THE HINDU

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Scientists asked to come out with high-yielding rice varieties

Staff Reporter

FOR FOOD SECURITY: Agriculture Minister S. Damodaran (right) having a look at paddy at the exhibition organised as part of the Centenary Celebrations of the Paddy Breeding Station at Tamil Nadu Agricultural University, Coimbatore, on Monday. Agricultural Production Commissioner Sandeep Saxena (left) and Vice-Chancellor P. Murugesa Boopathi (second left) are in the picture. Photo: S. SIVA SARAVANAN

Government has taken steps to boost production

Agriculture Minister S. Damodaran has asked agriculture scientists researching on rice to come out with high-yielding varieties.

Addressing the scientific community at the Centenary Celebration of Paddy Breeding Station and 'Inauguration of International Symposium on 100 years of Rice Science and Looking

Beyond' at the Tamil Nadu Agricultural University, Coimbatore, on Tuesday, he said there was an urgent need to do so.

“The area under cultivation is shrinking. At the same time the population is growing. Given the circumstances, the only way the Government can meet the food needs of the people is by promoting high-yielding varieties.”

For the Government to promote such varieties, it was dependent on the scientific community, he said and urged it to come out with more varieties, just as it had done so in the past.

Mr. Damodaran said the State Government headed by Chief Minister Jayalalithaa had initiated a few other measures like the second green revolution to boost production.

He cited the prize the CM had announced for paddy farmers adopting system of rice intensification scheme to underscore his point.

Vice-Chancellor P. Murugesa Boopathi said that the country's per hectare paddy yield stood at 2.25 tonnes. This was lower compared to the world average, which was 3.18 tonnes. Tamil Nadu, however, fared better at 3.1 tonnes.

The Paddy Breeding Station was the first research station in the country dedicated to rice research.

The Indian Government established it in 1912. R. Parnell was the first scientist appointed as the Government Economic Botanist at the Station.

And, K. Ramaiah was the first Indian paddy specialist at the Station.

The dedicated work by the two persons made Coimbatore the national centre for rice germplasm.

They also released the first official rice variety – GEB 24 in 1921. The variety was an excellent fine grain variety, which was still remembered by farmers with the local name, ‘Kitchili Samba'.

Agricultural Production Commissioner Sandeep Saxena said that Tamil Nadu Government aimed to improve production through the second green revolution. It also aimed at increasing farmers' income.

Special Secretary, Department of Agriculture and Co-operatives, Government of India, V. Venkatachalam said the scientific community and farmers had to face new challenges like climate change and water shortage while attempting to improve production.

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Cultivation can begin only with aid, farmers tell Central team

R. Rajaram

Extra expense of Rs.2,500 per acre needed for harvesting lodged crop

DEADBEAT:A banana farm battered by cyclone Thane at Vanadhirajapuram village near Mayiladuthurai.Photo: M.Srinath

The Cauvery Farmers Protection Association has appealed to the Central government to sanction adequate compensation to farmers whose crops have been damaged by cyclone Thane in Nagapattinam, Tiruvarur and Cuddalore districts.

In a memorandum submitted to the Central team, which is on a visit to the cyclone-affected districts in Tamil Nadu, the association's general secretary V.Dhanapalan said paddy and horticulture crops have been completely devastated by the recent cyclone.

The Central and State government had a great responsibility in protecting agriculture sector at this critical juncture, he said adding that farmers could resume cultivation only with the assistance from the governments.

The Centre and State should not consider it as a personal loss for the farmers, but should view it as a production loss for the country and extend timely assistance. The cyclone had not only affected standing thaladi and samba crops, but also damaged harvested food grains.

Farmers have to bear an extra expenditure of Rs.2,500 per acre for harvesting the lodged crops with the help of machines. The time taken to harvest such lodged crops would be one-and-half hours more than the time consumed for normal harvest, Mr. Dhanapalan said.

About 20 to 50 per cent lodged crops would be destroyed while being harvested using machinery, he said adding that humidity in grains, which is more than the normal level, impacted the quality of grains. The Central government should bear these factors in mind and help affected farmers by providing them adequate compensation, he said.

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Mettur level

The water level in the Mettur dam stood at 97.85 feet on Tuesday against its full level of 120 feet. The inflow was 1,170 cusecs and the discharge, 9,283 cusecs.

Karnataka cuts VAT on cotton to 2%

Our Bureau
Bangalore, Jan. 10:

In an attempt to minimise paper work and reduce reimbursement hassles, the Karnataka Government has decided to reduce tax rate to two per cent from five per cent for value-added tax (VAT) on purchase and sale of cotton.

Only a handful of States have adopted online filing for VAT reimbursements and traders and producers were finding it hard to procure Form C from other states. The State Government took the decision following cotton growers and traders demand.

