THE ECONOMIC TIMES

# APEDA's agri-product exports estimated at Rs 60,000 crore in FY'12

NEW DELHI: APEDA, the export promotion body for farm items, expects agri-product exports monitored by it to rise by 38 per cent to about Rs 60,000 crore in 2011-12.

The growth is expected on the back of rise in shipments of fruits, vegetables, basmati and processed foods.

India's agri-exports under Agricultural and Processed Food Products Export Development Authority (APEDA) stood at Rs 43,626.88 crore in the 2010-11 financial year.

"We are anticipating agri-product exports in the last fiscal at Rs 60,000 crore," APEDA Director S Davesaid.

The exports in 2011-12 fiscal have risen due to increased shipments of fruits, vegetables, basmati rice and processed foods, he added.

Dave said that India's total export of agricultural products is estimated to rise by 41 per cent to 1.20 lakh crore in the 2011-12 fiscal from around Rs 85,000 crore in the 2010-11 financial year.

APEDA monitors exports of over 14 farm product categories that include floriculture, fruits and vegetables, meat and meat products, processed foods, cereals, cereal products, herbal and medicinal plants, guar gum and so on.

India exports around 1.4 per cent of the total global shipments of farm items and imports about 1.2 per cent.

The top farm trade players globally are European Union, the US, Brazil, Canada and China.

# Uttarakhand sugarmills produce 32.32 lakh quintals of sugar

The sugar mills of Uttarakhand have produced 32.32 lakh quintals of sugar during the crushing season of 2011-12 and Rs 580.40 crore has already been paid by them to sugarcane growers.

During a meeting convened here yesterday bySugarcane Minister S S Negi, Sugarcane commissioner Vikramajit Tiwari informed that all the 10 sugar mills of Uttarakhand have produced 32.32 lakh quintal of sugar by crushing 363.02 lakh quintal of sugarcane till March this year for the crushing season of 2011-12, an official release said.

The sugarcane growers have also been paid an amount of Rs 580.40 crore for their produce against the total payment liability of Rs 903.49 crore, he said, adding, the remaining dues of Rs 323.08 crore would also be paid shortly.

Sugarcane Secretary S S Rawat said all the 6 sugarmills of public and co-operative sector and 3 out of 4 private sugar mills have already completed crushing of the sugarcane.

Only one private mill-- Iqbalpur sugarmill-- is still crushing the sugarcanes, he said.

Rawat also apprised the meeting that nearly 1/6th population of Uttarakhand depends -- directly or indirectly -- for their livelihood on sugarcane and sugar industry.

Sugarcane Minister S S Negi asked the officials to promote those varieties of sugarcane in the state which give more yield in the climatic conditions of Uttarakhand and prove profitable to farmers as well as sugarmill owners.

He also directed the officials to ensure timely payment of dues to sugarcane growers and review its progress on weekly-basis till the all dues are cleared.

# Fertiliser Ministry moots 10% hike in urea prices

NEW DELHI: The fertiliser ministry is mooting a proposal to raise urea prices by 10%. With this proposed revision, which will have to be endorsed by the Cabinet Committee on Economic Affairs, urea prices will go up from Rs 5,310 per tonne to Rs 5,841 per tonne.

This will help the government to reduce its annual subsidy burden by around Rs 2,000 crore. At present , the annual urea subsidy bill is in excess of Rs 20,000 crore. "The proposal is doing rounds in the ministry for quite some time. It can be implemented only after getting stamped by CCEA," said a senior fertiliser ministry official.

In the last 10 years, the government raised urea prices only once in 2010 by 10% from Rs 4,830 per tonne to Rs 5,310 per tonne. With this, the government saved around Rs 1,200 crore on urea subsidy.

However, the Expenditure Reforms Commission, set up by the government in the year 2000 to work out a road map towards a subsidy-free regime, had recommended an annual price increment of 7% for some time before decontrolling the industry. At Rs 5,310 per tonne, urea is the cheapest fertiliser available.

"Two months ago, the government had cut the subsidy on phosphate and potashbased fertilisers by up to 30%. Now subsidy cut on urea is likely to bring down its indiscriminate use," said the official. This move is in line with Finance Minister Pranab Mukherjee's intent of bringing down central subsidies to 1.75% during the next 3 years.

In his budget speech, he had announced that the government would reduce the outgo on major subsidies including food, oil and fertilisers to Rs 1.79 lakh crore from Rs 2.08 lakh crore estimated in the last fiscal. The industry, however, feels that a 10% increment in prices is not enough.

