THE HINDU
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Tuesday, May 17, 2011

TNAU asks farmers to monitor crops to avoid pest

COIMBATORE: The Tamil Nadu Agricultural University has advised farmers to monitor the crop regularly following the detection of various pests and bug attacks on rice, cotton, sugarcane, black gram, papaya and tapioca which is expected in this season.

According to a release from the university, information regarding the incidence of pest attacks and steps needed to control them were based on the findings of the Department of Agricultural Entomology and Department of Plant Pathology of the university. The incidence of stemborer and leaf folder in rice fields were noticed in Salem, Villlupuram, Tirunelveli, Dharmapuri, Tiruchi and Thiruvarur. Farmers are advised to set up light traps to help control the movement of adult moths. For increased damage, spraying of Neem Seed Kernel Extract (NSKE) 5 per cent, Profenophos 50EC 400 ml an acre or Chlorpyriphos 20EC 500 ml an acre are suggested. In case of false smut found due to unusual rains, farmers were advised to spray Propiconazole at one gram a litre of water. Aphids, jassids, bollworm and cotton mealy bug caused damages to cotton fields in Theni, Dindigul, Dharmapuri, Tirunelveli and Virudhunagar. Aphids and other sucking pests could be monitored by sticky tapes at 5 an acre. NSKE 5 percent, Imidacloprid 40 ml an acre or Dimethoate 200 ml an acre could be used too. Regarding bollworm damage and cotton mealy bug, Quinalphos or chlorpyriphos 2 ml a litre of water is expected to address the problem.

For sugarcane, farmers were advised to release 6 releases of Trichogramma egg parasitoid to avoid shoot borer and internode borer damage at the rate of 1 ml an acre per release starting from the 45th day Dharmapuri, Villupuram, Thiruvarur, Salem and

Thanjavur For details, contact the Department of Agricultural Entomology on 0422-6611214 or Department of Plant Pathology on 0422-6611226.

Power cuts will hit crop yield, fear farmers

S. Ramesh

Erode district experiences unannounced power cuts

Government has failed to adhere to schedule

'If the power crisis continued, food production in the State will witness a drastic fall'

ERODE: Farmers in different parts of the district fear that severe power cuts will bring down the yield of many crops, including turmeric and sugarcane, this year.

Most parts of Erode district experience unannounced power cuts for three to five hours a day, apart from the announced load shedding period of three hours.

The Tamil Nadu Generation and Distribution Corporation (TANGEDCO) has assured the supply of three-phase power for six hours during the day and three hours during the night. But the government has failed to adhere to this schedule and started implementing power cuts for a longer duration, farmers allege. The frequent disruptions in power supply had made it difficult for the farmers to irrigate the crops.

"We used to water our crops at least once in two days. Now, the frequency has gone up to four days," farmers point out.

A large number of farmers in the district had made huge investments for the cultivation of sugarcane, turmeric and banana crops, hoping for a better yield. "As the frequency of watering has come down, we fear that the crop yield will drop this year. This is going to have a negative impact on our earnings this year," farmers say.

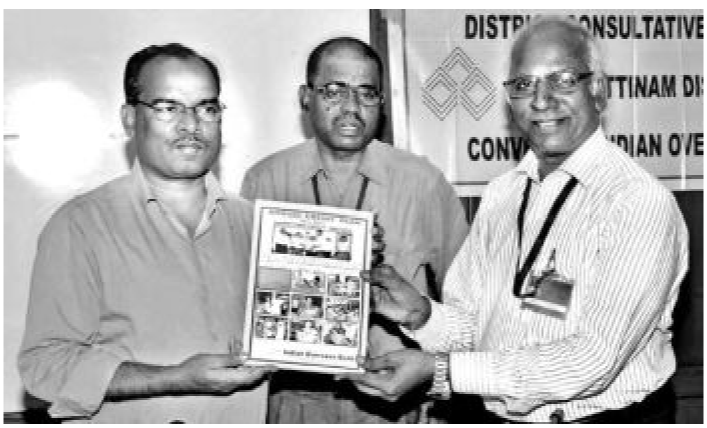
Many farmers blamed TANGEDCO for resorting to unannounced power cuts. "We do not expect the Corporation to provide us uninterrupted power supply round-the-clock. We want the Corporation to put an end to unannounced power cuts," R. Palanisamy, a farmer in Kodumudi, says.

If the power crisis continued for another year, food production in the State will witness a drastic fall, farmers caution.

Thrust on agriculture sector lending in annual credit plan

Staff Reporter

Kissan credit cards would be issued to all eligible farmers



future plans:Collector C.Munianathan, left, releasing the annual credit plan in Nagapattinam on Monday.

NAGAPATTINAM: The Annual Credit Plan for 2011-12 has identified agro-based food processing industries as the thrust area for bank finance, with primacy accorded to

Agriculture-sector lending. The ACP was released by the Indian Overseas Bank, district lead bank here at the district consultative meeting at the Collectorate on Monday.

The ACP has envisaged a credit component of Rs.999.64 crore with an 80 percent lending to the tune of Rs.798.65 crore accorded to agricultural sector.

The non-farm sector lending is envisaged at 3 per cent to the tune of Rs.31.23 crore. Other priority sector advances have been pegged at 17 percent to the tune of Rs.169.76 crore.

The credit budget of Rs.649.90 crore constituting 65 per cent of ACP has been earmarked for crop loan adhering to the guidelines of NABARD and State Department of Agriculture. Further, Kissan credit cards would be issued to all eligible farmers to provide for 30 percent coverage of total farmers during the current fiscal under the under the joint campaign of Banks, Co-operative institutions and Department of Agriculture.

