housing, breeding, feeding and disease management of dairy cows.

Demonstration

There will also be a demonstration at a model fodder farm.

Interested farmers and entrepreneurs can contact the centre on 0422-2669965 for registration; or visit the centre at Kalapatti Pirivu, Saravanampatty, Coimbatore – 641035.

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Pranab Mukherjee not ruling out inflation spiral

Special Correspondent

— PHOTO: V. SUDERSHAN

GLOBAL CONCERN:Union Finance Minister Pranab Mukherjee (right) with FICCI President Rajan Bharti Mittal during the 83rd annual meeting of

NEW DELHI: Union Finance Minister Pranab Mukherjee on Tuesday did not rule out the possibility of the inflation rate spiralling further and growth momentum getting affected as a result of creeping international oil and commodity prices and the sovereign debt crisis in Euro-zone countries.

Inaugurating the 83 {+r} {+d} annual general meeting of the Federation of Indian Chambers of Commerce and Industry (FICCI), Mr. Mukherjee was particularly concerned about the danger of the debt crisis in some European countries spilling over to financial markets stressing that the impression that he had gained during the G-20 meeting a fortnight ago was that these countries were not sure of finding a solution to the problem.

Underscoring the gravity of the current external situation, Mr. Mukherjee said the global recovery remained fragile and advanced economies were exhibiting large fiscal deficit, high public debt and unemployment levels and indifferent aggregate demand. In such a situation, it was imperative for India to address the problem through “our own domestic solution” to cushion the country against the twin dangers.

He, however, assured that the rapid recovery of the growth momentum was comforting “but we cannot be complacent.”

To maintain the growth momentum, he said the need was to effect adjustments in the composition of growth on the demand and supply sides. “We have to ensure that the revival in private investment is sustained and goes back close to pre-crisis growth rates.

“This requires a strong fiscal consolidation to enlarge the resource space for private enterprise.”

On the inflation front, the Finance Minister said that the creeping increase in international crude oil and other commodity prices “are a reality that we are already confronting” and added that “the possibility of the global commodity inflation adding to domestic inflationary pressure cannot be ruled out.”

Referring to the domestic supply side pressure on food prices, Mr. Mukherjee said that both the government and the RBI have been supporting the recovery process without compromising on price stability.

“The task has not been easy but we are making progress.”

In his opinion there was a need to improve supply response of agriculture to the expanding domestic demand and step up investment in the agriculture sector to help address the structural concerns on inflation management. “It will also ensure a more stable macroeconomic environment for continued high growth in the medium term.”

Mr. Mukherjee promised to evolve innovative ideas and new models of financing to speed up development of infrastructure.

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Vedike opposes eviction of farmers

Correspondent

Members stage dharna on Khanapur road

Members of the Karnataka Dalit Rakshana Vedike taking out a procession in Haliyal on Tuesday.

Karwar: Members of the Karnataka Dalit Rakshana Vedike took out a procession in Haliyal on Tuesday demanding the repeal of the new law which bans people from cultivating the encroached revenue land.

The tahsildar of Haliyal taluk had issued a notice to the encroachers to vacate the land within 15 days. The protesters staged a dharna on Khanapur-Talaguppa State Highway.

Later, they submitted a memorandum to the tahsildar.

The vedike representatives said the Dalits, minorities and the backward classes had been cultivating the land for 40 years on the encroached revenue land.

The sudden notification of the Government had shocked farmers. If the Government forcibly evicted the encroachers, then farmers would commit suicide, the memorandum said.

Chief Minister B.S. Yeddyurappa had assured farmers of all help while assuming office. By ordering farmers to vacate the revenue land, the Government was acting contrary to the promises it had made, the memorandum said.

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http://www.thehindu.com/2011/03/02/stories/2011030263460500.htm

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Farmers to take part in ‘Parliament chalo'

KOLAR: Farmers from Karnataka will take part in a “Parliament chalo” agitation organised by All India Kisan Sabha (AIKS) on March 11 in support of the demands, including protection of freedom of seeds and land right. Amendment to existing laws detrimental to the interests of farmers was among the demands, G.C. Bayya Reddy, general secretary of Karnataka Prantha Raitha Sangha, an affiliate of AIKS, told presspersons here on Tuesday. He said that both the Union and State budgets have a common agenda in terms of corporatisation of the agriculture sector pushing the farmers out of their land, he said.

hindustantimes

Press Trust Of India

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High global crude, commodity rates may add to inflation:Pranab

Grappling with a high rate of price rice, the government on Tuesday expressed concern that increasing prices of crude and other commodities in global markets could add to inflationary pressure in the country.

"The possibility of the global commodity inflation adding to domestic inflationary pressures cannot be ruled out," finance minister Pranab Mukherjee said at the 83rd Annual General Meeting of industry chamber Ficci here.

Noting that the steady increase of international crude oil and other commodity prices is a reality, the Pranab said, "We are already confronting (the situation)".

He made these comments a day after presentation of Budget proposals for 2011-12 that seek to raise the economic growth rate to about 9% from 8.6% in the current fiscal.

Crude oil prices in the international market are ruling above USD 100 a barrel and with the crisis worsening in Libya and other Middle East countries, they may go up further.

Although food inflation declined from 20.2% in February, 2010, to 9.3% in January, 2011, it still remains a concern for the government.

Headline inflation in January, at 8.23%, is above the comfort level of around 5-6%.

The challenge before the government and the monetary authority (RBI), Mukherjee said, has been to support the recovery process without compromising stability. "The task has not been easy, but we are making progress," he added.

