

Agri-economists' advice to farmers

Staff Reporter

Agricultural economists have a word of caution for farmers on various crops, just before the Rabi harvest.

Red gram and chilli farmers can make a killing if they exercise the 'hold' option. After last year's record crop of pulses at 18.2 million tonnes, India is poised to repeat the performance with 17.4 million tonnes this year.

The econometric analysis of modal prices in Tandur (Ranga Reddy) market for the last 14 years put the price around Rs.3,500 per quintal in March and Rs.3,700 by May. Hence, farmers should adopt 'wait and watch' policy till May to reap a bumper price.

Similarly, chilli too is expected to fetch Rs.5,200 to Rs.5,500 per quintal by March, going by the modal prices in Guntur (the world's largest chilli trading market) taken for eighteen years. While China's production of 'high colour – low heat' chilli variety is reportedly good, export prospects are not so encouraging. Farmers are advised to store the yield till April to cash in on higher exports.

The prices of black gram will continue to remain low in the coming months. There are already adequate stocks in Maharashtra, Madhya Pradesh and Andhra Pradesh, while traders preferring Myanmar black gram to local variety is also a cause for concern. Farmers are advised to sell off the yield, as the estimated price of Rs.3,500 to Rs.3,700 per quintal is unlikely to rise till May.

Though market reports suggest that edible oil prices could rise by the end of next quarter, the price of groundnut pegged at Rs.3,700 per quintal is likely to remain the same till May.

Despite high yield, vegetable farmers are a worried lot

February 29, 2012

Ryots in the Visakha Agency area are not getting a remunerative price



Problem of plenty: Cabbage grown by tribal farmers being piled up at Baliaguda near Araku Valley for transport by agents for sale in Rythu Bazaars in Visakhapatnam.— Photo: K. R. Deepak

Their jubilation over a bumper crop this season did not last long as remunerative price for their produce looked elusive after the yield came out of the fields.

Pangi Parsuram, a middle-aged farmer with a land-holding of eight acres at Gadeguda in Sagar panchayat of Dumbriguda mandal, does not know how to cope with the situation. He used to send his vegetables to Visakhapatnam through 'shavukars' (local agents) for sale at rythu bazaars.

"We are getting just 25 to 50 paise per kg of cabbage from the local agents whereas it is being sold at Rs.5 to 6 per kg in rythu bazaars," he says. The tribal vegetable growers are at loss to understand the reason for the falling price.

Parsuram and other farmers say they used to get more than double from the 'shavukars' last season.

No cold storage

There is no cold storage facility in the Agency areas.

The yield either sold at 'shandies' held at Sukarametta, Anantagiri, Kasipatnam, and other weekly markets or finds its way to the towns and cities in the plain areas.

The Visakha Agency area is the home for growing vegetables on large stretches due to targeted intervention programmes launched by the government agencies and voluntary organisations.

Sagara, Suva, Korai, Kollaput, and Gajba have huge vegetable fields. Cabbage, cauliflower, lady finger, brinjal, onion, potato, carrot, and tomatoes are grown in large areas.

Tomato is fetching the farmer just Rs.2-3 a kg whereas it is being sold for Rs .5-8 in the urban markets.

Input cost

On an average, the farmers invest Rs.2,000 per acre on seed, pesticides, and fertilizers.

The Agency areas, which are rain-fed, are getting a good crop this time.

Owing to use of diesel generators for irrigation, the expenses have gone up.

The generators are available for a rental of Rs.100 per hour at Araku and Paderu.

"The situation is such that we are not able to get our input cost this time," regrets Killo Murali Mohan, a farmer.

He also works as a field assistant under the Mahatma Gandhi Rural Employment Guarantee Scheme (MGREGS).

A graduate, Murali Mohan, who also hails from Gadeguda, says for a lorry load of cabbage they used to get five times more than what they are offered now.

'Fast growing'

This has happened in just one year and the farmers say they do not know the reasons for the steep fall in price.

Murali Mohan, who cultivates crops in an area of 11 acres after completing B.A. at Vizianagaram in 2010, says the vegetable production in the Agency area is growing fast due to excessive use of chemical fertilizer and high-yielding seed.

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- ***Tomato is fetching the vegetable farmer just Rs. 2 to 3 a kg***

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Farmers urged to use subsidy available for micro-irrigation

Delta Bureau

Collector assures steps to iron out anomaly in quantification of compensation

Farmers could make use of the subsidy granted for establishing micro-irrigation techniques for efficient water management in their fields.

The State government wants to usher in the second green revolution to empower farmers through recent scientific technological innovations that could lead to increased productivity and revenue for the ryots, according to Collector V.Shobana.

Addressing the farmers grievances day meet at the RDO Office here on Tuesday Ms.Shobana said the State government was granting 100 per cent subsidy for identified beneficiaries going in for micro-irrigation management systems for efficient water management. While flooding method wastes precious water micro-irrigation methods could save water for the benefit of farmers.

Farmers can also save farming expenditure, she said.

Pointing out that Chief Minister Jayalalithaa was implementing several schemes such as free goat and sheep scheme for the welfare of rural population, Ms.Shobana wanted farmers to be aware of all the welfare and development schemes being implemented in their areas to enjoy their full benefits. Referring to questions on alleged disparity in quantifying compensation for pollution affected fields in Karur district, Ms.Shobana dispelled the notion that there was disparity and added that if any anomaly was found in quantification of compensation then the matter would be taken up and settled amicably to the satisfaction of the affected farmer.

V.Bhoopathy of Velampalayam wanted the government to desilt Aathupalayam Noyyal channel and to put in place a comprehensive plan to clear the Aathupalayam reservoir of the polluted water. V.K.Thangavel of the Tamil Nadu Vivasayigal Sangam, Kadavur, wanted TANGEDCO

officials to provide before hand the schedule of power cuts in various regions so that farmers would not be stumped by sudden power cuts.