A budgetary allocation of Rs.6 crore towards bank finance for agro and food processing industries to be explored under the Prime Minister Employment Generation Programme has been provided for under the ACP.

Lending by banks under the ACP(2010-11) stood at Rs.1,151.41 crore surpassing the targeted lending of Rs.770.43 crore, achieving a 38 percent increase against the target.

This performance has been consistent with the 37 percent increase in lending witnessed under the ACP(2009-10).

Short-term loans, including agriculture jewel loans and financial assistance for women SHGs bagged the highest credit outflow of Rs.885.53 crore and Rs.95.56 crore respectively. Among the financial institutions, IOB, the district lead bank recorded a credit disbursement of 25 percent followed by the Indian Bank with 14 percent and Canara Bank, 9 percent.

Lauding the performance of banks, Collector C.Munianathan drove home the significance of banks as the driving force of the economy. It was for banks to accord special interest through credit flow in the vital sectors of agriculture, allied industries and service industries in order to induce development.

According to D. Sankara Narayanan, Senior Regional Manager, Indian Overseas Bank, Nagapattinam Region, the last fiscal witnessed opening of eight new branches, and banks recorded a 24 percent growth during the year recording a business growth from Rs.4736 crore to Rs.5850 crore in the last fiscal. Further, the DRI advances recorded a significant growth from Rs.4 crore to Rs.21crore registering 0.81 percent of total Advances. The bankers will achieve the one percent norm of RBI during the current financial year, Mr.Sankara Narayanan said.

Damodaran, principal, Krishi Vigyan Kendra; Mayilvaganan, Deputy Director, agriculture, Rajasekaran, PO, Magalir Thittam; A.Thanikachalam, Lead District Manager, were present.

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hindustantimes

Tuesday May 17

Chennai - INDIA

Today's Weather

Sunny

Tuesday, May 17

Max Min

37.1° | 26.5°

Rain: 00 mm in 24hrs	**Sunrise:** 5:43
Humidity: 57%	**Sunset:** 18:27
Wind: Normal	**Barometer:** 1008.0

Tomorrow's Forecast

Cloudy

Wednesday, May 18

Max Min

38° | 26°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
May 19	May 20	May 21	May 22	May 23
35° | 27°	36° | 27°	37° | 28°	38° | 29°	39° | 29°
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

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express buzz

By Express News Service

17 May 2011 04:28:45 AM IST

Lychee prices soaring 'on flight'

HYDERABAD: Do you drag yourself through the burning heat of mid-May hoping to get the sweet burst of lychees when you reach home?

Well, the little red fruit is becoming virtually out of reach for the middle class, with prices skyrocketing to around Rs 150- Rs 170 per kg.

According to lychee exporters, transporting the fruit by flight due to rampant Naxal activities in Bengal, has led to lychee prices going through the roof.

The manager of a city outlet, Canberra Foods Private Ltd, said they exported lychees from Bihar's Muzaffarpur area by train. Bihar grows the 'Sahi' lychee variety which hits the markets by the middle of May. However, with train schedules being hit by frequent Naxal attacks, stocks are in danger of getting rotten.

“Delays in transport make lychees go bad. Therefore, traders have been forced to export them by air, which has made prices increase by 75 percent,” the store manager said.

A store employee at the Simla Fruit Centre, Panjagutta said they buy lychees on a daily basis from traders.

The traders import them mostly from Bihar, either by air or train. He added that lychees are sold in fresh form for three months in summer and can be sold in canned form throughout the year.

Last year, only 50 percent of lychee produce could be harvested due to bad weather. This time, Bihar is expecting a bumper litchi crop- 20 to 25 percent higher than last year, according to agriculture department sources.

However, Naxal activities have put a dampener on people enjoying the heat-busting fruit.

Smitha Reddy, a housewife in Ameerpet says, “We always look forward to enjoying lychees in summer. But we have to do away with such expensive fruits, as it will otherwise burn a hole in our pocket.”

Pineapple farmers eyeing greener pastures

KOZHIKODE: Annoyed by the hostile farming environment, pineapple farmers in the state are now looking for greener pastures in Sri Lanka. And the latest provocation is the abrupt ban imposed by the state government on the use of pesticides and weedicides. Paraquat, one of the banned weedicide, has been used by pineapple farmers over decades. According to Pineapple Farmers Association president Baby John, there is no effective alternative for this chemical, which had been introduced to them by agriculture officers as an eco-friendly one.

“Farmers resorted to weedicides due to acute shortage of labourers and high labour costs. In Kerala, it is not economical to clear the weeds by uprooting it manually. In the present situation, we feel that Kerala is no longer a suitable place for commercial farming. And we are planning to relocate to Sri Lanka, Karnataka and Maharashtra in a phased manner," Baby John said.

Association office-bearers have already visited Sri Lanka and are of the opinion that it's an ideal location for growing pineapples. "There is pineapple farming in Sri Lanka. There are sufficient labourers and labour cost is low. Land is available for lease at affordable rates. Our plan is to form a group and come to an understanding with the Sri Lankan government. It is more convenient for exporting as well," Baby John said.

"We are not particular about using chemicals for farming. But, whoever banning a proven pesticide should point out an effective alternative. We are ready to accept it even if it is costly," he added.