"The prices of urea need to be revised. Though it won't have any major impact on fertilizer companies, it's a small step towards promoting balanced fertiliser use. Due to a major gap between NPK fertilizer prices and urea prices, the latter is being excessively used, taking a huge toll on the soil.

There's still scope of quick revisions," said Satish Chander, director general of Fertilizer Association of India(FAI). According to the industry, the annual demand for urea in the country is around 28 million tonne of which 22 million tonne is indigenously produced and the rest imported. The cost of urea production in the country is around Rs 13,000 per tonne while the import cost is around Rs 23,000 per tonne.

"With the government fixing the maximum retail price at Rs 5,310 per tonne, the difference between the cost of production or import and the MRP is being borne by the government in the form of subsidy," said another ministry official.

# Come June, bountiful Rabi harvest poses problem of plenty

NEW DELHI: A problem of plenty is looming as by June 1, an estimated 12 million tonnes of foodgrain will have to be stored in the open in "kutcha plinths" with a bountiful Rabi harvest and procurement of 65 million tonnes of grain boosting food stocks to record levels.

With states like Madhya Pradesh - apart from the wheat baskets of Punjab and Haryana - delivering bonus yields, food stocks are expected to hit the 75 million tonne mark, placing the government in a Catch-22 situation as the total storage capacity with the Centre and states adds up to 63 million tonnes.

"Management of wheat procurement in 2012-13 will be more problematic than last year and if MP procures 65 lakh tonnes of wheat, evacuation of wheat from Punjab will remain adversely affected...in these states (Punjab, Haryana and MP) substantial quantity of wheat will have to be stored in kutcha plinths," an official note states.

While on one hand, there is relief that a bumper crop will help meet commitments under the proposed food security Act, the current off take of 53-55 million tonnes under the public distribution system (PDS) will not clear stocks fast enough to accommodate fresh arrivals. The recently added 30 lakh tonne storage is not adequate, and procurement, officials said, is expected to touch 74 million tonnes by July.

Keeping food stocks in plinths make them vulnerable to "damage due to excessive rains" as had happened in the past few years when bulging stocks led to lakhs of tonnes of damaged wheat being sold off at reduced rates.

Pushing stocks into the market is a plausible option, but the government's room for manoeuvre is limited as finance minister Pranab Mukherjee is keen to keep the food subsidy bill in check. Moving grain comes at a cost as the government pays Rs 22-24 for every kg procured, while the sale price, even for above poverty line (APL) families, is Rs 8 a kg.

There have been suggestions that the government restrict itself to maintaining stocks for calamities, PDSsupplies and a strategic buffer to ensure the Centre can intervene to maintain moderate prices. But the ambitious food security Act that seeks to provide entitlements to 67% of the population will mean that the government will dominate the market even more than it does. Some experts feel allowing exports and imports while maintaining a strategic reserve is more likely to ensure food security.

Sources said with exports not permitted, government procurement played a vital role in ensuring farmers got their due with the winter crop exceeding expectations. Lack of strong intervention would have almost certainly led to acute farm distress and prices in mandis would have crashed due to higher supplies.

Officials estimate that wheat procurement to go up to about 74 million tonnes by July, while available storage space is for about 45 million tonnes. "Let July come and there will be a huge problem," said a farm ministry official. Punjab CM Parkash Singh Badal has already flagged the problem of storage and has urged the Union government to help solve the problem.

Business Standard

## Barley up 1% on short covering

Barley prices recovered some of its losses, by adding Rs 19.50 to Rs 1,699.50 per quintal in futures trading today following low levels buying by traders.

Marketmen said after a couple of day's fall, traders raised positions at prevailing lower levels.

At the National Commodity and Derivatives Exchange, the June contract recovered by Rs 19.50, or 1.16%, to Rs.1,699.50 per quintal, with an open interest of 1,140 lots.

The April contract gained Rs 6.50, or 0.41%, to Rs 1,606.50 per quintal, having an open interest of 6,700 lots.

The May contract moved up by Rs 4.50, or 0.27%, to Rs 1,650 per quintal with an open interest showed of 12,570 lots.

## Jeera rises 1.8% on spot demand

Supported by a pick-up in spot demand, jeera futures today rose by 1.82% to Rs 12,465 per quintal.

However, increased arrivals of the new season crop in the markets amid hopes of higher output this year capped the gains.

At the National Commodity and Derivatives Exchange, the May contract shot up by Rs 222.50, or 1.82%, to Rs 12,465 per quintal in an open interest of 11,274 lots.

