THE HINDU

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Enhance scientist-ryots interaction to solve problems

M. J. Prabu

Dr. Ayyappan, Drector General, ICAR, New Delhi.- Photo: K. Gopinathan

Project 'Farmers First' aims to move beyond production and productivity

The thought that farmers could turn innovators to solve their problems somehow did not seem to appeal to the common man or government. In reality a farmer's job extends beyond more than just growing and selling.

"In fact in today's scenario agricultural innovation by farmers is the key to addressing growing challenges as there is a growing perception that the emerging demand of the farmers for technological and institutional support is not adequately addressed," says Dr. S. Ayyapan, Director General, Indian Council of Agricultural Research (ICAR), New Delhi and Secretary, Department of Agricultural Research (DARE).

First time

ICAR for the first time since its inception under the stewardship of Dr. Ayyapan, instituted a separate committee named National Agriculture Innovation Project (NAIP) to validate, document and help farm innovations. The Initiatives of NAIP extended the efforts towards improving rural livelihood of farmers living in less favoured, marginal or more complex environments.

New project

Another newly proposed project — ‘Farmer First' aims to move beyond production and productivity and to recognise the complex, diverse and risk prone realities of majority of the farmers and enhance farmers-scientists contact with multi stake holders participation.

“Farmer First aims at enriching farmers-scientists interface for technology development and application. It will be achieved with focus on innovations; feedback; multiple stakeholders participation, multi method approaches, vulnerability, and livelihood interventions,” explains Dr. Ayyappan.

“Highly qualified scientists, even if they are committed, are often unaware of the actual needs and problems of poor and marginalised farmers.

“A huge gap exists in the quality of research output required at the farm level and that being developed in the labs,” he says.

In contrast to other areas like medicine, agricultural researchers mostly work in isolation from each other and most of their research findings are academic rather than practical.

Pro- active role

According to him research system should play a pro-active role in reaching out to farmers for getting first hand information, farmers' perceptions, feed back on generated technologies, and develop new and more appropriate processes, methodologies and technologies for diverse farm environment.

Indian agriculture embraces diverse actors in its endeavour to feed 1.21 billion people.

Small and marginal farmers may be uneducated, but one cannot question the fact that they do possess a deep knowledge about farming and understanding of the complexity of nature and its impact on cultivation, resulting from years of practising agriculture.

Vital for food security

“Small farmers are extremely vital for food security as land holdings are shrinking day by day. The contribution of women farmers is also particularly immense. The innovations in agriculture from scientists to farmer innovators and vice versa need to be validated, integrated and scaled up,” he says.

A highly placed source at the Ministry of Agriculture, New Delhi, not wanting to be identified, expressed a positive opinion on the NAIP and Farmers first project.

More practical

According to the source this is the first time that ICAR has recognised the innovative side of the farmers and feels that both these projects are more practical and could play a definite role in addressing the critical issues in farming.

At present ICAR institutes are working with about 1,000 farm-families involving between two and four villages, engaging each scientist in farm and farmer-oriented activities. The project team undertakes numerous visits as and when required to the villages.Those interested in knowing more can email Dr. Ayyappan at s_ayyappans@yahoo.com

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Managing rhinoceros beetle in coconut

Rhinoceros beetle is mainly a pest of coconut and oil palms. Adults damage palms by boring into the centre of the crown, where they injure the young, growing tissues and feed on the exuded sap.

Life cycle

Eggs are laid in manure pits or other organic matter and hatch in 8-12 days. Larvae takes another 82-207 days before entering an 8-13 day non feeding prepupal stage. Pupal stage lasts for 17-28 days.

Adults remain in the pupal cell for 17-22 days before emerging and flying to palm crowns to feed.

The beetles are active at night and hide in feeding or breeding sites during the day. Mostly mating takes place at the breeding sites.

Adults may live for 4-9 months and each female lays 50-100 eggs during her lifetime.

Management

Chop and burn decaying logs or break them up and destroy any adult beetles developing inside.

Cut stumps as close to the soil surface as possible. A hooked wire can be used to extract and destroy rhinoceros beetle adults feeding in coconut trees.

Fungus, Metarhizium anisopliae can be applied in manure pits @ 4 kg/tonnes to control the grubs that feed on the decaying matter

Apply mixture of neem seed kernel powder + sand (1:2) @150 g per palm in the base of the 3 inner most leaves in the crown

Place phorate 10 G 5 gms mixed with sand in two inner most leaf axils for 2 times at 6 months intervals.

Place three napthalene balls at leaf axil at the top of the crown. Treat the longitudinally split tender coconut stem and green petiole of fronds with fresh toddy and keep them in the garden to attract and trap the beetles. Use pheromone traps with rhinolure at 12/ha for trapping the adults and destroy them

Remedial measures

Apply 50 kg of FYM or compost or green manure, 1.3 kg urea (560 g N), 2.0 kg super phosphate (320 g) and 2.0 kg muriate of potash (1,200) g ms in two equal splits. During 2nd, 3rd and 4th year.

For nut bearing coconut, root feed with TNAU coconut tonic at 200ml/palm, once in six months. Apply 200 g of borax/palm/year in two splits.A.Suganthi & A.P.Sivamurugan

KVK, VirinjipuramTamil Nadu Agricultural University, Vellore

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Ajit Singh bats for FDI in agriculture sector

PTI

Supporting foreign investment in agriculture sector, Civil Aviation Minister Ajit Singh on Wednesday said it will benefit farmers as investment in this sector is diminishing and the sector has become non-profitable

“Farmers would be benefitted if FDI is allowed in agriculture sector which has become non-profitable and investment is diminishing. I am always in favour of FDI,” Mr. Singh told reporters after BSP and SP workers from Meerut and adjoining areas joined Rastriya Lok Dal on Wednesday.

“Today, farmers are facing problem of improper marketing of their produce. They get a meagre amount while middlemen make a lot of money. When big companies come, they would directly buy from them, so farmers would be benefitted,” Mr. Singh said.

On the issues in upcoming Uttar Pradesh Assembly elections, the RLD chief said “Mayawati is the only issue in this election.”

“The problem in UP is of governance, of corruption.

People want freedom from her corrupt government. In a bid to clean her image, she is now taking action against corrupt ministers. Why hasn’t she taken action against them in last four and half years?” Mr. Singh said.

Taking a dig at Ms. Mayawati, he said “if the Election Commission delays the polls for a few months, then her whole cabinet would be purged on corruption charges.”

The Minister said that under the influence of modern tech gadgets, like mobile, and Anna Hazare’s anti—corruption campaign, “youth have been awaken and they now want to rise above caste and creed and elect those who would give them good governance.”

Asked about the 4.5 per cent sub-quota quota for backward minorities, he said “this was in our manifesto in 2010.”

The RLD cheif said the provision of category-wise quota should also be made in SC and ST quotas as only a few people are enjoying the benefits.

To a question if the BSP was being benefitted by the EC’s directive to cover Ms. Mayawati’s statutes, Mr. Singh said there is nothing wrong in it, as in 2004, the EC had asked BJP to cover the pictures of Atal Bihari Vajpayee from the hoardings on the highways.

"The statues of Mayawati should remain covered till all elections, like panchayat polls, municipal corporations polls and others. People want a change," Mr. Singh said.

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Farm query

Chennai centre of TNAU

Can you please give the contact details of the Chennai centre of the Tamil Nadu Agricultural University and details of what training programmes they conduct?

