

TODAY FARM NEWS 07.12.2012 A.M

#### Delta farmers pleased with Cauvery package

Farmers of Cauvery delta districts welcomed the Rs. 69-crore package announced by the Chief Minister to save the samba paddy. However, they said it should be implemented in letter and spirit.

S. Ranganathan, secretary of the Cauvery Delta Farmers Welfare Association, said "we wholeheartedly welcome the package, particularly the insurance benefit in which the government has decided to pay the crop insurance premium of Rs. 30 crore for the delta farmers". By the insurance cover, a farmer will get a compensation of Rs. 8,692 an acre.

With respect to providing three-phase electricity supply to agriculture pumpsets for 12 hours daily up to February 2013, the government should ensure proper supply without giving scope for farmers to complain.

V. Jeevakumar, a farmer of Budalur, welcoming the insurance cover, expressed reservations about the 12-hour power supply. Previously also the government announced this but supply was given only for two hours in the day time and two hours in night time.

D. Pandian, CPI State secretary, who was in Thanjavur, also wanted the government to implement the package in letter and spirit.

# ANGRAU to start seed technology course soon

Acharya N.G. Ranga Agricultural University (ANGRAU) has signed an agreement with Mississippi State University, USA, to offer a four-year degree course in seed science and technology. The two universities have also decided to exchange students and faculty for mutual benefit.

MoU signed

A memorandum of understanding (MoU) to this effect was signed by Minister for Agriculture Kanna Lakshminarayana, who is visiting the US along with a delegation, and president of Mississippi State University Mark E. Keenum in the university. The Minister held talks with the Mississippi officials on the areas of collaboration before inking the pact.

#### **Benefits students**

As part of the agreement, the two universities would introduce four-year undergraduate course in seed science and technology. The course would immensely benefit the students of the State since Andhra Pradesh was known for supplying about half of the seed required by the farming in the country, the Minister said. The course would produce seed experts required by the seed industry.

Besides, it would also help farmers get quality seed not only in the State but outside too, the Minister said on the occasion. Apart from academic exchange the two varsities have also decided to take up research and education programmes jointly in African countries.

Further, they would work together in areas of genomics and biotechnology areas.

Commissioner of Agriculture K. Madhusudhana Rao, Prof. A. Janaiah of ANGRAU were present while inking the pact. The Minister also visited Maryland University as part of his tour.

# Plan to give additional incentive for buffalo milk under study'

Karnataka Milk Federation chairman G. Somashekar Reddy has said the State government is considering a proposal of providing an additional incentive of Rs. 2 per litre for buffalo milk to encourage farmers to take up dairy activities.

He told presspersons here on Thursday that the incentive was in addition to the Rs. 2 per litre that was already being given to all milk producers across the State.

According to the managing director of the Belgaum District Cooperative Milk Producers' Societies Union Ltd., V. Rajeshwara, the KMF was presently procuring buffalo milk at Rs. 22.60 per litre. The procurement price was now likely to increase to Rs.24. 60 per litre. Mr. Reddy said steps had been taken to establish a milk chilling plant in Goa as KMF was supplying nearly 44,000 litres of milk every day to Goa. Also, the KMF had decided to set up a "flex pack" plant and a cattle feed plant in Belgaum, he said. Mr. Reddy said the government had asked the Department of Women and Child Development to procure 2,000 tonnes of skimmed milk powder from KMF every month.

# Fluctuating prices leave jasmine farmers hanging by a string

Seek perfume unit as promised by CM in her poll manifesto



Lost the aroma: A pest-attacked jasmine flower at a field in Ettarai village near Tiruchi.— PHOTO:R.M. RAJARATHINAM

The price of jasmine has started spiralling again with the wholesale price crossing Rs.400 a kg. The price of the fragrant flower was ruling around Rs.150-160 a kg in July this year, while during the October-December period of 2011, which was an off season, it was quoting around Rs.1,500-1,600 a kg.

"During mid-March to mid-June it's a problem of plenty and I have sold it even for Rs.7 a kg," says A.V.Chandiran, a farmer from Ettarai, about 10 km from here. "We can't leave the flowers unplucked as it would cause serious diseases," he adds.

Normal yield per acre per month during the season could be between 600-700 kg.

Now there is a sharp slump in the yield – even to an extent of more than 70 per cent. Hence arrivals in the market have dwindled jacking up the prices, he adds.

It would have been ideal had there been good rains as that would have given the plants "good rest", he adds.

Tiruchi district, one of the major producers of jasmine in the State, is reeling under wide price fluctuation .

Puliyur Nagarajan, president of the Tiruchi District Horticultural Producers' Association, points out that at least 1,000 acres in the district are covered under jasmine involving more than 2,000 farmers.

The cost of cultivation works out to Rs.50, 000 per acre and the plants survive for almost 10 to 15 years. "The price obtained now is far less than last year because of virtual absence of rains during the past two months," he explains.

N.Annadurai, another farmer, who has been raising jasmine for the past four decades, says that the prices going up during winter is nothing new because the yield goes down considerably due to the setting in of mist. These jasmine plants suffer budworm damage too, he points out.

G.Gajendran, Professor of Entomology, Anbil Dharmalingam Agricultural College and Research Institute, near here, explains that the poor yield during winter is due to two major reasons – poor flowering and budworm damage. This is quite common during winter season.

"Budworm could be controlled. But using neem oil alone wouldn't help much. It requires chemical insecticide."

Prof.Gajendran points out that while southwest monsoon has been a failure, northeast monsoon, the mainstay of the season in the region, has not been copious except in coastal districts. "Poor rainfall is a contributory factor to the current situation."

He does not accept the point of view of farmers that they could afford to ignore the current budworm attack because they are unwilling to spend much on a crop that doesn't fetch them a good yield. "Even this situation should be managed properly," he asserts. He adds that the price range would continue to be so up to Pongal. After Pongal, once summer sets in, the yield will start going up thus bringing down the prices.

