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NABARD plans to open 100 Farmers' Clubs

Special Correspondent

Assistant General Manager of National Bank for Agriculture and Rural Development (NABARD) N. Madumurthy on Tuesday said in addition to the existing 7,000 Farmers' Clubs in Andhra Pradesh, the bank intended to constitute another 100 such bodies during 2012-13 and cover all villages by establishing at least one club in every village by the end of the 12th Five Year Plan.

Addressing a meeting organised in connection with a district-level Farmers' Clubs award function, Mr. Madhumurthy said NABARD had formed 75 of the 2,000 clubs in Krishna district with the support of banks and other agencies such as KVK, agriculture universities, and NGOs. These clubs had multiplied to nearly 7,000 by March this year and of them, 250 were in Krishna district.

He said these clubs were informal groups of farmers formed to propagate the principle of 'Development Through Credit' which emphasised the need for usage of credit effectively in a most scientific manner to increase agriculture production and productivity.

The key role of Farmers' Clubs related to dissemination of appropriate technology, linkages with banks, markets, credit counselling, recovery of loans and development of skills for enhancement of production and productivity in rural areas.

He said the NABARD would provide a financial assistance of Rs. 10,000 to each club per annum for three years. The club members were expected to utilise this amount to meet routine expenses for formation, maintenance, and organising awareness meets. He said NABARD had also set up a dedicated 'Farmers Technology Transfer Fund' (FTTF) to provide financial assistance to any institution including Farmers' Clubs for facilitating adoption and dissemination of appropriate technologies that would result in increase in farmers' income.

The technical sessions were handled by Principal Scientists/coordinators from agricultural research stations, KVK and DAAT Centre. The scientists dealt with the gap in adoption of

technology (technology developed by the research stations but not finding application by the farmers), the reasons/barriers in the dissemination process and the measures to overcome the same.

Best performance awards were given to five farmers clubs in Krishna district for exhibiting exemplary performance in the agriculture technology transfer and in the overall social and economic development of their respective villages during 2011-12.

Indian Bank DGM G.G. Raghu, Agriculture Department Joint Director P. Padmaja, programme coordinator for KVK Varaprasad, Horticulture Department Assistant Director R. Rammohan Rao, Animal Husbandry Department Joint Director Damodara Naidu, Project Director, ATMA, Y. Subramanyam and a host of others were present.

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- *NABARD provides a financial assistance of Rs. 10,000 to each club per annum for 3 years*
 - *Best performance awards given away to five farmers clubs in Krishna district*
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'Centre will soon take decision on waiving areca growers' loans'

Staff Correspondent

As per the recommendations of the Gorakh Singh Committee, the Union government will soon take a decision on waiving off the loans borrowed by areca growers from nationalised and cooperative banks, Sachin Meega, vice-president of the Karnataka Pradesh Congress Committee's Kisan Cell, has said.

Areca growers with less than 10-acre land holding who have incurred loss owing to pest and fungal infection will benefit from the proposed loan waiver scheme, he told presspersons in the city on Tuesday.

From 2004 to 2011, 384 farmers in Shimoga and Chikmagalur districts committed suicide unable to repay the loans they had borrowed from nationalised and cooperative banks. Most of them were areca growers.

The Union Ministry of Agriculture has filed an affidavit in the High Court of Karnataka that it had recommended the Union Ministry of Finance to waive off the loans borrowed by the areca growers, he said.

The Union government will soon announce its decision on waiving off the loans borrowed by areca growers.

He urged the farmers, who are finding it difficult to repay the loans borrowed from nationalised and commercial banks, not to lose confidence.

The Gorakh Singh Committee has recommended to the Union government to extend financial assistance for rejuvenation of infected areca plantations in Kodagu, Chikmagalur, Shimoga, Dakshina Kannada, Udupi and Uttara Kannada districts. Acting on the recommendation, the Union government has released Rs. 12 crore under National Horticulture Mission (NHM) for the purpose. A survey of beneficiaries has been completed in Chikmagalur district, and assistance will be given shortly, he said. The Bharatiya Janata Party government in the State is not keen on providing financial assistance to rejuvenate areca plantations in rest of the districts.

The State government has written to the Centre that areca growers are hesitating to take financial assistance .

The State government has also sought permission to divert the funds released for rejuvenation of areca plantations for other purpose, he alleged.

Rs. 12 crore under National Horticulture Mission released

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Sand mining on Palar riverbed undermining agriculture

P.V.V. Murthi

People of Kavasambattu facing acute water scarcity for drinking and irrigation



Sorry state: Bullock carts carrying sand scooped from the Palar river (seen behind) also blocking the road in Kavasambattu village, near Vellore on Tuesday.— Photo: D. Gopalakrishnan

The indiscriminate and continuous quarrying of sand from the Palar river bed in Kavasambattu village in Katpadi taluk for the last seven years has resulted in the drying up of agricultural wells and domestic wells and the consequent decline in agriculture in the village.