V. Jayamala

Chennai

You can contact the Professor and Head, TNAU Information and Training Centre, New No. P-44, (Old No. P- 37), 6th Avenue, (K- 4 police station side road), Anna Nagar, Chennai-40, email: chennai@tnau.ac.in, Phone: 044 -2626 3484 for your requirements. The centre regularly conducts training on programmes on roof gardening, vermicompost, bakery and value added products.

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Climate change affects elk, plants and birds

Reduced snowfall in mountains is causing powerful, cascading shifts in mountainous plant and bird communities through the increased ability of elk to stay at high elevations over winter and consume plants.

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"Common man most affected by food inflation"

Centre urged to take steps for tackling core economic issues

Jawahar Vadivelu, president, SICCI (left); Shard Sharma, Chief General Manager, State Bank of India, Chennai Circle; D.K. Srivastava, Director, Madras School of Economics; and Dipak Dasgupta , Principal Economic Adviser, at a meeting in Chennai on Wednesday.— Photo: V. Ganesan.

The Centre should devise strategies to tame food inflation and high interest rates at the earliest as these affected the common man, according to speakers at a panel discussion on ‘The state of economy', organised by the Southern India Chamber of Commerce and Industry.

D.K. Srivastava, Director, Madras School of Economics, said, “The Indian economy is passing through a difficult phase. The Centre should anticipate what's happening in the Indian economy and plan and develop necessary strategies to over come it.”

Observing that the growth of Indian economy was not sufficient under the present circumstances, he said steps must be taken to address inflation, current account deficit, economic growth, export growth, dip in foreign investment and rising crude oil prices.

While calling for increased investment in strengthening physical infrastructure, Shard Sharma, Chief General Manager of State Bank of India, Chennai Circle, said the fast growth of Indian economy in recent years had placed increasing stress on physical infrastructure.

India invested six per cent of its Gross Domestic Product in infrastructure, whereas China invested about nine to 10 per cent. In the 12{+t}{+h}five year plan, India needed a huge sum for infrastructure and the real challenge was to find the sources for it, he said. Dipak Dasgupta, Principal Economic Advisor, Union Ministry of Finance, said his Ministry commenced the Budget consultation process with representatives of the farm sector in New Delhi on Wednesday to learn about the ongoing schemes, the working conditions and its impact on revenue among other things.

“We are here to take stock of the situation, look for changes and how each city has changed over the years. Food inflation matters most as it is the core inflation that affects the common man. With food inflation getting into the negative territory in December, there was good reason to suggest that the country was heading towards lower inflation,” he said.

Mr. Dasgupta said the country was running a long-term marathon to increase its per capita income to $6,500 over the next 20 years from the present $1600.

“It took nearly four decades to raise the per capital income from $100 to $400 with the help of agricultural sector and it was quadrupled to $1,600 in two decades,” he added.

D. Sampath Kumar, Editor, The Hindu Businessline, said though Integrated Child Development Scheme was in force in the country since 1950, about 42 per cent of children under five were severely or moderately underweight.

It was either due to a failure of the model or the delivery system or both.

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State according top priority to agriculture: Minister

Special Correspondent

Great deal can be expected in 2012 budget, says Dhamodharan

Inspection:Agriculture Minister S. Dhamodharan at a floriculture unit at Kotagiri on Wednesday.

The aim of Chief Minister Jayalalithaa is to make the state a model in the development of agriculture, said Minister for Agriculture S. Dhamodharan at Kotagiri on Wednesday.

Pointing out that high priority is being accorded to the sector, he said that a great deal can be expected in the 2012 budget. The practice of using agricultural land for other purposes will be checked.

Stating that floriculture was a thrust area, he said that more funds have been allocated for putting up green houses. When asked about the government's stand on the demand of a number of

flower growers in the Nilgiris for the implementation of a loan waiver scheme on the grounds that they had incurred heavy losses due to various reasons including poor returns, Mr. Dhamodharan opined that if floriculture was done properly it would be more than remunerative.

Pointing out that it was a thriving activity in Gujarat, he said that Tamil Nadu has the potential to do better.

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Drip irrigation turning around farmers' fortunes

Ravi.P.Benjamin

Saving water:Papaya plantation being cultivated by small farmer Kundarapu Nageswar Rao at Bhogapuram village in Visakhapatnam district , using drip irrigation.

Small and marginal farmers with small land holdings of below five acres are benefiting from drip and sprinkler irrigation in the district. Hundreds of small farmers cultivating vegetables, papaya, guava and flower plants were utilising the 100 and 90 per cent subsidy being extended to scheduled caste and scheduled tribe farmers and to others.

Farmers investing a maximum amount of Rs.1 lakh were able to reap 100 per cent profits due to their taking advantage of the drip irrigation. While SC and ST farmers were getting free supply of the drip irrigation infrastructure kits, others were getting 90 per cent subsidy with a mere 10 per cent contribution towards the cost of the drip irrigation systems. Medium farmers are eligible for 75 per cent subsidy and farmers irrespective of their holdings are eligible for 40 per cent subsidy.

Highly subsidised drip irrigation systems being supplied to the farmers are triggering in an economic transformation of the small and marginal farmers. All that a farmer needs is a small piece of land anywhere from 2 to 5 acres and a bore-well and the rest is being provided by the government and banks.

Kundarapu Nageswar Rao, a small farmer hailing from Bhogapuram village in Atchutapuram mandal has a success story to share. He cultivates tomato, papaya and lady fingers in his five acre land and is earning a profit of Rs.2 lakhs a year on his produce. On an average, he earns Rs.15,000 per month which is big money in a village. Due to middlemen exploiting the farmers and purchasing their produce at a far lesser price than the market price, they could not earn much profit on their produce, Nageswar Rao says. The middlemen were selling vegetables purchased by them at exorbitant prices in the city. While prices of vegetables are escalating, the farmers who are the actual producers were selling their products at a throw away prices.

Appalanaidu, another farmer from Cheedivalasa village in Padmanabham mandal is an SC farmer with 2 acres of land. Using drip irrigation, he had been cultivating leafy vegetables and tomatoes and earning Rs.50,000 per acre annually and is earning a monthly income of Rs.8,000 which is taking care of his family and children's education. He said that scores of farmers in his village were earning handsomely on their lands using 100 per cent subsidy on drip.

Andhra Pradesh Micro Irrigation Project (APMIP) director S. Rama Mohan Rao told *The Hindu* here on Wednesday that the drip and sprinkler irrigation is a great boon to small and marginal farmers in the district. Every farmer is able to earn a fairly good income which is keeping his family going. The irrigation systems being supplied to the farmers helps to judiciously use water for the crops and prevents wastage. The systems help in supply of sufficient amount of water required for the crop. The farmers have a false notion that supply of more water will boost crop production. Excess supply of water damages the crop.

APMIP drip and sprinkler irrigation systems are in vogue in 9.309 hectares in the district. In the 2011-12 financial year drip irrigation has been expanded in 536.35 hectares and sprinkler irrigation in 79 hectares of land.

- *The irrigation systems help judiciously use water for the crops and prevent wastage*
- *The farmers are being exploited by middlemen who buy their produce at a low price*

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‘Give compensation to tomato farmers'

Staff Correspondent

Raging protest:Tomato farmers staging a dharna in Raichur on Wednesday.—Photo: D.K. Kishan Rao

Members of the district unit of the Karnataka Rajya Raitha Sangha took out a procession and staged a dharna here on Wednesday in protest against the Government's “failure” in protecting the interests of tomato farmers in the district.

A group of farmers, who assembled at the Gunj Circle along with cartloads of tomato, staged a procession and dumped the fruit on the road to protest against the steep fall in its price. They staged a dharna outside the office of the Deputy Commissioner and dumped tomatoes on the office premises too.