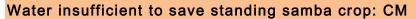
V.Raju, a major commission merchant in the Srirangam market, says Srirangam and Gandhi Markets handle at least three tonnes to five tonnes of jasmine every day. He admits that there is a phenomenal fluctuation in prices.

"There is absolutely nothing scientific about the pricing mechanism. It is all pure supply and demand".

Besides, the price skyrockets during marriage season (about 110 days), amavasai, pournami, and pradosham. Thus, on an average, there is considerable demand for at least 150 days a year.

All that the farmers now seek is a perfume unit in the region as promised by Chief Minister Jayalalithaa in her election manifesto.

"Taking our flowers to Nilakkottai where a private unit is functioning is an arduous task. We would be happy to get Rs.80 per kg throughout the year. Only a perfume unit could ensure us such a price," they plead.





Chief Minister Jayalalithaa

Chief Minister Jayalalithaa on Wednesday said the Supreme Court's interim direction to Karnataka to release 10,000 cubic feet per second (cusecs) provided some consolation to Tamil Nadu.

However, she added that this would not be sufficient to save the standing samba crop.

In a statement, she quoted the order, according to which Karnataka should release 10,000 cusecs till the Cauvery Monitoring Committee met; it should decide further releases and report to the court, which would hear the case again on Monday.

[An official source said the committee, headed by Union Water Resources Secretary, would meet in New Delhi on Friday afternoon]

Meanwhile, the order evoked mostly a negative response from farmers of the Cauvery basin.

Even though a section of agriculturists of Thanjavur and Tiruvarur districts was appreciative of the Supreme Court's order, their counterparts of Nagapattinam district, which is at the tailend of the system, and Tiruchi district have expressed disappointment.

Notwithstanding their different responses, farmers were unanimous in saying that the quantum would be inadequate to save the Samba crop.

S. Ranganathan, secretary, Cauvery Delta Farmers Welfare Association, said the quantum was pittance. The government demanded 30 thousand million cubic feet (tmc ft of) water over 15 days at the rate of two tmc ft per day. But, now, what had been ordered was the release of only three tmc ft at the rate of 0.75 tmc ft a day.

When the Monitoring Committee meets, it should impress upon the Prime Minister the need for providing more power to Tamil Nadu to save the samba crop on three lakh acres that were dependent on agriculture pump sets. If possible, Tamil Nadu should be provided with the entire quantum of power generated by thermal plants in Neyveli. Reacting positively to the order, P.R.Pandiyan, State council member, Tamil Nadu Vivasayigal Sangam, said that the Supreme Court order had come as a relief.

V.Jeevakumar, a farmer from Budalur, said 10,000 cusecs would not be sufficient to save the samba crop, as paddy fields had developed cracks.

In Nagapattinam, it was disappointment writ large for the farmers with the interim relief seen as arriving too little too late for tail end agriculture.

In Tiruchi, Mahadhanapuram V. Rajaram, working president of Cauvery Delta Farmers' Welfare Association, said all this direction has done is "to establish that Tamil Nadu has right to get Cauvery water, nothing more". He lamented that this did not work out to even four tmc ft. V. Duraimanickam, general secretary, Tamil Nadu unit of All India Kisan Sangh, found the quantum "too meagre".

# Food processing mission panel formed

A District Food Processing Mission Committee, headed by District Collector, has been formed to implement the National Mission on Food Processing (NMFP), a new centrally sponsored scheme, jointly launched by the Union Ministry of Food Processing Industries and Tamil Nadu Government.

The district-level committee, with Collector as Chairman and Deputy Director (Agri Business) as Member-Secretary-cum-Nodal Officer, has been formed recently to receive and scrutinise proposals for seeking financial assistance from various schemes under NMFP.

"The Department of Agriculture Marketing and Agri Business has received half a dozen proposals, including one from an educational institution for creating infrastructure for running degree/diploma and certificate courses in food processing technology," sources in the department said.

They said the proposals would be taken up for perusal by the committee, at its first meeting, to be held later this month after the farmers' grievance day. Joint Director (Agriculture), Deputy Director (Horticulture), NABARD Manager, TICC Manager, District Commercial Tax Officer, Lead Bank Manager, Cooperative Bank Manager, Fishermen Association Leader and Chamber of Commerce President are the members of the district committee. NMFP is aimed at assisting the state government in addressing both institutional and infrastructural gaps along the value chains and thus creating an efficient supply chain for farm produce. The main objectives of NMFP are to promote initiatives for skill development, training and entrepreneurship, which would meet needs of both post-harvest management and food processing industry and to assist food processing industry to meet requisite standards in terms of food safety laws and market demand, both domestic and international, it said.

Under the scheme, financial subsidies are given for technology upgrading/ setting up/ modernization/ expansion of food processing industries/ supporting cold chain facilities and reefer vehicles for other than horticulture products. Those who come forward to set up these facilities could avail a maximum subsidy of Rs.10 crore, the sources said.

Financial assistance is also given for starting entrepreneurship development programme and food processing training centre. Under schemes for promotional activities, financial assistances

are also given for organizing seminar/workshops, conducting studies/surveys and organizing exhibition and fairs, the sources said, adding the subsidies are given by both the centre and state governments on 75:25 per cent basis respectively.

Detailing the schemes and subsidy components, the Department of Agriculture Marketing and Agri Business has distributed about 5,000 pamphlets to various stake holders in the district, the sources added.

#### State package for delta farmers

Chief Minister Jayalalithaa on Wednesday announced a package of measures to provide succour to farmers of the Cauvery delta in the State.

The cost of measures would be around Rs. 69.88 crore, which did not include the amount of compensation to be paid to farmers in the event of crop loss, according to an official release.

An official release issued by Ms. Jayalalithaa stated that if farmers lost the crop even after the government implemented a host of measures, steps would be taken to cover them under the National Agricultural Insurance Scheme and the revised scheme.

Considering the present extraordinary situation, the government would pay the premium on behalf of the farmers. Through this move, all delta farmers would be provided with crop insurance cover.