A visit to the Palar river bed in Kavasambattu, about 20 km from Vellore, revealed the presence of a large number of bullock carts, with the cart men busy scooping sand and loading it into their vehicles. Though it is an official quarry run by the Public Works Department, with the cart men paying Rs.60 per load of sand, the fact lies that bullock carts were allowed to carry sand only for the last one to two years, while previously sand was being quarried with the help of excavator machines, popularly known as 'Poclain' machines, which resulted in the virtual plundering of sand from the Palar.

Only after considering representations from the farmers, the government banned the use of excavators for quarrying sand, and permitted only bullock carts for the purpose.

“As far as our village is concerned, the damage has been done,” said K. Velmurugan, a farmer of Kavasambattu and activist of the Tamil Nadu Science Forum. Though bullock carts are being used to quarry the sand, the continuous quarrying of sand at the same site in Kavasambattu has resulted in the depletion of the groundwater in the agricultural wells and borewells in the vicinity, with the result that farmers are unable to carry on any agricultural activities. It is high time the government shifted the quarry to another site, he said.

Devan, ward member of Kavasambattu village panchayat, said that the indiscriminate quarrying of sand in the Palar river at Kavasambattu has affected the Combined Drinking Water Supply Scheme which supplies water to 20 villages including Kavasambattu. Till two years ago, about 500 lorries were frequenting the riverbed in Kavasambattu to carry sand. After the ban on the use of excavators, about 250 bullock carts were taking sand from the river bed daily for the last two years.

Alagunambi, a farmer of Kavasambattu, said that the groundwater table has gone down steeply in the agricultural borewells in the village. “While previously, we used to get water at a depth of 30 feet, now it is difficult to get water yield, however deep you may dig, because of the plundering of sand in the river,” he said.

Sand facilitates water retention in the river, and unless sand quarrying in Kavasambattu is stopped, it is not possible to recharge the water aquifers. Several farmers have already dismantled their agricultural pumpsets on account of the non-availability of water. Our sugarcane and banana crops have withered owing to the absence of irrigation, he said.

Jayaraman, another farmer, said that the c

“About 10 years ago, we had sufficient water in our domestic and agricultural wells. But today, we do not have water in both types of wells. We have to dig to a depth of 600 feet to get water yield,” he said.

Another farmer said that he dug four borewells up to a depth of 300 feet in his field in the village six months ago, but all the sources failed to yield water.

Another farmer said that he could not get water even up to a depth of 900 feet.

Kesavan, a farmer of nearby Eraivankadu village said that the agricultural prospects in his village too were very bleak on account of the non-availability of water.

Mr. Velmurugan said that given the fact that sand legally taken in bullock carts is illegally shifted to lorries and smuggled to places like Chennai and other places to meet the demands of the construction industry, it is high time the Centre and State governments encouraged the use of ‘manufactured sand,’ which is being used in the construction industry in Kerala, and also encouraged serious research to find an alternative to sand in order to save agriculture.

Official quarries should be monitored in order to ensure that they do not violate the government rules for quarrying of sand, he said.

When asked about the problems expressed by farmers, Ajay Yadav, Collector of Vellore, told *The Hindu* that he had received several representations against the indiscriminate quarrying of sand in Vellore district.

He said that there is a rule which prevents quarrying of sand within a radius of 500 metres from infiltration wells.

One quarry in Walajapet taluk where the rule was violated was closed recently.

“I will enquire into the status of quarrying in Kavasambattu and take suitable action,” he said.

Farm implements distributed



Amitkumar Singh, Superintendent of Police, Dharmapuri, distributing farm implements to farm workers at Mallikuttai village, near Dharmapuri, on Tuesday.

Sixty-seven farm workers hailing from Mallikuttai village in Dharmapuri Revenue Sub Division were given five farm implements each on Tuesday under the Socio Economic Development Scheme for the year 2011-12.

District Superintendent of Police Amitkumar Singh distributed them at a function held here on Tuesday.

M. Mohamed Ali, Project Officer, Socio Economic Development Scheme; M. Santhanapandian, Deputy Superintendent of Police, Dharmapuri; Subash, Inspector, Special Division for Naxal; V. Jagannathan, Inspector, Karimangalam; and G. Muthuvel, president Mallikuttai Village Panchayat; were present on the occasion.

HYDERABAD, April 18, 2012

Crops damaged in over 40,000 acres

Crops in over 40,000 acres were damaged in 10 districts due to untimely rain and hailstorms since March 30.

Agriculture Minister Kanna Lakshminarayana who held a meeting with officials here on Tuesday directed them to complete the survey on crop loss and submit a report soon.