D. Ameen Basha, convener of the State unit of the sangha, told presspersons that many small farmers who had cultivated tomato using lift irrigation projects were in distress due to a fall in its price. They were not able to recover the cost of cultivation owing to lack of demand in the market.

Demanding compensation to farmers, Mr. Basha said that the Government should take action to set up a committee to look into their problems.

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Onion export prices lowered

Bowing to the demand of traders and farmers, the Commerce Ministry on Wednesday lowered the minimum export price of onions by $100 a tonne to $150 a tonne to boost exports.

The export price of Bangalore Rose and Krishnapuram onions have also been reduced marginally to $250 a tonne from the previous rate of $300/tonne. Exports from India declined by nearly 23 per cent in the first nine months of the current financial year.

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Turmeric complex remains a dream

S. Ramesh

Project passed 15 years ago

More than 15 years have passed since the State Government sanctioned the integrated turmeric complex project for Erode district.

The project is yet to take off and thousands of turmeric growers do not have adequate facilities to store and market their produce.

Turmeric farmers in the district have been requesting the State Government to create the complex with modern amenities.

Erode is one of the largest turmeric producing regions in the country.

The government had sanctioned the project in 1996. But its implementation was delayed for various reasons.

Repeated pleas

Following repeated representations from the farmers, the government acquired 7.34 acres of land in Karumandi Chellipalayam in Perundurai block and constructed two godowns with a capacity of 750 tonnes.

Besides, two concrete floors to dry turmeric were also built. “Creation of godowns and concrete floors alone is not enough for turmeric growers. We need modern facilities similar to those in Sangli in Maharashtra.

“These facilities will enable the farmers and the traders to carry out their activities under one roof. Farmers will get better facilities for marketing their produce,” Lower Bhavani Farmers Association president S. Nallasamy said.

If the project was delayed further, turmeric farming in this part of the state would be affected, Mr. Nallasamy said.

Erode Marketing Committee, in reply to a petition filed by Mr. Nallasamy under the Right to Information Act, said the government had sanctioned Rs. 6.62 crore to construct more facilities as part of the integrated turmeric complex project.

To begin soon

The construction works would begin soon. Besides, a warehouse with a capacity of 10,000 tonnes would also be established at a cost of Rs. 5 crore. The fund for this was allotted under the Rural Infrastructure Development Fund.

No approval

The committee also clarified that it had not given approval to conduct turmeric auction at the sites purchased by the private traders in two places - Villarasampatti and Semmapalayam.

Once all construction was over, steps would be taken to conduct turmeric auction only in the integrated complex.

Currently, the auction was being held at four different places in the district, the committee said.

Erode is one of the largest turmeric producing regions in the country

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Double life sentence awarded to farmer

A Salem court awarded double life sentence to a farmer Srirangan of Pottiyapuram village near Omalur for murdering a father and his son, following a dispute over money.

On Wednesday the Salem Fast Court No.2 judge Sivagnanam awarded the double life sentence to the farmer to run concurrently and also slapped a fine of Rs. 20, 000.

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‘Animal Fest' to showcase rare breeds

Staff Reporter

Thirukochi Animal Fest 2012, a celebration of the Department of Animal Husbandry as part of the centenary of the department, would be held here from January 14 to 16.

An exhibition at Rajendra Maidan will showcase animals of rare varieties, threatened species, domesticated animals, birds and fishes. A number of farm products would also be on display.

Those interested in animal welfare, dairy farmers, students and the general public would find the exhibition informative, said a statement by K. V. Sukumaran, district veterinary officer and K.J. Mariamma, chief veterinary officer of the district veterinary hospital at a press meet here.

A seminar for farmers and deposit schemes will be part of the festival.

K.V. Thomas, Union Minister for Food and Civil Supplies will inaugurate the function to be held at the School of Marine Sciences auditorium. K.P. Mohanan, Minister for Agriculture, will preside over the function.

K. Babu, Minister for Excise; V.K. Ebrahim Kunju, Minister for Public Works; Mayor Tony Chammany; Eldose Kunnappilly, district panchayat president; and others will participate.

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HT Correspondent, Hindustan Times

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Retail FDI to boost agri income: farmers to FM

Agriculture experts on Wednesday called for more investment in India's farm sector, including measures such as allowing foreign direct investment (FDI) in multi-brand retail to enhance farmers' income and raise the agricultural activities' share in India's gross domestic product (GDP).

"With the current level of investment, 4% growth in farm sector cannot be achieved. It is very clear that we have to increase investment both from private and public sectors," said Ashok Gulati, agricultural economist.

Gulati was among a group of experts who met finance minister Pranab Mukherjee on Wednesday kicking off formal pre-budget consultations for this year with a discussion on agriculture.

"They (experts) suggested rationalisation of the different subsidies, decentralisation of handling of food grains to ensure food security, priority to increase areas under edible oils and oil seeds and allocation of higher resources for this sector among others," a finance ministry statement said.

Experts also suggested offering tax exemptions to cooperative societies especially labour and housing cooperatives, defining cooperative banks as scheduled and non-scheduled banks, to impress upon states to remove mandi tax and purchase tax on dairy cooperatives.

"Some members supported FDI in multi brand retail for better prices to the farmers, more focus on development of agriculture infrastructure, encouraging private sector investment in agriculture sector, use of genetically modified seeds, concessions to agro-based sectors among others," the statement said.

The formal consultations in run-up to the preparation of next year's budget commenced amid darkening clouds over the world's second fastest growing major economy.

http://www.hindustantimes.com/StoryPage/Print/795765.aspx

Gur closes quiet on sporadic demand

Agencies Posted online: Wed Jan 11 2012, 18:06 hrs

New Delhi : The wholesale jaggery market ended on a steady note in the national capital today, following sporadic buying against restricted supply.

Muzaffarnagar and Muradnagar gur market also held steady as prices closed around overnight levels on some support.

Marketmen said small buying support and reduced arrivals from manufacturing areas, mainly held gur prices on last levels.

The following are today's quotations in Rs per quintal:Gur chakku 2,650-2,700, pedi 3,000-3,050, dhayya 3,000-3,050 and shakkar 3,200-3,300.

Muzaffarnagar: Raskat Rs 2,200-2,275, chakku 2,500-2,700 and khurpa 2,500-2,550.

Muradnagar: Pedi Rs 2,650-2,700 and dhayya Rs 2,650-2,700.

Wheat strengthens on fresh buying support from flour mills

Agencies Posted online: Wed Jan 11 2012, 15:18 hrs

New Delhi : Wheat prices strengthened up to Rs 15 per quintal on the wholesale grains market today on increased buying by flour mills against limited arrivals.

However, bajra eased on lack of buying support.

Marketmen said increased buying by flour mills against tight arrivals from producing regions mainly pushed up wheat prices.

In the national capital, Wheat deshi and wheat dara advanced by Rs 15 and Rs 5 to Rs 1,675-1,875 and Rs 1,235-1,245 per quintal, respectively.

Maida also traded higher by Rs 10 to Rs 690-710 per 50 kg.

On the other hand, bajra moved down by Rs 30 to Rs 1,000-1,005 per quintal on lack of necessary buying support.

The following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,675-1,875, Wheat dara (for mills) 1,235-1,245, Chakki atta (delivery) 1,245-1,250, Atta Rajdhani (10 kg) 190, Shakti bhog (10 kg) 190, Roller flour mill 640-660 (50 kg), Maida 690-710 (50 kg) and Sooji 725-750 (50kg).