With a view to control inflation, the RBI has increased key policy rates seven times since March, 2010.

The finance minister said there is a need to improve the supply response of agriculture to expanding domestic demand and significantly enhance investment in the sector by the private and public sector.

He further said that as government spending comes down as a part of the fiscal consolidation process, India needs to effect adjustments in the composition of growth on the demand and supply side.

"We have to ensure that the revival in private investment is sustained and goes back close to pre-crisis growth rates. This required a stronger fiscal consolidation to enlarge the resource space for private enterprises," he said.

He further said that India's growth story is comforting, but there are several challenges that the economy faces in the external and domestic context.

He said the global recovery is fragile, with advanced economies exhibiting a large fiscal deficit, high public debt and unemployment, and there is a danger of the sovereign crisis in some euro zone countries spilling over to other financial markets.

http://www.hindustantimes.com/StoryPage/Print/668119.aspx

Weather

Chennai - INDIA

Today's Weather

Clear

Wednesday, Mar 2

Max Min

31.7° | 23.1°

Rain: 00 mm in 24hrs

Humidity: 70%

Sunrise: 6:25

Sunset: 18:17

Tomorrow's Forecast

Cloudy

Thursday, Mar 3

Max Min

31° | 22°

Wind: Normal	Barometer: 1010.0

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Mar 4	Mar 5	Mar 6	Mar 7	Mar 8
30° | 22°	30° | 22°	30° | 22°	31° | 22°	32° | 21°
Cloudy	Cloudy	Cloudy	Partly Cloudy	Sunny

THE ECONOMIC TIMES

Wed, Mar 02, 2011 | Updated 10.36AM IST

2 Mar, 2011, 01.30AM IST, Sutanuka Ghosal & Madhvi Sally,ET Bureau

Harvest delay, export push up potato prices

KOLKATA | AHMEDABAD: Potato prices have appreciated by 25% in the last fortnight, following exports to Russia and South Asian nations from Punjab and a delay in harvest in Bengal.

In Punjab, the price is set to touch Rs 5 per kg. In Bengal, retail prices of the Jyoti variety have gone up to Rs 6 per kg from Rs 5 a fortnight ago, while the Chandramukhi variety is costlier by 25% at Rs 8 per kg.

Padam Bhushan, a commission agent at Delhi's Azadpur mandi, said wholesale prices were ruling between Rs 2.50 and Rs 5.50 a kg. “We expect an incease in prices by Rs 1 a kg in a fortnight, owing to huge demand from domestic and export markets," he said.

Over 100 trucks, each carrying 10 tonne potato, are arriving at the markets from Uttar Pradesh where a bumper crop is expected. In Punjab and Haryana, 70% of the crop has been havested due to delays caused by recent rains and hail.

"Prices have firmed up and we are getting huge orders from Sri Lanka, Mauritius, Malaysia and Russia," said Jalandhar-based Confederation of Potato Seed Farmers (POSCON) chief Sukhjit Bhatti.

Sanatan Santra, president of West Bengal Progressive Potato Traders Association, said: "Last year, farmers had suffered a loss due to oversupply. This year, they are treading a cautious path and are on a wait-and-watch mode. Stockists, on the other hand, are keen to buy potatoe, which is pushing up prices.

Moreover, there has been some delay in the arrival of potatoe as the crop is not yet ready due to the prevailing cold in Bengal. It is expected that the flow will improve from second week of March. All these market forces have contributed to the spurt in prices."

Business Standard

Wednesday, Mar 02, 2011

Cotton prices rise after last week's fall

Rajesh Bhayani / Mumbai March 02, 2011, 0:56 IST

The fall in cotton prices last week was short-lived after the cotton advisory board (CAB) reduced the crop estimates for cotton. The CAB, the apex trade body, reduced its estimates for cotton crop in the current cotton year (October-September) by five per cent to 31.2 million bales (1 bale is 170 kg).

Cotton prices for the benchmark Shankar-6 variety moved up 7 per cent to Rs 59,000 a candy in the last two days, from Rs 55,000 a candy on Saturday.

Cotton futures on the Nation Commodity & Derivatives Exchange has moved up over five per cent in the last two days on lower crop estimates.

Cotton prices had reached Rs 63,000 a candy, but eased later when the government refused to increase the export limit, which was earlier set at 5.5 million bales.

The CAB has pegged mill consumption this year at 23.2 million bales compared to 20.7 million bales last year.

After 54 years, states free to levy VAT on sugar and textiles

Rajesh Bhayani / Mumbai March 02, 2011, 0:55 IST

The Union government has allowed the states to impose tax on sugar and textiles for the first time in 54 years.

In his Budget, the finance minister proposed to amend the Additional Duties of Excise (goods of special importance) Act, 1957, and decided to remove sugar and textile from its schedule. After this amendment, states are free to levy value added tax on these commodities after 54 years.

These commodities were put under the scheduled commodities, with the enactment of the Additional Duties of Excise Act in 1957 by the Nehru government. Earlier, the Centre could only levy this tax on these commodities.

Due to the amendment, the Centre has given back these powers to states, which are scouting for revenues, post implementation of the goods and service tax.

“States will be free to levy VAT on them once the finance Bill is signed by the President and it comes in force,” said Dilip Dixit, senior advisor, Tax & Regulatory Services, Indirect Tax, KPMG. However he feels, “It is unlikely that any state government will do so in the near future.”