Estimated loss

The Revenue Department has estimated, crop in 41,777 acres in 10 districts was damaged with Karimnagar district recording the heaviest loss followed by Warangal, Nizamabad, Nalgonda, Mahbubnagar, Medak, Vizianagaram, Kurnool, Ranga Reddy and Anantapur.

Paddy crop was lost over an extent of 36,262 acres and maize in over 5,000 acres in the districts.

HYDERABAD, April 18, 2012

Farmers' awareness key to beat climate change, says UN expert

Farmers in 143 villages spread over nine pilot hydrological units in seven districts of Andhra Pradesh will soon show the world their expertise in estimating the available water resources and accordingly plan whether to go for a short or a long-duration crop.

This will be proof of their complete empowerment and considering the impact in the future of climate change, it will be the ultimate, said Peter E. Kenmore, India Representative of the Food and Agriculture Organisation of the United Nations (FAO-UN). He has been working with farmers here for the past year and a half, as part of a monitoring programme.

On Tuesday, while at the second steering committee meeting of the Bharati Integrated Rural Development Society (BIRDS) Strategic Pilot on Adaptation to Climate Change (SPACC) project, he said the monitoring programme had clearly established that farmers in the pilot area were on the right track.

“In the six years that the A.P. Farmer-Managed Groundwater Systems (APFAMGS) project has been on here, farmers have learnt how to measure water - be it groundwater or the rainwater and have been empowered enough,” he explained.

Mr. Kenmore said that thanks to SPACC, farmers now tracked temperatures week after week, apart from studying the pattern of monsoon with specific reference to the number of rain days and plan their cropping accordingly. Among those present at the meeting were SPACC project manager S.V. Govardhan Das, three officers of the Indian Forest Service including Special Commissioner-Watersheds, C. Suvarna and Renu Singh and M.R.G. Reddy of the Indian Council of Forestry Research and Education.

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Mettur level

The water level at the Mettur Dam stood at 77.68 feet on Tuesday against its full level of 120 feet. The inflow was 1,304 cusecs and the discharge 1,350 cusecs.

BANGALORE, April 18, 2012

'Forest officers are left out of the decision-making process'



Forest officers attending a conference in Bangalore on Tuesday.— Photo: Sampath Kumar G.P.

Forest officers are often left out of the decision-making process and appear to lack support, Principal Chief Conservator of Forests (PCCF) A.K. Varma has said.

Although forest officers are professionally trained, their role is “minimised” when decisions have to be made, he said and added that the Forest Department finds itself “under constant criticism”.

“The recommendations of non-government organisations and scientists are considered, while ours are put aside,” said Mr. Varma addressing a forest officers' conference here on Tuesday.

It is telling that both the Tiger Task Force and the Elephant Task Force have few forest officials, he added.

Concurring with this view, B.K. Singh, Principal Chief Conservator of Forests (Wildlife), said that whether it was about managing human-elephant conflict or the invasive weed “lantana”, the views of scientist are given greater importance.

Forest officers cannot be held accountable for human-elephant conflict, said Mr. Singh.

“Elephant corridors have been blocked and habitats fragmented by infrastructure projects,” he added.

Forest Minister C.P. Yogeshwar said that the Forest Department needed a stronger mechanism to disseminate information to the Cabinet.

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hindustantimes

Wed, 18 Apr 2012

weather

Chennai - INDIA

Today's Weather



Clear

Wednesday, Apr 18

Max Min

37.2° | 26.6°

Rain: 00 mm in 24hrs

Sunrise: 6:35

Humidity: 89%

Sunset: 18:03

Wind: Normal

Barometer: 1005

Tomorrow's Forecast



Cloudy

Thursday, Apr 19

Max Min

37° | 25°

Extended Forecast for a week

Friday Apr 20	Saturday Apr 21	Sunday Apr 22	Monday Apr 23	Tuesday Apr 24
36° 25°	36° 25°	35° 25°	35° 24°	33° 25°
Sunny	Sunny	Partly Cloudy	Partly Cloudy	Cloudy



Farmers' Commission formed to formulate pro-farmer policies

TUESDAY, 17 APRIL 2012 21:03

BISWAJEET | PNS/LUCKNOW

With an aim to improve the financial condition of farmers the State Government has formed Farmers' Commission, headed by Chief Minister Akhilesh Yadav that would formulate pro-farmer policies.

A highly placed Government official said that this proposed Commission will have 12 members including agriculture scientists, heads of different farmers' associations, officials of the Department of agriculture and Mandi Parishad and prominent agriculture analysts.

"The constitution of this commission would be officially announced soon by Chief Minister himself," the official said. "The blue print of the project is ready. Chief Minister has approved this scheme.