This would mean an expenditure of about Rs. 30 crore. If crop loss occurred, solatium of Rs. 8,962 per acre would be given under crop insurance schemes.

Besides, under the State Disaster Relief Fund, compensation for paddy would go up from Rs. 4,000 per acre to Rs. 5,000. Totally, the farmers would get Rs. 13,692 per acre.

Since November 29, three-phase power supply to delta farmers was in vogue for six hours each during day and night.

This would continue till February 2013, she said.

A subsidy of Rs. 600 per acre would be given to meet the cost of diesel in respect of 32,000 pump sets. A sum of Rs. 15 crore would be set apart for the purpose.

A cent per cent subsidy would be granted for procuring 180-metre-long high-density polyethylene (HDPE) pipes that would prevent loss of water conveyed from main canals to agricultural lands. The subsidy would cover 6,000 units at a unit cost of Rs. 20,000. A total of Rs. 12 crore would be sanctioned.

Likewise, 100 per cent subsidy would be given to 6,000 units of low-density polythelene pipes at a cost of Rs. 2,800 per unit. This would mean an allocation of Rs. 1.68 crore.

Three hundred multi-purpose boom sprayers would be given through the Tamil Nadu Agricultural University and Agriculture Research Station for crops on the verge of withering.

A sum of Rs. 1.20 crore would be earmarked. Besides, Rs. three crore would be provided for administration of the scheme.

Muriate of Potash (MOP) fertilizer and pink pigmented facultative methylotrop, which could help the crop sustain the dry period of seven to 10 days, would be given.

An amount of Rs. four crore would be approved. Five hundred mini-portable sprinklers would be procured at a cost of Rs. 2.25 crore.

Awareness camps would be held to motivate farmers to take innovative methods to save samba crop and Rs. 75 lakh would be provided to organise the camps. Considering water shortage, those agricultural workers who have lost jobs would be accommodated under the Mahatma Gandhi National Rural Employment Scheme, she added.

The release also mentioned that while framing its package, the government kept in mind that there were chances for rainfall to occur in December.

#### Red gram price crash triggers demand for State intervention

The crash in prices of red gram in the wholesale market has brought farmers, and trade and social organisations on one platform, to demand that the State government immediately

intervene in the market and procure the produce directly from farmers, paying a minimum support price (MSP) of Rs. 5,000 a quintal.

With the arrival of freshly harvested red gram in the wholesale market, the price of the produce has crashed to Rs. 4,000 a quintal (MSP is Rs. 4,350).

Leaders of various farmers' organisations and trade and social organisations, including Maruti Manpade, president of the Karnataka Prantha Raitha Sangha; Umakant Nigudgi, president of the Hyderabad Karnataka Chamber of Commerce and Industry (HKCCI); Basavaraj Ingin, president of the Karnataka State Red Gram Growers' Association; Arunkumar Patil, president of the Jai Karnataka Rakshana Vedike; B.R. Patil, former Deputy Chairman of the Legislative Council, and Mahipal Reddy Munnur, president of the Kannada Sahitya Parishat, have decided to organise a bandh in Gulbarga district on December 17, if the government did not respond to the farmers' demands.

At a meeting jointly organised by HKCCI, the Dal Millers' Association and other organisations here on Thursday, speakers condemned the State government for not intervening in the market.

#### 'Inactive'

They said that the Red Gram Development Board, which was constituted to protect the interests of growers and intervene in the market whenever prices crashed, had become inactive.

#### 'Still vacant'

They said the State was yet to fill the post of the board's managing director, which had been vacant for several months now.

The speakers also demanded that the Union government immediately ban the import of red gram, which they said was also one of the reasons for the price crash.

Mr. Manpade stated that if the import of red gram was not banned, the Union government should impose an anti-dumping duty on such red gram, to stabilise the prices of the produce in the local market. The meeting unanimously decided to meet Deputy Commissioner Prasanna Kumar here on Friday and apprise him of the situation. They would ask him to write to the government, seeking the release of at least Rs. 100 crore to the Red Gram Development Board and also its intervention in the market to stabilise prices.

On December 10, a delegation of farmers' representatives, trade and social organisations would meet Chief Minister Jagadish Shettar in Belgaum, during the Assembly session, to press their demands.

# Agriculture at crossroads: expert

From the heady days of Green Revolution, Indian agriculture has reached the crucial stage where proper planning and concerted efforts are required to salvage the situation that was mainly created by the constant degradation of water and land resources. This is a major set of challenges confronted by the policy-makers and farmers alike. There is real danger of the per capita land holding falling to 0.60 hectare by 2020 or even 0.32 ha 10 years later if the existing practices are not modified. Sustaining agriculture in such small pieces of land will be extremely difficult.

The sector is beset by a large gap between research output (know-how) and what is practised ('do-how') on the fields, said Surender Lal Goswami, Director of the National Academy of Agricultural Research Management (NAARM), Hyderabad.

Delivering the keynote address at the three-day 'Technologies for Modern Agriculture AP-TEC 2012 Conference & Exhibition' that began at the Regional Agricultural Research Station (RARS) here on Thursday, Mr. Goswami said the contribution of agriculture to Gross Domestic Product (GDP) is just 13.9 per cent but is still the demographically broadest economic sector providing employment to over 52 per cent of the total workforce. However, the small contribution of agriculture to GDP is not due to the fall in output but because of the relative domination of the services sector.

There has been a paradigm shift in cropping activity from food to non-food crops which occupy nearly 60 per cent of the gross cropped area. Cotton alone accounts for about 2.29 million hectares.

Demand

India is not an exception to the trend of diversion of arable land to urbanization, industrialization and production of bio-fuels.

This was bound to have serious consequences to the economy at a time when the global food crisis has aggravated due to climate changes.

The demand for foodgrains in India will rise to a staggering 345 million tonnes in 10 years and the challenges are manifold, Mr. Goswami added.