Nagapattinam

Functioning of direct procurement centres hogged the spotlight here at the monthly farmers' grievance meeting at the Collectorate on Tuesday. Inadequate stock of sacks in direct procurement centres and alleged malpractices by DPC personnel in some places were brought to the notice of the administration.

Alexander, a farmer from Mayiladuthurai, called upon the administration to increase the daily allotment to Rs.4 lakh for DPCs, in order to expedite disbursements to farmers. At present, DPCs are getting a daily fund allotment of Rs.2 lakh causing delay in settlement to farmers, Mr.Alexander said.

According to an administration release, 74,903 metric tonnes of kuruvai has been procured through 170 DPCs in the district. Ninety per cent of samba and thaladi crop area of 1,35,829 ha has been brought under harvest.

According to the release, targeted samba harvest was 4.50 lakh metric tonnes, with a targeted procurement of 4 lakh metric tonnes. The Tamil Nadu Civil Supplies Corporation has set up 242 DPCs for the purpose the release said. Collector T.Munusamy presided.

Inadequate stock of sacks at DPCs brought to notice of administration at farmers' grievances day meeting in Nagapattinam

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Price of red gram crashes despite State intervention

Special Correspondent

'Wholesale dealers have decided not to pay more for the produce'

The price of red gram in the wholesale market has crashed despite the intervention by the Red Gram Development Board (RGDB), which established procurement centres in all the major red gram-growing areas in Gulbarga, Bidar and Yadgir districts. The price of red gram hovered

around Rs. 3,480 a quintal, while the price offered at the procurement centres was Rs. 4,000 a quintal.

After the initial reaction of panic in the market immediately after the intervention by the RGDB, with the price of red gram shooting up to Rs. 3,800 a quintal, the price crashed in the last couple of days for various reasons, including strict grading at the procurement centres before accepting produce from farmers.

On the directions of the State Government, the RGDB established procurement centres in two places in Gulbarga, Chincholi, Aland, Chitapur, Jewargi and Sedam in Gulbarga district, Bidar and Bhalki in Bidar district, Shahpur, Yadgir and Surpur in Yadgir district on February 15, offering farmers Rs. 4,000 a quintal.

The failure of the wholesale markets to respond positively to the intervention in the market by the RGDB has surprised many in official circles and the leaders of farmers' organisations.

Taken aback

President of the Karnataka Red Gram Growers' Association Basavaraj Ingin said the prices had not increased in the wholesale market because of the collective decision of wholesale dealers not to increase the price of the produce, and to wait until the Government decided to close down the procurement centres. Another reason cited was the rigid grading tests done at the procurement centres before accepting the produce.

Managing Director of the RGDB Aman Shakaib told *The Hindu* here on Tuesday that red gram was being procured directly from farmers through National Commodity & Derivatives Exchange Ltd. (NCDEX). So far, the RGDB had spent Rs. 353 crore to purchase nearly 8,600 quintals of red gram from farmers at the procurement centres established in Gulbarga, Bidar, and Yadgir districts.

Conditions

Some of the conditions for accepting the produce directly from the farmers are that it should be of Fair Average Quality (FAQ); foreign matter must not exceed 2 per cent; admixture must not exceed 3 per cent and damaged pulses must not be more than 3 per cent. In all the procurement centres, NCDEX officials have set up mini-labs to check the size and moisture content of the gram.

Mr. Shakaib said there was no dearth of money for the RGDB to purchase any amount of the red gram directly from the farmers, and the State Government had promised to release the funds required for the purpose. He said measures were being taken to establish procurement centres at Humnabad, Basavakalyan and Aurad immediately.

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- ***Price of red gram hovers around Rs. 3,480 a quintal***
 - ***Grading of produce at procurement centres is strict***
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BANGALORE, February 29, 2012

'Farmers should organise themselves on global lines'



Fernand Vincent, president of Access International, an NGO based in Geneva.

With the Central Government wielding powers on the prices of cereals, sugarcane and other food items, farmers are forced to suffer lower returns for their produce. Distress sale of crops are common, as is farmers dumping their produce when there are not takers. When agriculture becomes unviable or is ravaged by drought or floods, they can do little apart from migrating to cities. Or wrenchingly, taking their lives.

Fernand Vincent is the president of Access International, an NGO based in Geneva which provides access to information, markets, technologies and finance to Southern organisations. He is also the founder of the Pan African Institute for Development.

The 77-year-old has been organising farmers for decades and has written many books on farmers' movements.

Mr. Vincent spoke to *The Hindu* during his recent visit to Bangalore:

What are your suggestions to solve the multiple problems afflicting farmers?

Unlike in the past, their problems are not confined to their states/countries. They have become global, thanks to globalisation and privatisation of marketing. The decisions taken in the Western and European markets have their bearing on farmers in India and elsewhere, [and this begs] global attention and agitation. Farmers should also organise themselves on global lines because the MNCs operate globally, which is detrimental to the interests of the farming class. **Can you be specific on how this can be done?**

The Government of India could sign agreements with African countries to start institutions in developing agricultural technologies and exchange programmes for sustainable development. MNCs have bought land and are exporting rice, ignoring the needs of the local population, leading to starvation. Prices of food grains in Africa are very high.

What is your experience with farmers agitating against GMOs (genetically modified organisms) ?

Farmers are put to untold hardship as they have to buy seeds every year from the MNCs.

They are banned from producing their own seeds, which they had been doing for centuries. Poverty has spread to every part of Africa due to globalisation and purchase of agricultural land by MNCs. Fertilizer cost is going up and damaging fertility of the land.