The commission will also look into the options to increase agriculture produce with the use of hi-breed seeds and fertilisers. "It will also evaluate the reasons as why the agriculture production has remained almost stagnant in last few years. It would also suggest the options that could help the farmers to increase their earning through diversification in other agri-sector or through poultry and horticulture," he said.

The scheme will also stress on changing cropping pattern and its behaviour.

Even in the previous regime of Mayawati the then Chief Minister had formulated a project to double farmers' income within three years. This project, however, failed take shape.

India losing to Vietnam in pepper exports

George Joseph / Kochi April 18, 2012, 0:24 IST



Vietnam, the largest producer and exporter of pepper, shipped almost five times more pepper than India during the recently-concluded financial year.

Vietnam's exports during January-March (Q4) were equivalent to the total exports by India in the complete financial year, the latest data of the Vietnam Pepper Association (VPA) show, putting India at the second spot in the export table. Vietnam exported 121,935 tonnes in FY12, while the Indian exports were only 25,500 tonnes. India's export earnings were Rs 845 crore, while those of Vietnam was more than Rs 2,500 crore, according to the provisional estimates of the pepper trading community.

Do Ha Nam, chairman of the Vietnam Pepper Association, said the country accounted for 60 per cent of the total pepper exports in the world market. This was result of the domestic pepper industry's sustainable development process and increased focus on quality, he said.

In Q4 of the last financial year, Vietnam exported 31,063 tonnes, with an export earning of \$211.6 million. Over the same period in 2011, exports rose 23.6 per cent (equivalent to 5,935 tonnes) and turnover increased 71.8 per cent.

The major markets of Vietnam are the US, Holland, Spain, Germany, Singapore, West Asia and India. During January-March, exports to the US and Germany recorded a negative growth, with US imports at 837 tonnes and Germany's at 310 tonnes.

Meanwhile, exports to most of the West Asian countries increased with a total of 2,063 tonnes, Spain imported 1,628 tonnes, followed by Singapore (1,172 tonnes), India (1,070 tonnes) and Holland (696 tonnes).

Sugar production up 13% so far this year: ISMA

Press Trust Of India / New Delhi April 18, 2012, 0:57 IST

The country's sugar production has increased by 13 per cent at 24.63 million tonnes (mt) till April 15 of the 2011-12 marketing year, according to an industry body ISMA. Sugar production this year (October-September) has already crossed the last year's total output of 24.3 mt. Crushing is still on in major producing states, it said.

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Rabi crops not affected by recent rains: Basu

Press Trust Of India / New Delhi April 18, 2012, 0:57 IST

The overall production of wheat and other rabi crops will not be affected due to rains in the last few days in some parts of the country, a top agriculture ministry official said on Tuesday. "In few pockets of Punjab and Haryana, there are problems but that does not affect the overall wheat production in the country," agriculture secretary P K Basu.

Monsoon to be normal this year

Despite El Nino fears, rainfall expected to be 96-104%

Reuters / New Delhi April 18, 2012, 0:26 IST

India's monsoon is likely to have average rainfall in 2012, despite fears of the El Nino weather pattern emerging in the second half of the season, the India Meteorological Department (IMD), pointing to a third straight year without drought.

The June-September monsoon, vital for agricultural output and economic growth, irrigates around 60 per cent of farms in India, the world's second-biggest producer of rice, wheat, sugar

and cotton. Agriculture accounts for about 15 per cent of India's nearly \$2-trillion economy, Asia's third biggest.

“Rain could be normal this year, due to the absence of any strong signal that could inhibit occurrence of a healthy monsoon,” L S Rathore, director-general of the state-run IMD, told Reuters in an interview.

The IMD forecast is the basis for the government's official forecast which will be released in the last week of April with more details.

According to the IMD classification, rain between 96-104 per cent of a 50-year average of 89 centimetres is considered normal. The last time there was a drought with rains below this range was 2009 and before that, in 2004.

“The apprehension that the El Nino will impact the monsoon badly seems misplaced as this weather pattern is likely to emerge only towards end-August which is one of the two wettest months. Besides, El Nino is just one of the many factors that come into play,” Rathore said.

El Nino, an abnormal warming of waters in the equatorial tropical Pacific, is linked with poor rains or a drought-like situation in southeast Asia and Australia.

The La Nina weather pattern, which is associated with heavy rain in south Asia and flooding in the Asia-Pacific region and South America, and drought in Africa, ended in March.

In the interim before El Nino appears, Rathore said a neutral condition continues over the tropical Pacific.

“On a number of occasions, monsoon turned out to be normal despite the emergence of El Nino. There is no direct, one-on-one relationship between the success of the monsoon and the occurrence of El Nino,” he said.

Last month, the Australian Bureau of Meteorology said climate models indicated that the La Nina weather pattern had come to an end. In 2009, the El Nino weather pattern turned monsoon rains patchy, leading to the worst drought in nearly four decades. Rains were within long-term averages in following years, helped by La Nina.