Farmers equate the Agriculture Minister's sudden decision to the torching of tractors by party workers some time ago, on the pretext that it might affect the labour class. "Till now, we have been taught to follow these farming methods. Suddenly, one fine morning they are saying that these things are harmful and it cannot be used any more. Did they conduct any study on the effects of these pesticides? Or on what basis did they ask us to use these chemicals? What is the logic behind imposing a ban in one fine morning? At least the minister should have discussed the matter with farmers," said Baby John, who is cultivating pineapples for the last 25 years.

Farmers ridiculed the government's announcement that substitutes for banned chemicals would be recommended within 10 days. "Usually, a pesticide or a weedicide is developed after several years of research. Besides, it is studied by the agricultural university before introducing it to farmers. How can they say that an alternative would be suggested within a short period?" he said.

The association warns if the crisis persists small scale farmers will stop farming. "Large-scale farmers can relocate. But, what will the small-scale farmers do? Given the high land value, they will prefer to sell their agriculture land instead of taking a risk," he added.

At present, pineapple is grown in around 13,500 hectares and has a production of 3.25 lakh tonne with business worth `400 crore in an year. Over 60,000 people are employed in this sector. Vazhakkulam pineapple, which secured the geographical indication certificate, is the most favourite brand among the farmers and it constitute more than half of the total production in the state. Experts say that the area under cultivation will shrunk by one third next year.

THE ECONOMIC TIMES

Tue, May 17, 2011 | Updated 05.32AM IST

Rains to help cotton sowing in Karnataka

The latest ENSO (El Niqo/La Niqa Southern Oscillation) update by NCEP (National Centers for Environmental Prediction, USA) envisages neutral conditions. It is ashift from an earlier outlook that saw mild El Nino (negative for monsoon) settling in during the later half of monsoon.

Negat-ives like westerly wind flow in upper troposphere (repelling easte-rly at higher levels which support the monsoon trade winds) and heavy winter/spring snow are li-kely to be outweighed by neutral ENSO conditions, making 2011's monsoon normal, experts say. An upward revision in monsoon outlook by IMD may come by the end of the month riding on the ENSO neutral forecast by NCEP. Notably, there is a 20% chance of a below-normal monsoon under neutral ENSO conditions.

Bay of Bengal has been devoid of cyclogenesis (formation of cyclonic circulations) for the past couple of weeks and easterly/northeasterly monsoon trade winds are yet to appear over Andamans, causing some worry. The islands usually expect monsoon by May 20 while importantly there is no association of onset over the subcontinent with the islands. Rainfall in Kerala and Karnataka would pick up, supported by a north-south trough along the west coast. Rains here are imperative as they would set the tone for monsoon onset over the sub-continent.

The trough runs from Gujarat to Kerala. Rains would subside in intensity and spread later in the week as the causative trough gets disbanded. Troughs are elongated regions where opposing winds meet. Moisture carried by them and turbulence caused by mixing lead to inclement weather. Light rainfall is also likely along the west coast due to the trough. Coastal and interior Maharashtra and coastal Gujarat would witness scattered showers that would die down by the middle of week as the trough dwindles.

Up north, a fresh western disturbance is likely to appear by May 19 while moisture remnants of the last one interacting with a heat low over eastern Pakistan would sustain isolated dust/thunder storms in northwest on Tuesday. Western disturbances are moisture bearing clouds forming over Mediterranean or Caspian Seas due to evaporation and travelling east.

Northeast will get widespread showers throughout the week due an unrelenting low. Another east-west trough passing over Indo-Gangetic plains from Punjab to Bengal would foster light scattered rainfall in east. Rainy east and drier Andhra Pradesh would help paddy in these regions during seed development and maturity respectively. Showers in Karnataka would support cotton sowing while land preparation in Haryana would go well under mostly dry weather. Harvesting of a bumper wheat crop is almost complete despite weather setbacks in the northwest.

(Jatin Singh, CEO, Skymet)

Price decline likely to help cardamom export

KOCHI: A sudden plunge in cardamom prices in the ongoing lean season is worrying traders and farmers. After hitting a high of Rs 1,500 per kg in last two years, cardamom prices are oscillating between Rs 750 and Rs 800.

However, low prices could augur well for exports. The prices were hovering around Rs 1,000 per kg before dropping to around Rs 700 last week. Traders attribute this to heavy supplies during the May lean season.

"Rains early during the year have helped increase supply in the lean season. The new harvest season, which usually starts in July, may be advanced to June, resulting in low prices in the next few weeks," said PC Punnoose, general manager of Kerala Cardamom Processing and Marketing Co-operative Society.

Cardamom prices had hovered around Rs 1,100 per kg in May last year. They climbed to Rs 1,500 before stabilising around Rs 1,000 per kg. Planters have held over their stocks expecting better prices in May. But they have now been forced to sell them at lower prices before the next season. The low prices, however, favour exports. After a record 1,975-tonne shipment in 2009-10, cardamom export fell to 865 tonne for the 11-month period ended February 2011.

Guatemala, the largest cardamom producer, edged India out of the international market with low prices during the year. Guatemala sold cardamom for around $23 per kg, which was $3-4 lower than the Indian prices. Though the domestic prices have dropped, the country will not be able to take full advantage of the situation till the new crop arrives.

"Huge stocks remaining with planters are getting released to the market now. But most of them are not of exportable quality as the inventory has been with the producers for some time," said leading exporter SPGR Nityanandan, senior partner of SPG Ramaswamy Nadar & Sons. He said cardamom with faded green colour doesn't have good demand in the main market of Saudi Arabia .