The decision to this effect was taken at today meeting chaired by the Chief Minister, Mr D.V. Sadananda Gowda.

“The State Government took this decision to do away with the practice of reimbursement, being practiced at present and returning the three per cent,” Mr Lakshman S. Savadi, Karnataka Minister for Co-operation and Agriculture Marketing, said.*anil.u@thehindu.co.in*

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Availability of combine harvesters promised

Staff Reporter

District Collector Mini Antony has assured that sufficient number of combine harvesters will be provided in the district in order to ensure a productive harvest season.

She was at a meeting of district authorities and representatives of the Agricultural Department held here on Tuesday. The meeting noted that there were paddy fields having a total area of 12,668 hectare in the district at present, and this called for a total requirement of at least 100 combine harvesters. Moreover, the district currently possessed as many as 25 such machines.

The officials said there were sufficient staff members as part of the repair mechanism in the district. Those requiring the service of combine harvester should inform the respective Agricultural officer of their demands. The machines will be procured from among those made available as part of the Kuttanad package.

These officers have been directed to collect the details of the paddy fields that come under their respective jurisdictions, and to hand them over to the Principal Agricultural Officer within five days. These details will be pooled together in order to decide the requirement of the combine harvesters and the harvest system.

A special committee comprising of farmers, public representatives, machine agents and officials of the Agricultural Department was constituted during the meeting. The body has been given the responsibility of deciding the rental charges and other expenses of the machines. District panchayat president Radha V. Nair, vice president K.A. Appachan, and deputy Agricultural Director Ajin Kumari also participated in the meeting.

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Vehicle for vegetable farmers

Special Correspondent

Consumers in the district can look forward to daily supply of fresh vegetables produced by local farmers.

The farmers at Pallichal, a major vegetable-production centre in the district, will soon be equipped with a vehicle to transport their produce from the fields to markets across the district within the shortest time.

The State Horticulture Mission has provided a vehicle for Sanghamytri, a Pallichal-based agricultural products procurement and marketing group, under the “Vegetable Initiative” for the peri-urban cluster scheme.

Agriculture Minister K.P. Mohanan is scheduled to flag off the vehicle at Press Club here on Thursday.

Centre selects 7 states to set up vegetable clusters

fe Bureau Posted online: Tue Jan 10 2012, 01:06 hrs

New Delhi : The Centre has chosen seven states to set up clusters to improve supplies of vegetables that were a prime driver of food inflation, official sources said on Monday.

The clusters will come up in Haryana, Gujarat, Maharashtra, Chhattisgarh, Madhya Pradesh and Andhra Pradesh and Bihar to cater for demand in urban centres, worst affected by price rise in times of a supply crunch. The clusters will be set up under the National Vegetable Initiative, a part of the Rashtriya Krishi Vikas Yojana, and will focus on vegetable production, marketing and retail.

Finance minister Pranab Mukherjee had announced setting up of vegetable clusters while presenting the Budget 2011-12 with an an outlay of R300 crore to cater.

The agriculture ministry had mooted the scheme more than a year ago when prices of key vegetables picked up even during the winter.

THE ECONOMIC TIMES

11 JAN, 2012, 05.29AM IST, JAYASHREE BHOSALE,ET BUREAU

Maharashtra sugar output may fall below the fixed lower target

PUNE: Sugar production in Maharashtra could fall below the new lower target fixed by the state government due to a lower cane supply. Production may drop to 87-88 lakh tonne as against state government's estimate of 90 lakh tonne, making it the lowest output in several years.

India is currently sitting on a pile of sugar which has kept prices bearish and inflation low. Reduced output in the current season, especially in top producer Maharashtra, could again tighten the demand-supply equation and halt exports.

According to the revised official estimates, the state may crush 775 lakh tonne cane and produce 90 lakh tonne sugar instead of its earlier estimate before the beginning of the 2011-12 season of crushing 825 lakh tonne cane and producing 92 lakh tonne sugar.

The availability of cane has declined because the per-hectare yield of cane is expected to be less by about 10-15 tonne due to less rainfall in the later part of the four monsoon months.

RB Deshmukh, director, Vasantdada Sugar Institute, Pune, said, "Well irrigation contributes 70% to overall irrigation in Maharashtra. Less availability of groundwater this year is likely to affect the yield of sugar cane too."

VS Chavan, managing director of Kolhapur-based Warna sugars said, "The yield has declined by about 3 to 4 tonne/acre in our region."

However, industry sources say the revised estimate of the state government appears higher than the ground reality. The sugar commissionerate of Maharashtra, the apex government body controlling the co-operative sugar industry in the state, has started taking a review of yield and production trends. It is likely to revise the sugar production estimate next week.