According to the weather office, the El Nino weather pattern was present in 13 of the 20 drought years in the past 111 years. "Although I cannot talk about this year's monsoon forecast now, as it due between April 25 and April 28, what I can say is there is no cause for concern at all," Rathore said.

THE HINDU Business Line

Sugar turns bitter on global cues

Our Correspondent



Mumbai, April 17:

Spot sugar prices rule weak on Tuesday. Market remained steady on fourth consecutive day. The commodity lost charm tracking decline in futures markets and less than expected local and upcountry demand in physical market. In absence of any positive cues sentiment remained cautious. Need based buying sentiment among stockiest keep volume at routine level. Spot prices were Rs.4-Rs.5 higher – lower as per quality. Naka and Mill tender rates were unchanged for third day.

A leading broker said sharp decline in world white sugar futures price which drop below \$600 per tone on Monday, lowest level since first week of January have created fear that it may slow down Indian sugar exports in coming days if bearish sentiment continue for more time. If that happens then there will be a more pressure on local producers to sell materials in domestic markets said traders.

A wholesaler said except needy sellers (mills) and buyers who off load and covered sugar at slightly higher-lower price as per quality keep volume need based. Mill tender rates were unchanged as demand does not improve as expected. Due to 13% increase in sugar production in first six months supply from mills is ample in domestic markets. Sufficient inventory stocks in Vashi market keep stockiest away from fresh buying. Local demand is low due to vacation, he said.

In world market, sugar futures dropped to a three-month low on Monday, pressured by a stronger dollar and after a Brazilian sugar industry association Unica forecast higher sugar output for 2012/2013 year. Last week it forecast the main center-south sugar production would be around 331 lakh tonnes in 2012/2013, up 5.7 percent on the year. On Monday August -12 futures closed lower by \$15.30 to \$595.40 (\$610.70) and October-12 futures decline by \$15.70 to \$592.90 (\$608.60) per tones.

In Vashi market arrivals was about 50- 52 truck loads and local dispatches were about 48 – 50 truck loads. On Monday evening about 16 – 17 mills offered tenders and sold 45,000 – 47,000 bags to local stockiest in steady range of Rs 2,750-2,820 (Rs 2,750-2,820) for S-grade and Rs 2,870-2,940 (Rs 2,870-2,940) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,876-2,952 (Rs 2,876-2,952) and M-grade Rs 3,026-3,111 (Rs 3,021-3,121). Naka delivery rates: S-grade Rs 2,840 -2,890 (Rs 2,840-2,890) and M-grade Rs 2,950-3,050 (Rs 2,950-3,050).

Chana dips on higher arrivals; chickpea gains

Our Correspondent



Indore, April 17:

Higher arrivals and sales dragged down chana by Rs 25 a quintal. Kanta chana quoted at Rs 3,600 a quintal in *mandis* here, while desi chana declined to Rs 3,475-3,550.

Among other varieties, mausmi ruled at Rs 4,100-4,500 a quintal, Annagiri at Rs 3,650-3,700 and Vishal at Rs 3,600-3,700.

While 15,000-16,000 bags arrived in *pakki mandis*, 5,000-6,000 bags arrived in *kucchi mandis*. Weak chana futures on the National Commodity and Derivatives Exchange also contributed to bearish sentiment in chana.

Chana dal on the other hand ruled stable, with average dal being quoted at Rs 4,400-4,425 a quintal, medium dal at Rs 4,500-4,525 and bold dal at Rs 4,625-4,650.

Dollar chana or chickpea gained Rs 100-150 on improved buying support. In local mandis, it ruled at Rs 7,200-7,800 a quintal. In container trade also, dollar chana gained Rs 50 on improved buying support in the export market with dollar chana (42/44 count) being quoted at Rs 8,450-8,475, 46/48 count at Rs 8,350-8,375, while 60/62 count ruled at Rs 7,000-7,025 a quintal. Arrival of dollar chana in local mandis was 6,000 bags.

Bearish streak extends in edible oils



Mumbai, April 17:

Edible oil prices extended their losing streak on Tuesday. The market continued to remain bearish on less-than-expected physical demand despite a bounce-back in Malaysian palm oil.

Indigenous groundnut oil, sunflower expeller refined oil and cotton refined oil dropped by Rs 5/10 kg each, while rapeseed/mustard oil were down Rs 10. Imported palmolein lost Rs 2 and soya oil declined by Rs 3 for 10 kgs. Volumes remained thin. A wholesaler said that volumes were thin as the price quoted by resellers was lower than refinery rates. There was neither any significant demand nor any selling pressure in the market. The strong dollar made imports expensive, making refineries quote higher rates. For indigenous oils, the market was under pressure as arrivals of rabi crop is expected to increase in the coming days.