"Due to high prices, the planters made a lot of money in the last two years and most of them were reluctant to sell below Rs 1,000 per kg," he said. When supplies pick up by July, better stock will be available for exports.

Spices Board is closely monitoring the situation as the price plunge was unexpected. Kerala Cardamom Growers Association secretary KK Devassia said the prices may remain in the range of Rs 800 to Rs 900 per kg by July with anew crop coming in. That would be a reasonable price for the grower, he added.

Cotton seed companies set to earn Rs 700 cr

PUNE: Bt cotton seed companies are eyeing an income of Rs 700 crore this year following an increase in seed prices. The month-long tussle between seed companies and the Maharashtra government over Bt cotton seed prices has ended in the former's favour.

Maharashtra, which has the highest cotton acreage, waited for Gujarat and Andhra Pradesh to take a call on seed prices. But when Maharashtra said it won't increase the prices last week, seed companies indicated they would divert seeds to states where prices are higher.

Following this, the government has allowed a revision in prices which were kept constant for the last three years. The Bollgard I and Bollgard II seeds will now be sold for Rs 830 per packet and Rs 930 per packet instead of Rs 650 per packet and Rs 750 per packet (of 450 grams) respectively.

"There was a possibility of farmers getting bogus seeds or no seeds. We had no option," said a government official. The seed requirement of the state in the previous year was 1.40 crore packets when the cotton acreage was at 39 lakh ha. This year, the area is expected to go up to 45 lakh ha and hence the state will need about 1.80 crore packets.

Thus the price increase of Rs 180 per packet will yield Rs 324 crore to the seed companies on the sale of Bt cotton seeds in Maharashtra alone. Seed companies expect to sell about four crore packets of Bt cotton seeds nationally during kharif 2011.

Business Standard

Tuesday, May 17, 2011

Record global coffee exports in FY11: ICO

Press Trust Of India / New Delhi May 17, 2011, 0:13 IST

Global coffee exports increased by more than seven per cent to 101 million bags between April 2010 and March 2011, the highest level ever recorded, on the back of increased consumption and increased prices, the International Coffee Organisation (ICO) said.

Total exports internationally in the year-ago period stood at 94 million bags (one bag equals 60 kg), the global body on coffee said.

“Total exports in the last 12 months (April 2010-March 2011) reached 101 million bags, the highest ever recorded. Increased exports seem to have been driven not only by current price levels, but also by the continued dynamism of consumption,” ICO said.

However, it pointed out that the cost of important production factors, like transport and fertilisers, in the coffee supply chain has been increasing due to the continued price rise of oil products. Exports in the first six months of the coffee year (October 2010-September 2011), also reached the highest level on record, at nearly 53 million bags, as against 45.8 million bags in the year-ago period, an increase of 15.4 per cent.

The global body on coffee said that the strong export performance is unlikely to favour the reconstitution of stocks in exporting countries.

“The level of exports in the period is the highest on record. This strong export performance is likely to delay the reconstitution of stocks in exporting countries,” it said.

The opening stock in the 2010-11 crop year was around 13 million bags, a fall of 36.7 per cent from 20.52 million bags in the corresponding period of the previous year, it added.

“However, current price levels are likely to encourage investment in the upkeep and renewal of coffee trees, although the increased cost of agricultural inputs might be a limiting factor,” the ICO noted.

According to the coffee industry in India, the stocks will remain low in the current financial year. “The stock has been low due to the strong exports in the past fiscal and we expect the stock to remain low in the current FY12,” All-India Coffee Exporters’ Association President Ramesh Raja said.

Oil mills' capacity utilisation up on high seed supply

Rutam Vora / Ahmedabad May 17, 2011, 0:08 IST

With oilseeds production touching record levels this year, crushing activity at oil mills witnessed a sharp surge over last year. Better pricing of edible oils and increased availability of seeds has improved the capacity utilisation of crushing units from about 40 per cent last year to an average 60-65 per cent at present.

“The edible oil market looks good with better price prospects. Our capacity utilisation is nearly 80 per cent, which is much more than last year. Currently, we are crushing mustard seed and soybean. Unlike last year, we see a parity in crushing activity this year as the availability of seeds has improved,” said Jayesh Patel, managing director, Vimal Oils Ltd.

Industry insiders believe the robust oilseed output has added glitter to the crushing activity. “Oilseed production has been good this year. This has not only improved the availability of seeds but has also reduced the dependence on imported oils. Currently, oil crushing units are operating at an average 60 per cent utilisation levels, which is much more than last year," informed Govindbhai Patel, a Gujarat-based edible oil expert.

India's oilseed output is estimated to cross 30 million tonnes in the year 2010-11 due to favourable monsoon and increased yield of oilseeds. According to the Solvent Extractors' Association of India (SEA), the import of edible oils had decreased in the current year due to higher production of oilseeds during the kharif and rabi seasons. The crushing parity is believed to be good due to high prices of oil and export demand for oilmeals.

Gokul Refoils & Solvent Ltd has its units operational at a capacity utilisation level of nearly 70 per cent. Additionally, the company has also expanded its capacities by 25 per cent every year over past two years.

"From market's perspective, past three-four months have been pretty tight. But as soybean crop has been good this year, we see better performance ahead. We have expanded our capacity in the past two years to 2.48 million tonnes per annum," said a company spokesperson.

Meanwhile, groundnut crushing has witnessed a steep fall as large volumes of the commodity was exported in the overseas markets.