The state government expects that the crushing season will get over by April-end as compared to last year when it got over in June. A water shortage is likely to affect the ratoon crop of sugar cane. This may reduce the availability of cane further in the 2012-13 season. Maharashtra co-operation minister Harshvardhan Patil had said at a recent public function in Pune: "There is a possibility of decline in the ratoon crop due to the water shortage. We would have a take a call on how many mills should be allowed to crush cane next year or else no one would be able to achieve break-even."

The government has allowed export of one million tonne sugar in the current season. The industry had demanded more exports due to the availability excess sugar in the country. If the industry's fear of a cut in sugar production comes true coupled with less ratoon crop for next season, it may affect the prospects of further sugar exports.

Business Standard

Wednesday, Jan 11, 2012

Govt may allow more sugar exports

Sanjeeb Mukherjee & Ajay Modi / New Delhi January 11, 2012, 0:33 IST

The food ministry is mulling a proposal to allow export of another 0.5-1 million tonnes of sugar during the current sugar season that started in October. The proposal will be taken up at the next meeting of an empowered group of ministers, headed by Finance Minister Pranab Mukherjee, this month. The new quota will be over and above the export of 1 million tonnes allowed by the government in November.

“Sugar prices have been largely stable on account of higher production and availability. Therefore, more export is being considered, so that mills have improved cash flows and can make timely payment to farmers,” said a government official.

However, the government may have to seek permission of the Election Commission for the move, as the Model Code of Conduct is already in operation in the second-biggest sugar producing state of Uttar Pradesh. Of the 1 million tonnes of export allowed last November, 400,000 tonnes have been shipped.

Considering the fact that the entire quantity of exports allowed earlier had not been shipped yet, this time the export release orders could be staggered, he said.

Though international sugar prices have softened in recent months, an over 20 per cent weakening of the rupee against the dollar makes export remunerative. India, the second-biggest sugar producer after Brazil, exported 2.6 million tonnes of sugar in the 2010-11 season.

The industry has been seeking export of more sugar to offset their low domestic realisation. India is witnessing bumper cane production and output. According to the Indian Sugar Mills Association, the output is projected at 26 million tonnes for the 2011-12 season.

Up to December 31 (in the current season), the sugar industry produced 7.57 million tonnes, up over 17 per cent in the corresponding period of the previous season.

The country’s sugar production in 2011-2012 season is expected to rise to over 26 million tonnes as against 24.2 million tonnes in 2010-2011.

According to an Angel Broking report, a favourable decision on export will help sugar mills take advantage of competitive global prices and offset a rise in input costs. Further, exports will help reduce mills’ inventory, the cost of carrying extra sugar and check the chances of distress sale, besides improving cash flows of mills and helping them make timely payment to farmers during the crushing season.

Sugar futures up on hopes of more exports

Press Trust of India / New Delhi January 10, 2012, 11:35 IST

Sugar futures rose by 0.14% to Rs 2,928 per quintal today on the National Commodity and Derivatives Exchange (NCDEX), as speculators created positions on expectations that the government might allow more exports.

However, ample supplies and sluggish demand in the spot markets, capped the gains.

At the NCDEX, April sugar rose by Rs 4, or 0.14%, to Rs 2,928 per quintal, clocking a business turnover of 1,000 lots.

The January contract also edged higher by Re 1, or 0.04%, to Rs 2,805 per quintal in a turnover of 33,770 lots.

Analysts said fresh positions built-up by speculators on hopes that the government might allow addition sugar exports soon, supported the upside in prices at futures trade here.

Sour buying season for Uttar Pradesh jaggery units

Dilip Kumar Jha / Mumbai January 11, 2012, 0:13 IST

Despite a 10 per cent higher output estimated for sugarcane, jaggery units in Uttar Pradesh are facing a huge supply shortage this season. From almost 100 per cent supply before November 8, farmers are selling cane only to sugar mills, as the return there is higher.

The Mayawati government had announced a nearly 20 per cent increase in the State Advised Price (SAP) price that mills have to pay growers of cane, on November 8 to Rs 240-250 a quintal for the current crushing season. And, the government forced mills which had petitioned the courts against this rise to commence crushing immediately, without waiting for any judicial relief, or face action.

Since jaggery units did not raise cane prices proportionately and continued paying Rs 180-200 a quintal, farmers began selling only to sugar mills. Jaggery units using the assembled ‘kolhu’ means of crunching have shifted these to bordering Madhya Pradesh, which lacks mega sugar mills and has huge cane surpluses.

“The farmers’ decision is logical,as diverting the sweetener raw material to sugar mills fetches 33 per cent more,” said Narendra Murkumbi, managing director of Shree Renuka Sugars.

Kamran Rizvi, the cane commissioner of UP, recently announced a nearly 10 per cent rise in cane output to 120 million tonnes. Mills are likely to crush 66.5 mt this season, with an estimated sugar production of 6.2 mt, as compared to 5.9 mt last year.