In Mumbai, about 150 -200 tonnes of palmolein were traded in resale in the range of Rs 648–654. Stockists kept away from bulk purchases fearing that the Government may announce stock limits to control inflation. In physical market, Liberty quoted palmolein at Rs 661- 662 towards the end of the day, while offering soya refined oil at Rs730 and sunflower refined oil Rs735. Ruchi quoted palmolein at Rs 652, soya refined oil at Rs 721-Rs 725 and sunflower refined oil at Rs 730-735. Bunge quoted Rs 655 for palmolein for April. Mewah's rate was Rs 660-662. Resellers offered palmolein at Rs 652-Rs 653. Malaysia's crude palm oil May contracts closed at MYR 3,515 (MYR 3,498), June at MYR 3,513 (MYR 3,490) and July at MYR 3,503 (MYR 3,487) a tonne. On National Board of Trade at Indore, soya refined oil May futures closed higher at Rs 765.50 for 10 kg.

The Bombay Commodity Exchange spot rates were (Rs/10 kg): groundnut oil 1,225 (1,230), soya refined oil 722 (725), sunflower exp. ref. 660 (665), sunflower ref. 735 (735), rapeseed ref. oil 825 (835), rapeseed expeller ref. 795 (805) cotton ref. oil 695 (700) and palmolein 650 (652).

Pepper recovers

G. K. Nair



Kochi, April 17:

The pepper market recovered on buying interest and supply squeeze. As the April delivery was at below spot prices exporters as well as domestic industry buyers were buying at the April prices. There was good liquidation and additional buying. Liquidation was much above the open interest. There were no arrivals from the primary markets. Meanwhile, there were reports that Tamil Nadu dealers were ready to cover at Rs 5 above the terminal market prices. Investors holding validity expired and farm grade pepper were selling at Rs 5 below the April prices. April contract on the NCDEX moved up by Rs 750 to the last traded price (LTP) of Rs 37650 a quintal. May and June increased by Rs 645 and Rs 810 respectively to the LTP of 38610 and Rs 39595 a quintal. Total turnover dropped by 910 to 3,686 tonnes. Total open interest decreased by 191 to close at 6,356 tonnes. April open interest decreased by 432 tonnes to 1,001 tonnes. May and June open interest increased by 223 tonnes and 18 tonnes respectively to 4,849 tonnes and 386 tonnes. Spot prices in tandem with the futures market trend moved up by Rs 600 a quintal to close at Rs 36,600 (ungarbled) and Rs 38,100 (MG 1) a quintal. Indian parity was up at \$7,600 a tonne (c&f) for Europe and \$7,900 a tonne (c&f) for the US and remained out priced.

Sluggish demand drags wheat futures



Karnal, April 17:

Wheat futures continued to fall on higher supplies of the new season in the spot market amid sluggish demand.

On the National Commodity and Derivatives Exchange, wheat for April delivery decreased by Rs 22 to Rs 1,168 a quintal. It had touched a low at Rs 1,161 a quintal in early trade on Tuesday. On the MCX, spot wheat prices decreased by Rs 8.80 to Rs 1,320.4 a quintal.

In the spot market, despite uncertain weather, wheat arrivals have picked up at the Karnal grain market terminal. On Tuesday, about 70,000 bags of wheat arrived, and traders expect that arrivals may cross the one lakh mark within in a next couple of days.

New wheat was quoted at Rs 1,285 a quintal, which is also the minimum support price. Tohfa, a desi wheat variety, was quoted at Rs 2,270 a quintal.

Flour Prices

Despite sluggish domestic demand, flour prices remained unchanged and quoted at Rs 1,285 for a 90-kg bag. On the other hand, Chokar prices eased by Rs 30 and sold at Rs 600 for a 49-kg bag

Stocks of neighbouring States: Notwithstanding the ban, wheat traders are purchasing stocks from the neighbouring States. Bigwigs of the trading community are purchasing stocks from Nepal border, Pilibhit and Bareilly at Rs 900-1,000 a quintal, which is far less than the MSP, said market sources.

Turmeric gains sheen on stockists' buying

Our Correspondent



Erode, April 17:

Spot turmeric prices increased by Rs 100 a quintal on Tuesday on inventory building by stockists.

“Increased sales brought cheer to the growers. The arrival was steady at 21,000 and odd bags; of this 15,500 were sold,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Traders and exporters mostly kept away from buying but stockists purchased about 80 per cent of the arrivals on hopes that prices may go up. But traders and exporters said prices will improve by next year and 2014. Mr Ravishankar said that futures also remained unchanged at Rs 3,400 a quintal for the past few days, reflecting traders’ expectations of an improvement in prices. Prices in other markets are also decreasing. On Tuesday, the root variety turmeric in Gobichettipalayam Cooperative Marketing Society decreased due to poor quality. But the Hybrid Salem variety increased by Rs 190 a quintal, due to arrival of quality goods. At the Erode Turmeric Merchants Association, the finger variety was sold at Rs 2,515-3,716 a quintal and the root variety at Rs 2,490-3,491.