"Groundnut crushing has been very low. The capacity utilisation of groundnut crushing units in Gujarat has remained very low at around 15-20 per cent. This is mainly due to a large volume of groundnut - the hand picked selected (HPS) quality, is being exported and does not come for crushing," said Patel.

However, analysts put a cautious view about the edible oil prices.

"Looking at the current situation, there seems to be no parity in the crushing activity. The edible oil demand is low and prices are almost stable. However, going forward, global factors may play a decisive role in the future price trend and lift them up by June-end," noted Jagdeep Garewal, research analyst at Kunverji Commodities.

Mills slow in applying for sugar export orders, says govt

Press Trust Of India / New Delhi May 17, 2011, 0:07 IST

Sugar mills have sought export release orders from the Food Ministry for only about one-third of the total 445,000 tonnes of shipment permitted by the government, though the deadline expires this week.

With effect from April 19, the government allowed export of 445,000 tonnes of sugar under open general licences (OGL). The quota was allocated to 490 mills on the basis of their average production during the last three years.

According to the notification, the last date for submission for applications by mills opting to export sugar from their own production is May 18. However, the deadline for mills opting to source sugar for export from other factories is June 2.

“Mills have been slow in applying for export release orders. It seems they have lost interest in exports,” a senior Food Ministry official said.

So far, the Food Ministry has received applications for 160,000 tonnes of sugar, of which it has issued export release orders for only 143,000 tonnes, the official said.

Natural rubber output may rise 4.6%, says Board

George Joseph / Kochi May 17, 2011, 0:04 IST

The Rubber Board has projected an increase of 4.6 per cent in natural rubber (NR) output at 902,000 tonnes for the current financial year as against 861,950 tonnes in

2010-11. According to the board, total domestic consumption of NR would be 977,000 tonnes depicting a growth of 2.9 per cent as against 949,205 tonnes in the last financial year.

The board's latest projection differ with the estimates of All India Rubber Industries Association (AIRIA) and Automotive Tyre Manufacturers Association (Atma). The associations had said that in the last four financial years NR production had increased only one per cent, while the consumption increased more than 15 per cent.

In the current financial year, according to industry estimates, domestic consumption is likely to lag behind production by 189,000 tonnes. New capacities and major expansion plans undertaken by tyre companies to cater to booming automobile industry will lead to an increase of 150,000 tonnes in consumption.

Refuting board's projection on consumption, AIRIA and Atma said by the end of this financial year consumption would be 1.08 million tonnes, up 150,000 tonnes, leading to a gap of 189,000 tonnes in the local supply and demand. But the board projects a shortage of 75,000 tonnes only.

There would be a reduction in imports, this year, according to board's projection. It projects imports to be 120,000 tonnes as against 177,637 tonnes last year. Also, it projects export of 50,000 tonnes of NR as against 29,851 tonnes in 2010-11.

Though the supply-demand gap of NR is widening every year and both AIRIA and Atma strongly argue for revamping calculation of stock in the country, the board expressed optimism that there would be 271,000 tonnes of stock by March 31, 2012, against 276,110 tonnes in this March.

In a submission to the Rubber Board, AIRIA and Atma have demanded that the definition of NR stock should be changed to that of 'saleable stock' in line with market realities. Despite high NR prices, prevailing for the last three-four years, domestic stock is progressively on an increase. This is contrary to the real situation in the market and to the trend in other major NR producing and consuming countries.

According to the latest estimates of the board, 32 per cent of the total rubber production is kept as stock as on March 31. This is a highly inflated figure and the method of calculating the stock should be thoroughly revamped.

This misleading figure of the Board wrongly influences the government policy decisions. This influences the ministry of commerce not to allow duty-free import. AIRIA and Atma had demanded 200,000 tonnes of duty-free import this financial year.

Meanwhile, in April, NR production increased to 56,800 tonnes, up 6.2 per cent, against 53,500 tonnes in last April. Monthly consumption in April increased 1.2 per cent to 82,500 tonnes as against 78,250 tonnes in April, 2010. The month end stock was 250,250 tonnes.

Cotton price crash hits ginners

Rutam Vora & Vimukt Dave / Ahmedabad/rajkot May 17, 2011, 0:05 IST

Prices have fallen 30 per cent in two months, 50 per cent ginners in Gujarat shut shop.

The recent fall in cotton prices has taken its toll on ginners who convert cotton into bales form by ginning and pressing. Around 50 per cent of ginners in Gujarat, the largest producer and exporter of cotton, have closed their units in wake of spiralling prices. Most of the ginners had stock cotton in anticipation of further rise in prices.

Cotton prices were at Rs 63,000 a candy two months ago and have now crashed nearly 30 per cent to Rs 43,000 a candy in Mumbai. Cotton was among the best performing assets in 2010 with over 60 per cent returns.

“Ginners bought cotton even when prices were as high as Rs 60,000 per candy. They expected the prices to go up to Rs 65,000 per candy. However, the crash in prices has eroded the value of their stocks by 25 per cent,” said a ginner based at Kadi in north Gujarat.

According to him, ginners are poised for a big loss. “Ginners can only mitigate their losses if the government allows exports,” he added.

“Currently, the demand is less in the market and ginners are loosing about Rs 18,000-20,000 per candy. Most ginners had piled up the inventory when the demand was at its peak in February. Ginners anticipated higher returns but as the demand from millers decreased, prices fell from Rs 62,500 to Rs 44,000 per candy,” said Bharat Vala, president, Saurashtra Ginners Association (SGA).