Basmati rice (Lal Quila) 9,500, Shri Lal Mahal 9,300, Super Basmati Rice 9,000, Basmati common new 4,200-4,300; Rice Pusa-(1121) new 3,500-4,100, Permal raw 1,800-1,850, Permal wand 2,000-2,050, Sela 2,050-2,100 and Rice IR-8 1,350-1,400, Bajra 1,000-1,005, Jowar yellow 1,000-1,050, white 1,825-1,925, Maize 1,370-1,390, Barley 1,100-1,110, Rajasthan 1,080-1,090.

Select edible oils weaken on sluggish demand, global cues

Agencies Posted online: Wed Jan 11 2012, 15:10 hrs

New Delhi : Edible oils turned weak with prices falling by Rs 20 per quintal on the wholesale oils and oilseeds market today, owing to slackness in demand at prevailing levels amid weakening global trend.

However, non-edible oils moved in a narrow range in scattered deals and settled around previous levels.

Marketmen said sluggish demand at prevailing higher levels and reports of a weakening global trend, mainly led to decline in edible oil prices.

Meanwhile, palm oil for the March-delivery contract declined 0.7 per cent to USD 1,015 a tonne on the Malaysia Derivatives Exchange.In the national capital, soyabean refined mill delivery (Indore) and soyabean degum (Kandla) oils declined by Rs 20 each to Rs 7,230 and Rs 6,780, while crude palm oil (ex-kandla) traded lower by the same margin to Rs 6,730 per quintal, respectively.Palmolein (rbd) and palmolein (kandla) oils traded lower by Rs 20 each to Rs 7,030 and Rs 6,680 per quintal.The following were today's quotations per quintal: Oilseeds: Mustard Seed 2,550-2,680 and Groundnut Seed 2,125-2,875.Vanaspati Ghee (15-litre tin) 1,030-1,090.

Edible oils: Groundnut Mill Delivery (Gujarat) 9,800, Groundnut Solvent Refined (per tin) 1,620-1,630, Mustard Expeller (Dadri) 7,800, Mustard Pakki Ghani (per tin) 1000-1,155, Mustard Kachi Ghani (per tin) 1,155-1,255, Sunflower 6,300, Sesame Mill Delivery 7,500, Soybean Refined Mill Delivery (Indore) 7,230, Soyabean Degum (Kandla) 6,780, Crude Palm Oil (Ex-Kandla) 6,730, Cottonseed Mill Delivery (Haryana) 6,650, Palmolein (RBD) Rs 7,030, Palmolein (Kandla) 6,680, Rice Bran (phy) 3,800 and Coconut(per tin) 1,560-1,600.Non-edible oils: Linseed 4,700, Mahuwa 4,000, Castor 8,350-8,450, Neem 4,150-4,250, Rice Bran 3,280-3,380 and Palm Fatty 3,225-3,300.Oilcakes: Groundnut Dehusk 800-850, Sesame 950-1,150, Mustard (New) 1,000-1,025, Mustard 1,200-1,210 and Cottonseed 1,075-1,175.

Lobia rises on local demand

Agencies Posted online: Wed Jan 11 2012, 15:02 hrs

New Delhi : Lobia prices rose by Rs 100 per quintal in an otherwise steady wholesale pulses market today on scattered local demand.

However, other pulses continued to trade in a tight range on lack of worthwhile buying support and settled around previous levels.

Traders said the rise in wholesale lobia prices was mostly due to rise demand from local parties.

In the national capital, lobia rose by Rs 100 to Rs 3,600-4,100 per quintal.

The following are today's pulses quotations (in rupees per quintal):

Urad 3,400-3,900, Urad Chilka (local) 4,500-4,800, best 4,900-5,400, Dhoya 5,200-5,300; Moong 3,400-4,400, Dal Moong Chilka local 4,100-4,500; Moong Dhoya local 4,600-4,700 and best quality 5,300-5,500.

Masoor small 3,150-3,450, bold 3,250-3,450, Dal Masoor local 3,800-3,900, best quality 3,950-4,100, Malka local 3,800-3,850, best 4,050-4,150, Moth 1,700-2,000; Arhar 3,450-3,950, Dal Arhar Dara 4,900-5,100.

Gram 3,425-3,525, Gram Dal (local) 4,050-4,150, best quality 4,250-4,350, Besan (35 kg) Shakti bhog 1,520, Rajdhani 1,570, Rajmah Chitra 4,900-6,700, Kabli Gram small 4,700-8,600, dabra 2,700-2,800, imported 4,700-5,100; Lobia 3,600-4,100, Peas white 2,440-2,470 and green 2,570-2,620.

Inflation to drop to 6.5%: Credit Suisse

Agencies Posted online: Wed Jan 11 2012, 13:45 hrs

New Delhi : India's overall inflation rate, which has remained near the double-digit mark since December, 2010, is likely to fall sharply to 6.5 per cent this month and stay "low" until 2013, says a report.

Contrary to many forecasters, global financial services major Credit Suisse envisages wholesale price index (WPI) inflation to drop to 6.5 per cent by January, below the estimate floated by the RBI, and is likely to remain there until the April-June quarter.

After the second quarter of this calender year, WPI is likely to "further fall to below 6 per cent to come through.

Contrary to the view of many forecasters, we expect WPI inflation to remain below 6 per cent until 2013," the report by Credit Suisse said.

Even though food inflation has turned negative, overall inflation -- which also factors in manufactured products, fuel and non-food primary items -- has remained near double digits since December, 2010.

As per official data, food products witnessed 3.36 per cent deflation during the week ended December 24. The headline inflation numbers for December will be available next week.

The rate of price rise stood at 9.11 per cent in November.

The RBI, which is scheduled to come out with its third quarterly monetary policy review on January 24, has already hiked interest rates 13 times since March, 2010, to tame inflation.

Credit Suisse, however, believes the central bank is likely to cut rates only in March.

"Coupled with a sustained period of sub-7 per cent growth, the RBI is likely to cut rates from March. We look for at least 125 bps of repo rate reductions in 2012/13," the report said.

The report noted that speculation on the impact the depreciating rupee will have on inflation is highly overdone, as commodity prices are falling.

The Indian rupee has depreciated by 15 per cent against the US dollar since the end of July, while the Korean won -- the second weakest Asian currency -- fell by 9 per cent during the same period and China's renminbi appreciated by 1 per cent.

What really matters to Indian WPI inflation is the percentage year-on-year change in rupee-denominated international commodity prices, which is falling, the report said and noted, "The risks to the headline WPI rate are on the downside."

With economic activity expected to continue to disappoint for a while longer, the RBI is expected to lower the Cash Reserve Ratio (CRR) in March, with the first repo rate reduction coming in April, Credit Suisse said.

"If anything, the risk is that the action starts sooner rather than later, while it may be that our current call of 125 bps in rate cuts during the 2012/13 fiscal year as a whole is also a touch on the conservative side," Credit Suisse said.

After robust 8.5 per cent growth last fiscal, India's GDP growth rate slipped to 6.9 per cent in the second quarter this fiscal, while the index of industrial production contracted by 5.1 per cent in October.

THE ECONOMIC TIMES

Commodities

12 JAN, 2012, 08.52AM IST, REUTERS

Guar seen up on export demand; chana flat

MUMBAI: Indian guar futures are expected to open up on Thursday on good export demand, a decline in output and firmness in crude oil prices overseas, analysts said.

Guar seed demand is linked to crude oil prices as guar gum, a by product of guar seed, is used as controlling agent in oil drilling.