Can reduced rate of interest on crop loans end the farmers' woes?

Yes. Farmers in African countries are charged interest on crop loans in the range of 20 per cent and above. I am told that some state governments in India, including Karnataka, have been giving cooperative loans at one per cent, which is a welcome sign. We have to go back to farmers and facilitate them to go in for organic farming and grow [their own] seeds to reduce pollution and the cost of production.

ANGALORE, February 29, 2012

Lime prices may squeeze your wallet a little more this summer

Expect to pay an eye-watering Rs. 6 per fruit when the hot season peaks



SOUR POINT: Though lime is an all-season crop, its harvest thins just as the demand increases.— PHOTO: V. Ganesan

For parched throats in summer, there's nothing to beat fresh lime juice or a soda combination. And be prepared to mop your brow for one more reason: these coolers could just be expensive this year with the lime prices edging northwards.

While a good quality lime now costs around Rs. 4, it could touch Rs. 6 in April and May due to reduced production and increased demand. “We usually see price increase during summer months and this year will be no different with lime price expected to reach Rs. 6,” said S.V. Hittalmani, Additional Director (Fruits) of Horticulture Department.

Just a fifth

With just 20 per cent of the annual production coming between January and June, the price usually starts going up from February. “Though lime is an all-season crop, unfortunately [its harvest] comes down just as the demand increases. Its production increases in rainy months when the demand is also less,” he said.

Karnataka is the third largest producer of lime in the country after Maharashtra and Uttar Pradesh with over 10,000 hectares of land under lime cultivation. Each hectare yields about 10 tonnes of the fruit, of which nearly eight tonnes is harvested in the rainy months between June and November.

Best in the business

The best quality of lime in the State — grown in Northern districts of Bijapur, Gulbarga, Bagalkot, Raichur, Bellary and Haveri districts — goes to Kerala and Tamil Nadu and as far as Delhi.

Price range

Meanwhile, sources in Hopcoms, the farmers' collective that has the largest vegetable and fruits retail network in the city, said that currently a kilogram of lime (an average of 20 fruits) is being sold at around Rs. 79. This is likely to go beyond Rs. 100 in April and May. In fact, the price crossed Rs. 120 last summer, sources said. In the months of July to September, the average price for a kg plummets to around Rs. 30.

Productivity efforts

Currently, efforts of horticulture scientists are focused on increasing productivity of lime trees during summer when it can fetch good returns to farmers, Mr. Hittalmani said. Irrigation facilities and hormone use are among other efforts to boost productivity.

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'Convince farmers on benefits of horticulture'

Correspondent

Minister for Horticulture and Sugar S.A. Ravindranath has asked the department officials to convince farmers on the benefits of horticulture crops.

He was laying the foundation stone for the Horticulture College building here on Tuesday and said that 2.5 lakh new farmers had been migrating to horticulture crops every year in the State.

Regretting that youngsters were not liking to be in rural areas to continue farming, he said it was necessary to explain the importance of agriculture and horticulture which could bring financial sustenance to every family, provided it was taken up scientifically.

Pointing out that many students were not opting for science, he said that rethinking on starting a diploma college was necessary. Uttara Kannada District In-charge Minister Vishweshwara Hegde Kageri calls for Horticulture Research Centre to start a Horticulture Diploma in Sirsi.

'Horticulture district'

He asked farmers to make Uttara Kannada a horticulture district by increasing the crops in the coming years.

Horticulture University Vice-Chancellor S.B. Dandin delivered a keynote address and B.S. Janagowdar,

Dean of Forestry College, welcomed the gathering. MLC Veeranna Mattigatti, MLA V.S. Patil, and R.C. Hallikeri were present.

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'Go for palm culture'

Correspondent

Uttara Kannada is suitable for floriculture: Minister



Developing floriculture: Minister for Horticulture and Sugar S.A. Ravindranath inaugurating a three-day flower show in Sirsi on Tuesday.

Minister for Horticulture and Sugar S.A. Ravindranath said that it was time for India to start palm culture as it was importing palm oil estimated at Rs. 30,000 crore every year.

He was speaking at a three-day fruits and flower exhibition held at the office of the Deputy Director of Horticulture in Sirsi on Tuesday.

He said the Centre contributed 85 per cent grant for horticulture. Stating that this flower show would encourage floriculturists, consumers, and entrepreneurs, he said it would support them and their dependents. All support and assistance would be given by the State Government, he said.

Pointing out that Uttara Kannada district was conducive for palm culture, he said Dakshina Kannada and Uttara Kannada were suitable for floriculture. Cold storage for flower and fruits were needed and that would be provided by the Government, he added.

Uttara Kannada District In-charge Minister Vishweshwara Hegde Kageri said that National Horticultural Mission (NHM) would be helpful for growers of jasmine flowers in Bhatkal, bunch onion in Kumta, betel nut leaves here, and mangoes in Ankola.

He said that processing and marketing centre of horticulture crops was needed in the district and asked the department to make a project report on it. He called for an additional grant of Rs. 1 crore for the growers of horticulture crops to purchase machinery to attract youth towards it. A flower centre would be started soon in Sirsi, he said.

Kanara MP Anantkumar Hegde said that horticulture crops had a good future and called for updating revenue records on the crop. He sought adoption of geo-stamping technology as agreed by NABARD.

Karnataka Soaps and Detergents Ltd. chairman Shivanand Naik, zilla panchayat vice-president Uday Naik, zilla panchayat member Usha Hegde, and zilla panchayat chief executive officer R.J. Joshi were present.