The April contract moved up by Rs 205, or 1.72%, to Rs 12,140 per quintal, having an open interest of 13,753 lots.

Analysts said a firming trend at the spot markets on the back of pick-up in demand mainly influenced jeera prices at futures trade here, but rising supplies from new crops amid expectations of higher output this year restricted the gains

## Coriander rises 0.6% on firm spot demand

Coriander prices rose by Rs 27 to Rs 4,330 per quintal in futures trade today as speculators created fresh positions on the back of firm demand from the domestic markets and on weak arrivals from the fresh crop.

At the National Commodity and Derivative Exchange, coriander for delivery in April added Rs 27, or 0.63%, at Rs 4,330 per quintal, with an open interest of 18,690 lots.

The May contract gained Rs 24, or 0.54%, to Rs 4,509 per quintal with open interest of 11,590 lots.

Market experts said increased buying by speculators on pick-up in spot market demand against less arrivals mainly pushed up coriander prices.

THE HINDU Business Line

# Coffee halting above key base

Generic Coffee “C” futures traded on the Intercontinental Exchange (ICE) conclusively broke out of a key resistance at $150 in June 2010. It accelerated until it encountered significant long-term resistance in the band between $300 and $318 in May 2011.

Also triggered by negative divergence in weekly and monthly indicators, the futures reversed direction. Since then it has been on an intermediate-term downtrend, shaping lower peaks and lower troughs.

### Long-term view

After retracing 50 per cent of its prior long-term uptrend, the contract is finding base around $174.The presence of significant long-term support around $170 will cushion the contracts in further declines. Next important long-term support is positioned in the band between $140 and $150. If this level is breached, next support is well below at $100 which is also a psychological base level.

The contract's long-term uptrend will remain in place as long as it trades above $150. A fall below this $140 is needed to reverse the positive long-term view. Significant long-term resistances for the contract are pegged at $208 and $233-240 band.

The contract needs to rally above the $233-240 band to resume its long-term uptrend. Subsequent resistances are at $264 and $300.

### Medium-term view

The futures closed at $186.2 on April 2. Both intermediate and medium-term trends are down for the coffee futures. In early February, coffee futures penetrated a key support at $215 and declined steeply until it found support at around $175 recently.

However, this level is an important Fibonacci retracement level and is presently providing base for the contracts. Daily relative strength index and moving average convergence divergence indicators are displaying positive divergence implying a potential trend reversal in the coffee futures. While both weekly relative strength index and moving average convergence divergence indicators are recovering from the oversold territory.

A strong rally above the immediate resistance at $195 will push the coffee futures higher to $208 in the short-term. Decisive jump above this resistance will pave way for a medium-term rally to $224 and to $240. But, move above $240 is required to alter the intermediate-term downtrend and lift the futures higher to $264. Conversely, a tumble below $170 can pull the futures to $150 in the medium-term.

# Artificial price cut takes flavour off coffee

## M.R. SUBRAMANI

**Chennai, April 3:**
Have arabica coffee prices been dragged ‘artificially'? Many in the coffee sector think so, particularly when commodities such as soyabean, mustard and chana have rallied on reports of short-supply.

The sector's thinking has been sparked off by a Rabo Bank comment last week that the sharp fall in coffee prices in the last few weeks is ‘artificial'.

Last year, prices of arabica milds under which Indian arabica coffee falls increased to a record $3.07 a pound. The rise was on lower carryover stocks, poor crop in countries such as Columbia, Mexico, India, Kenya and Tanzania besides rising consumption.

A few days ago, the price dropped to levels of $1.70 without much change in fundamentals. Though the price increased following the bank's comment, it is still ruling lower at $1.8535.

## Undervalued

“The fall in prices are against fundamentals. Last year, the Brazil crop was lower, while disaster struck the Colombian crop. There was shortage of arabica milds,” said Mr A.K. Bhandari, former President of the United Planters' Association of Southern India.

“There is no surplus and there was a deficit during November-December. Though Brazil crop is stated to be a record this year, coffee will not be harvest until June. Even then, short-supply will continue till August since the new crop will hit the market only in September,” said Mr Bhandari.

Mr Ramesh Rajah, President of Indian Coffee Exporters Association, said: “Basically, all commodities have tended to fall. That tends to put extra pressure. However, there is no doubt that coffee is undervalued. Definitely, arabica market will have to move up,” he said.