# Farmers' body organises field visit for scientists

The Rythu Rakshana Vedika, which brought together a group of nearly 200 farmers to form the District Cotton Growers' Mutually Aided Cooperative Society, organised a visit for agricultural scientists to the fields on which non-Bt cotton was grown successfully on an experimental basis at Gottipadu village here on Thursday.

Acharya N.G. Ranga Agricultural University principal scientist (cotton) V. Chenga Reddy and G.M.V. Prasada Rao of Regional Agricultural Research Station, Lam, led the team of scientists, who had a first-hand account of the efficacy of non-Bt cotton varieties compared to hybrids that were being aggressively marketed by the MNCs.

They appreciated the initiative taken by the society for bringing back the glory of public-funded research extension to the fields and promised to contribute their share for breaking the monopoly of some cotton seed companies.

Nearly 70 farmers, who are actively promoting non-Bt cotton in and around Prathipadu, participated in the programme. They told the scientists that 8-9 per cent of the seed cost could be reduced by self-produced seed with the savings per acre standing at not less than Rs.6,000. Society promoters N. Venugopala Rao and K. Raja Mohan, and Ch. Parameswara Reddy, an expert in seed science, participated in the programme.

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#### Five more units to procure copra

A meeting convened by the District Collector here on Wednesday decided to start procuring copra through five more new cooperative societies in the district.

The new units are Koduvally Service Cooperative Bank, Kattangal Cooperative Bank, Malabar Agricultural Workers Welfare Cooperative Society, Kozhikode Rubber Marketing Society, and Vengeri Urban Cooperative Society. At present, 19 cooperative societies and 13 coconut farming clusters are procuring copra and coconut in the district.

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**TODAY FARM NEWS** 

07.12.2012 A.M

Weather

Chennai	•	
Chennai - INDIA		
To davia Weather		

Today's Weather	
Partly Cloudy	Friday, Dec 7 Max Min 30.5°   22.4°
Rain: 0 Humidity: 74	Sunrise: 06:19 Sunset: 05:42

omorrows	Forecast
1	Saturday, Dec 8 Max Min
Cloudy	30°   23°

# Extended Forecast for a week

Wind: normal

Sunday	Monday	Tuesday	Wednesday	Thursday
Dec 9	Dec 10	Dec 11	Dec 12	Dec 13
1	2. 34	2.00	1. 34	2.00
30°   23°	24°   22°	25°   22°	25°   22°	25°   23°
Cloudy	Overcast	Overcast	Overcast	Overcast

Barometer: 1014

Airport W	leather	Rain: 0 Humidity	Sunrise: 07:01 : 51 Sunset: 05:24
Delhi	🔹 Delhi	-	mal Barometer: 1016 🗸 💦

# Business Line Today FARM NEWS 06.11.2012 P.M 07.12.2012 A.M

# 06<sup>th</sup>dec 2012 P.M

# Bull operators call the shot in pepper market



Pepper prices on Thursday continued to be in the grip of long position holders who have been squeezing the market and rather compelling short position holders to buy back December contracts. Consequently, Dec contract went up significantly to close much above the previous day closing.

As the long position holders were hammering down the long positions February and March contracts continued to fall in recent days. Consequently, the difference between Dec and Feb prices widened by Rs 6,350 a quintal as of today. "Ulta badla" is also going on, but by short position holders who are forced to do it to get out of the market, market sources told *Business Line*.

Coupled with this phenomenon investors were buying back their sales in Dec contract and liquidating farm grade pepper with them in the market and that is being picked up by interstate dealers as most of the upcountry market pipelines are empty.

Domestic demand is expected to pick up in the coming days. End users demand is also going to pick up for the winter/wedding demand.

There have been no arrivals from the primary markets as Sabarimala pilgrims are said to be buying small quantities of pepper from Pathanamthitta, Kollam and Idukki districts. According to primary market dealers in Parakode (Pathanamthitta) and Punalur (Kollam), an estimated 5-7 tonnes of pepper are being traded daily and it is expected to increase as the number of pilgrim arrivals picked up.

Added to this, increased tourist arrivals to the State are also aiding retail black pepper business in the growing areas, they said.

Dec contract on the NCDEX increased by Rs 710 a quintal to Rs 39,920. Feb and Mar contracts fell by Rs 590 and Rs 275 respectively to Rs 33,570 and Rs 33,425.

Total turn over declined by 22 tonnes to close at 3,914 tonnes. Total open interest decreased by 545 tonnes to 5,786 tonnes. Dec open interest fell by 598 tonnes to close at 3,012 tonnes while that of Feb and Mar increased by 3 (three) tonnes and 61 tonnes respectively to close at 2,215 tonnes and 500 tonnes.

Spot prices remained unchanged at Rs 37,300 (ungarbled) and Rs 38,800 (garbled) a quintal as there were no activities.

Indian parity in the international market was at \$7,450 a tonne (c&f) Europe and \$7,750 a tonne (c&f) for the US.

# Stockists begin building turmeric inventories

The price pf the spot turmeric remains stable, but the stockists are purchasing huge stocks.

"The exporters have received few upcountry orders for the yellow spice and purchasing for their requirements. But the stockists buying huge stocks expecting that the prices may increase in the month of February", said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

The traders said the hybrid variety fetched increased price due to its quality and the exporters quoting highest price of Rs 6329 a quintal, purchased all the 100 and odd bags. They said that already the stockists are keeping good stock of more than ten lakh bags with them, involved in buying more quantities expecting the price hike.

The farmers brought 4000 bags of turmeric for sale and 60 percent stocks were sold. At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 3896 to Rs 5374 a quintal, root variety Rs 3696 to Rs 4839 a quintal.

Salem Hybrid Crop: The finger variety was sold at Rs 4709 to Rs 6329 a quintal, root variety Rs 4606 to Rs 5189 a quintal. Of the total arrival of 1164 bags of turmeric 254 bags were sold. At the Regulated Market Committee, the finger variety was sold at Rs 4236 to Rs 5589 a quintal, root variety Rs 4169 to Rs 5230 a quintal.