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Music event marks conclusion of Animal Husbandry show

Staff Reporter

Noted Hindustani musician and music director Ramesh Narayan inaugurated Star Nite 2012, an entertainment programme by Kalanidhi, Thiruvananthapuram on Monday, marking the conclusion of 'Jeevadarshan 2012,' a livestock expo organised by the Department of Animal Husbandry in Kozhikode.

District Collector and expo organising committee chairman P.B. Salim was honoured on the occasion. Kalanidhi general secretary Geetha Rajendran and singer Madhusree Narayanan were present on the occasion.

A wide variety of animals and birds were on show at the over 100 stalls set up at the venue.

This apart, the latest technologies, implements, and equipment used in the animal husbandry and farm sector are also on show, a press note issued here said.

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Farmers demand compensation

Farmers who were affected by drought in the Sarara district last year have not yet received their compensation declared by the State Government. According to farmers, compensation was distributed only in Phaltan taluk which belongs to the Nationalist Congress Party's

Guardian Minister Ramraje Nimbalkar, while other taluks like Khatav, Manh, and Koregaon were neglected. If compensation was not credited to farmers within March 10, a massive agitation would be resorted to, said Sanjay Bhagat, activist of the “Swabhimani Shetakari Sanghtana”.

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Farmers' grievances day meeting

The farmers' grievances redressal day meeting will be held at the District Collectorate here on February 29. Collector C.N. Maheshwaran will preside over the meeting. Farmers and representatives of farmers associations could raise queries relating to agriculture and its related aspects, says a release from DIPR.

COIMBATORE, February 29, 2012

Training programme on medicinal plant research

A short-term training course on 'Bioprospecting of Medicinal Plants: A Biotechnological Approach,' sponsored by The Department of Botany, Government of India, New Delhi, would be organised by The Department of Botany, Bharathiar University, from March 1 to 16 at DRDO Centre for Life Sciences, at the university.

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Wed, 29 Feb 2012

weather

Chennai - INDIA

Today's Weather



Sunny

Wednesday, Feb 29

Max Min

33.2° | 23.9°

Rain: 00 mm in 24hrs

Humidity: 66%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1009

Tomorrow's Forecast








Cloudy

Thursday, Mar 1

Max Min

32° | 21°

Extended Forecast for a week

Friday Mar 2	Saturday Mar 3	Sunday Mar 4	Monday Mar 5	Tuesday Mar 6
				
31° 22°	31° 22°	31° 21°	30° 21°	31° 20°
Cloudy	Cloudy	Cloudy	Cloudy	Partly Cloudy

Business Standard

Wednesday, Feb 29, 2012

Vegetable oil imports to set new record on low domestic output

Dilip Kumar Jha / Mumbai February 29, 2012, 0:52 IST

With an estimated 10 per cent fall in availability from domestic sources, imports of vegetable (veg) oil are likely to set a new record this oil year (October 2011 – September 2012).

To meet the growing demand, despite high prices, at 17 million tonnes (mt), India will require a record 9.3 mt of imported veg oil this year, as compared to 8.37 mt reported in the previous year. The previous record was set in 2009-10 when the country imported around 9.2 mt to bridge the demand-supply gap.

“Domestic veg oil supply is unlikely to surpass last year’s level due to lower oilseed output forecast for the rabi crop. With per capita consumption rising three-four per cent every year and another 20 million consumers added with an increase in population, the overall import will set a new record of 9.3 mt this year,” said B V Mehta, executive director of apex trade body, the Solvent Extractors’ Association (SEA).

SEA’s latest forecast indicates mustard seed output would decline 8.54 per cent to 6.27 mt during the current rabi harvesting season compared to 6.85 mt in the previous season. A survey conducted by SEA attributed the estimated fall in mustard seed output to a dramatic decline in acreage. The survey showed a nine per cent decline in sowing area under this major rabi oilseed crop at 7.25 million hectares (ha) this year, compared to 6.58 million ha last year. Mustard seed constitutes over 70 per cent of the total rabi oilseed output in the country.

This year due to late sowing and high temperature during December, the crop is delayed by 15 to 20 days. Also, cold weather conditions have damaged the standing crop in Gujarat and Rajasthan. The exact damage will be reviewed once the crop is fully harvested, Mehta said.

The Central Organisation for Oil Industry & Trade (COOIT) estimated total oilseed output in the kharif season at 16.50 mt in 2011-12, compared to 14.37 mt in the previous season. But, with an estimated 10 per cent fall in the rabi output, the overall oilseed production may remain at around last year’s level of 24.25 mt.

A report by commodity broking firm Religare Commodities said, “Veg oil availability from domestic sources will decline by 793,000 tonnes to 7.73 mt in the current oil year as compared to 8.53 mt in the previous year. Consequently, India’s reliance on imports will increase by five percentage points to 54.5 per cent during 2011-

12, as compared to 49.5 per cent in the previous year.”

“The overall import of veg oil may increase by 10.72 per cent or 897,000 tonnes to 9.27 mt this year, compared to 8.37 mt reported in the previous year,” said Prasoon Mathur, an agri commodity analyst with Religare Commodity.

The forecast may marginally differ among analysts, but the overall quantity of imports is set to hit a new record this year.

Therefore, overall consumption of veg oil (edible and non-edible) is set to increase by 0.62 per cent to 17 mt in 2011-12, compared to 16.90 mt in the previous year.

Edible oil prices during January broke all-time high levels due to increased demand and fear of less domestic production of oilseeds as compared to last year. Further, the international market sentiments, too, are supportive of the bulls in the medium to long term. Hence, prices are likely to remain firm in the near term, said the report.