Around 80 percent of the total guar gum produced in the country is exported.

Brent crude rose above $113 on Wednesday, reversing losses as a blast in Tehran added to concerns of supply disruption from Iran, overshadowing worries about demand growth due to Europe's debt crisis.

On Wednesday, February guar seed contract on the National Commodity and Derivatives Exchange (NCDEX) closed up 3.96 percent at 9,012 rupees per 100 kg, after hitting the 4 percent upper circuit and a record high at 9,015 rupees per 100 kg.

Chana Chana futures are likely to trade rangebound as most traders are holding positions awaiting initial trends in the new crop arrivals before taking positions.

A decline in pulses cultivation area and hopes of increase in demand during the festival season are seen offsetting low consumer demand in spot markets, analysts said. On Wednesday, the February chana contract closed up 0.55 percent at 3,450 rupees per 100 kg. Chana is a winter-sown crop and its harvest begins from mid-January.

You are here: Home » Markets » Commodities

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12 JAN, 2012, 04.19AM IST, JAYASHREE BHOSALE,ET BUREAU

Cut in onion MEP to boost exports, raise local prices

PUNE: With the average wholesale onion price crashing to Rs 3 per kg across most markets in the country, the Union government's decision to reduce the minimum export price (MEP) by $100 per tonne is expected to bring some relief to the onion farmer.

A lower bar on the export price boosts shipments, sucks out excess production and improves local prices. The government cut the MEP for big onions from $250 per tonne to $150 per tonne while for the south variety, the MEP has been brought down from $300 per tonne to $250 per tonne. Onion growers were demanding a reduction in MEP for the past one month. "A reduction in MEP would help increase exports.

The country has already exported 95,000 tonne in December," said RP Gupta, director, National Horticulture Research and Development Federation. With the harvesting of the later kharif crop having begun, supplies have increased substantially across all the markets.

At the Lasalgaon market, the daily supply of onions is around 16,000 quintals to 19,000 quintals. As a result, onion farmers across the country are getting Rs 3 per kg or less for their produce in the last few days.

Abhay Bhise, secretary, Ahmednagar APMC, said, "The average wholesale price of export-quality onion had declined to Rs 5 per kg while the average onion price is about Rs 3 per kg. Daily onion supplies to our market have gone up to 25,000 quintals to 30,000 quintals as compared to about 22,000 quintals to 23,000 quintals during the comparable period last year.

The supply pressure is going to continue till February and March." Following a shortage in onions during January 2011 and a subsequent price spike, the Union government discouraged exports during the previous year to keep the domestic prices under control. But onion farmers had to bear losses for the last year's rabi as well as kharif harvests because prices remained below the cost of production.

12 JAN, 2012, 04.13AM IST, ET BUREAU

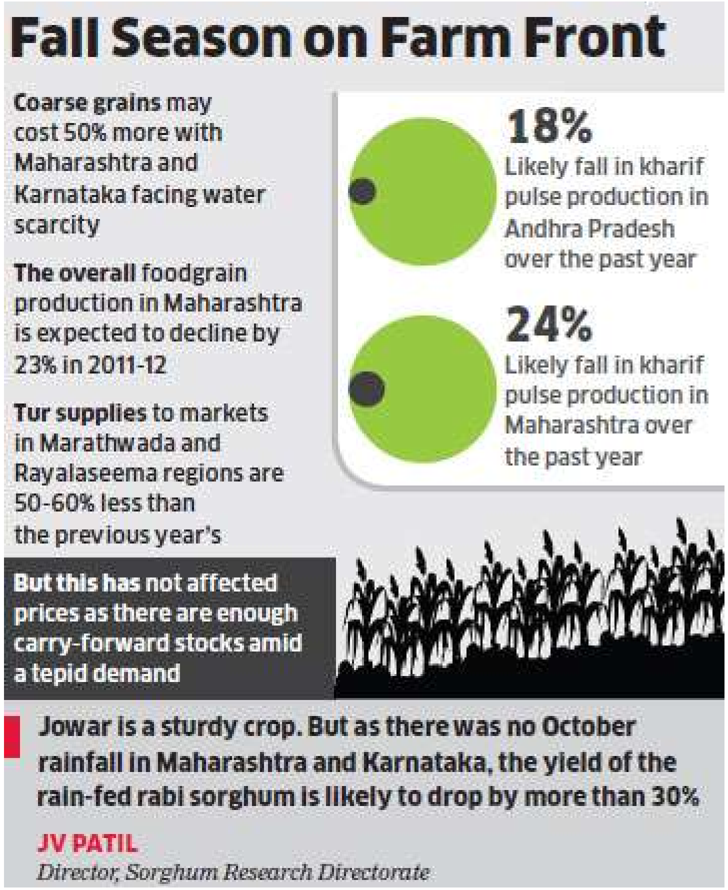
Lower production set to lift jowar, pulses prices

PUNE: Prices of coarse grains like jowar and ragi are likely to shoot up this year as production is expected to decline by 50% in top producer Maharashtra and Karnataka due to water scarcity. Prices of pulses like tur and gram are also likely to soar after April when supplies go down.

According to the second advance estimate, tur production in Andhra Pradesh is expected to be at 2.27 lakh tonne as against 2.6 lakh tonne in the previous year. The overall kharif pulse production in Andhra Pradesh is likely to be less by 18% as compared to the previous year.

However, the state estimates the rabi pulse production to increase by 5% over the previous year. Andhra Pradesh has estimated the 2011-12 kharif pulse production at 10.56 lakh tonne and rabi pulse production at 3.56 lakh tonne. In Maharashtra, kharif pulse production is set to decline by 24% according to state government figures. The overall grain production in Maharashtra is expected to decline by 23% in 2011-12 and by a whopping 43% in the rabi season.

Tur stocks being brought to markets now in Marathwada and Rayalaseema are about 50-60% less than the previous year's supplies. But this has not affected prices right away as there are enough carry-forward stocks amid a tepid demand in the market. Traders expect pulse prices to move up after Holi when availability falls.



"As against 30,000-40,000 bags per day during the same period of last year, only about 10,000 bags of tur are being brought to Rayalaseema markets this year," said a pulse trader from Latur. Jowar is an important staple crop in Maharashtra. Its retail prices ruled above Rs 40/kg last year due to less production. This year, jowar production is likely fall further as farmers prefer to harvest the premature crop to use as fodder instead of letting it wilt in the fields.

"Jowar is a sturdy crop. Even with one or two rounds of irrigation, its production doubles. But as there was no October rainfall in Maharashtra and Karnataka, the yield of the rain-fed rabi sorghum is likely to drop by more than 30%," said JV Patil, director, Sorghum Research Directorate, Hyderabad.

the pioneer

Cong blames Govt apathy for drop in betel cultivation

THURSDAY, 12 JANUARY 2012 00:09

STAFF REPORTER | BHOPAL

Cultivation of betel leaves (paan) has decreased in Madhya Pradesh due to non-cooperation and lack of patronage from the State Government, said State Congress media chairperson Manak Agrawal.

In a statement here on Wednesday, he said earlier, Madhya Pradesh had important position among the betel leaves cultivating States in the country. Earlier, in the markets of Delhi, Meerut, Lucknow, Ghaziabad and Saharanpur around four crore betel leaves were supplied, but now it has shrunk to only one crore.