“There is no reason for arabica prices to drop to levels of $1.70,” said Mr Bose Mandanna, former Vice-President of Coffee Board and a planter.

“For South Americans, $2 a pound is the break even point. Even in India, production costs are higher due to labour and fuel,” said Mr Mandanna.

## Farm gate prices

Currently, farm-gate prices for arabica parchment are Rs 8,050-8,200 for a 50-kg bag against over Rs 10,000 during the same period a year ago. Arabica cherry is ruling at Rs 4,100-4,200 against over Rs 4,700 a year ago.

However, things are better in the case of robusta. Farm-gate prices of robusta parchment are ruling at Rs 5,900-6,050 for a 50-kg bag against Rs 4,850, while robusta cherry rates are Rs 2,700-2,850 against Rs 2,500.

“People were concerned on the fall in prices. But when someone like Rabo Bank says the drop has been done artificially, then someone has done it,” said Mr Bhandari.

“It is an unusual comment. Rabo Bank is strong in financing commodities than any other bank,” said Mr Rajah.

“Ever since Rabo Bank's comment, prices have tended to be volatile,” said Mr Mandanna.

"Prices have to reflect the fundamentals in the short-term. We expect a reversal especially when global consumption is rising by 2.5-3 million bags (60 kg each) annually, while supplies are not in tune with that," said Mr Bhandari.

Prices are likely to rise to $2.20 in the near term. "After that we cannot say how prices will behave," said Mr Bhandari.

# Turmeric growers asked to cut acreage by 50%

## L.N. REVATHY

**Coimbatore, April 3:**
The steep fall in the price of the turmeric from Rs 17,000 a quintal in September 2010 to around Rs 3,200-3,500 a quintal now, has come as a huge blow to the growers.

To control further drop in price levels, growers have been advised to reduce the area under the crop by at least 50 per cent in the coming season.

Farm varsity scientists, after conducting a study of the current demand – supply situation, said the over-supply situation resulted in a price decline.

**Rise in area**

Reports show that the area under turmeric during the previous season had shot up by nearly 30 per cent.

Apart from a significant rise in area, new varieties, districts and States such as Punjab, which were not cultivating turmeric earlier, took to cultivation of this tuber crop.

Total supplies (opening stock and production) have been estimated at around one crore bags (of 75 kg/bag). The consumption (domestic and export) is estimated at 65 to 75 lakh bags (90 kg each).

Scientists at the Domestic and Export Market Intelligence Cell (DEMIC) in Tamil Nadu Agricultural University said that turmeric from Dharmapuri, Athur and Mysore, flowing into the market yard at present, accounted for about 25 per cent of the arrivals. Turmeric from Coimbatore, Kodumudi, Sivagiri and Erode is expected to arrive in May.

Salem turmeric is said to fetch a better price in Tamil Nadu and varieties such as PTS 10 and BSR have been found to be popular.

Trade sources say that the PTS 10 is a preferred variety in Patna, West Bengal and Varanasi and the varieties from Salem and Nizamabad – are exported to Dubai and Gulf countries.

# Spot rubber rules steady

**Kottayam, April 3:**

Spot rubber prices were unchanged on Tuesday. Another weak closing in domestic futures and the absence of follow up buying by major consuming industries kept it under pressure during late trading hours.

Sheet rubber finished unchanged at Rs 201 a kg, according to traders. The grade dropped to Rs 200.50 (201) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

The April series weakened to Rs 198.27 (199.70), May to Rs 203.60 (204.89), June to Rs 208.39 (209.96) and July to Rs 210.99 (212) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) closed marginally higher at Rs 203.91 (203.67) a kg at Bangkok. The April futures improved to ¥313.5 (Rs 193.89) from ¥312.6 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 201 (201); RSS-5: 199 (199); ungraded: 195 (195); ISNR 20: 198 (198) and latex 60 per cent: 130 (130).

# Suresh Bhandary is Campco's new MD

**Mangalore, April 3:**
Mr M. Suresh Bhandary has assumed charge as Managing Director of Campco.

Prior to this, Mr Bhandary was General Manager of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd.

Mr Bhandary joined Campco as a mechanical engineer at chocolate factory of Campco in 1986. He was promoted as Assistant General Manager of the chocolate factory in 2007, and General Manager of Campco in 2009.

# Sugar output up 13% in Oct-Mar

**New Delhi, April 3:**
Sugar output in October-March 2011-12 rose 13 per cent to 23.2 million tonnes (mt) against 20.45 mt last year, the Indian Sugar Mills Association (ISMA) said.