“Along with the huge cane price differential, availability of high quality cane is a major issue for jaggery units in Uttar Pradesh. Since their economic health is not so strong to pay farmers upfront, the latter are reluctant to supply,” said Arun Khandelwal, president of the Muzaffarnagar-based Federation of Gur Traders.

As large-size kolhus still prefer to remain in the vicinity of farmers who prefer to supply cane to these, such units are bound to compensate farmers at the SAP meant for sugar mills. As a consequence, jaggery manufacturing in UP has become a loss-making exercise, said Khandelwal.

Alternatively, kolhus are exploring making Madhya Pradesh a jaggery manufacturing hub. Unlike in the past, when Muzaffarnagar was considered the major jaggery producing hub in the country, the Agricultural Produce Marketing Committee (APMC) in this trading district has received 8,000 quintals of the sweetener from Madhya Pradesh so far this season. So, too, with APMCs in other districts such as Agra, Varanasi, Allahabad, etc.

The shortage of jaggery supply in the region has also reflected on its prices. The benchmark Chaku variety is up by Rs 300 a quintal since the beginning of this season, to trade currently between Rs 2,650-2,725 a quintal.

“Cane prices in Maharashtra, however, work out to Rs 216-220 a quintal. With the production estimated to remain higher, kolhus in major districts in the state remain upbeat for a rise in output this season," said Deepak Shah, a partner of Nagindas Harlal, a jaggery-based trader at the Vashi APMC (Navi Mumbai).

Estimating higher overall production on increased cane availability this season, jaggery prices in other states remain under pressure. The benchmark super quality sweetener was trading at Rs 2,200 a quintal in Vashi, Rs 2,200 a quintal in Indore and Rs 2,050 a quintal in Ankapalli (Karnataka), witnessing a marginal decline of Rs 50 since the beginning of the current season.

Overall jaggery production this season is estimated to remain five to 10 per cent higher than last time, at 11 mt. The figure may vary, depending upon cold waves in the country. The more the cold, less the production, said Hapur-based Vijendra Kumar Bansal, proprietor of Durgadas Narayandas, a noted trader.

Season to begin with 150 tonnes on sale

Mahesh Kulkarni / Bangalore January 11, 2012, 0:10 IST

High prices deter many from participating in first set of bidding in Karnataka, Kerala and Tamil Nadu.

The three major producers of sandalwood – Karnataka, Kerala and Tamil Nadu — are set to conduct auctions for sale of the precious wood this month. The three states together are expected to offload about 150 tonnes, valued at Rs 100 crore.

Sandalwood, considered endangered and not available in abundant quantity, is always sold through auctions by the forest departments of these states, to help the fragrance industry, soap makers, artisans and temples.

The forest department of Tamil Nadu is the first to begin this year's auction season, on January 12 with about 100 tonnes. Kerala would be next with about 40 tonnes for sale on January 19. Karnataka, which claims to be the largest producer, is holding its e-auction on January 23 with about 10 tonnes for sale, the lowest among all the states.

While, Tamil Nadu and Kerala conduct the auctions at least twice a year, Karnataka is doing it after a gap of close to two years, due to depleting stocks with the state forest department, industry sources said. Maharashtra, which also grows sandalwood, usually sells its stock to Karnataka Soaps and Detergents Limited (KS&DL), a Karnataka government enterprise, through a buyback agreement.

Amidst rising prices of sandalwood, the Tamil Nadu and Kerala forest departments are likely to fix the base price upwards to Rs 50 lakh a tonne for root and stem. In Karnataka, the last auction price was Rs 30-40 lakh a tonne and this year the base price ranges between Rs 36 lakh and Rs 53 lakh a tonne, depending on the quality of the wood, sources said.

However, not many buyers are expected to take part in the auctions due to exorbitant prices for the commodity. KS&DL, the Karnataka government-owned soap, fragrances and oil maker; Gokul Sandal, a Chennai-based sandalwood oil maker; Lalit Fragrances, another Chennai-based fragrance maker; Cauvery Handicrafts, a Karnataka government undertaking, and some of the major temple trusts across the country are some expected to participate, sources said.

“KS&DL is the largest buyer and consumer of sandalwood in the country and we have exhausted our budget of Rs 25 crore for the current financial year. We will still participate, as we are the only company to use pure sandalwood oil as a base in bath soaps and fragrances in the public sector in the world today,” said V S Venkatesh Gowda, deputy general manager, R&D, KS&DL.

The manufacturers of fragrances and soaps are not using pure sandalwood oil, due to exorbitant prices of the wood.

In addition to the base price, they have to pay 14 per cent value-added tax and 12 per cent forest development tax when they buy at auctions, Gowda added.

