THE HINDU

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September 15, 2011

Lightweight machine weeds out paddy farmers' woes

The compactly developed conoweeder being tested by a farmer in his field. Photo: Special Arrangement

A French Jesuit priest Henri de Laulanie first developed the System of Rice Intensification (SRI) method of paddy cultivation for the poor farmers in Madagascar during the 1980's.

“In the last two decades the technique is fast becoming popular among millions of farmers worldwide. In India the success of SRI can be perceived as being made possible by many small farmers who dared to experiment and innovate new techniques,” says Mr. Senthilkumaran, Director, Information, Education and Communication, M. S. Swaminathan Research Foundation (MSSRF), Chennai.

Simple and efficient

Take the example of the conoweeder, a simple, hand-operated device to remove weeds from the paddy field.

To encourage small farmers to adopt this cultivation the State Governments passed orders to their respective agriculture Universities to make the machine available to farmers through their Krishi Vigyan Kendras (KVKs) freely as and when they require.

With the numbers being limited, the KVKs' in many areas found it difficult to cater to the demand.

“But one significant problem that the Government failed to notice during the supply of the machines was, whether it was user friendly. Many farmers complain that the conoweeder supplied by the Government is too heavy and difficult for them to use,” says Mr. Senthil.

In some places farmers could not take up SRI cultivation because they did not get the weeder on time and for others it proved physically strenuous to move the machine in their fields.

“Being a farmer myself, equipped with an engineering degree, I decided to develop an easy to handle weeder that served multiple purposes,” says Mr. S. Karthikeyan, from Kumbakonam, Tamil Nadu.

He adds, “as a farmer I could easily realise the exact requirement of a paddy cultivator and designed the machine.”

Distinctive feature

“The most distinctive feature of Mr. Karthik's weeder is that being lightweight it can be easily operated. Even women find it easy to work with it.

“This is not the case with the commonly available conoweeder. It is heavy and requires good strength to operate it,” explains Mr. Senthil.

Says Mr. Karthik: “Unlike the other weeders my device can be easily made to run in slushy fields to a depth of even one foot. The wheels can be changed and used for readying even dry fields.

One litre of petrol

“It needs only one litre of petrol and can be used continuously for an hour. It is advisable to use it two times at 15 days interval for increasing the tilling growth of the crop by 50-60 numbers.”

Normally 12 to 15 people are required to remove the weeds from an acre, working for 5 to 6 hours. But a single person can easily perform this action using this device and complete the work in 2 to 2.5 hours. “This kind of technology needs to be encouraged for adoption on a larger scale. The government and financial institutions should consider supporting such initiative by subsidizing the equipment,” stresses Mr. Senthil. But the sad factor is the innovator has applied for a subsidy from the Government and is yet to hear something positive from them.

Farmer's meet

MSSRF organised a meet of more than 50 farmers two months back to create awareness about this new device. The innovation was also tested at TNAU, GKVK, Bangalore, State Agriculture Engineering Departments, Research Institutions and several farm fields.

For more details contact Mr. S. Karthikeyan, Om sakthi agri industries, No 9/1 Lal Bahadur Sastri road, Kumbakonam: 612-001, email: karthi_omsakthi@yahoo.co.in, mobile: 09789618131, phone: 0435-2401231. And Mr. Senthil at Third Cross Road, Institutional Area, Taramani, Chennai 600 113, email: senthil@mssrf.res.in; senthilrural@gmail.com, Phone: 044 22541229, 22542791.

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QUESTION CORNER - Electronic weighing machine

Photo: Shaju John

How does an electronic weighing machine work?

P.S. MATHEW, *Alappuzha, Kerala*

The operation of an electronic weighing scale can be split into two parts for understanding. The first being the sensing part and the second, the processing part. The sensing part essentially contains a collection of sensors which measure the weight and convert it into electrical form for processing. The processing part then takes this signal and displays it on the LCD for a readout. The sensors used for measurement are known as load-cells.

A load cell is basically a transducer (a device which converts one form of energy into other form) that converts a force (the weight in this case) into an electrical signal. The load-cell consists of a set of strain gauges which get deformed upon application of a pressure (strain) on them. This deformation is measured as an electrical signal so that it is suitable for processing.

Because of the fact that the applied strain changes the electrical resistance of the wire, a load cell normally consists of 4 strain gauges that are connected as a wheatstone bridge.

A collective output of the 4 strain gauges is obtained that is in a order of a few millivolts. The arrangement in a weighing scale is such that, the object that is placed on the platform exerts the force onto carefully placed load-cells beneath it. These transducers generate an electrical signal which is then amplified by the use of a high quality signal amplifier for it to be suitable in the subsequent sections of electronics in the device.

This signal after amplification is taken by the processing part which converts the analog voltage into a digital form with the help of a precision analog to digital converter which is then displayed on to the digital read out.

This part of the processing and the digital read out is handled by the use of a Micro processor Control Unit (MCU) which can perform other necessary operations based upon the design necessity. These operations can be maintenance of some statistical data, zero adjustment, interface to a PC system etc.

Care is taken to calibrate these devices before they are used. This is done because of the uniqueness of the components that are used in them. This is an important step without which the device provides a wrong reading.

PRABHAKAR JONNALAGADDA, *Hyderabad*

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September 15, 2011

Mixed cropping of pepper in coconut gardens

Research on mixed cropping of pepper in coconut garden is being carried out at Central Plantation Crops Research Institute, Kasaragod. Technologies have been evolved for successful cultivation of the crop.

Method of planting

The rooted cuttings need to be planted one m away from the bole of coconut in North-East direction. Before planting, one 50x50x50 cm dimension pit has be taken in the above mentioned place and should be kept open for 15 days and available organic manure has to be applied and planting of rooted cuttings can be taken up.

During first year, proper care should be given for staking the vines to coconut bole.

Management practices

Application of recommended dose of fertilizers and organic manures: N:P:K: at 50:50:150 g/vine and application of 2 to 3 kg of organic manure (vermicompost or FYM or compost).

Care should be taken not to disturb the root system of the plant and apply the manure on the outer side of the root system and cover with soil. Irrigating during summer months is required and can be given in the form of drip irrigation or sprinkler Irrigation.

Integrated disease management approach needs to be adopted involving application of fungicide and bioagents (*Trichoderma viride*) blended with neem cake or vermicompost to manage wilt disease.

Successful cultivation of black pepper depends upon, how the vines are taken care with respect to nutrient management and disease management with organic manure blended with bioagents.

Easy harvesting

Vines should be allowed to trail up to 20 to 25 feet height and further growth should be restricted for easy harvesting of berries and to allow the climber to climb the coconut palms for harvest of nuts.

Suitable Varieties: Panniyur 1, 4 and 5, thevam, Sreekara, Panchami and Karimunda.

Studies conducted at CPCRI. Kasaragod have revealed that Panniyur 1 variety has performed better by yielding 2.5 to 4 kg dry pepper per vine per year under coconut based high density multispecies cropping system.

Other varieties like Panniyur 4 and 5, Sreekara, Panchami also gave better yield ranging from 1.5 to 2.5 kg dry pepper per vine per year. 15 years of result has indicated that, by growing the pepper as mixedcrop in coconut, there was no reduction in the yield of coconut rather there was increase in the yield.

Dr. H.P. Maheswarappa *Principal Scientist(Agronomy)CPCRI, Kasaragod*

Published: September 15, 2011 00:00 IST | Updated: September 15, 2011 04:06 IST
DINDIGUL, September 15, 2011

Aavin to increase milk procurement

The Aavin has plans to increase procurement of milk to meet the growing demand within and outside the district. It has plans to procure 50,000 litres a day, according to Collector K. Nagarajan.