The industry body expects output in the sugar year-ending September 2012 to exceed its initial estimates of 26 mt. About 385 sugar mills continued to crush cane as on March 31, 2012, against 329 in the previous year.

Output in Uttar Pradesh stood at 6.63 mt till March-end (5.88 mt). Maharashtra produced 8.01 mt, about 8 lakh tonnes more than last year. Karnataka, the third largest producer, recorded an output of 3.5 mt, about 5 lakh tonnes more than last year.

With a projected output of 26 mt and domestic consumption pegged at 22 mt, ISMA believes that another 1.5 mt could be exported in the current year. The Government has so far permitted exports of 3 mt.

“With the current trend of sowing across the country, it seems certain that sugar production in 2012-13 season will be higher than the domestic requirement and the country may continue to remain a net exporter next year too. A firmer estimation of production would be available only after a couple of months," ISMA said.

"Since the window for exports seems to be available only for the next couple of months before Brazilian sugar production hits the international market, the Government should allow the fourth tranche of sugar exports of around 15 lakh tonnes" it said. *vishwa@thehindu.co.in*

# Steady supplies keep cashew market stable

**Kochi, April 3:**
The cashew market was steady last week with reasonable activities for shipments up to June.

Some business has taken place for the third quarter also. However, not much business was reported in other grades, according to trade sources in Mumbai.

Offering range remained more or less unchanged for W240 from $3.60 to $3.75; W320 from $3.20 to $3.30; W450 from $3.00 to $3.15; SW320 from $3.05 to $3.15; SW360 from $2.75 to $2.90; SSW from $2.65 to $2.80; Splits from $2.15 to $2.30; and Pieces from $1.90 to $2.05 (f.o.b).

"The fact that not much kernels have been sold in the last quarter and that West African Raw Cashew Nut (RCN) arrivals in India and Vietnam are going to be slow has the potential to create a unnatural and unwanted squeeze in kernel supplies in the next 3-4 months. Beyond that, kernel supplies should be okay provided nothing goes wrong with the crops in the next eight weeks," Mr Pankaj N. Sampat, a Mumbai- based dealer, told *Business Line*.

Cashews lost significant market share in the second half of 2011 in all markets including the Asia, he said. It would be reasonable to expect that lower prices and better availability will help cashew regain some of the lost share in most markets, especially India and Asia from the second half of 2012, he said.The trend of business for short periods for the last year and half has been reasonably good for the buyer, he said. Though the prices went up much beyond historical highs in the middle of 2011, their average cost for 2011 was not very high. And the average for the last two quarters has been much lower. Shellers have had to carry the burden for the last six months having bought bulk of the last year's crop when prices were at /close to the peaks. Things could be different in the next 6-12 months.

**RCN Market steady**

Tanzania RCN continues to be traded at around $1,250 a tonne but in small lots, he said. They still have a lot to sell but delay in arrivals / shipments from West Africa may provide a window for them to sell, provided kernel activity picks up. Offers from West Africa are steady at the higher levels with Benin at around $1,000; Ivory Coast (IVC) at around $875; Nigeria at around $800 a tonne (c&f).

Activity is limited because (a) arrivals are slow (b) shellers are in no hurry to buy as kernel market is quiet. But they are well prepared to enter the market if they see RCN prices come down or if they see revival of kernel activity.

Indian RCN prices are high but this does not have direct impact on export costs as exporting shellers use very small quantities of domestic RCN. However, the continued firmness in Vietnam RCN prices does affect the export costs of Vietnam shellers.Market is very delicately poised. In the next eight weeks, things could change quickly – either way. Sudden pick up in arrivals (collection) and continued quietness in kernel market could lead to prices drifting lower to unexpected levels. Fears of crop problems such as size or quality coming true and kernel activity picking up would lead to a jump in prices. All these things are impossible to predict and could happen to varying degrees.

Overall, “we continue to feel that for the next few months will be steady around the current levels – with possibility of 5 per cent decline if kernel activity does not pick up in April/May and potential for at least 10 per cent increase in the latter part of the year,” Mr Pankaj claimed.

# Futures drag spot chana

**Indore, April 3:**
Weak futures dragged chana by Rs 75 to Rs 3,500-3,525 a quintal, while desi chana ruled at Rs 3,400-3,425.