Industry sources say the wood being put up on auction in Tamil Nadu and Kerala is normally dead wood or fallen trees and the level of sandalwood oil in such wood is higher and yields up to 5.5 per cent to six per cent. Whereas, Karnataka is likely to put on auction the seized trees, that are normally tender and immature, which normally yield about four per cent sandal oil.

“As not many buyers participate in these auctions due to very high prices, we have been asking the state forest department to allot all the wood to KS&DL at a 10 per cent rise over the previous auction rates. But, they have gone ahead with the auctions this year again. We will participate, though we have run out of our budget,” Gowda said.

THE HINDU Business Line

Rubber prices could rise from Feb on lower supply

M.R. Subramani

Sluggish demand, lack of speculation seen limiting gains

Chennai, Jan. 10:

The sentiment in the natural rubber market could improve from February on lower supply but the gain could be limited by sluggish demand and lack of support from speculators, according to the Association of Natural Rubber Producing Countries (ANPRC).

The association's Natural Rubber Trends & Statistics for December said that the current state of the global economy and an unfavourable demand outlook are likely to keep speculative investors away from the commodities market. It would result in the rubber market not receiving any speculator support to perk up the price.

The ANPRC's senior economist, Mr Jom Jacob, said that the gravity of the current global economic situation, particularly the situation in many advanced economies, points to the fact that putting the economy back to the recovery path may take a much longer time than what was anticipated a year ago. “To be more specific, there is little possibility for the global economy to return to a recovery path by first quarter of 2012. Under such an unfavourable global economic condition, rubber demand is likely to stay sluggish during the first quarter of 2012,” he said.

HUGE STOCKS

With China holding huge inventories, the possibility is remote for Chinese buyers to go for large volume purchases before the country enters a week-long lunar new-year holidays starting next week.

In India, rubber demand dropped 1.2 per cent against a 4.3 per cent growth in 2010.

Growth in truck and bus tyres, that consumer most of the rubber produced in the country, registered 0.01 per cent growth while passenger car tyres demand was up three per cent. In October, truck and bus tyre production dropped 13 per cent, while passenger car tyres output slipped 18 per cent, the association pointed out.

‘Wintering' or the leaf-falling lower supply season will begin during February-March with slight variation across countries. In Thailand, the top producer, wintering is scheduled to begin in March and therefore, supplies are likely to be normal in January and February. In Malaysia, wintering begins in mid-February and in India, it will later this month. This could lead to some positive sentiment since production could drop from 9.45 lakh tonnes in January to 7.67 lakh tonnes in February.

WEAK DEMAND

“Weak demand will continue to keep the market dormant,” the association said.

On supply dynamics, it said production this year could increase to 10.42 million tonnes from 10.1 million tonnes last year, a growth of 3.1 per cent. But it will lower than the 6.4 per cent growth seen last year.

Indian production is expected to rise four per cent to 9.30 lakh tonnes against 8.94 lakh tonnes last year. Production growth last year was, however, higher at 5.1 per cent.

Exports by ANRPC members are expected to grow 2.3 per cent at 7.83 million tonnes against 7.66 million tonnes (2.4 per cent growth) last year. Exports from India are projected to drop nearly 10 per cent to 40 lakh tonnes against 44 lakh tonnes shipped out last year when shipments doubled.

Rubber imports in the country could drop to 75,000 tonnes from 1.45 lakh tonnes last year. In 2009, imports totalled 1.97 lakh tonnes.

Closing stocks as of December 31 were 3.55 lakh tonnes against 3.34 lakh tonnes at the start of the year. The stocks will meet production requirements for nearly five months.

The ANRPC said that 24,000 hectares could be brought under rubber cultivation this year against 25,000 hectares last year. Replanting, on the other hand, is likely to be done on 15,000 hectares against 10,000 hectares.

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Groundnut oil falls on lower demand

Our Correspondent
Rajkot, Jan. 10:

Groundnut oil dropped on Wednesday on lower demand for nuts and ample availability of raw materials.

Groundnut oil has declined by Rs 30 a tin of 15 kg in the last few days in Gujarat. Cotton oil was unchanged.

At Rajkot, groundnut oil (loose) was traded at Rs 1,020-1, 025 for 10 kg and Rs 1, 675-1, 680 for a 15-kg new tin. Groundnut oil *teliya* tin 15 kg stood at Rs 1,570-1,571.

About 80-100 tonnes of groundnut oil was traded in Saurashtra. In Mumbai, groundnut (loose) was quoted at Rs 1,010-1,015 for 10 kg. At Rajkot APMC, groundnut was traded at Rs 665-845 for 20 kg. It ruled at Rs 1,100-1,110 for 15 kg new tin and cotton wash oil traded at Rs 632-635 for 10 kg.