He further added, “We will meet the concerned ministry officials on Wednesday to demand to extend the cap on cotton exports. Bhartiya Kisan Sangh and other farmers’ associations are also supporting us.” In order to pressurise the government, ginners have already gone on an indefinite strike from Sunday to protest against the cap of 5 million bales on exports.

Even as a large number of ginners have demanded to increase the quota for cotton exports, the industry experts find the move worthless considering the dismal price scenario in the international market.

“Currently, international prices are hovering at around 132 cents per pound of MOP cotton. This has dropped from as high as 192 cents per pound this season. In the present scenario, there is no incentives for cotton exports as the margins have dropped from 15-20 cents to barely 2-3 cents per pound,” said a cotton exporter from

Ahmedabad. In domestic markets, the price of Shankar-6 variety hovered in the range of Rs 43,000-45,000 per candy against the peak of Rs 60,000 per candy a couple of months back. Prices have almost bottomed out in recent trades.

“Traditionally, ginners used to sell off cotton with a margin of Rs 2,000 per candy. They, however, did not offload their stocks even at the time when they were getting a margin of as high as Rs 4,000-6,000 per candy. Ginners expected prices to go up further. On the contrary, the prices plummeted by around Rs 10,000 per candy in the month of April hitting the margins hard,” said a leading cotton trader from Ahmedabad.

Anand Popat of Jalaram Cotton and Proteins Limited and secretary of SGA, said, “Ginners have a backlog of around 2 million bales and the farmers are also holding an equal amount. The government should allow export of at least 1.5 million bales more.”

Saurashtra and Gujarat are having around 1,000 ginning units. Before going on strike, 70 per cent ginning units were closed and the remaining worked at reduced work days of three-four days a week.

THE HINDU Business Line

Tuesday, May 17, 2011

Plea to permit export of 40 lt wheat

Our Bureau

Chennai, May 16:

Commodity players have asked the Centre to allow exports of wheat to check the fall in its price.

The Union Government should allow exports of at least 40 lakh tonnes so that prices do not drop below the minimum support price (MSP) of Rs 1,170 a quintal. “The wheat will easily be absorbed in Egypt and Gulf markets,” said Mr D.K. Agarwal, President of Commodity Participants Association of India and Managing Director of SMC Comtrade.

Farmers are selling wheat below MSP since procurement agencies such as the Food Corporation of India have been unable to buy from them, he said, adding that it has led to a crash in prices.

“Wheat is being sold at Rs 1,000-1,050 a quintal at Government's authorised procurement centres and there is a possibility of the price dropping further.” Mr Agarwal said.

Price-variation with quality drag tea prices

Santanu Sanyal

Kolkata, May 16:

Between April 2010 and February 2011, the average auction price of tea, at Rs 104.68 per kg, was lower by Rs 3.31 per kg compared with Rs 107.99 in the same period of the previous fiscal (2009-10), according to statistics released by the Indian Tea Association (ITA) here on Monday. A major reason for the drop, as ITA sources point out, has been the wide variations in the prices of good quality and not-so-good quality teas.

The drop in the auction price was particularly sharp: Rs 12.91 per kg at South Indian auctions where the average price during the period under review was Rs 68.33 per kg (Rs 81.24 per kg). The North India tea during the period, however, posted a slight rise of

Rs 2.26 per kg at Rs 120.02 (Rs 117.78 per kg) despite an average Rs 4.11 per kg rise in Kolkata auction at Rs 133.47 (Rs 129.36) and Rs 3.09 per kg rise at Siliguri at Rs 114.82 (Rs 111.73). The average price at Guwahati auction on the other hand slumped by Rs 3.59 per kg at Rs 104.19 (Rs 107.78).

One reason for higher price realisation at Kolkata auction is that unlike other auction centres, Kolkata auction, along with CTC/Dust, also handles Orthodox and Darjeeling varieties.

Interestingly, in January and February, as ITA statistics reveal, the average price increase in South Indian auctions was Rs 2.31 per kg at Rs 76.69 (Rs 74.38) while in North Indian auction centres, it was Rs 1.99 per kg at Rs 99.37 (Rs 97.39). The price increase for Darjeeling variety during the period was substantial – Rs 27.46 per kg at Rs 175.22 (Rs 147.76). As a cumulative effect of all this, during the first two months of current year, the average auction price increase at the national level was a meagre 28 paise per kg at Rs 91.55 (Rs 91.27), the ITA release adds.

Cotton unchanged despite ginners' strike

Our Correspondent

Rajkot, May 16:

Cotton prices remained unchanged in Gujarat. Ginners in the State are on an indefinite strike from Sunday to protest against the Centre's cap on cotton export at 55 lakh bales.

Gujarat's *Sankar*-6 cotton was traded at Rs 42,000-44,000 a candy of 356 kg. Low-grade cotton was quoted at Rs 35,000-40,000 a candy. *Kalyan* cotton was at Rs

25,000-28,000 a candy. Around 7,000-8,000 bales cotton arrived in Gujarat against 12,000 bales last week. In the rest of the country, 25,000-28,000 bales arrived.

Raw cotton was traded at Rs 650-1,000 for 20 kg in Rajkot.

Cotton Brokers said the price was just for the asking as there is no demand. The market is waiting for new demand, expected only after the Government allows more cotton to be exported. Mills are not buying as they have too much of stock.

Anand Popat, Secretary, Saurashtra Ginners Association, said: “Ginners have a stock of around 20 lakh bales, and farmers are also holding an equal amount with them. The Government should allow export of at least 15 lakh bales more.”