Salem crop: The finger variety was sold at Rs 3,999-4,399, the root variety at Rs 3,326-3,539. Of 2,927 bags that arrived, 1,202 were sold. At the Regulated Marketing Committee, the finger variety fetched Rs 3,360-3,696 and the root variety Rs 3,269-3,529. All the 1,566 bags kept for sales were sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,089-3,789 and the root variety at Rs 2,606-3,429. All the 479 bags kept for sales, were sold. At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 3,199-3,799 and the root variety at Rs 2,869-3,469. All 1,278 bags put up for sale were sold.

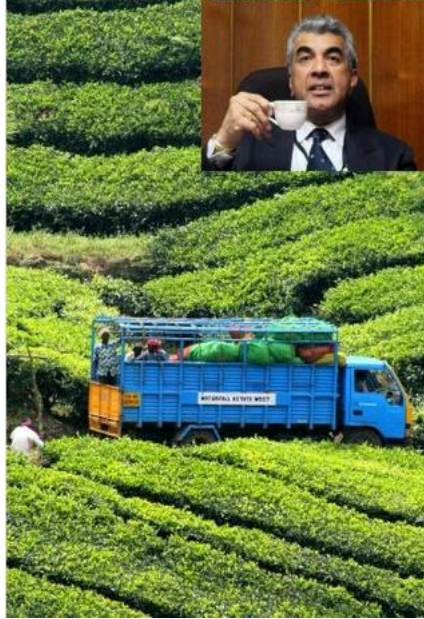
Tea prices may rule firm this year on global shortage

M.R. Subramani, Pratim Ranjan Bose

Chennai\Kolkata, April 17:

Tea prices are likely to rule higher this year globally as a supply shortage looms.

“Prices are currently ruling Rs 25-40 a kg higher compared with the same period a year ago. This is due to crop shortage,” said Mr Ashok Batra, Chairman and Managing Director of auctioneer J. Thomas and Co Pvt. Ltd.



Business Line A file photo of a tea estate. (Insert) Mr Ashok Batra

“Globally, tea is facing problems. The crop in Kenya and Sri Lanka, too, has been affected,” said Mr N. Sriram, Director of Contemporary Tea Brokers, from Coonoor.

The global shortage has resulted in prices ruling higher than in the same period a year ago. In North India, the average price for CTC (crushed, tear, curl) leaves increased to Rs 128.64 a kg last week against Rs 102.18 a week ago. Dust prices are up 8 per cent at Rs 137.43 over last year.

“Though prices are higher than last year, the problem is plainer teas that constitute 40 per cent of total offerings are still ruling below Rs 65 a kg,” said Mr Sriram.

Auction offerings

According to Tea Board statistics, production in January dropped to 18.69 million kg (mkg) from 20.93 mkg a year ago. The output has dropped in North and South India. Though data for February and March are not available, the industry has reported short supply, going by offerings at various auctions.

“Offerings at all auctions in North and South are well below last year's level due to crop shortfall,” said Mr Batra.

Though actual data are not available from other producers of black tea such as Kenya and Sri Lanka, the crop in those countries have been affected.

Dry weather has affected crop in India and these two countries.

“We have had a dry period from October to March in the tea-growing areas. It has affected production,” said Mr Batra.

Though some regions have received rain, it will take between two weeks and two months for the damaged bushes to revive.

“Weekly auctions had to be put off last month for two consecutive weeks in North India due to short supply. Even in Kochi, one auction had to be put off,” said Mr Sriram.

Second flush

Experts are of the view that the shortage is unlikely to be made up during the peak production period in the latter half of the year.

“Normally, the shortage that is seen in the first part of the season is unlikely to be made up,” said Mr Batra.

“The first flush is over. We will have to see how the second flush turn outs to be,” said Mr Sriram.

“If the weather holds good in the latter part, the shortage can be made good to an extent,” said Mr Batra.

According to Mr Aditya Khaitan, Managing Director of McLeod Russell, with black tea consumption rising by 50-55 million kg every year, prices are bound to increase.

“Between 2007 and 2011, the production of black tea has remained stagnant at approximately 2.2 billion kg,” he said.

Mr Batra said that the rise in tea prices should not worry consumers since its increase has been minimal among various agricultural commodities.

“You see any data, they will show that price rise has been the slowest in tea,” he said.

Mr Khaitan said: “It is important to realise that there hasn't been any increase in prices. If you look at 1998-99, the price of tea was in the range of Rs 80-85 a kg. Today, 14 years later, the price is around Rs 110-115 a kg. If you take normal inflation, the price should be in the range of Rs 170-180.”