He was presiding over a special meeting with Aavin officials here on Tuesday. At present, the Aavin had been procuring around 42,000 litres a day through cooperative societies and farmers. To boost production, existing milk cooperative societies would be revived and new members would be inducted.

Similarly, the societies that did not supply milk to the Aavin would be encouraged to send milk to the Aavin. Efforts were on to streamline poor functioning of cooperative societies. Existing members would be motivated to increase quantum of milk supply to the societies.

Published: September 15, 2011 00:00 IST | Updated: September 15, 2011 04:03 IST ERODE, September 15, 2011

Farmers begin to worry about crop productivity

They fear inadequate supply of water for irrigation

Going waste: Water from a branch channel of Lower Bhavani Project (LBP) flows into a drain near Kavunthapadi in Erode district due to blockages in the channel. - PHOTO: M.GOVARTHAN

Farmers in the tail-end areas of Lower Bhavani Project (LBP) ayacut have started to worry about the crop productivity this year as well, thanks to the lack of maintenance and encroachments in branch channels of LBP that has led to inadequate supply of water to them.

A majority of the branch channels in the LBP are heavily silted and covered with weeds.

The authorities have grossly failed to take up maintenance works in the branch channels, particularly the small ones supplying water to the lands.

“The public works department (PWD) takes up maintenance only in the main canal of the LBP and never bothers to look at the condition of branch channels,” Lower Bhavani Farmers Association President S. Nallasamy charges.

The revenue department is responsible for the maintenance of the small channels that connect the farm lands.

“These channels are also heavily silted. In several parts of the ayacut, persons had encroached upon these channels preventing the flow of water,” he points out.

Farmers have raised the issue of inadequate supply in the tail-end areas and encroachments on the water carrying channels during the grievances redressal day meetings.

Whenever we raise the issue, authorities keep giving assurances that they will take action.

But no fruitful efforts are yet emerge, farmers claim.

Collector C. Kamaraj had already instructed officials in the PWD to identify all the encroachments on the branch channels of LBP and take immediate steps to remove them.

“No such efforts have been taken up till date,” farmers complain.

When asked, the Collector said that the administration would launch a special drive to remove the encroachments on the water-carrying channels.

“Steps would also be initiated to take up maintenance works in the branch channels on a regular basis,” he added.

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THANJAVUR, September 15, 2011

Centre to provide subsidy in fertilizer directly to farmers

The Centre is taking steps to provide subsidy in fertilizer directly to farmers instead of fertiliser companies, said S.S.Surjit Wala, all India president of the farmers' wing of the Congress party here on Wednesday.

He told presspersons that the farmers are deprived of the benefit when subsidy is given to the fertiliser companies. It leads to monopoly of trade and high price of fertilizer.

He said three bills - Fertiliser Control Act, Land Acquisition Bill and Seed Bill - would be tabled in the coming session of Parliament.

He appealed to the State governments which give agriculture loans at 10 to 12 per cent interest to stick on to only four per cent interest as suggested by the National Agriculture Commission.

He said he was against introduction of BT cotton and BT brinjal.

Avinash, all India general secretary, and S. Pavan Kumar, state convenor were present.

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THANJAVUR, September 15, 2011

Farmers told to register rare crops

Prompt use of post harvest technology, value addition; proper storage and marketing at the right time will enhance income of farmers, said K. Alagu Sundaram, director of Indian Institute of Crop Processing Technology, here on Tuesday.

Speaking at an awareness programme on Protection of Plant Variety and Farmers Right Act organised by the Centre for Ecology and Research, an non-governmental organisation, Mr. Alagu Sundaram said that traditional and improved varieties of crops conserved by the breeders and farmers should be registered using the provision available in the Act.

B. Chandrasekaran, professor and head of Soil and Water Management Research Institute (SWMRI), traced the history of the PPV and Farmers Right Act.

Form groups

He appealed to the participants to form farmers' groups and register rare variety of crops. V. Balasubramaniyan, joint director of agriculture, participated in the function. A book on the Act was released on the occasion.

Centre to reconsider lifting ban on onion export

Onion farmers' protest enters sixth day on Wednesday

Even as the onion farmers' protests continued in Nashik for the sixth consecutive day on Wednesday, the Union government stated that it would reconsider lifting the ban on onion export.

Maharashtra Agriculture Minister Radhakrishna Vikhe Patil led an all-party delegation from the State and met the Empowered Group of Ministers in New Delhi. Mr. Patil told presspersons after the meeting that Union Finance Minister Pranab Mukherji had promised to “reconsider the ban on export of onion." "We have got positive response from the Ministers. We have informed them, with necessary figures, that there was no need to impose the ban," Mr Patil said.

He promised onion farmers that the Centre was serious about rethinking on the ban, and urged them to start auction of onions.

Traders and onion farmers in Nashik, Maharashtra's largest onion producing region, have been protesting against the ban since Friday last when the ban was imposed. There are fears that a large quantity of onions stored is rotting because of the ban.

Mr. Patil admitted that there had been a mistake from the Horticulture Department, and as a result, wrong information was provided to the Centre, because of which the ban was imposed. "I acknowledge that there was a lack of coordination between the Horticulture and Marketing departments. The Centre had asked for the area under onion cultivation, but the Marketing Department was not consulted about the quantity of onions stored," Mr. Patil told a Marathi news channel.

According to the Minister, there 9 lakh tonnes of onions have been stored in Maharashtra alone. In October, with the winter crop, Maharashtra will produce 26 lakh tonnes of onions.

He said that Union Agriculture Minister Sharad Pawar had also promised to look into the matter. "Mr Pawar told me that he was also opposed to the ban," he added.

Maharashtra Chief Minister Prithviraj Chavan reiterated that the ban on export was unjust. Addressing presspersons in Mumbai, he said: "Onion export is a serious issue. I have met the ministers concerned, including Commerce Minister Anand Sharma. I have conveyed all the problems in onion export to the Union Ministers in person and writing. Mr Chavan too stated that Mr. Sharad Pawar was also opposed to the ban on export. Urging the Centre to lift the ban, he said: "Onion growers should not suffer because of this. They should be given the Minimum Supply Price (MSP)."

Both Mr. Patil and Mr. Chavan indicated that a decision on the ban was expected soon. The Empowered Group of Ministers led by Mr. Pranab Mukherjee was scheduled to meet on September 20. "However, there are chances that the meeting will be held earlier," Mr. Patil said. He agreed that a permanent solution had to be arrived at in case of onion export. "K.V. Thomas will meet the Maharashtra Cabinet soon, and look at devising a long-term solution," he said. The Centre lifted the ban on onion exports in April this year, before imposing it again on September 8.

· *Patil led all-party delegation meets Ministers in New Delhi*
· *Farmers urged to start auction of onion*

Published: September 15, 2011 00:00 IST | Updated: September 15, 2011 04:17 IST
THRISSUR, September 15, 2011

Agriculture varsity to offer course in food engineering

The Kerala Agricultural University plans to launch a B.Tech. course in food engineering.

The four-year course will be offered by the Department of Post-Harvest Technology and Agricultural Processing of the Kelappaji College of Agricultural Engineering Technology at Thavanur in Malappuram district.

KAU Vice-Chancellor K.R. Viswambharan told *The Hindu* that graduates in food engineering would have plenty of job opportunities in food processing industries, research laboratories, soft drink factories, and quality control and manufacturing industries.

“The food processing sector in India is a US$198 billion market. India's share in the global trade of processed foods is 1.5 per cent. It wants to raise the percentage to three within a few years,” he said. He said that food engineering was a multidisciplinary field. “It is a combination of science, microbiology, and engineering. It is applied in the manufacturing and preservation of food products by eliminating losses. The course will train students in analysing the quality of raw materials; packing standards and methodology; processing technologies; and storage and food values. The future of the food industry is in the hands of food technologists,” he said.