Around 500-600 tonnes of cotton oil was traded. A Jamnagar-based miller said: “Availability of nuts for crushing has increased from last week as export demand for groundnut declined. That's why groundnut oil prices are going down and this trend will continue this week.”

A Rajkot-based oil retailer said: “Due to high prices, demand in edible oil, mainly groundnut oil is coming down. If prices go below Rs 1, 600 a tin than demand will rise again.”

(This article was published in the Business Line print edition dated January 11, 2012)

Seed cotton futures gain with New York but upside may not last long

Latha Venkatraman
Mumbai, Jan. 10:

The broad fundamental factors for cotton indicate a downtrend in prices but kapas (seed cotton) futures on domestic exchanges have been heading upwards for the past two weeks, tracking gains in New York cotton futures and on technical support.

But the upside is unlikely to last for long as supplies are likely to be ample amid sluggish demand, analysts and traders said.

Kapas futures for April delivery on National Commodity and Derivatives Exchange and MCX have gained about 25 per cent in the last one month.

But they were down on Tuesday by over 1 per cent. NCDEX April Kapas was quoted in the range of Rs 878-911 for 20 kg.

Technical buying has been supporting cotton futures on ICE, analysts said.

After touching a low of 82 cents a pound on ICE, cotton futures have been heading upwards.

“Fundamentals are bearish but cotton prices have been going up. Benchmark ICE cotton saw a nice breakout at 92 cents and is heading towards 100 cents,” said Mr Dharmesh Bhatia, Associate Vice-President – research, Kotak Commodities.

He expects the contract to touch 117 cents where some resistance could emerge but added that the current uptrend is not supported by volumes.

The uptrend is primarily because investors are covering their short positions.

Domestic kapas futures also headed upwards once it broke a strong resistance of Rs 740 for 20 kg, Mr Pranav Mer, Research Analyst, Mangal Keshav Commodities said.

Kapas futures are expected to continue gaining for the next 7-8 sessions but a downturn is imminent as arrivals pick up, said Ms Vedika Narvekar, Senior Research Analyst, Angel Commodities Broking Pvt Ltd.

ARRIVALS

Cotton arrivals for the season that commenced on October 1 have been lagging behind previous season mainly because farmers are awaiting some improvement in prices and a possible hike in minimum support prices by the Government.

While the current uptrend in kapas futures offers good opportunity for speculators, hedgers and long-term buyers should stay away.

“At Rs 1,000 level kapas futures offers an ideal level to go short,” Mr Bhatia said.

Spot prices of cotton have also been moving up on fears of shortfall in the current crop.

But the shortfall in cotton crop for the 2011-12 (October-September) season is unlikely to be huge, says Mr Shirish Shah, Partner, Bhaidas Cursondas & Company.

India's cotton output for the current season is estimated at 356 lakh bales (one bale is 170 kg each) by Cotton Advisory Board, at 361 lakh bales by Ministry of Agriculture and at 342.5 lakh bales by US Department of Agriculture.

Recent purchases by mills and exporters have also contributed to the gain in prices.

But their purchases may cease if prices continue to rise, Mr Shah said. Tuesday's fall in cotton prices is possibly because of buying resistance at higher levels, he said.

(This article was published in the Business Line print edition dated January 11, 2012)

Tea research body releases high-yielding new clone

P.S. Sundar
Coonoor, Jan. 10:

Tea planters have received as New Year gift, a high-yielding new clone TRF-4 from the Tea Research Foundation (TRF) of the United Planters' Association of Southern India (UPASI).

“This is our contribution to help tea industry fetch higher realisation through high-yield with lower maintenance cost. With most existing moribund seedlings being over 50 years old, yield was stagnating for some time now. The maintenance cost will be less as this clone is fairly tolerant to drought and resistant to pests and diseases,” UPASI President, Mr D. Hegde, told*Business Line*. According to TRF Director, Dr P. Mohan Kumar, his institution had developed a cross between quality clones Craigmore 6017 (female) and UPASI-8 (male) with the code BSA-13.

This hybridisation happened during research in 1978-1981.

(This article was published in the Business Line print edition dated January 11, 2012)

Spot rubber improves on covering buy

Our Correspondent
Kottayam, Jan. 10:

Spot rubber improved on Tuesday. The market opened weak but strengthened later tracking the moderate gains in domestic rubber futures on the National Multi Commodity Exchange. There were no quantity buyers for any grade but covering purchases at lower levels kept the prices firm on late trades. The trend was partially mixed.