According to Naveen Mathur, associate director, Angel Broking, “Domestic oilseed complex surged during the last three-four weeks with prices of mustard seed gaining the most, up 13 per cent, followed by soybean (nine per cent) and refined soyoil (eight per cent) on account of global supply concern due to prolonged dry weather condition in South America (Argentina and Brazil). Further, the upward movement in prices was supported by a sharp decline in production estimates of domestic rape/mustard seed this year. CBOT soybean also rose around seven per cent during the last three-four weeks on account of estimated lower global ending stock of soybean.”

Global ending stocks of oilseeds are expected to decline due to estimated sharp fall in soybean production in Brazil and Argentina. AgRural, a Brazilian commodities consultancy firm, estimates soybean output in these two countries to decline to 68 mt, from the January forecast of 70.2 mt.

Along with a continuous surge in demand, high volatility in the dollar value against the rupee during 2011, also impacted the import cost of edible oils.

Exports of agri commodities in doldrums

Issues related to quality, prices and global surplus restrict exports from India

Rajesh Bhayani / Mumbai February 29, 2012, 0:49 IST

Exports of several agricultural commodities have been facing hurdles. Even as quotas for sugar and wheat exports had been raised, the actual figures have not seen any significant rise.

Coffee exports have also faced viability issues, as prices in global markets have been lower than in India and recessionary conditions in Europe have impacted demand. Maize, which initially saw some exports, is now facing quality issues, hurting India's reputation as a quality exporter.

Cotton exports, on the other hand, have bucked the trend, despite surplus in the global market and slowdown in Chinese buying.

Late last year, export of up to two million tonnes (mt) of wheat was allowed, thanks to a huge surplus in the domestic market. But, even in global markets, supply is much larger than demand, which has led to a fall in prices, making Indian exports unviable. According to the representative of a multinational exporter active in the Indian market, not even half of the export quota has been met till now. According to estimates, only about 500,000 tonnes of wheat have been exported.

“Wheat remains abundant around the world and prices are expected to remain bearish,” said Rabo Bank in a report on agri commodities. India faces a similar situation, as the wheat crop is expected to be robust this

season too, at an all-time high of 88 mt.

Availability of sugar in the global markets is not much different. Unless there are end-of-season crop losses, Brazil's stock is estimated to be in surplus. However, the sweetener has seen some export activity and it is expected that India would soon be able to exhaust the one mt quota. However, permissions for exports are still awaited. Industry leaders say they want to export to dilute the inventory and ensure they do not open the next season with domestic surplus. Sugar prices have improved in London over the past few days and are currently at \$665 a tonne.

In case of maize, India's exports, so far, have crossed one mt and are expected to match last year's figures of 2.7 mt, as global prices have been higher. The domestic production of the commodity is expected to be 21.6 mt this year.

Amit Sachdev, the India representative of the US Grains Council, said: "Exports from India are still open, but some reports do indicate that there has been a quality issue with some consignments of maize, and this could be one of the reasons for prices to have remained soft for some time."

There had been reports that some consignments sent by India to Vietnam were rejected after a higher level of moisture and broken maize were found.

Cotton export registrations, meanwhile, have seen a sudden increase in the past few days, despite a global surplus. According to the International Cotton Advisory Committee, "Global cotton production is rising by an estimated seven per cent in 2011-12 to 26.8 mt. This would be the largest level of production achieved in five years. However, the global production could drop to 24.9 mt in 2012-13 due to rising agricultural production costs and lower prices received by farmers this season, improving attractiveness of grain and soybean".

In India, cotton is currently trading at 10 per cent lower prices than a fortnight ago — at Rs 33,000-34,000 a candy (356 kg) — on expectations the government could cut duties on synthetic yarn, which competes with cotton yarn, in the Budget.

Shirish Shah of Bhaidas Kursondas & Company said: "There are reports that seven million bales (of 170 kg each) have been shipped so far and the total registration with DGFT for exports is understood to have crossed 10 million bales."

Registrations have gone up sharply in the past few days on the fear that the government could be planning to restrict cotton exports.

Since India has lowered the minimum export price (MEP) for basmati rice, the export of the commodity is expected to pick up. On February 23, the government notified a reduction in MEP from \$900 a tonne to \$700 a tonne.

THE HINDU Business Line

Oil prices rebound on Iran concerns

Singapore, Feb 29:

Oil prices rebounded in Asian trade on Wednesday as concerns over crude producer Iran's nuclear programme crept back into the market, analysts said.

New York's main contract, light sweet crude for delivery in April, gained 28 cents to \$106.83, while Brent North Sea crude for April delivery was up 60 cents to \$122.15 in morning trade.

Prices had been on the retreat since Monday on profit-taking and worries that high energy costs could erode demand and hurt the global economy, but the concerns over Iran's nuclear ambitions continued to haunt investors.

"Despite the retreat in prices in the past few days, the Iranian situation is still playing on people's minds," said Justin Harper, market strategist at IG Markets Singapore.

"Concerns are creeping up over the need to find alternative sources if there is a supply disruption," he told AFP.

The Israeli Prime Minister, Mr Benjamin Netanyahu, on Tuesday warned that a nuclear-armed Iran would control the major Gulf oil producers, send energy prices soaring, and "choke" the global economy.

Western countries have imposed a raft of sanctions on Iranian oil exports in a bid to halt its controversial nuclear programme, which they say masks a bid to build atomic weapons.

Tehran denies this charge and says its nuclear programme is solely for peaceful civilian purposes.

AP Opposition demands free trade in commodities

Our Bureau

Hyderabad, Feb. 28:

After days of stalemate in the Andhra Pradesh Legislative Assembly over one issue or the other holding up listed business, the Assembly today witnessed a very interesting debate with the Opposition making out a case for free movement of commodities, particularly rice, a move that is seen to be helpful to the farm community.