P.K Asokan, Director of Academic Studies, KAU, said that admission to the course would be open to those who have passed the Plus-Two examination of the Kerala Higher Secondary Board or its equivalent with Mathematics, Physics and Chemistry as optional subjects or any other equivalent examination. Candidates should have secured a minimum of 50 per cent marks in Mathematics and 50 per cent marks in Mathematics, Physics and Chemistry put together.

The KAU will hold an entrance examination for the course. In preparing the rank list, marks for Mathematics, Physics and Chemistry, Computer Science, Biotechnology or Biology in the second-year Higher Secondary or equivalent examination will be added to the marks secured in the entrance examination.

The duration of the course will be eight semesters.

“Graduates will have plenty of job opportunities in food processing industries.”

Published: September 15, 2011 00:00 IST | Updated: September 15, 2011 04:18 IST
ANANTAPUR, September 15, 2011

‘Aqua seed planter' to ease farmers' problems


Groundbreaking: The aqua seed planter at trial work in the fields of the Agriculture Research Station in Anantapur . — Photo: R. V. S. Prasad

The Agriculture Research Station, Anantapur is in the final testing stages of developing an aqua seed planter for groundnut planting, which might eventually prove to be the machine that delivers goods for the farmers of the drought prone Anantapur district.

The aqua seed planter is a machine which plants seeds and also delivers an equitable quantum of water, just right for the seed to germinate irrespective of whether it rains or not for the next few days.

“It is absolutely crucial for the seed that water or moisture be available in the first two days itself to achieve 100 per cent germination. This machine does exactly that,” said the Chief Scientist of the ARS, Anantapur, Ravindranath Reddy.

While groundnut seed sowing is usually expected to occur by the start of June or before the end of July, with the pattern of monsoon undergoing changes, sowing is being delayed for want of rains. Besides, labour too has become scarce leading to undue delay in sowing patterns across the district.

According to the pattern that has been observed over the years, delayed sowing affects both the initial germination and the unexpected harvesting schedules, as rains come back just in time to spoil the harvested crop in the fields.

“In the face of this phenomenon what we need is a suitable mechanism which can supplement water in conjunction with groundnut sowing during a contingency season of delayed monsoon. This machine serves that purpose,” said Sahadeva Reddy, a scientist at the ARS.

This planter, he explained, which has provisions for two drums of water besides eight chambers for storing seeds for sowing, can sow in large extents of lands in the matter of two to three days.

But, the water needs to be refilled four times for every acre.

Besides this, the ARS is also testing a wet pod harvester which can harvest the crop, separate the pods from the plant and subsequently even separate the groundnut seeds from the pods.

This will go a long way in helping the farmers negate completely the chances of harvested crop spoilage due to untimely rains.

Published: September 15, 2011 00:00 IST | Updated: September 15, 2011 04:06 IST GUNTUR, September 15, 2011

Agricultural census from October

It is being done as per UNFAO recommendation

The first one of the three-phase data gathering for 9th agricultural census in the district will begin next month, according to district Collector V.N. Vishnu. Information was last gathered in 2005-06, he said at a meeting on here Wednesday.

Mr. Vishnu said the census provides reliable data on the structure and characteristics of agricultural holdings, which are required for formulation of various government policies and programmes for the benefit of farming community.

The census will comprise details of the distribution of agricultural land holdings, area, tenancy, terms of leasing, cropping, land use pattern, irrigation status etc.

Data collection

The data collection will be done with revenue village as a unit under the supervision of the District Coordination Committee headed by Collector and Chief Planning Officer (CPO) as its convener.

Agricultural census is being prepared in India every five years as per the recommendation of the United Nations Food and Agricultural Organisation.

Tenali Sub-Collector Balaji Digambara Manjule, District Revenue Officer M. Venkateswarulu, Guntur RDO S. Dhilli Rao and CPO M. Krishnaiah were among those present.

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hindustantimes

Thu,15 Sep 2011

Weather

Chennai - INDIA

Today's Weather

Cloudy

Thursday, Sep 15

Max	Min
34°	23.5°

Rain: 0.5 mm in 24hrs
Humidity: 79%
Wind: Normal

Sunrise: 5:58
Sunset: 18:11
Barometer: 1005

Tomorrow's Forecast

Rainy

Friday, Sep 16

Max	Min
34°	24°

Extended Forecast for a week

Saturday Sep 17	Sunday Sep 18	Monday Sep 19	Tuesday Sep 20	Wednesday Sep 21
31° | 27°	29° | 26°	29° | 26°	31° | 26°	31° | 26°
Rainy	Rainy	Rainy	Rainy	Rainy

THE TIMES OF INDIA

Inflation soars to 9.78% in August

PTI | Sep 14, 2011, 12.32PM IST

NEW DELHI: Headline inflation inched closer to the double-digit mark in August, rising to 9.78 per cent on the back of soaring prices of food and manufactured products, which may prompt the RBI to continue with its monetary tightening policy.

Overall inflation, as measured by the Wholesale Price Index (WPI), stood at 9.22 per cent in

July. The rate of price rise stood at 8.87 per cent in August, 2010.

As per data released by the government today, the overall inflation figure for June this year has been revised upward to 9.51 per cent from the provisional estimate of 9.44 per cent.

On an annual basis, food items became 9.62 per cent more expensive during the month under review. Onions grew 45.29 per cent costlier, while fruit prices were up 22.82 per cent and the rates for potatoes rose by 12.53 per cent.

Overall, vegetable prices witnessed 11.80 per cent inflation during August, 2011.
Inflation in overall primary articles, which have a share of over 20 per cent in the WPI basket, stood at 12.58 per cent in the month under review.

Non-food primary articles, which include fibres, oil seeds and minerals, became dearer by 17.75 per cent.

Prices of manufactured products, which have a weight of around 65 per cent in the WPI basket, went up by 7.79 per cent year-on-year in August.

Inflation in manufactured products has been steadily rising since February this year, when it crossed the 6 per cent-mark.

Among manufactured items, edible oil became dearer by 12.94 per cent, tobacco product prices rose by 13.17 per cent, cotton textiles grew 16.86 per cent more expensive and wood and wood products were 9.72 per cent costlier year-on-year.

In addition, iron and semis grew dearer by over 20 per cent, while prices of basic metal alloys rose by 11.56 per cent during August, 2011.

Inflation in the fuel and power segment stood at 12.84 per cent year-on-year in the month under review, as per the index.

This is the ninth consecutive month when headline inflation has been above the 9 per cent-mark.

The jump in inflation to close to double digits is likely to put pressure on the Reserve Bank to continue with its policy of monetary tightening, according to experts.

The apex bank has already hiked key policy rates 11 times since March, 2010, to tame inflation.
The bank's next mid-quarterly policy review is scheduled for September 16.

India Inc has said the string of rate hikes, which have raised the cost of borrowing, have acted as a dampener to fresh investment and hindered growth.

Industrial production plunged to a 21-month low of 3.3 per cent in July. Meanwhile, economic growth during the April-June period stood at 7.7 per cent, the slowest expansion rate in the past six quarters.

Both the government and the RBI have projected headline inflation to remain elevated till the third half of the current fiscal, mainly on account of pressure from international commodity prices.

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15 Sep, 2011, 03.58AM IST, ET Bureau

Rice output may rise, pulses drop

NEW DELHI: Rice production in 2011-12 kharif season is likely to rise to 87.10 million tonnes compared to 80.65 mt last year, the first advance crop production estimates for the country say.