The tax on these commodities could be a maximum of five per cent.

In another such move where tax on commodities could go up at the state level, Section 74 of the Finance Bill has been used to amend Section 15 of the Central Sales Tax Act. After the amendment, the upper limit for taxation of declared goods under the local VAT law will be five per cent instead of 4 per cent.

At present, about 16 commodities are notified as declared goods. These include coal, cotton, cotton yarn, crude oil, hides and skins, iron and steel, jute, LPG for domestic use and oil seeds. The amendment will be effective after passing of the Finance Bill.

This was done in synchronisation with the provision to increase merit rate of excise which is applicable for industrial raw materials to five per cent, states have also been given powers to have 5 per cent tax on them.

Dixit said, “It is certain that all the states will increase the local VAT rate applicable to declared goods from four per cent to five per cent sometime in May 2012 on a rough estimate The Maharashtra government will net about a thousand crore from this change.”

Business Line

Import duty cut weaves woe for silk famers

Business Line Raw silk (file photo)
New Delhi/Bangalore, March 1:

The Budget proposal to drastically reduce customs duty on raw silk imports has raised the hackles of silk farming community in States such as Karnataka, Tamil Nadu and Andhra Pradesh.

The Finance Minister, Mr Pranab Mukherjee, has proposed a sharp duty cut from 30 per cent to 5 per cent on all grades of silk imported into the country.

Prices of cocoons and raw silk in south India have seen a free fall by almost half in the run-up to the Budget, in anticipation of a huge duty cut. Interestingly, raw silk prices in China have firmed up by about a tenth to over $50 a kg in the immediate aftermath of the duty-cut announcement.

Growers fear that the proposed move would help China monopolise the Indian market and they may have to switch over to other lucrative and less labour-intensive crops such as coconut or turmeric among others. An estimated five million farmers depend on sericulture for livelihood, while another two million indirect jobs are created by the silk industry.

“We will have to leave mulberry cultivation. Already, rising labour costs thanks to NREGA have made matters difficult,” said Mr Vasudev Ramkumar, a silk rearer in Udumalpet, Tamil Nadu.

“Silk rearing was profitable when bivoltine cocoon prices were Rs 400 a kg and crossbreeds were Rs 300 a kg. Now, they are Rs 190-250 for bivoltine and Rs 100-120 for cross-breeds. We will have to move to turmeric, sugarcane or coconut, which are less labour-intensive. Silk rearing is labour-intensive and cannot be mechanised too much. Unlike weavers, we cannot pass on the price,” he added.“Prices are set to fall further. We cannot meet our costs as mulberry required high initial investment,” said Mr Raghupati Gowda, Vice-President, Kolar District Silkworm Rearers' Association. “We will have to take out our mulberry plants. Sericulture was wiped out in Japan.

The same will happen here, as China will monopolise the Indian market,” Mr Gowda added.

The Finance Minister's proposal is likely to benefit the weaving community in key weaving centres such as Benares, Murshidabad, Kanchipuram and Bangalore. Interestingly, States such as West Bengal, Tamil Nadu and Uttar Pradesh are headed for Assembly elections.

The silk weaving industry had claimed relief from the Government on the ground that prices of raw mulberry silk had doubled over the last year. Mr T.V. Maruthi, Proprietor of Shantala Silks, said: “The import duty on silk fabric was just 10 per cent, whereas the raw material attracted an import duty of 30 per cent. This was hurting the industry. Therefore, weavers had appealed to the government to address this anomaly.”

Mr V. Hirdaramani, Partner, Karishma Silks, said: “In a country where there is expertise to produce silk at every stage, with the poorest of the poor working in silk rearing, import duties should not have been brought down. Instead, training and know-how to produce better quality silks should be emphasised."

Silk imports for the April-September 2010 stood at 3,149 tonnes as compared with 3,889 tonnes in the corresponding period previous year. During 2009-10, silk imports stood at 7,338 tonnes. India produces close to 20,000 tonnes of silk, while the demand is estimated to be 28,000 tonnes. The shortfall is mainly met by imports.

Fresh buying boosts rubber

Kottayam, March 1:

Physical rubber prices continued to regain strength on Tuesday. The market improved on fresh buying and short covering in tune with the domestic futures on NMCE. According to sources, sellers stayed back expecting better rates but latex slipped on low demand. Sheet rubber improved to Rs 223.50 (220.00) a kg according to traders. The grade firmed up to Rs 224.00 (221.00) a kg as reported by the Rubber Board.

An already unfavourable age-structure of India's rubber area is worsening further as farmers prompted by abnormally high NR prices largely postpone uprooting of aged trees according to the Association of Natural Rubber Producing Countries (ANRPC).

Of the estimated 4,91,000 hectares of area available for tapping this year, trees in the peak-yielding age group from 10 to 19 years come to only 31% as compared to 63 per cent in 2001. About 46 per cent of the trees being tapped this year are in the age group 20-28 years. The yield for this age group comes to only 70 per cent as compared to the trees in the peak-yielding age group. Moreover, 13 per cent of the trees being tapped now are over-aged (29-31 years) and their yield is extremely low.

In futures, the March series improved further to Rs 225.60 (223.59), April to Rs 235.40 (232.65), May to Rs 239.30 (237.17), June to Rs 241.50 (239.43) and July to Rs 241.50 (239.42) per kg for RSS 4 on National Multi Commodity Exchange (NMCE).