Sheet rubber increased to Rs 188.50 (186.50) a kg, according to traders. The grade improved to Rs 188 (187) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

RSS 4 firmed up at its January series to Rs 191.59 (190.58), February to Rs 195.30 (194.08), March to Rs 199.19 (198.01), April to Rs 205.66 (204.59), May to Rs 209 (208.86) and June to Rs 207.62 (204.50) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) moved down to Rs 175.81 (176.85) a kg at Bangkok. The January futures for the grade increased to ¥256.8 (Rs 173.58) but then slipped to ¥254 (Rs 171.69) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 188.50 (186.50); RSS-5: 181 (181); ungraded: 178 (174); ISNR 20: 182 (181) and latex 60 per cent: 107 (106).

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Chana flat despite lower arrivals

Our Correspondent

Indore, Jan. 10:

Chana was flat on sluggish demand even as arrivals remained weak on Tuesday.

On the spot market, chana (kanta) sold at Rs 3,375-3,400 a quintal, while chana (desi) sold at Rs 3,300. Five bags of new chana (kanta) that arrived in a *mandi* here were sold at Rs 5,101 a quintal. Another two bags of Italian chana arrived at a mandi on Monday and quoted at Rs 3,701 a quintal.

New chana arrivals will increase after *Makar Sankranti* festival from January 20, according to local chana traders. Those arrivals and poor demand for old chana (kanta) makes a bullish trend in chana unlikely, said Mr Rahul Vora, a chana trader.

Sluggish demand also pulled down chana dal, with chana dal (average) being quoted at Rs 4,000-4,025 a quintal, chana dal (medium) at Rs 4,125-4,150 a quintal and chana dal (bold) at Rs 4,300-4,325 a quintal (Rs 4,325-4,350).

Dollar chana or chickpea was unchanged despite slack buying support in local mandis at Rs 7,600-7,800 a quintal. While old dollar chana arrivals in local mandis remain negligible, 100-125 bags (60-70 bags) of new chana arrived on Monday.

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Imported oils rise on global cues

Mumbai, Jan. 10:

Imported palmolein and soya refined oil rose by Rs 2 and Rs 10 for 10 kg on Tuesday as Malaysian markets improved and physical demand increased.

Rapeseed oil was up Rs 8 for 10 kg on lower sowing of rapeseed/mustard and lower arrivals in producing centres because of cold weather. Cotton refined oil rose by Rs 2 for 10 kg. Groundnut oil and sunflower refined oil were unchanged despite lack of demand.

Malaysian crude palm oil futures were up marginally due to short-covering. New demand from stockists increased for ready and forward delivery tracking a positive trend in foreign markets.

More than 1,000 tonnes of palmolein changed hands during the day. Local refiners kept palmolein offer rates unchanged. A refiner sold about 180-200 tonnes of palmolein at Rs 605-607. Resellers traded about 750-800 tonnes of palmolein at Rs 598-605.

Liberty offered palmolein at Rs 607-609 and super palmolein at Rs 630. Ruchi quoted palmolein at Rs 595. Allana offered palmolein at Rs 605.

Malaysian crude palm oil'sJanuary contracts settled at MYR3,220 (MYR3,210) and February MYR3,219 (MYR3,220) a tonne. Soya oil for January delivery dropped to Rs 723 (Rs 726.50) and to Rs 720 (Rs 721.30) for February delivery on the National Board of Trade in Indore.

Bombay Commodity Exchange spot rates (Rs/10 kg):groundnut oil — 1,010 (1,010), soya refined oil — 705 (695), sunflower exp. ref. — 655 (655), sunflower ref. — 730 (730), rapeseed ref. oil — 828 (820), rapeseed expeller ref. — 798 (790), cotton ref. oil — 660 (658) and palmolein — 607 (605).

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Sugar rules steady as traders buy more

Mumbai, Jan. 10:

Despite good arrivals on the Vashi wholesale market, sugar prices ruled steady on Tuesday.

The undertone of the market was firm as more millers offered tenders and stockists came with fresh buying orders. The volume increased compared with the previous day . On the spot, the S-grade sugar went up by Rs 4, while M-grade ruled unchanged. Naka and tender rates were unchanged, said market sources. All-round demand was reported for good quality sugar.

A spokesman of B. Bhogilal and Co said that with more producers coming forward with selling offers, buyers also response positively.. About one lakh bags (each 100 kgs) sugar were sold by Maharashtra's mills to local traders on Monday, compared with 45,000 bags on Saturday. Traders believe prices have bottomed out, considering cost of production will go up after cane prices were increased.

A wholesaler said the absence of any worthwhile moving factors and sufficient ready stocks with mills will keep prices under check. Crushing season is on and a higher production has been projected for the current year.

Arrivals at the Vashi market were 54-55 truckloads and local dispatches were around 51-52 truckloads. On Monday, 20-22 mills offered tenders and sold more than 1 lakh bags sugar in the range of Rs 2,740-2,820 (Rs 2,740-2820) for S-grade and Rs 2,830-2,920 (Rs 2,830-2,900) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,891-2,991 (Rs 2,891-2,995) and M-grade Rs 2,981-3,092 (Rs 2,981-3,092).