Total food grain output has been pegged at 123.88 mt compare d to 120.20 mt in the fourth advance estimates for last year. However, the pulses import bill may not shrink significantly. Output has been pegged at only 6.43 mt compared to 7.12 mt last summer. Pulses output had been on an upswing yearly for the last two years.

Kharif Paddy is sown during June-July and harvested by September-October. The total output last year, including kharif and rabi seasons was 95.32 mt. The agriculture ministry has set a target of 102 mt rice production for the 2011-12 crop year (July-June). The 8% hike in estimated output could also open the door for additional exports, currently capped unofficially at 2 mt for the non-basmati variety and one million tonne for the parboiled variety despite a notification that declared that exports were unrestricted under Open General License or OGL.

Releasing the estimates Agriculture Minister Sharad Pawar said that kharif pulses output was estimated at 6.43 mt while soyabean output was estimated at 12.57 mt. He did not comment on possible damage to the crop on account of heavy rains .The industry has estimated damage of around 15-20%. Total oilseeds production this summer is estimatd at 20.89 mt against 20.85 mt last year, showign a marginal hike in output.

On sugar, Pawar reinforced industry estimates that production was likely to be much higher in the 2011-12 sugar season, at 26 mt. Free sugar exports have been pegged at 1.5 mt thus far this year.

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15 Sep, 2011, 04.02AM IST, Ram Sahgal,ET Bureau

Rich investors eye big money in farm products from local mandis

MUMBAI: In a wager on rising demand, individual investors have begun buying select farm products from local mandis and selling them at a premium on the futures market, with advice from a handful of brokers. Farm products like guar seed, chana, jeera, mustard seed and chilli, which enjoy a fair degree of liquidity on the futures market, are the favourite picks.

The practice of buying from spot and selling on the futures market is known as cash-and-carry arbitrage, or vyaj badla in trader parlance. Investors bear the cost of buying the commodity, storage and insurance for delivering the commodity at a future date.

"Investing in certain farm products through cash-and-carry arbitrage yields higher returns than investing in precious metals," said Jayant Manglik, president, Religare Commodities. "Commodities like jeera, chilli, chana, mustard, guar seed and mentha can offer higher returns than, say, 11-12% yielded by gold and silver. The premiums in farm products tend to be larger since the agri market is not as perfect as the precious metals market, which sees much greater participation and whose prices are derived overseas rather than locally."

Brokers like SMC Comtrade and JRG are registered with sales tax departments across various states which enables them to claim value-added tax refunds on behalf of clients when agri products are sold on the futures market, acting, in a sense, like sales tax agents. Like Religare, which puts its clients in touch with five or six specilised spot market vendors who facilitate deliveries onto the futures platform, they too are in close and constant touch with physical market stockists and traders who provide products to clients that match exchange quality and specifications, and help deliver them onto the exchange.

Once the goods are delivered on the futures market platform, the broker helps the client by opening a demat account, where commodities are stored in electronic form just like equities, and executing trades. "We are among a handful of brokers who help HNI clients do cash-and-carry arbitrage," said DK Agarwal, CMD, SMC Comtrade. "This strategy is more prevalent in five or six liquid agri products where clients can easily earn up to 12-15% annualised interest, more than a bank fixed deposit or even bonds."

Brokerages that don't offer such services warn of the inherent risks in such trades. Naveen Mathur, associate director (currencies & commodities), Angel Comtrade, and Suresh Nair, director, Admisi Commodities, said the biggest hassle for investors lies in ensuring the right quality of product gets picked in the physical market for delivery on the futures market. Also, since most agri commodities require revalidation by exchanges, bits of commodities are lost during retesting. Chana, for instance, can be kept in an exchange warehouse for six months but is retested for quality three times during this period, point out brokers.

However, brokers who offer such services said a select class of investors has been active in cash and carry thanks to the superior gains. "Equity markets have been underperforming for much of the year and this could be pushing select rich investors, who can spare Rs 50 lakh to start with, to make money through this route. We have a limited but very affluent clientele who do vyaj badla and earn up to 16% interest," said Harish Galipelli, head of commodities, JRG Wealth Management.

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express buzz

By ENS Economic Bureau
15 Sep 2011 02:48:11 AM IST

Inflation soars to 9.78% in August

NEW DELHI: India's annual headline inflation jumped to a 13-month high of 9.78 per cent in August from 9.51 per cent in the previous month amidst an outcry from industry, economists and analysts over a much feared repo rate increase this Friday, even as a slowing economy threw up government signals of a desire to see the RBI press the pause button on further tightening.

"It (inflation) is perilously close to double digit... RBI is also watching the situation like the government, and collectively it would be possible for us to tackle the problem," Finance Minister Pranab Mukherjee said.

The latest inflation data, points out Rajiv Kumar, Secretary General, FICCI, hides more than it reveals. Even though the year-on-year August inflation data jumped to 9.8 per cent from 9.2 per cent in July '11, it has more to do with a lower base in the same period of the previous year (August '10 inflation data at 8.9 per cent was the second lowest in the last 12 months as compared to 10 per cent in July 10). The increase in core inflation rate to 9.3 per cent in Aug '11 from 9 per cent in July '11 was also due to a lower base (Aug '10 core inflation data was at 6.8 per cent -the least in last 12 months), says Kumar.

Terming near double-digit inflation as uncomfortable, Chief Economic Adviser Kaushik Basu said there is no black and white answer in economics and RBI will have to balance containing price rise and promoting growth at its review of credit policy on Friday. "RBI will have to balance out these two -- controlling inflation and not dampening growth too much," Basu said, adding

inflation is likely to remain elevated till end of the calender year and only start moderating after December.
According to Jay Shankar, Chief Economist, Religare Capital Markets, manufacturing inflation has accelerated to a 35-month high of 7.8 per cent YoY. “The contribution of manufacturing to the headline inflation remains high at 47 per cent as compared to a 2-year average of 37 per cent,” notes Shankar.
With growth already showing signs of fatigue injected by high borrowing costs, clamour for a tunaround in RBI strategy is growing as Friday nears. Ashima Goyal, Professor, Indira Gandhi Institute of Development Research feels there is a limit to which interest rate hikes can do to cool inflationary pressures.
“We have to watch the rupee as well... and there is a rupee depreciation which contributes to keeping the inflation high.The RBI should desist from any more rate hikes amidst global uncertainties which can frighten the markets,” says Goyal.
Analysts are hoping that the RBI will take cues from the past when it resorted to aggressive rate cuts (repo rates were reduced from a high of 9 per cent to 4.75 per cent during the short period of 4 months after the Lehman collapse) to pump prime the economy.

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the pioneer

Management Seminar and Food Fest at MCM

The placement cell of the MCM DAV College for Women in Chandigarh organised a seminar for the management aspirants. The seminar was addressed by Nischal Anand, an IIM product. He enlightened the students through his insights and knowledge of life and skills. His address guided the students about the strategies for management preparation.

In another event in the college, the Home Science department organised a ‘Food Fest’. The fest consisted of a cookery demonstration which proved to be highly instructive for the students and was followed by a culinary talent hunt in which the students added the twist of their creative culinary skills to the readymade Bhuna Masalas and came up with some delicious recipes.

VC to inaugurate National conclave

Panjab University VC, Professor RC Sobti will inaugurate National conclave on “Science and Technology in India, on the topic ‘Opportunities and Challenges 2011’ atUniversity auditorium today. Sunil Dutt, CEO of Snowball Convergence Technologies Pvt Ltd and Simpluse Technology Pvt Ltd will be the chief guest on the occasion .