Agrawal told betel leaves are cultivated mainly in 20 districts of the State- Sagar, Chhatarpur, Tikamgarh, Damoh and Panna districts of Sagar division in Bundelkhand region. Farmers of villages including Gadhakota, Rehali, Lodhi, Barigarh, Bipat, Panagar, Gadhi Malhara, Maharajpur, Batiagarh, Hataa, Pathariya, Ganj, Taleha and Tamali are dependent on betel leaves cultivation.

This produce is a source of income for thousands of farmers in these districts. Around 15 years ago, in Bundelkhand, the betel leaves were cultivated on 5,000 hectare area and now it has reduced to just 175 hectare only. The farmers allege the State Government's policies are responsible for the decline in betel leaves production.

Agrawal added that last year betel leaves crops had failed due to which farmers had to face loss of several crores of rupees, but the State government compensated with just Rs 20 lakh to farmers. The farmers got a meager amount of Rs 500 to Rs 2,000 per head. The State Government and betel leaves producing farmers are at loggerheads for the last 12 years. Betel leaves farmers demanded to include betel leaves cultivation under agriculture or medicinal crops and to establish betel leaves research centre in Bundelkhand because maximum production of betel leaves is in the area.

Business Standard

Thursday, Jan 12, 2012

Guar seed output in Rajasthan marginally up

BS Reporter / January 12, 2012, 0:39 IST

The government of Rajasthan has revised the production forecast for guar seed marginally upwards in the second advanced estimates, announced late Tuesday evening.

The state contributes nearly 50 per cent of the national output. With this revision, the guar seed output is estimated to rise to 1.21 million tonnes (mt), as compared to 1.14 mt in the first advanced estimate made by the government in September 2011. Total guar seed production during the last season was recorded at 1.2 mt.

The revision also lifted sowing to 3.1 million hectares (ha) in the second advance estimate as compared to 2.9 million ha in the first estimate. During last season, however, the sowing was three million ha.

Maharashtra sugar cooperatives go for distress sale

Sanjay Jog / Mumbai January 12, 2012, 0:11 IST

Rapidly falling prices have forced cooperative sugar factories in Maharashtra to opt for distress sale to mobilise funds to fulfil the mandatory requirement of payment to cane growers in the stipulated 15 days. The sugar is being sold at Rs 2,620 a quintal, Rs 400 a quintal lower than the price during the announcement of export of one million tonnes under the Open General Licence.

B B Navale, managing director of Neera Bhima cooperative sugar factory in Pune, told Business Standard: “It is really tough for the industry to survive. On the one hand, prices are declining rapidly and on the other hand, exports are not taking place on account of low prices. However, cooperative factories are duty-bound to pay cane growers within the required time limit and therefore are resorting to distress sale. The price of Rs 2,620 a quintal is below the cost of production."

Navale said a rise in sugar prices was the answer to the existing problem. He suggested the government declare a minimum support price as with other agriculture commodities.

Sugar factories are also facing a problem in seeking finance from banks due to increasing short margin on stock.

A senior official at the Federation of Cooperative Sugar Factories in Maharashtra said, "Banks are now only financing Rs 2,195 a quintal against the pledged advances. Out of this, factories have to make payment for cane processing, harvesting and transport. This is not sufficient to meet their required liabilities on these accounts."

The official said it was obvious for the factories to think about the present, instead of the future. Thus, they are selling sugar at prevailing prices, despite, being lower than the cost of production.

"Factories are not bullish about the international market due to the volatile situation. No exports are taking place due to low prices. Further, sugar mills, especially in north India, are operating in full swing, resulting in increase in the sugar availability," he added.

The official said the federation would soon appeal to the central government to create a buffer stock of at least three million tonnes to bail out the industry. He recalled the Centre had set up a buffer stock of five million tonnes (mt) in 2006-07.

"By setting up a buffer stock, sugar factories are entitled to get reimbursement of interest, storage charges and insurance on sugar pledged account. This is about Rs 225-230 a quintal per annum. The only remedy is that the government makes an announcement soon," the official said.

Till now, sugar factories in Maharashtra have crushed 30 mt to produce 3.28 mt sugar at a recovery of 10.63 per cent, higher by 0.5 per cent than last year.

Veerukumar Shah, a sugar trader from western Maharashtra, said it was difficult to find a buyer for sugar everyday when factories are desperate to sell sugar. "No one is interested to stock sugar when bumper production is expected this year. This is adding further pressure on prices," he added.

Increased acreage to boost chilli production in 2012

Sharleen D'Souza / Mumbai January 11, 2012, 16:30 IST

This year, chilli production is expected to be higher by 15 to 20 per cent on the back of increased acreage under the spice.

Last year, the total production was around 12 lakh tonnes, according to industry sources.

Andhra Rabi chilli area is reported 0.29 lakh hectare as on 23rd November compared to 0.24 lakh ha a year ago.

"Currently, the old stock position around Guntur region is 8 lakh bags. Farmers are planning to see off stocks, as prices will fall further once arrivals increase," said an industry source.

Farmers resorted to growing the spice this year in the hope of getting better returns, as last year the price of the commodity doubled.

Arrivals of chilli started in Madhya Pradesh in the month of December, and has now begun in Guntur, in Andhra Pradesh, the largest producer of the spice in the country.

Currently, the arrivals in Guntur are around 25,000 to 30,000 bags (1 bag = 40 kgs) a day, but according to industry sources, it is expected to pick up in the coming days and may go up to 50,000 bags by February, industry sources said.

"In Madhya Pradesh this year production is estimated to be around 45 lakh bags (1 bag = 30 kgs) from last year's production of 40 lakh bags," said Ashok Dattani, a Navi Mumbai based chilli trader said.

Chilli prices are expected to slide further owing to good production coupled with weak demand from overseas markets. Last year, export demand for chilli was strong owing to good demadn from Pakistan and China.

India exported 110,500 tonnes of chilli during April to October last year compared to 149,500 during the same period in 2010, according to Spices Board of India.

Chilli prices on the spot market has moved down by 21 per cent since November from Rs 8688.40 per quintal on 1 November to Rs 6878.25 on 9 January.

THE HINDU Business Line

Agriculturists call for removal of mandi tax

Our Bureau
New Delhi, Jan. 11:

Agriculture sector representatives, on Wednesday, called for higher allocation of resources to the sector, decentralisation of foodgrain handling to ensure food security and priority to increase areas under edible oils and oilseeds.

In a pre-Budget interaction with the Finance Minister, Mr Pranab Mukherjee, the sector representatives also suggested rationalisation of subsidies and grant of tax exemptions to cooperative societies — especially labour and housing.

The Centre was also urged to impress upon States to remove mandi and purchase tax on dairy cooperatives.

They also sought tax relief for fishery cooperatives to bring them on par with agricultural cooperatives.

Some members supported foreign direct investment in multi-brand retail for better prices to farmers and sought more focus on development of farm infrastructure, private sector investment, use of genetically modified seeds, concessions to agro-based sectors etc.

Mr Mukherjee sought suggestions on enhancing farm productivity, reforms in agriculture pricing, measures to meet food security needs, besides issues relating to procurement, marketing, cold chains and maintenance of buffer stocks.

He noted that the monsoon was normal in the past two years and kharif production was expected to be about 124 million tonnes this year.

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(This article was published in the Business Line print edition dated January 12, 2012)

AP farmers say no to cottonseed price hike

K.V. Kurmanath

Hyderabad, Jan. 11:

As it begins talks with seed firms and farmers' groups to decide price of cottonseed, the Andhra Pradesh Government has asked the industry how much does it actually cost to produce a packet (450 gm) of seeds.

It gave the seed industry two days to come out with a detailed estimate of cost overheads.

It also asked farmers groups to come out with their estimation of cost to produce seeds from seed grower point of view.