Of the arrival of 1486 bags of turmeric 1410 bags were sold. At the Erode Cooperative Marketing Society the finger variety fetched Rs 4169 to Rs 5889 a quintal, root variety Rs 3799 to Rs 5289 a quintal. Of the arrival of 1000 bags of turmeric 955 bags were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society finger variety was sold at Rs 4069 to Rs 5627 a quintal, root variety Rs 3769 to Rs 5269 a quintal. All the 417 bags of turmeric kept for sales were sold.

#### Slack demand crushes jeera

On the back of weak demand in spot market, jeera future was traded down on Thursday. However decline in arrival capped the price to go down much.

At Unjha market of Gujarat jeera arrival declined to 4,500-5,000 bags from previous day's 6,000 bags. Spot jeera was declined Rs 20-25 to Rs Rs 2,330-2,430 per 20 kg, NCDEX quality raw quoted at Rs 2,630-2,730 per 20 kg. Around 4,000 bags traded in Unjha. In Rajkot jeera was traded on Rs 2,380-2,780 per 20 kg. About 500-550 bags jeera arrived in Rajkot.

On National Commodity and Derivatives Exchange jeera for December was declined Rs 62.50 to Rs 14,060 per quintal with an open interest of 3,111 lots. NCDEX jeera January contract was

decreased Rs 19250 or 1.27 percent to Rs 14,992.50 per quintal with an open interest of 13,206 lots.

According to market sources, jeera futures may recover as tensions between Syria and Turkey have escalated further and all exports are expected to be diverted to India. However, higher stocks for delivery on the exchange warehouses may cap sharp upside. In the medium term (December-January), prices are likely to stay firm as there are limited stocks with Syria and Turkey.

According to Spices Board of India, exports of Jeera in April 2012 stood at 2,500 tonnes as compared to 2,369 tonnes in April 2011, an increase of 6%.

# Mustard slips on reports of higher sowing



Downtrend in mustard oil continued in this week as well with decline in buying support at higher rate.

In Indore mandis mustard on Thursday ruled at Rs 762 for 10 kg (down Rs 13 from last week), while it ruled at Rs 770 in Morena (almost same as that of its price last week) and in Neemuch, it ruled at Rs 755 (down Rs 25 from last week). Downtrend in mustard oil continued in Rajasthan and Gujarat mandis as well.

In Kota, mustard oil ruled at Rs 768 for 10 kg (down Rs 12 from last week), while it is down Rs 10 each in Ganaga Nagar and Jaipur from last week at Rs 770 and Rs 785 respectively.

In Gujarat mandi also, mustard oil is down Rs 10 from last week at Rs 760.

According to a trader, Kailash Agrawal, bullish trend in mustard in near future appears unlikely on weak buying support and slack demand.

As compared to soya and other oil, mustard oil is ruling quiet higher in local mandis

Sluggish sentiment also prevailed in mustard seeds amid prospect of higher yield this year.

In the past one week, mustard seeds by and large remained stable at Rs 4,500-4,600 a quintal, so was raida which also ruled flat at Rs 4,000.

Mustard seeds in the futures traded lower on weak buying support with mustard seeds December and January contracts on the NCDEX closing at Rs 4,098 a quintal (down R 24) and Rs 4,166 (down Rs 18).

Plant deliveries in mustard seeds also ruled lower at Rs 4,365-70 against Rs 4,410-35 last week.

Besides rise in sowing area, dip in temperature in major mustard growing states such as UP, MP Rajasthan and Haryana, may increase crop output this year to 63-65 lakh tonnes against 55 lakh tonnes last year.

Prospect of higher production will likely to support bearish sentiment in mustard in near future, said a trader.

Arrival of mustard seeds in the country on Thursday declined to 66,000 bags with 4,000 bags being offloaded in Madhya Pradesh, 6,000 bags in Uttar Pradesh, 40,000 bags in Rajasthan, 8,000 bags in Punjab and Haryanan, 2,000 bags in Gujarat and remaining 6,000 bags elsewhere in the country.

#### Wheat range-bound on sluggish demand

With not much trading taking place in the market, dara and flour prices remained unchanged on Thursday

In the physical market, after witnessing a fall earlier this week, dara ruled flat and quoted at Rs 1,530-1,540 a quintal.

Around 600 quintals of dara variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,530-1,535 while delivery at the chakki was Rs 1,540.

Radhey Sham, a trade expert, told *Business Line* that because the demand matched the supply, wheat prices have been ruling without much alteration

Traders expect wheat to continue to rule range-bound for the next few days too, a trader said.

Similarly, Desi wheat varieties continued to rule flat on low stocks and sluggish demand and quoted at Rs 2,500-2,550.

Meanwhile, wheat futures remained bearish on subdued demand.On the National Commodity and Derivatives Exchange, wheat for December delivery decreased by Rs 7 and traded at Rs 1,606.

January contracts went down by Rs 4 to Rs 1,594. Wheat spot prices traded at Rs 1,600.

# **Flour Prices**

Steady off-take kept flour prices unchanged and quoted at Rs 1,750. Similarly, Chokar ruled flat at Rs 1,550.

#### War time flexi-bags now move edible oil in bulk

Flexi-bags, which were used to transport whisky, wine and juices in bulk to American troops during wars in Vietnam, Iraq and Afghanistan has been put to a different use now. They are now being used to move edible oil in shipping containers.

Also called flexi-tanks, these bags have become an alternative to transport oils, juices, wines, food-grade liquids and non-hazardous chemicals in shipping containers across the globe.

The flexi-bags were first used by the Americans in the 1969 Vietnam War to transport fluids for its troops. They are made of linear low density polyethylene (four layers) and high density polyethylene that is safe to transport non-hazardous liquid.

# Malaysian imports

"We will use the flexi bags to import oil from Malaysia using the standard shipping containers," said Raghavendra Srinath, Managing Director, Vikram Global Commodities (P) Ltd. Globally, these bags are being used to transport oil in containers. However, for the first time in India, the company will introduce this mode of transport, he claimed.