Book exhibition organised in PGIMER

A Book Exhibition on nursing titles was organised in the National Institute of Nursing Education in PGIMER on Wednesday by Jay Pee.

The exhibition was inaugurated by Professor Kusum Joshi, sub-dean, and chairperson of Library Committee of PGIMER.

She was highly appreciative of the books written by Indian authors and some foreign titles published by JayPee publishers.

Admission on vacant seats on September 15

Few seats in the Department of Biochemistry are vacant and the interested students (already online applicants) may contact the Chairperson of the same latest by 10 am on September 15 in person along with original requisite documents, a passport size photograph with one set of photocopies.

Admission will be made in accordance with the CET merit. Fee must be deposited in cash on the spot along with the late fee Rs 1800.

Department congratulates Justice Jagdish Singh Khehar

The members of the faculty, staff, research scholars and students of the department of Gandhian Studies gathered in the department seminar room on Wednesday to congratulate Justice Dr Jagdish Singh Khehar ,an alumnus of the department, on being appointed as the Judge of the Supreme Court of India.

PU’s community radio station 91.2

Jyotirgamya at School of Communication Studies has completed the task of recording audio books for students as part of their voluntary activity towards the community. BA and MA course oriented books were recorded in English and Hindi language to facilitate visually-impaired students for their exams. The audio cassettes and CDs were handed over to the students on Wednesday at the radio station itself.

Farmers stresses for hike in SAP

With farmers stressing for a hike in state advisory price (SAP) of cane crop the meetings for cane area reservation in state concluded on Wednesday.

On last day, the farmers of Deoria division warned officials that if cane price was not hiked by government around Rs 350 per quintol, the sugar mills in area might face crisis of cane supply in coming crushing session.

The farmers also said, the cane growers of state were gearing up for an agitation to be launched from next month. If the government takes serious cognisance of their demand in view of inflated cost of cane farming since last year, it would be in interest of sugar industry and farmers as well.

The farmers in meeting complained of cane department officials being unavailable during crushing session. Responding to their demand the cane commissioner, Kamran Rizvi ordered officials to get printed phone numbers of respective deputy cane commissioner and district cane officer on back of cane purchase slips so that farmers in need could contact them easily.

State govt announces paddy purchase policy for current fiscal

With fixing a target of 25 lakh metric ton (LMT) purchase, the state government on Wednesday announced its paddy purchase policy for current fiscal.

As per decision taken in the cabinet meeting headed by Chief Minister Mayawati, the minimum support price (MSP) for common variety of paddy will be Rs. 1080 per quintol. While for grade 'A' variety of paddy Rs. 1110 per quintol will be paid directly to farmers as MSP at government purchase centres.

The duration of paddy purchase has been fixed between October one to February 28, next year and the all paddy brought by farmers at purchase centres in this period will be purchased, said a government spokes person.

With including 2950 purchase centres owned by state agencies, for this purpose the government has planned opening of about 3000 centres across the state where principle of first come- first purchase will be followed.

Total 23 LMT paddy will be purchased by state agencies and two LMT will be purchased by Food Corporation of India (FCI), he said.The district magistrates has been directed to affiliate villages to nearest purchase centres in area so that farmers were not needed to cover a distance more than seven kilometers for selling their produce.Arrangements has been made to ascertain the identity of a genuine farmer through revenue records or an identity card with a photo of respective person on it.For purchase of rice under levy scheme the cabinet gave its approval to centre's policy and procedure for rice purchase in 2011-12, being effective between October one to March 31.

The levy rice for central pool will be purchased from rice mills of UP on rates fixed by the central government. About 20 LMT rice was to be purchased by central government under this scheme, the state government spokes person said.

Business Standard

Thursday, Sep 15, 2011

Indonesia cuts refined oil export duty vegetable oil firms to be hit

BS Reporter / Mumbai September 15, 2011, 0:46 IST

Faced with a cut in export duty of refined oil by Indonesia, the Indian vegetable oil importers have urged the government to intervene for protection of local refinery and packaging units.

Effective September 15, the government of Indonesia has raised export duty on crude palm oil (CPO) to 16.5 per cent from 15 per cent earlier and, cut the same on refined, bleached and diodized (RBD) palmolein bulk and consumer pack to eight per cent and two per cent, from 15 per cent and 10 per cent, respectively.

The decision will affect domestic vegetable oil refinery and packaging units badly and hundreds of thousands of workers associated with these will be out of job. India imports over 60-70 per cent of the overall nine million tonnes CPO from Indonesia.

Due to low value ($84 a tonne) fixed by the government for the purpose of levy of import duty, as against the current import price of $1,200 a tonne, the actual duty being levied on imported refined oils comes to around three per cent. This makes the import of refined edible oil more competitive than crude edible oil, which has already affected the refining industry.

The Solvent Extractors' Association (SEA), the apex representative body, has written to the Minister of State for Consumer Affairs, Food & Public Distribution K V Thomas, seeking his immediate intervention. The Indonesia government wants to discourage export of CPO and encourage that of refined palm oil to generate more employment opportunities in the local market.

SEA argued the differential duty should be at least 7.5 per cent to make import of crude oil viable. Higher duty on CPO will encourage importers to procure refined oil, which needs no further processing, resulting in escalation in trade activities. In this case, the domestic value addition sector will die.

Understandably, the Tariff Commission of India has also justified the minimum duty difference between refined and crude edible oils to be at least 7.5 per cent.

Traders demand levy of the 16.5 per cent duty on import of refined edible oil, same as the export duty being levied on crude palm oil by the Indonesia. Also, the government should increase the tariff value on the refined edible oils to $1200 per tonne, in line with the current market price and issue a complete ban on the import of edible oils in consumer packs.

Production of pulses, coarse cereals to fall

BS Reporter / New Delhi September 15, 2011, 0:12 IST

Barely a year after India had a record pulses production of over 18 million tonnes, the country faces a deficiency. Remedial measures are needed during the coming rabi sowing season as pulses output in the kharif season is projected to drop by 10 per cent to 6.43 million tonnes. Output during last year’s kharif season was 7.12 million tonnes.

Production of coarse cereals is projected at 30.42 million tonnes, down from 32.43 million tonnes in the same period last year.

On pulses, Pawar said that all efforts would be made to improve harvest during the rabi season by bringing an additional 1 million hectares under pulses and if needed, the option of imports could also be explored.

Record rice output to help tame prices

BS Reporter / New Delhi September 15, 2011, 0:11 IST

In what should bring some relief to the government in its battle against rising food prices, the agriculture ministry on Wednesday said the country’s foodgrain production during the current kharif season is expected to be 123.88 million tonnes, as against 120.2 mt last year.

Overall, foodgrain production is projected to increase to 123.88 million tonnes against 120.20 million tonnes of last year due to bumper rice harvest, which should give some respite to the government in its fight against rising food inflation. Officials said rice output is expected to rise significantly because of higher acreage and favourable weather.

This will come on the back of record kharif rice output, pegged at 87.1 mt in 2011-2012, as against 80.65 mt last year. Kharif (summer) crops are usually sown with the arrival of monsoon in June and harvested from mid-September. The country is aiming to produce a record 102 mt of rice in the 2011-12 crop year (kharif and rabi), higher than the 95.32 mt produced in 2010-11.

KHARIF OUTPUT

The crop marketing season is from July to June (In million tonnes). As per first advanced estimate

Item	2010-11	2011-12	% Change
Foodgrains	120.20	123.88	3.06
Rice	80.65	87.10	8.00
Coarse Cereals	32.43	30.42	-6.19
Pulses	7.12	6.43	-10.00
Oilseeds	20.84	20.89	0.23
Sugarcane	339.16	342.19	0.89
Cotton*	33.42	36.10	8.00
Jute**	10.58	11.21	6.00

*In million bales of 170 kilograms each; **In million bales of 180 kilograms each

Source: Department of Agriculture

There was a record rice production of 84.91 mt in the 2008-09 kharif season, but it declined after that.