The problem for the tea industry has been aggravated by uneven rainfall in the last couple of weeks and monsoon playing truant.

Groundnut unchanged despite lack of demand

Our Correspondent



Rajkot, April 17:

Groundnut oil was unchanged on Tuesday even as there was hardly any demand in Gujarat. Cotton oil was unchanged too.

Loose groundnut oil traded at Rs 1,200-1,205 for 10 kg, a 15-kg *telija* tin ruled at Rs 1,840-1,841 and a 15-kg new tin was Rs 2,055-2,060.

According to millers, hardly one or two mills in Saurashtra were buying as most have no stock of nuts for crushing.

Cotton oil traded at Rs 1,130-1,140 for a 15-kg new tin. Cotton oil (wash) was Rs 640-643 for 10 kg. About 250-300 tonnes of cotton oil were traded in Saurashtra.

A Rajkot-based edible oil trader said: "Demand in groundnut oil is almost nil as price is too high. People are buying loose oil as per their requirement. Moreover most of the people shifted to cotton oil and other edible oil since last couple of years."

Small groundnut was traded at Rs 865-982 for 20 kg here, while bold was Rs 982-1,035. About 15,000-17,000 bags of groundnut arrived in Gujarat.

Uncertainty grips cashew market as offtake drops

G.K. Nair



Kochi, April 17:

The cashew market turned buoyant with reasonable activity last week and most of the activities were in “whole grades” that moved up by 10-15 cents a lb in the last two weeks.

There was not much activity in broken pieces but offers for those also moved up a bit. Price range during the week was W240 from \$3.70 to \$3.85 per lb, W320 from \$3.30 to \$3.40, W450 from \$3.10 to \$3.20, SW320 from \$3.15 to \$3.25, splits at around \$2.35, butts at around \$2.40, pieces at around \$2.05 per lb (fob).

The Indian domestic market was quiet. There were reports of some sales from Vietnam to China in the last few days, according to Mumbai-based trade sources.

There are continued reports of reduced offtake and some concern whether there will be any pick up in the coming months in view of the uncertainty over price movements, Mr Pankaj N Sampat, a Mumbai-based dealer told *Business Line*.

In the last few days, “there has been some buying interest but the volume of interest (and actual trades) is much lower than normal. When market is soft, shellers are reluctant to sell because they have not covered raw cashew nut (RCN) and future RCN price trend is uncertain,” he said.

When market firms up a bit, buyers are reluctant to buy because they are not sure whether the offtake will improve in the coming weeks or later and to what extent. “Our feeling is that if prices remain around at current levels, plus or minus 5-7 per cent, off take in second half will be significantly higher than what we have seen since September/October 2011,” he claimed.

It seems that the present trend of short bursts of activity will continue until there is a better picture of the fundamental supply and demand factors. Meantime, volatility will continue with potential of sharp moves depending on actual activity, news and rumours. Pick up in demand will result in a spike in kernel prices. Any news of improvement in RCN flow will lead to a softer market for RCN and kernels as well.

RCN Market steady

Activities in the RCN are limited as shellers are reluctant to buy any big volumes unless they see some good demand for kernels for forwards. Despite that, RCN market continues to be very steady. Business is being done for Tanzania above \$1,250 a tonne, Benin at around \$1,050 and Ivory Coast (IVC) at around \$900 a tonne (c&f). Although it is too early to have real idea of crop size, slow arrivals so far are causing concern. Add to this, there are reports of lower kernels yields in many areas. A better picture should be available by mid-May, Mr Pankaj said.

Even if the West African crops turn out to be normal, there could be a period when kernel supplies will be tight for a few weeks due to reduced processing in India and Vietnam due to late arrival of African RCN. By middle of the year, a realistic and stable trading range for rest of the year should be established, he said. It could be at around current levels or slightly lower if there is no pick up in kernel demand in the second quarter, slightly higher if demand revives coupled with normal crops and substantially higher if there is a big crop shortage, he added.

Centre to continue agri clinics scheme

Hyderabad, April 17:

The Union Ministry of Agriculture has agreed to continue agri clinics and agri business centres (ACABC) in 2012-13. Revised in 2010, the scheme was aimed at aiding public extension services by promoting the concept of 'agripreneurs'. It sought to provide self-employment opportunities to agricultural graduates in rural areas, the National Bank for Agriculture and Rural Development (Nabard) said here in a statement on Tuesday. The scheme has two components. Agri clinics are aimed at providing expert advice and services to farmers on various issues such as soil health, while agri-business centres are commercial units promoted by agripreneurs. The later segment would get a one-time subsidy of 36 per cent (for general candidates) and 44 per cent for Scheduled Caste, , Scheduled Tribes and women.