RSS 3 (spot) surrendered to Rs 274.89 (280.39) a kg at Bangkok. The March futures for the grade recovered partially to ¥ 506.0 (Rs 277.23) from ¥ 499.5 during the day session but then remained inactive in the night session on Tokyo Commodity Exchange (TOCOM).

The spot rubber rates per kg are as follows - RSS-4: Rs 223.50 (220.00), RSS-5: Rs 221.00 (218.00), Ungraded: Rs 218.00 (215.00), ISNR 20: Rs 223.00 (219.00) and Latex 60%: Rs 140.00 (142.00)

Edible oil prices firm up

Business Line Oil extraction and filling them in tin are made busily in Erode (file photo): M. Govarthan

Mumbai, March 1:

Edible oil prices on Tuesday firmed up on taking cues from higher closing of Malaysian market. Fresh demand for oil was thin and need based. Some volume took place directly with refineries for forward deliveries. In ready, resellers actively off loaded some quantity of palmolein with lower price.

Groundnut oil rose Rs 5 and soya refined gained Rs 7. Rapeseed oil and cotton oil declined on lack of demand. Palmolein lost Re 1 in spot despite higher Malaysian market as resellers were selling at lower rates. Mumbai market will remain closed on Wednesday on account of Maha Shivratri festival.

In Malaysia, BMD CPO futures rebound in choppy trade, as selling momentum appeared eased. Indore NBOT soya oil futures closed up Rs 6 on falling supplies in the local market and firm BMD palm oil futures.

A wholesaler said, with the start of new months and seeing the Holi festival ahead demand from consumers are bound to pick up. On Monday prices ruled unchanged despite sharp decline in Malaysian market indicating demand support.

He added, about 200/-250 tonnes of palmolein were resale traded at Rs 572-573. Direct refineries also have sold about 500-550 tonnes of palmolein for forward delivery. In indigenous oils, Dhuliya side millers were sellers in cotton oil at reduced rates of Rs 608.

In Rajkot market, groundnut oil declined Rs10 to Rs 1,165 (Rs 1,175) for Telia tin and Rs 5 to Rs 755 (Rs 760) for loose 10 kg. In foreign market, palm oil rebounded from its lowest level in three months after Malaysia, predicted strong demand and higher prices for the vegetable oil this year.

On Tuesday, Malaysian palm oil futures rose by 59, 69 ringgits a tonne after sharp sell-off the previous day as investors snapped up bargains and expectation of increase in palm oil exports to India, Pakistan and China this month.

Malaysia's CPO futures - NBOT futures

Malaysia's BMD CPO futures March 11 closed at MYR 3,609 (3,550); April 11 was at 3,578 (3,509), May 11 closed at 3,546 (3,472) MYR a tonne. Indore, NBOT soya oil futures March 11 futures was at Rs 632 (Rs 626).

Mumbai commodity exchange spot rate (Rs/10kg):

Groundnut oil 755 (750), soya refined oil 615 (608), sunflower exp. ref. 655 (655), sunflower ref. 710 (710), rapeseed ref. oil 636 (646), rapeseed expeller ref. 606 (616), cotton ref. oil 609 (610) and palmolein was 576 (577).

Meet to discuss strategies to enhance farm value chain

Thiruvananthapuram, March 1:

The Kudumbashree Mission for poverty eradication and women empowerment is organising a four-day workshop on ‘Agricultural value chain in Asia' at Alappuzha. The United Nations Industrial Development Organisation (Unido) is spearheading the workshop that commenced on Tuesday, an official spokesman said here.

EFFECTIVE GAINS

Experts from various Asian countries will discuss strategies to enhance farm value chain, ensuring effective gains to economically weaker sections. They will also evaluate the development potential of farm products right from the stage of processing and value-addition to marketing stage. The workshop will also consider topics such as the presence, impact and approaches of various organisations in this sector.

TRAINING SESSIONS

The International Fund for Agriculture Development (IFAD) is also a stakeholder in this workshop, which aims to give training sessions on capacity-building. Focus would be on evaluating, designing and implementing farm value-chains that jells most with the mission of poverty alleviation.

The Kerala State Planning Board Member, Dr K.N. Harilal, and the Kudumbashree Mission Executive Director, Ms Sharada Muralidharan, will participate in the workshop.

Wheat dips on thin trading

Karnal, March 1:

Thin trading pulled the prices of dara wheat variety down by Rs 10-20 and ruled at Rs 1,230-1,240 a quintal against the levels of 1,250 quoted last weekend. For the finer quality, it was around Rs 1,250 a quintal on Tuesday.

Sluggish domestic demand and uncertain weather had affected wheat trading, said Mr Subhash Chander, a wheat trader. If the weather becomes favourable, new crop will be in the market in the first week of April month, he added.

With sudden changes in weather, the crop has been affected by the yellow rust and it will also affect the expected production, said Mr Subhash.

Just around 100 quintals of Desi wheat arrived and was quoted at Rs 2,400 a quintal. Adequate stocks of desi wheat will be available in the market in next few days, said market sources.

Around 600 quintals of Dara variety was procured from the Food Corporation on India by the flour millers on Tuesday.

Flour Prices

With the decline in wheat prices, flour prices dropped by Rs 10 and quoted at Rs 1,250 for a 90-kg bag against the levels of Rs 1,260 quoted last weekend. Chokar prices dropped too and ruled firm at Rs 530 for a 49-kg bag.