Releasing the first advance estimate for the 2011-2012 crop marketing season that started in July, agriculture minister Sharad Pawar said, “Looking at our performance in recent times, we believe the country can achieve all-time high foodgrain production of 245 million tonnes in 2011-12, including rabi and kharif. ”

Oilseed production during the 2011-2012 crop year is estimated at 20.89 mt, up from 20.25 mt last year, the official statement said. Production of groundnut is estimated to be 5.62 mt as against 5.65 mt last year. Soybean output is estimated to be 12.57 mt as against 12.65 mt last year.

In cash crops, production of sugarcane is estimated at 342.2 mt, up from 339.16 mt last year, while that of cotton is estimated to rise to 36.1 million bales as against 33.42 million bales last year (1 bale=170 kg).

Pepper gains 0.6% on supply shortage

Press Trust of India / New Delhi September 14, 2011, 14:40 IST

Pepper prices shot up by Rs 221 to Rs 35,205 per quintal in futures market today as speculators enlarged their positions, triggered by a rise in demand in the spot market.

Supply shortage in the physical market following less arrivals from producing regions also supported the uptrend.

At the National Commodity and Derivatives Exchange, November pepper shot up by Rs 221, or 0.63% to Rs 35,205 per quintal with an open interest of 603 lots.

The September contract gained Rs 143, or 0.42% to Rs 33,800 per quintal in 3,444 lots.

Analysts said besides a pick-up in spot market demand supply shortage due to less arrivals from producing belts mainly led to the rise in prices of pepper futures.

Turmeric futures up on spot demand

Analysts said pick up in demand in the spot market mainly led to rise in turmeric prices at futures trade here.

Almond futures up 3% on spot demand

Press Trust of India / New Delhi September 14, 2011, 13:46 IST

Almond prices rose by Rs 11.50 to Rs 393.75 per kg in futures trade today as speculators enlarged their positions, driven by a pick up in demand due to festive season.

At the Multi Commodity Exchange, September almond rose by Rs 11.50, or 3.01% to Rs 393.75 per kg in single lot.

The rise in almond futures attributed to pick up in demand due to festive season.

Cardamom futures rise as demand picks up

Press Trust of India / New Delhi September 14, 2011, 13:44 IST

734.60 per kg in a business turnover of 77 lots.

The September contract edged up by Rs 1.70, or 0.26% to Rs 656 per kg in 22 lots.

Market analysts said, besides rising demand in the spot market, restricted arrivals from producing region mainly led to the rise in cardamom futures prices.

Mentha oil futures recover on spot demand

Press Trust of India / New Delhi September 14, 2011, 13:36 IST

Mentha oil prices recovered by Rs 5.50 to Rs 1,202 per kg in futures trade today as speculators created fresh positions, supported by a pick-up in spot demand.

Restricted supplies from producing regions also supported the uptrend in mentha oil prices.

At the Multi Commodity Exchange, September mentha oil recovered by Rs 5.50, or 0.46% to Rs 1,202 per kg in a business turnover of 473 lots.

The October contract moved up by Rs 5, or 0.42% to Rs 1,206.50 per kg in 198 lots.

Marketmen said fresh buying by speculators following a pick up in spot demand mainly helped mentha oil prices to recover in the futures trade.

THE HINDU Business Line

Indonesia cuts export duty on refined palm oil to promote value-addition

Washington DC, Sept. 14:

End-August, the Indonesian Government did what it ought to have done long ago. It changed the existing uniform export tax rate of 25 per cent for crude and refined palm oils and built an export tax differential between the two oils by announcing a duty cut to take effect from October

1. This downward revision of export tax structure for crude palm oil (CPO) and products such as refined palmolein is likely to have medium to long-term implications for the global palm oil market in terms of export market share between two of the world's largest exporters and flow of fresh investments into the refining sector. The move is sure to intensify Indonesia's existing competition with the world's second largest producer and exporter Malaysia.

Export tax

Export tax on refined products such as palmolein was reduced late last month from 25 per cent to 13 per cent. For crude palm oil, the duty cut was much smaller, from 25 per cent to 22.5 per cent. Simply put, the Indonesian Government's objective is to promote export of processed palm oils and capture the benefit of value addition locally. With export tax nearly halved, the export competitiveness of Indonesian refined oils is set to improve considerably and provide a challenge to the nearest competitor, Malaysia. Additionally, it will provide fiscal encouragement to Indonesian refinery operators (processor-exporters). At the same time, a much smaller duty reduction in crude palm oil means that for the export market, the product will continue to remain relatively more expensive, and therefore, less competitive. This in turn will encourage larger local sales of CPO to domestic refiners. It is also likely that CPO producers may set up fresh refining capacities to take advantage of the fiscal concession.

excessive capacities

Given the volatility of the global vegetable oil market and somewhat fickle nature of government policies, a lot of caution may be necessary in building new refining capacities, especially to ensure there is no excessive investment or excessive capacities beyond the market's needs. How Malaysia's policymakers would react to the market rival's latest move remains to be seen. To be sure, production and export of palm oil products is an important economic activity for Malaysia. The country can hardly afford to let go its competitive edge or its share of the export market.

Global veg oil market

Four years ago, Indonesia emerged as the world's largest palm oil producer. The Government has been facing the dilemma of having to ensure consumer-friendly palm oil prices for the domestic market and at the same time, maximise export market share. With global vegetable oil prices and palm oil prices ruling at relatively high levels last three years, the Indonesian Government's industrial policy has begun to focus on promoting downstream and value-added production by incentivising such industries.

(This article was published in the Business Line print edition dated September 15, 2011)

Volume hits 25-week low at Connoor tea auctions

Coonoor, Sept. 14:

A volume of 11.32 lakh kg will be offered at Sale No: 37 of the Coonoor Tea Trade Association auctions to be held on Thursday and Friday, according to an analysis of brokers' listing.

This is the lowest volume in the last 25 weeks. It is 64,000 kg less than last week's offer and as much as 1.51 lakh kg less than the offer this time last year. Of the 11.32 lakh kg on offer, 7.74 lakh kg belongs to the leaf grades and 3.58 lakh kg belongs to the dust grades. As much as 10.23 lakh kg belongs to CTC variety and only 1.09 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.55 lakh kg belongs to orthodox while 7.19 lakh kg, CTC. Among the dusts, only 0.54 lakh kg belongs to orthodox while 3.04 lakh kg, CTC.

In the 11.32 lakh kg, fresh teas account for 10.44 lakh kg. Only 88,000 kg comprises teas which had remained unsold in previous auctions. Quotations held by brokers last week indicated bids in the range of Rs 39-44 a kg for plain leaf grades and Rs 80-122 for brighter liquoring sorts. They ranged at Rs 45-50 for plain dusts and Rs 85-136 for brighter liquoring dusts.

(This article was published in the Business Line print edition dated September 15, 2011)

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Cloves continue to peak on tight supply

Kochi, Sept. 14:

Cloves prices in the global and domestic market continued to rise to unprecedented levels following severe squeeze in supply when the demand is greater.

As a result, India, major consumer and net importer, has already shipped out around 1,000 tonnes of the commodity so far, and is having orders in hand for another 1,000 tonnes, trade sources in Bangalore told *Business Line*.

Meanwhile, growers/primary market dealers in Nagercoil, the main growing area, reluctant to sell hoping the prices would rise above Rs 1,200 a kg, Mr Subramani a major grower said.