Around 1,000 ginners in Gujarat have gone on an indefinite strike. Saurashtra Ginners Association's delegation will meet the concerned Ministers next week requesting them to increase the limit for cotton export.

Global cues bolster up soya oil

Indore, May 16:

Soya oil ruled high on strong global cues. In the domestic market however, demand for soya refined remained sluggish, as traders were reluctant to buy at high prices in the physical market. The ensuing monthly cut in soya seeds on the National Commodity and Derivatives Exchange (NCDEX) on May 20 also made traders averse to buying at the higher rate. In the spot, soya refined soya refined slipped to Rs 600 for 10 kg, against Rs 595 on Saturday. On account of weak foreign support and rise in its prices in the spot, trading in soya refined was not aggressive.

Trading in soya solvent was also subdued, primarily because of shortage. In the morning, soya solvent in the spot quoted at Rs 570 for 10 kg and it was bought by Adani Group from Ruchi Industries, while in delivery, soya solvent ruled at Rs 575 with hardly any takers.

Notwithstanding sluggish demand in the physical market, soya refined ruled high in the futures on positive global cues. On the NBOT, soya refined's June contract closed Rs 1.80 higher at Rs 634. On Saturday also soya refined's June contract on the NBOT closed Re 1 higher at Rs 630.50, primarily because of increased demand at the lower rate. On the NCEDX also, soya oil futures closed higher with its May and June contracts closing at Rs 629.60 and Rs 635.25 for respectively.

Soya seeds also ruled high in the spot on weak arrivals and positive projection by the Chicago Board of Trade. In State*mandis*, soyabean was quoted Rs 20-40 up at Rs 2,260-2,300 a quintal against Rs 2,250-2,280 a quintal in Indore*mandis*. In State *mandis*, soyabean on Saturday had been quoted at Rs 2,280-2,340 a quintal. Similarly, plant deliveries in soyabean also ruled high at Rs 2,360-2,400 a quintal, with bulk demand coming from Dhulia line in Maharashtra. Arrivals of soyabean in State *mandis* on Monday was 22,000 bags against 1,200 bags in Indore*mandis*.

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ice prices rule steady

Our Correspondent

Karnal, May 16:

Rice prices saw a steady trend with aromatic and non-basmati varieties maintaining their previous levels on Monday.

Mr Amit Chandna, Proprietor of Hanuman Rice Trading Company, told *Business Line* traders are not getting fresh orders and we are selling on lower margins. Permal variety has good demand but prices are ruling in limited margins, he added.

After witnessing a major drop last weekend, prices of Pusa 1121(steam) quoted at Rs 5,200-5,300 a quintal, Pusa-1121(sela) was at Rs 4,100-4,350, and Pusa-1121(raw) ruled at Rs 5,100.

Duplicate basmati quoted at Rs 3,750-4,050. Pure basmati (Raw) ruled around Rs 6,600.

Aromatic and non-basmati rice fell Rs 25-200 in the last one week.

For the brokens of Pusa 1121, Tibar was quoted at Rs 3,100-3,500, Dubar Rs 2,400-2,700 and Mongra Rs 1,900-2,200.

Sharbati (steam) quoted at Rs 3,100-3,275 while the Sharbati (Sela) ruled around Rs 3,000.

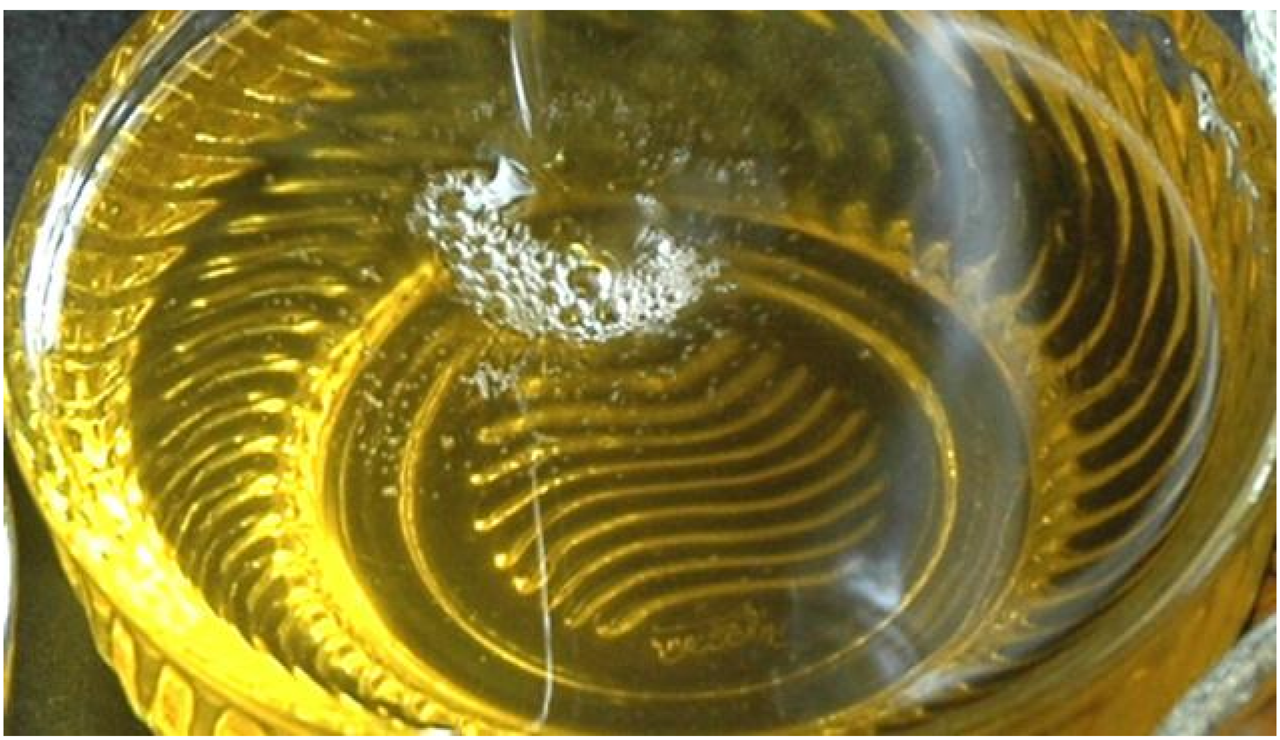
PR11 (Sela) ruled at Rs 2,120-2,250 while PR-11(Raw) was quoted at Rs 2,050-2,250.