Firm trend continues in cashew market

Kochi, Feb 28:

Cashew kernel market continued to rule quiet last week. Price range widened as some processors, mainly from Vietnam, sold at lower levels. Business was reported for W240 from $4.25 to $4.35 and for W320 from $3.70 to $3.85 (f.o.b). Brokens were in short supply and prices moved up to over $3.30 for Splits and over $3.10 (f.o.b) for LP.

Indian domestic market continued to be quiet but still was above

international prices. No change was seen in raw cashewnut (RCN) situation. Arrivals in India and Vietnam are very slow and prices are high. Until arrivals pick up, which may be late March, prices are unlikely to ease. Some trades for Nigeria were done at around $1,225 and Benin at around $1,550 a tonnes (c&f).

February has been a quiet month in the kernel market, which is not unusual, but considering that everyone has been working on low inventories, it has been quieter than expected, Mr Pankaj N Sampat, a Mumbai-based dealer told *Business Line*. During March, “we should get some indications about offtake in the major importing countries. If this is not as bad as expected, buyers will need to buy to replenish cover for mid year requirements and this will provide support to the market around current levels. If the quietness continues through March, it might mean that kernel prices may drift lower which might lead to lower RCN prices from April, especially if there normalcy is restored in Ivory Coast,” he said.

Unless supply situation eases and RCN prices come down, shellers will not be able to reduce their selling price ideas – they would rather reduce volumes than operate with disparity between RCN and kernel prices.

Another important factor to watch is Asian demand, he said. “If the trend of reasonable volumes being traded every few weeks for nearbys continues, the market will be supported at current levels till middle of the year”.

It seems that March-April will determine trend of cashew prices for the rest of the year. If there is reasonable kernel demand in this period or if the Ivory Coast situation is not resolved in this period, there is little chance of any price decline, traders said.

The unprecedented uncertainty on supply and demand is paralysing everyone in the chain. There is very little cushion to absorb any sudden movements on either side. It seems that uncertainty will continue for few weeks more. This points to increased volatility in the short term, they said.

Budget underestimates fertiliser subsidy

March 1, 2011:

The Budget for 2011-12 grossly underestimates the fertiliser subsidy required for 2011-12, says Mr A Vellayan, Executive Chairman, Murugappa Group. The Group is one of the largest producers of fertilisers in the country. “Even without much growth in consumption, at the current world prices, it is estimated that the overall fertiliser subsidy allocation needs to be around Rs 80,000 crore, which is Rs 30,000 crore more than what has been earmarked,” Mr Vellayan has said in a statement. However, he has noted that the Budget has a lot of positives. For instance, raising farm credit by Rs 1,00,000 crore from Rs 3,75,000 crore in the current year and incentivising timely repayment of short term farm loans by enhanced interest subvention to three per cent will lead to increasing the cash in the hands of the farmers, Mr Vellayan said. By allocating Rs 10,000 crore for Nabard's short-term rural credit fund for 2011-12 and strengthening its capital base by Rs 3,000 crore in a phased manner, the Budget has gone a long way in strengthening the institution's rural infrastructure initiatives, he said.

Coffee exports up 47% in Jan-Feb

March 1, 2011:

Indian coffee exports in the first two months (January-February) of calendar 2011 is up 46.99 per cent at 53,905 tonnes as against previous year's (2010) exports of 36,671 lakh tonnes. Unit value realisation of Indian coffee is up 28.82 per cent at Rs 1.43 lakh a tonne as against last year's Rs 1.11 lakh a tonne.

According to Coffee Board statistics, at the end of February 28, coffee exports in rupee terms were up 88.71 per cent at Rs 774.71crore as against Rs 410.51 crore in 2010. However, in terms of dollar realisation, the exports saw a sharp 102.03 per cent rise at $173.12 million as against $85.69 million.

Coffee Grades

Exports of arabica parchment constituted 14,024 tonnes (last year's exports stood at 8,233 tonnes), arabica cherry 3,561 tonnes (2,381 tonnes), robusta parchment 4,461 tonnes (1,547 tonnes) and robusta cherry 17,414 tonnes (12,426 tonnes) and instant coffee total exports 14,379 (12,059 tonnes).

Top 5 importers

Italy 12,357.4 tonnes (arabica 4,199.3 tonnes, robusta 8,158.1 tonnes), Germany 8,993.3 tonnes (arabica 7,662.1 tonnes, robusta 1,331.2 tonnes), Russian Federation 3,772.3 tonnes (arabica 36.6 tonnes, robusta 3,735.7 tonnes), Belgium 3,203.9 tonnes (arabica 1,517.9 tonnes, robusta 1,686 tonnes), Spain 1,945.8 tonnes (arabica 155.2 tonnes, robusta 1,790.6 tonnes).

Top 5 exporters

The following are the top five exporters: Amalgamated Bean Coffee Ltd 7,945 tonnes (arabica 5,251.1 tonnes, robusta 2,693.9 tonnes), CCL Products-India only robusta 5,597.6 tonnes, Allanasons 4,876.2 tonnes (arabica 1,399.8 tonnes, robusta 3,476.4 tonnes), Bola Surendra Kamath & Sons 3,861 tonnes (arabica 2236.2 tonnes, robusta 1,624.8 tonnes) and NKG Jayanti Coffee 3,836.7 tonnes (arabica 1359.9 tonnes, robusta 2,476.8 tonnes).

Resales take shine off sugar

Mumbai, March 1:

Spot sugar prices on the Vashi wholesale market showed weak trend on Tuesday as resellers were active, though they sold at prices below those quoted by producers.