It all started as a short query but ended up in a lengthy debate. While the Chair assured that a detailed discussion would be taken up on farm sector issues, the Telugu Desam Party leader, Mr N. Chandrababu Naidu, kept harping that the issue is of utmost importance and it would be appropriate to take this up on Wednesday.

Dr Jaya Prakash Narayan of Loksatta wanted to know, “Whether there is a ban on sale of superfine varieties of rice from our State to other States? And also if the price of rice was lower in Andhra Pradesh and the status on removal of restrictions?”

The Minister for Civil Supplies, Mr D. Sridhar Babu, said to ensure that superfine varieties of rice such as BPT, Sonamasuri, Sambamasuri and Vijayamasuri were available in the retail market within the State at affordable prices, the State has insisted that they be sold within Andhra Pradesh.

He felt that by sale of these fine varieties within the State, interests of the consumers were served. Due to the efforts of the Government, prices of these varieties were less in the State compared with neighbouring states.

Dr Narayan highlighted the inconsistencies in a Government Order which imposes curbs on rice sale and said that the State is seeking to create a distinction between rice and paddy, contrary to general practice.

Intervening in the debate, the Chief Minister, Mr N. Kiran Kumar Reddy, said the Government is taking all steps to ensure that farmers get remunerative prices, including activating the market intervention mechanism. “If the free trade were to be allowed, the supply within the State was likely to be affected and opposition again will find fault with the Government,” he said.

Mr Naidu said that farmers in the State were a distressed lot losing out on all counts, both in terms of investments and their produce not fetching remunerative prices due to some of the Government moves.

Rapeseed oil plunges on poor offtake

Mumbai, Feb. 28:

Imported palmolein rose by Rs 2 for 10 kg, indigenous rapeseed oil declined by Rs 22 and cottonseed refined oil by Rs 2 on Tuesday in absence of demand.

Groundnut, soyabean and sunflower oil ruled unchanged, tracking steady trend in producing centres. A firm trend in foreign markets pushed domestic futures markets up.

About 100-150 tonnes of palmolein was resale traded during the day at Rs 570-574. Refineries were quoting higher price. Resellers quoted

palmolein at Rs 574-575 and Liberty at Rs 581-583. Ruchi quoted it at Rs 580; soya refined oil at Rs 687 and sunflower refined oil at Rs 695. Allana's palmolein was Rs 581 and mewah was quoting palmolein at Rs 574. In Saurashtra – Rajkot, groundnut oil ruled steady at Rs 1,700 (Rs 1,700) for telia tin and Rs 1,110 (Rs 1,110) for loose 10kg. Soyabean arrivals in Madhya Pradesh were about 25,000-30,000 bags. Soyabean price were Rs 2,460-2,530 a quintal.

Malaysia's crude palm oil's March contracts settled at MYR 3,248 (MYR 3,235), April at MYR 3,277 (MYR 3,264) and May at MYR 3,295 (MYR 3,283) a tonne. On the National Board of Trade in Indore, soya refined oil's March contract closed higher at Rs 713 (Rs 707.80) and April at Rs 718 (Rs 710).

The Bombay Commodity Exchange spot rates (Rs/10 kg): Groundnut oil 1,080 (1,080), soya refined oil 685 (685), sunflower expeller refined 640 (645), sunflower refined 700 (700), rapeseed refined oil 800 (822), rapeseed expeller ref. 770 (792), cottonseed refined oil 643 (645) and palmolein 576 (574)

Mixed trend in wheat market

Karnal, Feb. 28:

The wheat market witnessed a mixed trend on Tuesday. Dara and flour prices saw some correction after witnessing good upward moves over the last 2 weeks, while desi wheat continued to rule firm at its previous level.

Easy availability, coupled with restricted trading in the market, pulled dara and flour prices down, said Mr Sewa Ram, a wheat trader. It is unlikely to see any further correction and prices may continue to rule around the current levels for the next few days, he said.

The dara variety eased by Rs 10 and settled at Rs 1,230-1,240 a quintal, against around Rs 1,250 a quintal quoted last weekend.

In the physical market, around 30 tonnes of dara variety arrived from Uttar Pradesh and stocks were directly delivered at the mills. Mill delivery of dara was at Rs 1,230-1,235/quintal, while delivery at chakki was at Rs 1,240/quintal.

Tohfa, a desi wheat variety, remained unchanged and was quoted at Rs 2,300/quintal.

The March wheat contract on the National Commodity and Derivatives Exchange decreased by Rs 7-1,197/quintal; it had touched a high at Rs 1,211 earlier on Tuesday. Spot prices on the MCX decreased by Rs 1.7-1,255 .

Flour Prices

With a down trend in wheat, flour prices too decreased by Rs 5-10 and was sold at Rs 1,220-1,225 for a 90-kg bag. Chokar prices went down by Rs 40-50 and was quoted at Rs 610-620 for a 49 kg bag. Easy availability of green fodder mainly pulled chokar prices down, said Mr Sewa Ram.

Reduced purchase despite lower supplies hurt cotton

Gayathri G

Chennai, Feb. 28:

Lower purchase of cotton by exporters and spinning mills despite dwindling arrivals is likely to hurt its prices in the coming days.

Domestic market supply saw a decline of four per cent to 223.43 lakh bales (of 170 kg each) as on February 26, against 233.84 lakh bales that arrived for sale during the same period last year, data put out by the Cotton Corporation of India (CCI) showed.

Although supplies in February showed an increased, recovering from a 14-per cent fall until January-end, they were cumulatively lower compared with the previous year. The marketing year for the crop runs from October to September.

“Due to delayed sowing, prolonged rain and subsequent festival days, the pace of supply has been slower compared with last year. Even though the pace has picked up now, cumulatively it is still lower than the previous year,” the CCI said in a report.