At the same time, upcountry dealers said: “Huge investments in the commodity on imports from Madagascar, Comoros and Zanzibar is risky as many cargoes are stolen from ports and many containers landed with 50 per cent cargo and it now a big problem”.

According to the Public Ledger (PL), “international cloves prices remain very high due to strong demand which is exacerbating the squeeze on stocks ahead of a hoped-for decent flow of new crop arrivals from various origins.”

upcountry markets

However, trade sources based in upcountry markets said: “In Indonesia, cloves prices soared to $24,000-26,000 a tonne depending on quality.

The next crop too has failed, which will result in a shortage of 30,000-40,000 tonnes of cloves there”.

New crops in Comoros was small and estimated 1,000-1,200 tonnes and all this cargo is being sold at $18,000 a tonne, they said. “But these cargoes are wet with no guarantee for the quality.”

The crop in Zanzibar is also short with delayed harvesting coupled delay in shipments while many contracts have been defaulted.

The crop situation in Colombo is also not different. The crop used to be around 6,000 tonnes.

But this year there was no flowering due to unfavourble weather conditions reducing the output drastically to below 1,000 tonnes pushing the prices to $22,000 a tonne. Imports to India would cost Rs 1,100 a kg, they said.

(This article was published in the Business Line print edition dated September 15, 2011)

Mixed trend in spot rubber

Kottayam, Sept. 14:

Physical rubber prices showed a mixed mood on Wednesday. The sentiments were almost neutral as domestic futures closed weak on the National Multi Commodity Exchange (NMCE). Though supplies were limited, widespread rains and weakening rupee continued to extend support to the commodity, lack of demand from major consuming industries and uncertain economic outlook might weigh over the prices, analysts said. Transactions were low.

Sheet rubber improved to Rs 216 (215.75) a kg as quoted by the traders. The grade finished unchanged at Rs 216 a kg both at Kottayam and Kochi according to Rubber Board.

RSS 4 weakened at its September series to Rs 218 (219.68), October to Rs 214.99 (216.11), November to Rs 213.98 (215.31), December to Rs 215 (216.50), January to Rs 216.02 (217.67) and February to Rs 217.70 (219) a kg on the NMCE.

RSS 3 (spot) increased to Rs 221.16 (220.85) a kg at Bangkok. The September futures slipped to ¥348.5 (Rs 216.17) from ¥351a kg during the day session but then bounced back to ¥351 (Rs 217.76) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 216 (215.75); RSS-5: 207 (206); ungraded: 202 (202); ISNR 20: 210 (210) and latex 60 per cent 133.50 (133.50).

(This article was published in the Business Line print edition dated September 15, 2011)

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Price effect: Slump in sales of potash, phosphate fertilisers

Offtake of urea rises

New Delhi, Sept. 14:

Disproportionate price increases within fertilisers are clearly playing out, with sales of di-ammonium phosphate (DAP) and muriate of potash (MOP) falling sharply in the current kharif season even as farmers have stepped up consumption of relatively cheaper urea.

During April-August, fertiliser firms have sold 37.45 lakh tonnes (lt) of DAP, which is 21.6 per cent lower than the 47.75 lt that they did in the corresponding five months of 2010. MOP offtake slumped even more – by 58.5 per cent, from 15.53 lt to 6.45 lt.

On the other hand, urea sales have increased by 11 per cent, from 101.72 lt in April-August 2010 to 112.94 lt in April-August 2011. This is not seen as a particularly healthy trend, given that the soil nutrient balance in Indian soils is already excessively tilted in favour of nitrogen (N). The very idea of introducing the nutrient-based subsidy (NBS) regime was to rebalance fertiliser usage more in favour of phosphorous (P), potassium (K), sulphur (S) and other macro- and micro-nutrients.

Urea consumption

The main reason for higher consumption of urea (which contains 46 per cent N) is that it is yet to be part of the NBS, with its maximum retail price (MRP) still administered by the Centre. Since March 31, 2010 – when all other fertilisers were brought under NBS and their prices decontrolled – the MRP of urea (exclusive of local taxes) has gone up by 11 per cent, from Rs 4,830 to Rs 5,364.69 a tonne.

As against this, companies have hiked the MRP of DAP from Rs 9,350 to Rs 15,200, with some even charging Rs 15,400 a tonne (almost a 65 per cent jump). Prices of MOP (60 per cent K) have been raised by as much as 91 per cent – from Rs 4,455 to Rs 8,500 a tonne. Even single super phosphate (which contains 16 per cent P, compared with the higher 46 per cent for DAP) is today retailing at Rs 4,500 a tonne, against Rs 3,000 prior to decontrol.

Costly imports

The situation could, moreover, turn worse in the coming days, as hardening international prices coupled with a weakening rupee would increase cost of imports. Companies are likely to pass on these to farmers – especially in the case of non-urea fertilisers, where they have the freedom to.

For April-September, around 30 lt of DAP imports were contracted at a landed cost of around $612 a tonne. For the second half of 2011-12, the few deal struck have been at $677 or so and these would be at the current exchange rate of almost Rs 48-to-the-dollar.

While MOP imports of about 60 lt for the current fiscal have been finalised at an average $490 a tonne cost & freight India, the effective cost in rupee terms would still go up because of the currency's recent depreciation.

There are no such issues in urea where the Centre is yet to take a final decision on either raising MRPs or bringing the fertiliser under NBS. Besides urea, sales of complex fertilisers – containing varying proportions of N, P, K and S – have also been higher this year, at 40.51 lt during April-August, as against 37.93 lt in the corresponding five months of the previous fiscal.

"Given the limited global availability of DAP and MOP, we have sought to maximise production of complexes having lower P or K content. So, instead of converting phosphoric acid to DAP (18:46:0:0) or selling MOP directly, we have been producing more of 12:32:16:0, 20:20:0:0 or 14:28:14:0 that have less of these nutrients," an industry source said. The unfortunate thing, he added, is that the monsoon has been very good this year and its late withdrawal augurs well for the ensuing rabi season as well. But the supply constraints and price increases in fertilisers could somewhat dampen the bright prospects on the soil moisture front.

(This article was published in the Business Line print edition dated September 15, 2011)

Groundnut oil tumbles below Rs 1,000/10 kg

Mumbai, Sept. 14:

Edible oils prices ruled firm on Wednesday evening tracking higher Malaysian palm oil futures. Local refiners increased palmolein price by Rs 2 for 10 kg even as overall volumes were thin in absence of new demand. Groundnut oil declined below Rs 1,000 to Rs 985 for 10 kg after two weeks.

Palmolein and soya refined oil lost Re 1 each tracking bearish foreign markets. Groundnut oil declined by Rs 5 and cotton oil was down by Rs 2 as selling rose ahead of arrivals of the new crop in the main producing areas.

Crude palm oil (CPO) futures closed higher on short-covering. Fifty to 70 tonnes of palmolein were traded at Rs 558-560. Resellers quoted palmolein at Rs 560-562. Recent rain in Gujarat has raised fears of a lower crop and increased pressure on groundnut oil and cotton oil.

Liberty offered palmolein at Rs 569, soya oil at Rs 650 and sunflower oil at Rs 720. Ruchi quoted palmolein at Rs 564, soya refined oil at Rs 647 and sunflower oil at Rs 720. Allana offered palmolein at Rs 565 for delivery between September 20 and 30. In Rajkot and Saurashtra, a *telia* tin of groundnut oil lost Rs 10 at Rs 1,520 while loose (10 kg) declined by Rs 15 at Rs 985.