Spot rates declined by Rs 10. Naka and mill tender rates were down by Rs 15-Rs 20 a quintal. The sentiment was weak ahead of Wednesday's market closure for *Shivratri*.

Mr Tokershi Dedhia of Surya Traders said: “Mills are not very keen to sell at lower price due to high cost and to avoid loss of margin. Fresh local demand was diverted to resale trade because of lower price. This kept volume at mill level thin, need based and limited. In March, the rising temperature and demand for *Holi* will arrest fall in price. Buying by neighbouring States may also start. Market may stabilise at current price level.”

Mr Roshan Murgai of Sugar Supply Co said the market will see range-bound price movement as traders are not taking fresh position on outstanding purchases and on easy supply from mills.

Carryover stocks of 3.50 lakh tonnes of February non-levy quota and current month's 13 lakh tonnes normal quota are sufficient to meet the local demand. In January and February, the first fortnight witnessed bearish sentiment and price declined due to higher supply and lower demand. This month the market will observe easy supply position, he said.

On Monday evening 8-10 mills came forward with open tender offers and sold limited quantity of 35,000-40,000 bags in the range of Rs 2,670-2,700 for S-grade and Rs 2,720-2,770 for M-grade. Most mills kept tender offers open, holding their rates.

Arrivals in the markets were at the usual 45-48 truckloads (100 bags each) and local dispatches were at 46-47 truckloads.

Bombay Sugar Merchants Association sugar rates: Spot rates: S-grade Rs 2,800-2,861 (Rs 2,801-2,861) and M-grade Rs 2,841-2,921 (Rs 2,851-2,926). Naka delivery rates: S-grade Rs 2,760-2,800 (Rs 2,780-2,800) and M-grade was Rs 2,820-2,865 (Rs 2,820-2,880).

UAS, Dharwad to set up Rs 15-cr 'Jaggery Park'

Business Line R.R. Hanchinal, Vice Chancellor of UAS, Dharwad

Dharwad, March 1:

University of Agricultural Sciences, Dharwad is planning to set up a 'Jaggery Park' with a budget of Rs 15 crore at Mudhol and efforts are being made to popularising organic sugarcane cultivation and proper water management.

Addressing a state-level workshop on 'Recent Advances in Sugarcane Production Technologies for Sugarcane Growers' at Dharwad, Dr R.R. Hanchinal, Vice-Chancellor, UAS, Dharwad said: "The productivity of sugarcane is decreasing at an alarming rate, hence there is an urgent need to adopt organic farming, proper water management, correct usage of fertilisers and suitable plant protection measures."

For sustainable productivity, he advised farmers to take up crop rotation at least once in three years.

Speaking on the occasion, Mr Kurubur Shantakumar, President, State Sugarcane Growers Association said, improper fertiliser application and non-adoption of newer technologies are the main causes for decreased sugarcane productivity. “The latest technologies and high yielding varieties developed by the University of Agricultural Sciences both Dharwad and Bangalore should be transferred to the farming community and such workshops should be organised in every district,” he added.

Worldwide fame

Dr P.M. Salimath, Director of Research, UAS, Dharwad, said that the technologies developed by the university have reached across the country and gained fame worldwide. The present productivity of 93 tonnes a hectare can be increased substantially by adoption of scientific production technology. The farmers should select good variety, good seed material, apply proper dosage of fertilisers and micro nutrients and manage water for better yields. Further efforts are on to strengthen sugarcane research at Kallolli and Hukkeri, he added. Dr L. Krishna Naik, Director of Extension, UAS, Dharwad, in his presidential remarks opined that the network between sugar factories, sugarcane growers and the agricultural universities should be linked in a public-private partnership mode. He also said that initiative has been taken up to introduce IVR (Interactive Voice Response) in the University to facilitate the farmer to increase his profits. Farmers without spending much can get information at their doorstep.

Pulses self-sufficiency, a mirage?

Mumbai, March 1:

In his Budget speech, the Finance Minister made a series of proposals for agriculture including continuation of last year's initiative of integrated development of 60,000 villages in rain-fed areas with an allocation of Rs 300 crores.

Intriguingly, last year he referred to development of 60,000 villages for 'oilseeds and pulses', but this year he had quietly dropped oilseeds and referred to only pulses villages in rain-fed areas for increasing crop productivity and market linkages.

The Government's initiative on pulses has received a positive response from the growers, the FM asserted, presumably referring to the sharp hike in minimum support price for pulses. No doubt, acreage under pulses has expanded substantially in 2010-11 in kharif and rabi season both, totalling a record 27.4 million hectares as compared with 24.3 mha the previous year.

Output too has expanded considerably to a new high of 16.51 million tonnes this year, close to two mt more than the 14.66 mt in 2009-10. To be sure, production increase has come about as a result of area expansion. Yields have remained by and large at a low level of around 600 kg a hectare, providing a stark contrast with world average yield of around 1,500 kg/ha.

While consolidating these gains, we must strive to attain self-sufficiency in production of pulses within next three years, the FM has recommended. Is his wish justified? The question is where will additional acreage come from and what are the strategic measures to raise yields. Who would answer these questions is unclear.

India has been importing pulses for almost 30 years now. What started as a few lakh tonnes of import to meet domestic shortfall has now grown to constitute almost a fifth of the domestic output. Currently, to meet the gap between consumption demand and domestic production, India imports about 30-35 lakh tonnes of various pulses from different origins including Myanmar, Australia, Canada and the US.

In recent years, domestic output and imports have totalled 17-18 mt which translates to per capita availability of about 15 kgs.