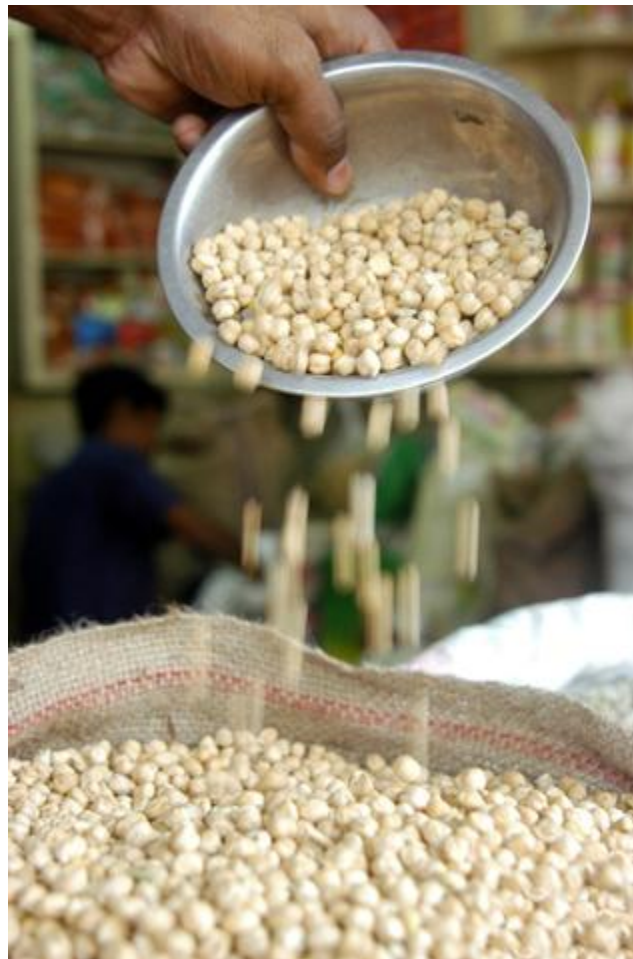
The Cotton Advisory Board last month cited monsoon vagaries to revise its harvest forecast for the 2011-12 season to 345 lakh bales against initial estimates of 356 lakh bales against 325 lakh bales last year. Although the area under cotton cultivation increased by 10 per cent in 2011-12 to 12.19 million hectares, supply has been hit due to crop damage — through

pests, higher temperature, fluctuations in moisture content — in key producing States, the CCI report pointed out.

Currently, daily supply is now in the range of around 1.60-1.65 lakh bales against 1.70-1.75 lakh bales witnessed during the same period last year.

On the rates front, the most popular variety — Shankar-6 — is currently ruling at Rs 33,900 a candy (of 356 kg) against Rs 36,225 during the same period a year ago. Slack export demand and restricted buying by mills (that have ramped up purchases and built up inventories some 2-3 months ago itself during the off-season) are likely to curb prices of domestic cotton in the coming days.

Chana weakens on sluggish demand



Indore, Feb. 28:

Chana declined on sluggish demand on Tuesday. New kanta chana has fallen by Rs 100-125 a quintal to Rs 3,575-3,600 a quintal in the past two

days on higher arrivals and weak buying interest. Desi chana also decreased by Rs 50 to Rs 3,550 a quintal; mausmi chana ruled at Rs 3,800, annagiri chana at Rs 3,550, *kabuli bitki* at Rs 3,600-3,700, vishal chana at Rs 3,450-3,550, kaktu chana at Rs 5,200, Russian chana at Rs 4,600-4,800 and turki chana at Rs 5,300-5,500. Decline in spot chana also dragged down its dal, with average dal (average) being quoted at Rs 4,425-4,450, medium dal at Rs 4,550-4,575 and bold dal at Rs 4,650-4,675 a quintal.

Kanta chana has gone up by about Rs 700 a quintal in the past one month because of lower output this year. Besides, despite the harvest continuing in full swing, arrival of chana in Madhya Pradesh *mandis* is far from satisfactory. Extended rains in the State last year delayed sowing this time, leading to a late harvest. Only 3,000 bags arrived against 5,000 on Monday as most *mandis* were closed due to a nationwide central trade unions' strike.

Chana may see a new high this year as yield is likely to fall to 76.6 lakh tonnes from 82.2 lakh tonnes last year and as there are hardly any carryover stocks, traders said. Last year, prices had gone up to Rs 3,850 a quintal in September.

Dollar chana, with 5,000 bags arriving in local *mandis*, ruled unchanged at Rs 6,400-6,500 a quintal despite subdued demand.

Cardamom gains on export buying

Kochi, Feb. 27:

Cardamom gained last week at the auctions on export buying amid a squeeze on arrivals, as the harvest heads to a close.

Arrivals dropped to about 450 tonnes from around 490 tonnes during the previous weeks.

Exporters covered anticipating prices will rise given the unfavourable weather and a prolonged lean season. There haven't been any rains since January 1 and growers expect a drought in the coming weeks. The picking of capsules will end this month. There will be a long gap of five months till the arrival of the next crop in July. Even if there are one or two showers in March, the new crop will still arrive only in July, some major growers in Idukki said.

If the current dry spell in the major growing areas that began nearly two months ago continues, it might hurt the plants, trade sources said. Normally, these areas receive some showers after mid-February; otherwise the next crop could also be damaged. Cardamom requires intermittent showers, the lack of which results in withering of the plants.

In contrast, upcountry buyers tried to liquidate what they had bought at the current price. Supplies of quality crop from Guatemala, the only other supplier, remained thin. The Indian produce, at present, is of better quality as well as cheaper. These factors have aided the surge in overseas buying, trade sources said. Every week on an average 120 tonnes are bought by exporters, the sources said.