Naka **delivery rates**: S-grade Rs 2,850 - 2,900(Rs 2,850 - 2,900) and M - grade Rs 2,940-3,020 (Rs 2,940-3,020).

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Absence of officials halts turmeric sales

Our Correspondent

Erode, Jan. 10:

Sale of spot turmeric came to a halt in Erode markets on Tuesday due to absence of Regulated Market Committee representatives.

According to Mr R.K.V. Ravishankar, President of Erode Turmeric Merchants Association, their absence necessitated traders to stop from bidding at auctions on Tuesday.

Usually, when turmeric auction is conducted at the Erode Turmeric Merchants Association Sales yard, the Erode Cooperative Marketing Society and Gobichettipalayam Agricultural Cooperative Marketing Society, a representative from the Regulated Market reads out the bids placed by the traders. But due to the boycott of auction by the traders on Monday at Regulated Marketing Committee, representatives of the committee were absent on Tuesday.

Mr Ravishankar said that turmeric farmers were upset due to the non-conduct of the auctions. On behalf of the Erode Turmeric Merchants Association, a representation was given to the Regulated Market authorities on Tuesday. The association asked the authorities to send their representative as usual to the auction places, at least from Wednesday for smooth conduct of turmeric auction.

On behalf of the Association, it was also wanted the committee officials to cooperate with the traders to cancel their tender if they wrongly mention the lot number.

Officials said that they will discuss the issue with their higher authorities. Mr Ravishankar was hopeful that the auction would be conducted at all four places from Wednesday and traders will place bids as usual.

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Flour mills' buying drives up wheat

Our Correspondent

Karnal, Jan. 10:

Dara wheat rose further by Rs 10 a quintal on Tuesday following good buying by flour mills amid limited arrivals. Desi wheat varieties continued to rule firm on account of low stocks.

The Food Corporation of India hasn't released stocks for the below-poverty-line- and above-poverty-line cardholders yet and with no other stocks available in the market except arrivals from Uttar Pradesh, prices are moving up, said Mr Subhash Chander, a wheat trader. In the physical market, around 72 tonnes of dara variety arrived from Uttar Pradesh. Mill delivery sold at Rs 1,190-1,200 a quintal, while delivery at chakki was at Rs 1,205.

On the other hand, desi wheat varieties were quoted at their previous levels despite sluggish demand. Samrat was quoted at Rs 1,880-1,885, while Red Rose was trading at Rs 2,200 a quintal.

On the National Commodity and Derivatives Exchange, wheat for January delivery decreased by Rs 2 to Rs 1,243 a quintal. It had touched a high at Rs 1,247 a quintal earlier on Tuesday. On the MCX, wheat spot prices increased by Rs 0.50 to Rs 1,246.30 a quintal.

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Coconut oil poised for a short rally

C.J. Punnathara

Kochi, Jan. 10:

After lying low for the past couple of weeks, coconut oil prices are beginning to look up. While prices continued to remain depressed, there has been bottom fishing by several corporate companies and coconut oil prices firmed up slightly last week, sources in the market said.

Coconut oil prices moved up from Rs 72 last week to Rs 74 a kg in Tamil Nadu , while they inched from Rs 75 to Rs 76.50 in Kerala . Although the price rise has been not very significant, volumes bought by corporate companies last week have been large, the sources said.

This has depleted the huge stocks built up by the traders of Tamil Nadu over the past weeks and there are reports of some short sales as well. While the inventories have dwindled, fresh arrivals are likely to trickle down. With most coconut oil mills and copra drying units in Tamil Nadu likely to remain closed during the coming Pongal days, coconut oil arrivals into Kerala markets are expected to dip.

Also, this being the lean season in Kerala, production from within the State is not expected to be sufficient to meet its internal demand. Under these circumstances, there could be a small rally in coconut oil prices in the coming week, sources said. Relying heavily on old and low production trees, Kerala's coconut production has been steadily declining over the years.

While the southern districts have been contributing insignificant quantities for copra conversion, Kerala has been depending increasingly on the Northern districts of Kannur, Kasargod, Kozhikode and Malappuram to meet its copra needs. And, even the production from the northern districts is proving insufficient to meet the State's needs.

Copra prices are also beginning to inch up. While buyers are quoting a price of Rs 5,200, the sellers are bidding at Rs 5,300 a quintal. Copra prices had gravitated to Rs 5,000 a quintal recently. Portraying a firm trend, coconut oil futures quoted Rs 7,700/quintal for January contracts. February contracts were up at Rs 7,900, while March contracts quoted at Rs 8,000.Palm oil prices ruled at Rs 60.50 a kg while palm kernel oil fetched Rs 76.*cj@thehindu.co.in*

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