The industry generally argues that seed firms pay Rs 450-480 this year as against Rs 375 for 750 gm to seed growing farmers.

But Ms Usha Rani, Commissioner for Agriculture (Andhra Pradesh), on Wednesday insisted that the companies should come out with actual cost of a packet (450 gm) that they sell in the market.

Seed industry representatives submitted their proposals, asking for hike in packet price to Rs 1,050 (from Rs 930) last year.

“We will inform our member (companies) about Government's note on cost overheads and ask them to respond on the same,” Mr P. Satish Kumar, Secretary of Seedsmen Association of Andhra Pradesh, told *Business Line*.

Farmers oppose

Farmers' associations, however, opposed the companies' proposal to increase price of the seed.

Mr Bharat, who represented CPM-affiliated Rythu Sangham, alleged that the industry failed to give Rs 290 for 450 gm of seeds last year.

“It only gave only Rs 180, leaving Rs 110 still unpaid,” he said, emerging out from the meeting in the evening.

“How can they ask for a hike without honouring their word,” he asked.

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(This article was published in the Business Line print edition dated January 12, 2012)

Volume hits 5-week high at Coonoor tea sale

P.S. Sundar

Coonoor, Jan. 11:

Following the Tea Board's assurance, warehouse agents who had announced their inability to stock teas meant for Sale No: 2 and beyond of the auctions of Coonoor Tea Trade Association, have withdrawn their stir.

“We are aware of Coonoor warehouses expressing difficulty to stock teas as they have been asked by excise department to pay service tax. If teas are not warehoused, auctions cannot be conducted. So, we are taking up the matter suitably with excise authorities to solve the problem for ever. We are sure that the auctions will go on normally,” Tea Board Chairman, Mr MGVK Bhanu told*Business Line*.

Arising from this, Sale No: 2 will take place on Thursday and Friday with an offer of 14.90 lakh kg. It is the highest volume of the last five weeks. It is as much as 1.04 lakh kg more than last week's offer and 68,000 kgs more than the offer this time last year.

Of the 14.90 lakh kg on offer, 10.44 lakh kg belongs to the leaf grades and 4.46 lakh kg belongs to the dust grades. As much as 13.66 lakh kg belongs to CTC variety and only 1.24 lakh kg, orthodox variety.

The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.57 lakh kg belongs to orthodox while 9.87 lakh kg, CTC. Among the dusts, only 0.67 lakh kg belongs to orthodox while 3.79 lakh kg, CTC.

In the 14.90 lakh kg, fresh teas account for 13.88 lakh kg. As much as 1.02 lakh kg comprises teas which had remained unsold in previous auctions.

Following Tea Board announcing its thrust on exports to five countries – the US, Russia, Kenya, Iran and Egypt, producers are anticipating greater participation of exporters to these destinations.

For most part of 2011, it was only Pakistan and Russia which gave export support at Coonoor auctions.

(This article was published in the Business Line print edition dated January 12, 2012)

FMC measures fail to stall rise in guarseed, gum futures

Latha Venkatraman

Mumbai, Jan. 11:

The continuous upward surge in guarseed and gum futures has prompted a series of measures from the commodity markets' regulator, Forward Markets Commission (FMC).

But these measures have failed to stall the sustained rise.

Guarseed and gum futures on the National Commodity and Derivatives Exchange have been hitting the 4 per cent upper price limit almost daily.

“There is nothing wrong in prices rising but there should be no trading irregularities. We are trying to see what more we can do on this matter,” Mr Ramesh Abhishek, Chairman, FMC, told*Business Line*.

The last action taken by FMC was to issue showcause notices to five members after it found irregularities in guar futures trade following a probe conducted by its team.

FMC also asked 30 other entities to produce additional documents to show proof of sourcing of funds.

Exchanges are also keeping an eye for any irregularities, Mr Abhishek said.

Fundamentals are supportive for the rise in prices of guar complex but not to this extent, said Mr Badruddin Khan, Associate Vice-President, Angel Commodities.

At present, 40 per cent margins have been imposed on the buy side of guar futures. The price movement on guar futures is reflective of the physical trade of the underlying, said Mr Vijay Kumar, Chief Business Officer, NCDEX.

“Fundamentals are very strong, demand is high,” he said adding that the demand for guar gum is largely inelastic. Also, there are no substitutes for guar gum, he said.

This year guarseed production is estimated at 11.5 lakh tonnes, down from last year's 15 lakh tonnes.

Today, both guarseed and guar gum futures hit 4 per cent upper circuit in early trade but eased thereafter.

Current factors are supportive of price rise and these include lower arrivals in the*mandis*and strong export demand for guar gum from the US, said Ms Vimla Reddy, Analyst, KarvyComtrade.

STRONG DEMAND

“The peak arrival season has ended. Also, farmers are not bringing in stocks because of cold weather. The market is anyway open only for a short while,” she said.

Internationally, demand for guar gum is very strong, said Mr Sagar Doshi, Analyst, AnandRathi Commodities. India is a major producer of guar gum, which is used in a number of industrial applications.

But a correction in prices of guar complex is overdue, said Mr Khan.

Guarseed futures for January delivery on NCDEX may face major resistance at Rs 8,960 for 100 kg and guar gum at Rs 29,900 for 100 kg, Mr Tarang Parmar, Technical Analyst, KarvyComtrade, said.

At mid-session today, January guarseed was being traded in the range of Rs 8,630-8,878 for 100 kg.

January guar gum was in the range of Rs 28,500-29,383 for 100 kg.

(This article was published in the Business Line print edition dated January 12, 2012)

Spot rubber firms up on covering buys

Our Correspondent
Kottayam, Jan. 11:

Physical rubber prices improved further on Wednesday. Though there were no specific factors to boost the sentiments in the domestic scene, the prices firmed up on covering purchases as sellers stayed back on better expectations. The under current was firm but volumes were low.

According to analysts, RSS 4 has recovered after falling to a nearly three month low early this week. With the market entering the lean production season and auto sales rising, prices might firm up in coming days.

Sheet rubber improved to Rs 190 (188.50) a kg according to traders. The grade increased to Rs 189 (188) a kg both at Kottayam and Kochi as quoted by the Rubber Board.

In futures, the January series slipped to Rs 190.80 (191.77), February to Rs 194.21 (195.21), March to Rs 198.20 (198.99), April to Rs 204.62 (205.69), May to Rs 208 (208.75) and June to Rs 204.51 (207.62) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) closed at Rs 176.24 (175.81) a kg at Bangkok. The January futures for the grade firmed up to ¥259.8 (Rs 174.35) from ¥256.8 a kg during the day session and then to ¥262 (Rs 175.82) in the night session on the Tokyo Commodity Exchange.

Sot rates were (Rs/kg): RSS-4: 190 (188.50); RSS-5: 182 (181); ungraded: 179 (178); ISNR 20: 183 (182) and latex 60 per cent: 107 (107).

(This article was published in the Business Line print edition dated January 12, 2012)

Rubber production up a tad in December

C. J. Punnathara

Dip in output expected from January

PERFORMANCE OF NATURAL RUBBER (in tonnes)

	Production	Consumption	Import	Export	Stock at the end
December 2010	1,03,000	80,465	13,805	2,495	3,14,890
December 2011 (P)	1,04,000	84,000	21,734	922	2,62,000 (R)
April to Dec. 2010	6,51,150	7,08,705	1,66,463	7,293	-
April to Dec. 2011 (P)	6,79,100	7,17,485	1,33,693	22,472	-
(% Growth)	-4.3	-1.2	-	-	-

(P): Provisional. (R): Revised

Kochi, Jan. 11:

India's rubber production registered a nominal increase of one per cent to 1,04,000 tonnes in December 2011. Meanwhile, consumption has gone up by 4.3 per cent to 84,000 tonnes.