Once the oil is pumped inside, it balloons to fit a 20-ft shipping container, he said.

At present, the oil is imported in break bulk ships. The cargo is stored in large storage tankers located in ships.

The size of flexi bags range from 16,000 to 26,000 litres. The materials used in the production of flexi-bags have to meet the US Food and Drug Administration, EU food-grade or German BGA standards. The idea is to isolate the liquid being transported from ambient air to avoid oxidation, he said.

Vikram Global, which is mainly in trading, will import edible oil directly from Malaysia and supply to bulk customers such as Saravana Bhavan, a leading Chennai-based restaurant chain. It has set up a storage terminal off a seaport at a cost of Rs 2 crore to store oil. This will help buyers procure fresh virgin premium edible oil at any point of time.

# Quality, quantity

Transporting oil in containers helps in retaining the quality of oil while preventing deterioration due to long transit and prolonged storage (oxidation, odour, colour and sedimentation), he said.

The flexi-bags can carry 20 tonnes of oil. This gives small buyers the option to import oil in small quantity compared to 10,000 tonnes in break bulk ships. Also, the import can be done on just-in-time as containers are available in plenty. This option was not available in break bulk, said Srinath.

# Timeframe

The time to import oil through containers will reduce to about four days from the present 25 days, he said.

Once the cargo arrives at the company's terminal set up inside the Central Warehousing Corporation in Virugambakkam, the oil is stored in storage drums that maintain a particular temperature. As and when a buyer needs oil, he can take delivery immediately from the terminal, explained Srinath.

#### Japan, S. Korea demand boosts oilmeal exports

Oilmeal export increased 21 per cent to 641,285 tonnes in November compared with 530,456 tonnes in the same period last year. The jump in export was largely due to improved demand from Japan and South Korea.

However, in the first eight months of this fiscal, export was down 21 per cent to 2,366,269 tonnes (2,981,955 tonnes) due to sharp fall in shipments to West Asia and Europe.

Japan was the top importer with 128,218 tonnes (81,467 tonnes) of soyabean extract in November. It was followed by South Korea with a total import of 86,145 tonnes (55,054 tonnes).

France imported 158,799 tonnes (21 tonnes) of oilmeals while total shipments to European countries more than trebled to 247,472 tonnes (64,441 tonnes).

Soyameal prices were down two per cent at \$536 a tonne (fob) in November compared to \$545 in October. However, rapeseed meal and rice bran extract prices increased five per cent to \$346 (\$331 ) and \$170 (\$159 ). In November, rupee had depreciated three per cent to 54.78 against 53.10 in October. This would have resulted in higher earnings for exporters.

Oilmeal imports by South Korea from India in the first eight months of this fiscal increased 33 per cent to 578,431 tonnes (433,800 tonnes) consisting of 56,728 tonnes of soya meal, 244,194 tonnes of castor meal and 277,509 tonnes of rape meal.

#### Rubber skids on fears of higher arrivals

Rubber market declined further on Thursday on fears of improved arrivals during the peak production. Certain dealers booked losses as they had huge stocks bought at higher rates. There were no genuine enquiries in the commodity and it was almost impossible to find out a quantity buyer even at lower levels. Sheet rubber declined to Rs 160 a kg both at Kottayam and

Kochi from Rs 171 and Rs 172 a kg respectively, according to traders and the Rubber Board. The trend was partially mixed.

The December series weakened to Rs 161.50 (165.23), January to Rs 163.25 (167.27), February to Rs 166 (169.68), March to Rs 168.25 (171.33) and May to Rs 178 (184.75) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) inched up to Rs 165.25 (165.17) a kg at Bangkok.

The December futures slipped to  $\pm$  251 (Rs 164.71) from  $\pm$  251.5 during the day session but then recovered to  $\pm$  251.6 (Rs 165.10)

in the night session on the Tokyo Commodity Exchange.

**Spot rubber rates (Rs/kg):** RSS-4: 160 (161); RSS-5: 155 (156); Ungraded: 150 (151); ISNR 20: 155 (156) and Latex 60 per cent: 106 (106).

#### Hike in cotton export registrations cap may boost dispatches

The Government's move to hike registration limits for cotton exports to 30,000 bales may help boost the fibre shipments.

Cotton exports are under open general license and the move to hike registration limits comes ahead of the likely announcement of import quota by China, a large consumer.

"We expect some pick-up in demand by end December, as China is expected to announce its import quota soon," said M.B. Lal, Managing Director of Shail Exports Pvt Ltd.

The Director General of Foreign Trade recently modified the condition for cotton exports and increased the maximum limit for obtaining the registration certificates (RCs) to 30,000 bales from 10,000 bales earlier.

Lal, the former Chairman of Cotton Corporation of India, said China was expected to announce its import quota sometime later this month or in early January.

The rise in export registration limits may possibly help boost the prices of cotton, which are largely hovering around the minimum support price (MSP) level of Rs 3,900 a quintal. The Government has procured about two million quintals through its procurement programme at MSP.

Trade sources said the hike in RC limit may not help the exporters significantly as global demand was weak. The hike in export registration limits was unlikely to alter the domestic availability for local mills, said D.K. Nair, Secretary-General, Confederation of Indian Textiles Industry.

Nair estimated that the Indian exporters have contracted some 15 lakh bales so far, of which about half the quantity would have been shipped out. According to the Commerce Ministry, the export registrations stood at 4.5 lakh bales as of November 5.

Lal expected India's cotton exports to be not more than eight million bales, against 12.9 million bales shipped out last year. The Cotton Corporation of India has estimated production of 33.4 lakh bales, pegging the domestic consumption at 26 lakh bales, leaving an exportable surplus of seven million bales.



# No immediate plans to hike import duty on edible oil: Thomas

Food Minister K V Thomas today said the Government has no immediate plans to hike import duty on edible oils even as the industry has expressed concern over cheap imports of vegetable oil affecting oilseeds farmers.