On Monday, fears of weak crop prospect had pushed up prices by almost Rs 100 a quintal. In the morning today, kanta chana quoted at Rs 3,575-3,580 a quintal. Mausmi chana ruled at Rs 3,500-3,600, vishal chana at Rs 3,600-3,800, kabuli bitki at Rs 3,600-3,800, Russian chana at Rs 4,100-4,200 and Turki chana at Rs 4,500-5,000 a quintal. Arrival declined to 5,000-6,000 bags.

Chana dal, on the other hand, ruled unchanged despite subdued buying support, with average dal being quoted at Rs 4,300-4,375 a quintal, medium dal at Rs 4,450-4,475 and bold dal at Rs 4,600-4,625.

Dollar chana or chickpea was unchanged at Rs 6,300-6,900 a quintal despite sluggish demand, with 5,000-6,000 bags arriving to *mandis*.

# Groundnut oil scales new peak

**Rajkot, April 3:**
Groundnut oil zoomed to a new high of Rs 2,065-2,070 for a 15-kg new on acute shortage of nuts for crushing Prices were up Rs 20 on Tuesday.

According to the Saurashtra Oil Millers Association President, Mr Sameer Shah, due to shortage of groundnut for crushing, the demand has increased sharply, resulting in the increase in its price.

Demand for nuts in China and Europe has left mills short of raw materials.Only five of the 250 mills in Saurashtra are working currently. Prices are expected to continue ruling high.

A 15-kg *telia* tin was quoted at Rs 1,862-1,863 while loose oil traded at Rs 1,215-1,220 for 10 kg.

About 50-60 tonnes of groundnut oil were traded in Saurashtra mills.

Groundnuts sold at Rs 900-1,049 for 20 kg, and about 15,000-17,000 bags of nuts arrived in Gujarat.

# Sugar mills hike prices on hopes of demand pick-up

**Mumbai, April 3:**
Sugar prices on the Vashi wholesale market increased by Rs 10 a quintal for fine variety S-grade and declined by Rs 10 for M-grade fair quality on Tuesday. Regular supply from mills and routine local demand kept sentiment steady in the physical market.

Naka rates witnessed a mixed trend as resellers sold S-grade lower by Rs 10, while M-grade higher by Rs 5. Mill tender rates were up by Rs 10 on expectation of higher demand in coming days, said traders.

Mr Jagdish Rawal of B. Bhogilal and Co said that there was increase in volume at mill level as stockists have started covering for inventory ahead of summer. A strong demand for sugar from Gujarat, Rajasthan, Madhya Pradesh, Maharashtra and other northern States is likely to emerge soon in Maharashtra. Analyst said that the Government has declared sufficient free sale quota of 45 lakh tonnes for the April-June quarter. From the quota, mills are bound to sell a minimum of 25 per cent in a month leaving room for producers to hold the price by not selling. Though the current market price is not impressive, sentiments are likely to remain firm.

The market trend will depend how millers sell and demand from retailers-stockists improve.

Arrivals in the Vashi market were about 50-52 truckloads and dispatches were 48-50 loads.

On Monday, about 18-20 mills offered tenders and sold nearly 88,000-90,000 bags in the range of Rs 2,720-2,790 (Rs 2,710-2,790) for S-grade and Rs 2,800-2,890 (Rs 2,790-2,890) for M-grade.

**The Bombay Sugar Merchants Association's spot rates:** S-grade Rs 2,862-2,922 (Rs 2,862-2,916) and M-grade Rs 2,961-3,051 (Rs 2,961-3,051).

*Naka* **delivery rates**: S-grade Rs 2,800 -2,850 (Rs 2,810-2,850) and M-grade Rs 2,900-2,995 (Rs 2,900-2,990).

(This article was published in the Business Line print edition dated April 4, 2012)

# Despite low arrivals, wheat stays flat

**Karnal, April 3:**
The new wheat crop entered the market for the first time this Rabi season on Tuesday. But only around 200 quintals came in, and even this was not procured because the moisture level in the produce was high.

Farmers have spread their produce out in the*mandi* for drying and have been advised to bring them back with lower moisture, said Mr Sewa Singh Arya, a wheat trader and State President of BKU.

In the physical market, after rallying for one week, *dara* and flour prices ruled unchanged, while *desi* wheat continued to rule flat.

*Dara* quoted at Rs 1,240-1,250 a quintal. Despite the ban imposed on the arrivals from other States, around 200 quintals of *dara* variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,240-1,245 a quintal, while delivery at *chakki* was at Rs 1,250.

Similarly, Tohfa, a *desi* variety, continued to rule flat and went for Rs 2,270 a quintal.