Permal (sela) was quoted at Rs 1,750-2,080 while Permal (Raw) traded at Rs 1,900-2,100.

Brokens of the Sharbati variety, Tibar was quoted at Rs 2,350-2,540, Dubar was at 2,100-2,250 and Mongra ruled around Rs 1,800-1,830.

Edible oils gain tracking Malaysian market

Our Correspondent



Mumbai, May 16:

Palmolein and soya oil extended their gains by Re 1 and Rs 5 respectively in Mumbai, tracking the foreign markets on Monday. Lower arrivals of seeds helped rapeseed oil go upby Re 1. Groundnut and sunflower oils ruled steady. Cotton oil declined by Rs 3 on selling by producers. A steady sentiment prevailed with prices remaining range-bound.

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives rose on Monday in light trade, with some investors buying on a survey showing a jump in exports and strong prices in competing soya oil markets. A wholesaler said in the domestic markets, lower arrivals of seeds in the North, Gujarat and Madhya Pradesh reduced the selling pressure in soya oil, rapeseed oil and groundnut oil.

Higher demand for oilmeals — especially soyameal, rapeseed and other extractions — supported the sentiment. In Saurashtra and Rajkot, groundnut *telia* tin was up by Rs 5 to Rs 1,290 and loose Rs 835 for 10 kg on firm trend in HPS groundnut.

With supplies improving, stockists did not make any new commitments for forward also. About 250-300 tonnes of palmolein were traded in resale at Rs 572-574. Refineries quoted for ready delivery/weekly but got a weak response. Liberty was quoting palmolein at Rs 565. Ruchi's rates were: for palmolein Rs 573, for soya refined oil Rs 610 and for sunflower oil Rs 670. Allana's palmolein was Rs 576.

Malaysia's BMD CPO contract for June was MYR3,400 (MYR3,365), for July at MYR3,294 (MYR3,274) and August at MYR3,255 (MYR3,249) a tonne.

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 845 (845), soya refined oil 610 (605), sunflower exp. ref. 625 (625), sunflower ref. 675 (675), rapeseed ref. oil 638 (637), rapeseed expeller ref. 608 (607), cotton ref. oil 615 (618) and palmolein was 575 (574).

Limited buying grinds turmeric

Our Correspondent

Erode, May 16:

Spot turmeric fell Rs 400 a quintal on Monday.

“No bulk buyer has received fresh order. So limited quantity of turmeric was bought,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association, on Monday.

“Till mid-July, the same price — give or take Rs 500 a quintal — may prevail, as the second sales season starts only from August, and the North Indian merchants will float large fresh orders. For the past fifteen days, prices and sales in other centres have been normal, though on some days sales were slow. Futures, too, have not improved for the past some days, so the same price may prevail,” said Mr Ravishankar.

He said at present bulk buyers are purchasing to fulfil last month's local orders. The growers said they would not sell if prices fall below Rs 9,000.

On Monday, 14,000-odd bags arrived for sale, but only 45 per cent of them were sold.

At the Erode Turmeric Merchants Association Sales centre, the finger variety was sold at Rs 6,555-8959 a quintal and root variety at Rs 6,209-8316 a quintal.

Salem Crop: The finger variety fetched Rs 9,085-10,209 a quintal and root variety Rs 8,079-8,769 a quintal. Out of the 5,332 bags that arrived, only 400 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 7,027-9,246 a quintal and root variety at Rs 6,169-8,366 a quintal. Out of the 224 bags that arrived, 195 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 7,855-9091 a quintal and root variety at Rs 7,603-8,425 a quintal. Out of the 1,325 bags that arrived, 1,109 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 8,611-9095 a quintal and root variety Rs 8,779-8,383 a quintal. Out of the 1,298 bags that arrived, only 688 were sold.

Gram dal up; Other commodities remain firm

Chennai, May 16:

Gram dal prices went up, while other commodity rates ruled steady at the wholesale foodgrains market here today.

Gram dal prices went up by Rs 100 to Rs 2,900 per quintal. However, tur dal, urad dal, moong dal, sugar, wheat, maida and sooji prices remained unaltered.

Following are the wholesale rates of various agri-commodities today (in rupees per quintal, except where stated otherwise): Tur dal 6,000, urad dal 6,400, moong dal 6,900, gram dal 2,900, sugar 2,700, wheat 1,800, maida (90 kg) 1,650 and sooji (90 kg) 1,800.