India, the world's largest edible oil importer, has zero import tariff on crude oil and 7.5 per cent on refined oil. Last week, industry body Solvent Extractors' Association of India (SEA) in its representation to Finance, Commerce and Food Ministries had sought increase in import duty to 20 per cent on refined vegetable oil and 10 per cent on crude.

"I don't have any proposal as of now to increase import duty on edible oil," Thomas told reporters when asked if the ministry has any plans to change the import tariff structure.

Earlier, SEA had said that import of vegetable oil at lower price has hit domestic oilseeds prices. For instance, soyabean prices have fallen sharply from Rs 4,800 that ruled during sowing period to Rs 3,300 per quintal at the time of harvesting now and farmers are worried about the price they might get for mustard seed, which is being sown currently.

Also, oil palm trees are also being uprooted due to lower realisation on Fresh Fruit Bunches of oil palm tree caused due to cheaper imported CPO, the Association had said.

The hike in import tariff would not impact majority of consumers or cause inflation because prices are at present are lower by nearly 15 per cent from the high witnessed six months back, the SEA had said, adding increase in duty would fetch Government revenue of Rs 4,000-5,000 crore.

The country's total vegetable oil imports crossed a record 10 million tonnes in 2011-12 on account of sluggish global prices following huge surplus stocks in Malaysia and Indonesia.

As per industry data, average cost, insurance and freight (CIF) price of crude plam oil has come down by 33 per cent to Rs 1,184 per tonne, while refine palm to \$ 840 a tonne in last six months.

# Business Standard

# 07.12.2012 A.M

# Fertiliser shares gain ahead of CCEA meet on urea policy

Shares of fertilizer companies are in limelight in noon deals on reports that the Cabinet Committee on Economic Affairs (CCEA) is likely to meet today to approve a new urea investment policy.

"The fertiliser ministry expects the new urea investment policy would attract a fresh investment of about Rs 35,000 crore to increase domestic production by 8 million tones," PTI report suggests.

Among the individual stocks, Rashtriya Chemicals and Fertilisers and National Fertilisers are up nearly 4% each at Rs 56.80 and Rs 80 respectively, while Deepak Fertilisers, Chambal Fertiliers and GSFC are up 1-2% on the BSE.

# Cardamom rises by 1.43% on strong demand

Cardamom prices rose by Rs 14.20 to Rs 1,006.80 per kg in futures trade today on firming trend in the spot markets as speculators enlarged their positions driven by firming spot market trend.

Sentiment improved further on rising exporters demand amid restricted arrivals from producing belts.

On the Multi Commodity Exchange, December cardamom rose by Rs 14.20, or 1.43%, to Rs 1,006.80 per kg, with a trading volume of 1,364 lots.

The January delivery traded Rs 10.20, or 0.95%, higher at Rs 1,074 per kg, with a business volume of 1,005 lots.

Traders said rising demand in spot markets on account of marriage and winter season against restricted arrivals from producing regions, mainly pushed up cardamom prices at futures market.

# Crude palm oil futures rises 0.67% on spot demand

Crude palm oil rose by Rs 2.80 to Rs 420 per 10 kg in futures trade today on pick-up in spot markets demand amid firm Asian trend.

At the Multi Commodity Exchange, December crude palm oil rose by Rs 2.80, or 0.67%, to Rs 420 per 10 kg with a trading volume of 453 lots.

The January delivery rose by Rs 2.70, or 0.63%, to Rs 425.40 per 10 kg, with a business volume of 280 lots.

Analysts said apart from a firming trend overseas, pick- up in the spot demand mainly helped crude palm oil futures prices.

Meanwhile, palm oil gained 1.30% to \$759 a tonne on the Malaysia Derivatives Exchange.

# THE TIMES OF INDIA

TODAY FARM NEWS 07.12.2012 A.M

#### Farmer climbs power tower, demands relief for crop loss

SONIPAT: A small village in Sonipat district in Haryana witnessed a high drama on Thursday when a farmer climbed a 50-foot power line tower in his fields and threatened to commit suicide demanding adequate compensation for crops damaged while erecting poles for laying transmission lines.

The farmer, Hawa Singh (65) of Deepalpur village, climbed the Haryana Vidyut Prasharan Nigam's power transmission tower in the afternoon and threatened to jump off if the government did not pay him compensation for the damaged crop in his farm fields. After climbing about 50 feet he threw a piece of paper at the crowd gathered in which he had written his demands. He alleged the power companies were offering very low compensation amount by wrongly assessing the crop loss.

After six hours of drama, he climbed down following assurances from the local MLA and district administration officials that he will be paid compensation.

On receiving information, Congress MLA from Rai constituency Jai Tirth Dahiya along with DSP Ajit Singh, district development and panchayat officer Hari Singh Sheoran and officers of Haryana Vidyut Prasharan Nigam reached the spot and assured him of appropriate action.

Hawa Singh alleged that farmers were not given notice before erecting poles and laying of the lines. His letter of demands was handed over to the officers of the Prasharan Nigam.

Singh said he belonged to a freedom fighter's family and he owns only four bighas of land. The

standing crops of the last three seasons were damaged during power line laying work.

Three power transmission lines cross over his field and a huge portion of the land had been used for erecting poles. Other farmers also supported his demand.

The MLA said an inquiry would be conducted into the complaints regarding discrepancies in assessment of crop damages.

#### State mulls crop insurance for 106 gram panchayats

BHUBANESWAR: The state government will consider providing <u>crop insurance</u> to farmers of 106 gram panchayats, who were left out by the Centre to avail benefit for loss of their crops in natural calamities during 2011, minister of cooperation B K Arukh told the assembly on Thursday.

He said he would take up this crop <u>insurance</u> matter with the chief minister for a final decision. The minister gave this assurance after the opposition <u>Congress</u> and <u>BJP</u> members participating in an adjournment motion debate demanded that state government pay crop insurance benefit to farmers of 106 left out gram panchayats.