Nutritionists recommend consumption of at least 20 kg/capita. So, as a nation, we are no where near what we ought to be consuming. Worse, the current skew in income distribution has resulted in skew in consumption of pulses. Those with higher and rising incomes are able to access and afford pulses. The poor, especially in rural areas get to consume much than what the per capita availability suggests; and the poor are the ones who desperately need pulses, the major source of vegetable protein.

For achieving genuine self-sufficiency in pulses, we have to produce in excess of 20 mt. It is a tall order under the present constraining conditions for agriculture. Reaching self-sufficiency is no doubt a desirable objective; but one needs to consciously work towards it. It is up to the government to ensure that the desirable objective does not remain a mirage.

Mr. Pranab Mukherjee after all is not such a gullible person to believe that we would achieve self-sufficiency in pulses in three years without corresponding efforts. Pulses output is unlikely to expand consistently by about two million tons a year over the next three years. One can only conclude that the statement of self-sufficiency was made for theatrical effect.

Cardamom prices decline on bearish sentiments

Kochi, March 1:

Cardamom prices declined last week at auctions held in Kerala and Tamil Nadu on bearish sentiments and reports. However, according to the trade in Bodinayakannur on Monday the market has improved by Rs 100-150 a kg from that of last Friday, when the auction average dropped to Rs 879 a kg. They said 8 mm bold was being sold at Rs 1,400 a kg.

Reports that Guatemala was selling at $20-21 a kg coupled with good summer rains in the growing areas of Kerala's Idukki district has made the market bearish. There is a feeling among the trade that the current rains would reduce the gap between the current and the next crop and that in turn would improve the availability. Add to this, there has been a propaganda that the growers are holding back huge quantity of the produce and that would help increase the supply. All these factors created a bearish sentiment in the market pulling the prices down.

But, the stocks held by growers are said to be not as huge as is being projected by the trade, market observers said. The current prices are workable for exporters and hence fresh orders are expected in the coming days, they said. Already an estimated 10 – 15 tonnes have been bought by exporters last week. On the other hand, traders who had bought good quantities at higher prices have also landed them in financial loss following the continuous price decline in recent days and that in turn has also created a liquidity crunch in the market slowing down fresh purchases, they said. The market, however, made a recovery on Sunday with the average price moving up to Rs 978 a kg from Rs 879 on Friday, Mr P C Punnoose, General Manager, CPMC, told *Business Line*.

Total arrivals at the KCPMC auction on Sunday stood at 26 tonnes and the maximum price rose to Rs 1,299 a kg and the minimum was Rs 550 a kg. The growers, who are holding the material, should release it in a regulated manner as a market intervention exercise. Given the current trend holding substantial quantities for long might not be a prudent decision, trade sources said. There has been a continuous decline in the arrivals as the harvesting is in the closing stages.

According to growers there will be one or two round of picking. Total arrivals during the week stood at 170 tonnes. The individual auction average price dropped to below Rs 1,000 a kg from last Tuesday onwards. Total arrivals during the current season from Aug 1 to Feb 27, stood at 7,201 tonnes. Of this 7,049 tonnes were sold. Arrivals and sales in the same period of the previous season were 7,267 tonnes and 7,193 tonnes respectively. Weighted average price as on Feb 27 was Rs 1,024/kg, up from Rs 723 same day last year.

Prices for graded varieties (in Rs/kg) in Kumily on Monday were: AGEB 1,210-1,220; AGB 1,100-1,125; AGS 1,020-1,030 and AGS1 985-1,010. Prices in the open market in Bodinayakannur (in Rs/kg) : AGEB (7mm-8 mm) 1,200-1,210; AGB (6mm-7 mm) 1,050– 1,100; AGS (5mm-6mm) 1,000- 1,025 and AGS 1 975-1,000.

Several tracts of the growing areas received good summer showers during the week and it is good for the plants, growers said.

Credit flow to farm sector will improve

Mumbai, March 1:

Banks are confident of meeting the increased target for lending to the agriculture sector, as announced in Budget 2011-12.

The extension of the interest rate subvention scheme for short term crop loans will boost the credit flow to this sector, said bankers.

The target for credit flow to farmers has been increased from Rs 3.75-lakh crore to Rs 4.75-lakh crore for 2011-12. Banks have also been asked to step up direct lending for agriculture and credit to small and marginal farmers.

The existing interest subvention scheme of providing short term crop loans to farmers at 7 per cent interest will be continued during 2011-12.

The Budget has also enhanced the additional subvention to those farmers who repaid their crop loans on time to 3 per cent from the existing 2 per cent in 2011-12. Thus, the effective rate of interest for such farmers will be 4 per cent per annum.

Credit deployment

According to the RBI's latest data on sectoral deployment of bank credit, the outstanding credit to agriculture and allied activities, as on January 28, 2011 was to the Rs 4.38-lakh crore.

According to Mr M. Narendra, CMD, Indian Overseas Bank, following the farm loan waiver and relief packages announced by the Government two years ago, there was some slowdown in the flow of credit to the farm sector. But in the next fiscal there is enough opportunity for banks to lend more to this sector. As the Budget has several measures which will improve funding for land purchase, building of cold storage and warehouses. To that extent there is enough scope to meet the target of additional Rs 1-lakh crore, Mr Narendra added.

Mr D. L. Rawal, CMD, Dena Bank said that the higher target for agriculture is a growth of 25 per cent, which will not be difficult for banks to achieve.