Consequently, shipments during this fiscal are expected to touch a record 4,500 tonnes. The country has already exported 3,450 tonnes worth Rs 278.17 crore at Rs 806.30 a kg as against Union Commerce Ministry's and the Spices Board's target of 1,500 tonnes valued at Rs 120 crore for 2011-2012. India exported 705 tonnes worth Rs 80.45 crore at Rs 1,141.88 a kg in the year-ago period.

Prices

At the Kerala Cardamom Processing and Marketing Company Pvt. Ltd's Sunday auction, arrivals dropped to 76 tonnes from 80 tonnes the previous week. The maximum price was Rs 988 a kg and the minimum Rs 413. Auction average increased to Rs 728.41 a kg from Rs 653.11 the previous week. Individual auction average remained between Rs 675 and Rs 740 a kg last week.

As on February 26, about 13,480 tonnes arrived (7,340 tonnes in the year-ago period) and around 12,990 tonnes were sold (7,210 tonnes in the year-ago period). Weighted average price as on February 26 was Rs 575 a kg as against around Rs 1,120 a kg on the same date last year, according to official sources.

Prices of graded varieties (as follow in Rs a kg) were up on demand: AGEB — 900; AGB — 750; AGS — 720; and AGS-1 — 660. Open-market prices of graded varieties in Bodinayakannur in Rs a kg: AGEB — 875; AGB — 725; AGS — 675; and AGS-1 — 650.

Quality 8-mm bold was at Rs 1,000 a kg. There was a shortage of good colour 8-mm bold, trade sources said.

Rice rules steady amid restricted trade

Karnal, Feb. 27:

Despite restricted trading in the market, prices of aromatic and non-basmati rice varieties managed to maintain their previous levels on Monday.

With not much support from overseas and domestic buyers, almost all rice varieties are ruling lower, said Mr Praveen Kumar, a rice miller. Though the market is ruling at lower levels, buyers are still keeping themselves out of the market and waiting for further decline in prices, he said. Lack of liquidity in the market is also a big reason behind the lack of buying, said Mr Praveen.

In the physical market, after witnessing a fall last weekend, rice prices were little changed from prices last quoted .

Pusa-1121(steam) quoted at Rs 3,920-4,000 a quintal while Pusa-1121(sela) sold at Rs 3,400-3,455 a quintal.

Pure basmati (raw) sold at Rs 4,460-4,500 a quintal, while pure basmati (sela) was at Rs 3,955-4,000 a quintal. Duplicate basmati sold at Rs 3,210-3,255.

Among the brokens of Pusa-1121, Tibar sold at Rs 2,800, Dubar was at Rs 2,350 while Mogra was trading at Rs 1,850 a quintal.

Sugandha (steam) was trading at Rs 3,100 a quintal while PR-14 (steam) sold at Rs 2,250.

Permal (sela) sold at Rs 1,850-2,000 a quintal, while Permal (raw) quoted at Rs 1,800-2,000.

Poor offtake drags soyabean, its oil

Indore, Feb. 27:

Weak global cues and poor buying dragged down soya oil in *mandis* here on Monday.

Soya refined on the spot and delivery markets ruled at Rs 680-685 for 10 kg (Rs 685-690), while soya solvent declined to Rs 650-55 (Rs 652-655). Cotton refined ruling at Rs 675 and palm oil at Rs 620 for 10 kg also aided the bearish sentiment in soya oil.

Weak buying also pulled down soya refined's March contract on the National Board of Trade by Rs 8.60 at Rs 707.90 for 10 kg. On the National Commodity and Derivatives Exchange (NCDEX), soya oil's March and April contract closed at Rs 707.10, down Rs 8.90, and at Rs 709.85, down Rs 7.05, respectively.

Soyabean prices also declined marginally on weak buying support. In Indore *mandis*, soyabean ruled at Rs 2,480-2,530. Soyabean's March and April contracts fell on the NCDEX at Rs 2,573.50 (down Rs 38.50) and Rs 2,610 (down Rs 40) on poor demand.

Panic sales by farmers drag turmeric

Our Correspondent



Erode, Feb. 27:

Spot turmeric prices dropped further Rs 200 a quintal on panic selling by farmers.

“Turmeric farmers are willingly selling their new Number 8 variety turmeric at Rs 3,200/quintal as the yield is high this year. They fear they will be left with huge stocks, so they are selling the new crop at lower price,” said the President, Erode Turmeric Merchants Association, Mr R.K.V. Ravishankar.

He said that even the hybrid Salem crop also decreased by Rs 125. He said that the exporters have received reasonable orders from Maharashtra, West Bengal, Delhi and Assam areas. So, they are buying the old crop also at Rs 4,000/quintal.

The Sangli traders are now buying stocks from Nizamabad and from next month, they will place orders from Erode he hoped. He said that on Tuesday, 14,600 bags arrived, and 55 per cent were sold.

Within last two months, about two lakh bags of new crop, mainly the Number 8 variety, arrived for sales in Erode markets. About 75 per cent of the arrivals was sold to Chhattisgarh, Bihar and Madhya Pradesh.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 2,500-4,100, the root variety Rs 2,506-3,500/quintal.

Salem Crop

The finger variety fetched Rs 4,120-4,649. The root variety was sold at Rs 3,615-3,939/. Of the total arrival of 3,388 bags, 1,321 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 3,726-4,269, the root variety Rs 3,500-4,049. Out of 1,186 bags arrival, 1,101 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,279-4,439, the root variety Rs 3,191-4,051. All the 166 bags were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 3,279-4,459, the root variety Rs 3,131-4,077. All the 871 bags arrived for sales were sold.