This is because the state government's delay to submit crop cutting report to the Centre for 106 panchayats forced the Centre to turn down the request. The opposition also demanded action against government officials for whose fault lakhs of farmers were deprived of crop insurance benefit. Tnn

#### Maddur market gives coconut growers a fair deal

BANGALORE: Coconut is grown in 16 states. Harvesting of tender nuts accounts for 25-30% of India's annual production of 19,000 million coconuts.

"Maddur leads in tender coconut harvesting, followed by Tirupur and Pollachi in Tamil Nadu, and centres in Andhra Pradesh, West Bengal, Maharashtra and Gujarat," Jose says. <u>Maddur Tender Coconut Market</u> president Chandrasekhar Mudya says the market is active round the clock. "Maddur and surrounding districts are suitable for coconut palm cultivation, thanks to their access to Cauvery water. Coconuts grown here are big and full of water. This market used to be dormant. But over the past few years, we have seen a lot of action around tender coconut because more farmers are now willing to harvest tender coconuts instead of harvesting them as matured nuts. The economic value of tender coconuts has gone up."

The market's auction mechanism has helped the farmers get better prices. T K Kempaiah, vice chairman of the market, says when tender and mature coconuts are sold at the farm gate, they fetch less than Rs 5 per unit. "But in our market, farmers are able to get better value through a fair auction, conducted without any middlemen."

Tender coconuts are harvested carefully to avoid breakage. If harvested well, they last up to 10 days. They are brought down trees in bunches. They are then gently loaded onto trucks, tractors or bullock carts to be transported to the market. Grading for size and quality, which determines the price - between Rs 7 and Rs 10 per nut - takes place, and then they are put on the block. Within three to five hours of harvesting, they are sent to various destinations.

Siddharamaiah Deshahalli, a large coconut cultivator, says the market has helped the farmers get better value. "However, buyers still control the market, influencing grading and pricing. To move a single tender coconut from palm to market, a farmer needs to spend Rs 2."

Indonesia, the Philippines and India, in that order, are the biggest producers of coconut. Sri Lanka, Brazil and <u>Thailand</u> account for much smaller proportions of global production. Consumption has always been high in these markets, but the portion of tender harvest has been small. But this segment is now growing rapidly because of the high nutritional value.

#### Cane price will be declared soon: Akhilesh Yadav

BAHRAICH: Chief minister (CM) <u>Akhilesh Yadav</u> has ordered suspension of <u>Balrampur PWD</u> <u>executive engineer</u> for negligence in duties. The CM has also ordered stern action against the in charge of paddy purchase centers of Balrampur following complaints received against them. Besides, he has said that the district magistrate (DM) would be responsible for the slow purchase of paddy at the government purchase centers.

The CM added that sugar cane price would be declared soon and the interest of the farmers and mill owners would be taken into account as well while declaring the prices. He said that the traffic movement would start on Kodri Ghat bridge in 2013 under all circumstances and a special package of Rs 5 crores would be given to Balrampur Municipal Corporation for the development activities.

The CM reached Balrampur on Tuesday to attend a private function at the residence of the state horticulture minister S P Yadav, where he received some complaints against PWD executive engineer R P Srivastava, who could not give a satisfactory reply to the complaints. Thereafter, the CM ordered his suspension with immediate effect.

The CM said that the repair works of roads of <u>Terai</u> belt would start soon and for this a proposal has to be given to the executive engineer. Moreover, he warned the officers of appropriate action if the farmers face any inconvenience at the paddy purchase centers.

On the contrary, 206 paddy purchase centers of Devipatan division were closed on Tuesday as the FCI denied receiving delivery of rice from the rice mills which has caused the price of paddy to fall at the Mandi Samiti. The millers associations has also demonstrated at the FCI go-down. This has deprived thousand of the farmers from the benefit of rate support scheme.

FCI denied receiving the delivery on Monday at Devipatan division. FCI argued that the rice of these mills is not as per the standard. All the centre in charges did not purchase the paddy till the delivery of the rice and all the purchase centers of the division were closed all of a sudden.

Altogether, 75 purchase centers at Gonda, 30 at Balrampur, 72 at Bahraich and 29 at Shravasti are operational and these centers have stopped purchasing the paddy.

The centre in charge and the employee of food department, PCF, Agro, Cooperative center, SFC and the employee welfare corporation are also in a fix as the paddy they have purchased would be delivered to the rice millers. The target of paddy purchase has confined to the 12% only in Devipatan division.

Though divisional commissioner <u>Ashok Kumar</u> Verma directed the area manager of FCI to ensure the delivery of standard quality rice, the FCI technical staff maintained that the rice was not of appropriate quality. The price of paddy has dropped Rs 50 per quintal due to the closure of paddy purchase centers.

The divisional commissioner said the government has been apprised of <u>the situation</u> and necessary steps would be taken following the meeting with the DM of four districts in the division.

#### CPF demands ban on palm oil import

KOCHI: Coconut farmers demanded an increase in support price and the ban of palm oil through south Indian ports.

"In order to help the farmers survive the price fall, the government should sell coconut oil through the public distribution system. Supply of two kgs of coconut oil to each card holder could help increase the price of coconut," said, K D Musthafa, secretary of <u>Vettom North Kera</u> <u>Karshaka Federation</u>. He was part of the delegation of Coconut Producers' Federation (CPF) of Malappuram district who visited the Coconut Development Board's (CDB) headquarters in Kochi.

The farmers also demanded the government to grant permission to the CPFs to produce

'neera', a sweet toddy. "What we are going to do is to present these demands to ministers and the members of parliament and state legislative assembly from Malappuram district," Musthafa said.

Between the eight CPFs of Malappuram, there are 6,991 members, and the total yielding palms owned by them are 4.5 lakh, producing 3.1 crore coconuts annually. Average productivity in the district is 71 nuts per palm, which is considered to be the highest in the state. The district also boasts of the maximum area of coconut plantations.

However, the district earns only Rs 12.7 crore from coconut sale at the current price of Rs 4 per nut. "If we get Rs 10 per nut, we could barely survive," he said. According to him, at the current price, the average loss of a farmer would be Rs 27,225 this year.