Steps to check production prices are positives for farm sector

Mr Naveen Mathur

March 1, 2011:

Mr Naveen Mathur, Associate Director – Commodities&Currencies, Angel Broking: The Government's resolve to reign in high inflation through improvements in agri-productivity and removal of supply bottlenecks in the agriculture sector has seen various budgetary provisions from increasing warehousing facilities, higher credit flow to the sector, interest subsidies, allocation for improving productivity and distribution of pulses, cereals and oilseeds, development of 15 mega food parks, storage facilities, cut in import duties, etc, which would aid in attracting higher investments into this long-neglected sector.

Mr Amarsingh Deo, Head Commodities Research, Aditya Birla Money: The Finance Minister , as expected, has reinforced a strategy to keep agriculture growth on a new trajectory. He has mentioned that the growth in agricultural sector is the key to India's development. As expected, emphasis has been laid on measures to check the prices of agricultural products to curb inflation. In a scenario where the inflation rose to an average rate of 9.43 per cent in 2010 against an average inflation rate of 2.1 per cent in 2009, the Finance Minister has done a praiseworthy job to lay down measures to keep a check on agricultural product prices, help develop the storage and supply chain of agricultural products and help the Indian farmers.

From a commodity futures market perspective, the Budget may lead to bearish sentiments for agricultural commodities as an initial reaction as traders are bound to avoid holding long positions from a short-term. However, from a long-term perspective, the demand-supply fundamentals shall remain the key drivers. Introduction of Food Security Bill is a key measure to curb inflation. One of the best positives for the development of spot market mandis and proper storage of agriculture produce is to give infrastructure status to the cold storage chains.

This will make way for proper storage of foodgrains which today, to a certain extent, go waste because of sub-standard storage facilities. Providing interest rate subsidy will allow farmers to take benefit of the credit flows allowed for the agricultural sector.

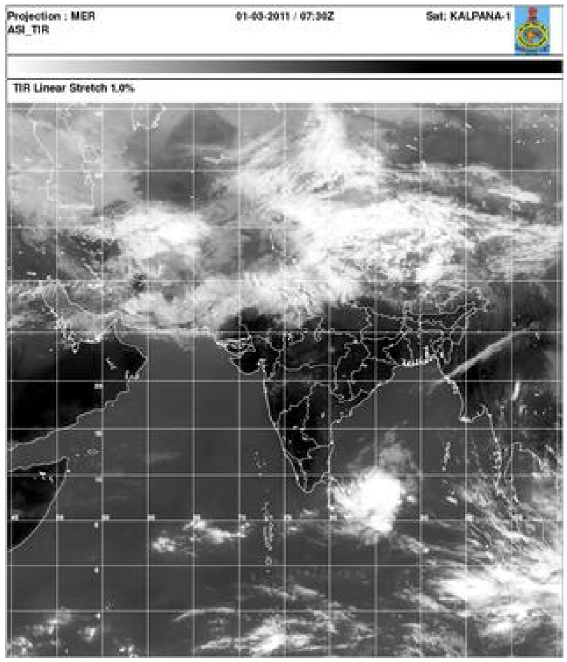
However, the budget was not able to meet the high expectations to curb inflation in the agricultural sector by removing specific taxes like mandi tax, reduction in import duty of edible oil, etc. But it can be said that overall the budget is a positive one for the agricultural sector as it is aimed at improving the overall conditions of the farming community.

Dr Hanish Kumar Sinha, Head – Trade and Commodities Intelligence, NCMSL : The UPA Government has finally tried to give impetus to the long standing demand of the agricultural sector after confronting daunting challenges of recent surging prices of agricultural commodities. The need to address the supply concerns in cereals, pulses and edible oil sector found support with specific programmes launched for each.

The plan for creation of 60,000 pulses villages in rain fed areas, bringing 60,000 hectares under oil palm plantations and pushing the green revolution to the eastern parts of the country by promoting rice-based cropping system with an aggregate plan allocation of Rs 1,000 crore is quite a welcome step. Inflation had been the key concern areas for the common man as well as the policy makers. The budget seems to address this issue by focusing on the increase in supplies of the essential food articles.

Comprehensive plans have been drawn to tackle the problem of shortage of vegetables, millets (Bajra, Jowar, Ragi), animal protein (through livestock development, dairy farming, piggery, goat rearing and fisheries) and fodder with an allocation of Rs 1,200 crore. The Government also proposes to promote organic farming methods, combining modern technology with traditional farming practices such as green manuring, biological pest control and weed management. The reduction of the basic customs duty on micro-irrigation equipment from 7.5 per cent to 5 per cent is expected to help the dry land farming in a big way.

Busy weather unfolding yet again over northwest India



Thiruvananthapuram, March 1:

A fresh incumbent western disturbance has helped churn the weather over the hills and the plains of northwest India and is promising extended activity for the rest of the week. An India Meteorological Department (IMD) update said on Tuesday morning that the convective cloud (rain-bearing) cover rustled up by the system has expanded to cover the hills and most of the adjoining plains. Rain, thundershowers, hailstorm and squalls have been forecast for various parts of the plains, which could throw up some degree over the fate of the standing rabi crop in these areas. While rain or thundershowers are welcome during this growth stage of the crop, violent squalls or hailstorm would have a totally undesirable impact, experts warn. Building day temperatures have combined to with cooler temperatures and moisture to provide an incendiary mix, which will trigger the variously violent weather over the plains. If global forecasts are anything to go by, the northwest region may not have seen the last active western disturbance yet.