Malaysia's BMD CPO September contracts closed higher at MYR3,135 (MYR3,104), October at MYR3,099 (MYR3,060) and November MYR3,065 (MYR3,019) a tonne. September contract of soya oil on National Board of Trade in Indore was up at Rs 667.50 (Rs 665.50) and October at Rs 658.90 (Rs 655.20), and November closed at Rs 648 (Rs 645).

Mumbai commodity exchange spot prices (Rs/10 kg): groundnut oil 995 (1000), soya refined oil 647 (648), sunflower exp. ref. 660 (660), sunflower ref. 715 (715), rapeseed ref. oil 705(705), rapeseed expeller ref. 675 (674), cotton ref. oil 656 (658) and palmolein 559 (560).

(This article was published in the Business Line print edition dated September 15, 2011)

Chana seen rising to Rs 4,000 a quintal

Indore, Sept. 14:

Chana, masoor and tur and its dal rose on Wednesday, while moong declined on slack demand. Higher futures and buying by stockists perked up chana for the third consecutive day.

Chana (kanta) soared to Rs 3,425-3,450 a quintal in the spot market (Rs 3,375-3,400). Similarly, chana (desi) quoted at Rs 3,350, up Rs 50. According to trade sources, the bullish trend is likely to continue because of depleting stocks and speculation and chana may touch Rs 4,000 a quintal.

Arrivals of chana in local mandis on Wednesday were recorded at around 2,000-2,500 bags. Chana dal also continued to rule high with rise in spot chana prices, though demand for chana dal at the higher rate has declined. In the spot market, chana dal gained Rs 50, with chana dal (bold) being quoted at Rs 4,425-4,450 a quintal, chana dal (medium) at Rs 4,325-4,350 and chana dal (average) at Rs 4,200-4,225 a quintal.

Dollar chana or chickpea ruled firm at Rs 7,800-8,300 a quintal despite subdued local demand. Arrivals of dollar chana in local mandis were recorded at 1,000-1,200 bags.

Masoor and tur also rose on improved buying in the physical market. Masoor (bold) gained Rs 25-50 at Rs 3,025-3,050 a quintal. Masoor (medium) also gained at Rs 2,825-2,850 a quintal against Rs 2,700 on Tuesday.

Masoor dal rose on strong demand for masoor, with masoor dal (bold) in local mandis being quoted at Rs 3,650-3,675 (Rs 3,550-3,575), masoor dal (medium) at Rs 3,550-3,575 (Rs 3,475-3,500) masoor dal (average) at Rs 3,450-3,475 (Rs 3,375-3,400) a quintal on Tuesday.

Tur (Maharashtra) ruled firm at Rs 3,350-3,400 a quintal, while tur (Nimari) gained Rs 100 at Rs 2,500-2,800 a quintal. Tur dal gained on improved demand, with tur (marka) gaining Rs 100 at Rs 6,400 a quintal, tur dal (full) at Rs 5,550-5,600 a quintal and tur dal (*sawa* no.) ruled at Rs 4,550-4,600 a quintal, Rs 50 up.

Urad ruled flat at Rs 4,200-4,400 despite subdued demand, while urad (medium quality) was quoted at Rs 3,800-4,000 a quintal. Urad dal gained on improved queries, with urad (mongar) ruling at Rs 6,900-7,100 a quintal (against Rs 6,800-7,000) and urad dal (bold) at Rs 5,850-5,900 (Rs 5800-5,850) and urad dal (medium) quoting Rs 50 up at Rs 4,850-4,900 a quintal.

Moong declined on slack demand and higher arrivals.

(This article was published in the Business Line print edition dated September 15, 2011)
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Non-basmati gathers steam on export buying

Karnal, Sept. 14:

While overseas demand pushed up the prices of non-basmati varieties further, aromatic varieties remained almost unchanged on account of steady demand- supply situation in the market on Wednesday.

Prices of non-basmati varieties are witnessing an uptrend after removal of the export ban by the Government, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company. This is a temporary phase and this uptrend may not sustain for long as the arrivals of new paddy have started, he said.

PR-11 (sela) increased by Rs 80 and sold at Rs 2,150-2,400 a quintal, while PR-11(raw) quoted at Rs 2,000-2,320 — up Rs 150 from the previous level. Permal (sela) increased by Rs 70 to Rs 1,800-2,070 a quintal while Permal (raw) went up by Rs 50 to Rs 1,900-2,100.

Similarly, brokens of aromatic and non-basmati varieties surged by Rs 70-150 a quintal. Pusa-1121 (steam) quoted at Rs 4,900-5,030, while Pusa-1121(sela) was around Rs 3,950. Basmati (raw) quoted at Rs 5,730-5,800 a quintal, while basmati (sela) sold at Rs 3,950-4,010.

(This article was published in the Business Line print edition dated September 15, 2011)

Sugar rules firm despite lower offtake

Mumbai, Sept. 14:

Sugar prices remained unchanged on Wednesday despite lower demand.

At the mill level, buying was eased due to generally lower demand in the middle of a month. Spot, naka and mill tender rates moved in a range of Rs 3-5 according to quality and amount offloaded by speculators in the resale market. Most mills kept tender rates unchanged despite poor response on expectation of higher demand in coming days, especially during *Navaratri* festival.

Sentiment in the physical market remained steady as mills were reluctant to sell at lower rates. Apart from a rail rake bought by a trader from Bengal, there was no demand from other States on Monday evening. On Tuesday evening, only local and State-level traders bought according to their need. New festival demand is only expected during the last week when Durga Puja in Bengal and Navaratri elsewhere perk up demand. Arrivals and local dispatches were as usual. Freight rates were unchanged. While 48-50 truckloads of 100 bags each arrived, 47 -48 truckloads were lifted. On Tuesday, 22-23 mills sold 70,000-75,000 bags to local stockists at Rs 2,650-2,710 (Rs 2,650-2,710) for S-grade and at Rs 2,725-2,800 (Rs 2,725-2,800) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,761-2,851 (Rs 2,761-2,851) and M-grade Rs 2,831-2,981 (Rs 2,831-2,981).

Naka delivery rates: S-grade Rs 2,710-2,750 (Rs 2,710-2,750) and M-grade Rs 2,800-2,910 (Rs 2,800-2,910).

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Turmeric improves on higher N. India demand

Erode, Sept. 14:

Spot turmeric prices improved by Rs 100 a quintal on Wednesday on sporadic buying by traders in North India.

Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association said: “Some traders have received orders from north Indian merchants, the price of the spot turmeric has improved by Rs 100-140 a quintal.”

After a fortnight, sales touched about 70 per cent. Quality produce arrived for sales, said Mr Ravishankar. The price of turmeric futures did not improve, but traders increased prices.

The turmeric growers said that only two months were left for arrival of the new crop, so they have decided to sell the commodity at the prevailing market prices. Some traders said export orders have started trickling in.

On Wednesday, 7,100 bags of turmeric arrived for sale and 70 per cent of this was sold.

At the Erode Turmeric Merchants Association Sales yard, the finger variety turmeric fetched Rs 3,829-4,931 a quintal, the root variety Rs 3,532 to Rs 4,577.

Salem crop: Th inger variety was sold at Rs 4,674 to Rs 5,689 a quintal, root variety Rs 4,096 to Rs 4,817 a quintal. Out of total arrival of 1,318 bags, 428 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety was sold at Rs 3,672 to Rs 4,969 a quintal, root variety Rs 3,519 to Rs 4,369 a quintal. Out of 146 bags kept for sales, 126 bags were sold.

At the Erode Cooperative Marketing Society, finger variety was sold at Rs 4,099 to Rs 5,011 a quintal, root variety Rs 3,989 to Rs 4,599 a quintal. Out of an arrival of 781 bags, 686 bags were sold.

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