There seems to have been a corresponding increase in tyre production during the last few months.

Despite rubber production in the country registering a surplus in December, the lean season is coming up and a dip in production will be in evidence starting January, sources in the Rubber Board said.

The low production is expected to continue until April/May and the spurt in production from June will largely depend on the timely onset of the South-West monsoon.

However this is also the lean season across the world and global production is expected to slow in tandem with that in India.

Prices are expected to remain firm, globally and in India, in the coming months.

Demand-production gap

Production for April-December 2011 also increased by 4.3 per cent to 6,79,100 tonnes. Consumption, meanwhile, notched up a slower growth pace of 1.2 per cent to 7,17,485 tonnes in the first nine months of this fiscal.

There was a shortfall of 38,385 tonnes during the period. But rubber imports have been looking up.

Imports were up 57 per cent at 21,734 tonnes for December.

According to the revised figures, stocks at the end of December stood at 2,62,000 tonnes as against 3,14,890 tonnes in the same month last year.

Trade sources, however, said that there has been no significant growth in rubber production during the last four years.

While production was 8,52,895 tonnes in 2006-07, it stood at 8,61,950 tonnes in 2010-11, Mr N. Radhakrishnan, Advisor to the Cochin Rubber Merchants Association said.

Improving productivity

This one per cent growth in production will not do in an economy where rubber consumption has been growing at over 15 per cent during the same time period, he pointed out.

Rubber consumption was 9,47,715 tonnes in 2010-11, up from 8,20,305 tonnes in 2006-07.

Blaming the poor pace of extension of area under rubber and low acreage of old trees being replanted with productive clones, sources in the trade said that it was during this period that India became a net importer of rubber.

But large areas which were replanted with high-yielding clones are expected to become productive from the current year and coming year onwards.

This will lead to increased production and productivity of rubber in the coming years, sources pointed out.*cj@thehindu.co.in*

(This article was published in the Business Line print edition dated January 12, 2012)

Pepper prices marginally up on positive trend

G. K. Nair

Kochi, Jan. 11:

The pepper prices after remaining highly volatile on Wednesday recovered marginally on emergence of some positive trends in the tug of war between both the operators.

The market opened on a declining trend and the active deliveries touched the lowest levels in the opening session itself and then January moved up sharply by Rs 1,060 a quintal to Rs 30.310 a quintal and remained highly volatile. Then February also increased by around Rs 850 a quintal and then declined to move up and touch the highest price of the day in the afternoon and to drop and close above the previous closing.

It appears that when the market was dropping in the opening session, the small and medium players panicked and liquidated and thereafter when the market trend changed as there was good buying of February and March, market sources told*Business Line*.

The traders alleged that the introduction of 10 per cent additional margin on buyers at a time when the Indian parity is competitive in the international market was "unrealistic". It is "no longer a jacked up price, hence the authorities should remove the 10 per cent margin on the buyers keeping also in mind that the new crop has start arriving in the market". The farmers and local traders, they said, are planning to submit a representation to the Union government on this issue, they said.

January contract on the NCDEX moved up by Rs 175 to close at Rs 30,080 a quintal. February and March increased by Rs 305 and Rs 200 respectively to close at Rs 30,570 and Rs 30,680 a quintal.

Total turnover dropped by 1,351 tonnes to close at 5,371 tonnes. January open interest fell by 960 tonnes to 4,563 tonnes. February and March increased by 272 tonnes and 103 tonnes respectively to close at 2,284 tonnes and 922 tonnes showing purchases. Spot prices remained steady at the previous levels at Rs 29,800 (ungarbled) and Rs 31,300 (MG 1) a quintal.

(This article was published in the Business Line print edition dated January 12, 2012)

Higher arrivals pull down castor

Our Correspondent

Rajkot, Jan. 11:

Higher arrivals and lower demand from industries, like paints and lubricants, and exporters dragged castor down on Wednesday.

Spot demand has been low since new crop arrivals begun two weeks ago and this trend is likely to continue, said a Rajkot-based trader.

Castorseed's January contract on the National Commodity and Derivatives Exchange decreased by Rs 4.50 to Rs 4,085 a quintal with an open interest of 4,630 lots while the February contract was down Rs 18.50 to Rs 3,876 with an open interest of 5,020 lots.

On the Rajkot Commodity Exchange, castor's March contract declined to to Rs 3,689 a quintal (Rs 3,696), while spot castor dropped by Rs 25 to Rs 3,837.50 a quintal.

About 24,000-25,000 bags (20,000-21,000) of castor arrived in Gujarat and quoted Rs 10 down at Rs 760-768 for 20 kg.

(This article was published in the Business Line print edition dated January 12, 2012)

Edible oils slip on poor buying

Mumbai, Jan. 11:

While edible oils dropped on the physical market by Rs 5-8 for 10 kg, they gained marginally on the futures market on Wednesday.

Groundnut oil, soya refined oil, sunflower seed expeller refined oil and cottonseed refined oil fell by Rs 5 each, palmolein lost Rs 7 and rapeseed oil declined by Rs 8 on low demand. Volume was high for forward delivery on new demand, said market sources.

Malaysian crude palm oil futures were down on renewed weather concerns about soyabean plantings in South America.

About 800-900 tonnes of palmolein and 40-50 tonnes of other edible oils were traded during the day. Local refiners reduced palmolein prices by Rs 5-10, encouraging stockists to continue new covering.

Liberty sold about 250-300 tonnes of palmolein at Rs 597-599 for January, while Ruchi sold 350-400 tonnes of palmolein for February at Rs 590. On the ready market, resellers traded about 80-100 tonnes of palmolein at Rs 597-599. Re-packers and brand-makers covered small quantities of groundnut oil, sunflower seed refined oil and cotton oil at running rates.

Liberty quoted super palmolein at Rs 625. Allana offered palmolein at Rs 595 for delivery between February 5 and 15. In Rajkot, cotton oil was quoted at Rs 625-627 while groundnut oil remained unchanged at Rs 1,575 for a *telia* tin and at Rs 1,025 for loose (10 kg).

Malaysian crude palm oil's January contracts settled at MYR3,224 (MYR3,220) and February at MYR3,237 (MYR3,219) a tonne.

Soya oil for January delivery was at Rs 723.50 (Rs 723) and for February at Rs 722 (Rs 720) on the National Board of Trade in Indore.

Bombay Commodity Exchange spot rates (Rs/10 kg):groundnut oil — 1,005 (1,010), soya refined oil — 700 (705), sunflower seed exp. ref. — 650 (655), sunflower seed ref. — 730 (730), rapeseed ref. oil — 820 (828), rapeseed expeller ref. — 790 (798), cottonseed ref. oil — 655 (660) and palmolein — 600 (607).

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Tur gains as offtake rises

Our Correspondent

Indore, Jan. 11:

New tur from Maharashtra quoted Rs 50 higher at Rs 4,100 a quintal on improved buying support on Wednesday.

In the past four to five days, new tur (Maharashtra) prices have declined by around Rs 400 a quintal. On expectations of a weak crop, new tur prices in local*mandis*had risen to as high as Rs 4,450 recently. Traders rule out any further rise in tur prices as arrivals of new tur will keep mounting in local mandis. Tur white (old), on the other hand, was unchanged at Rs 3,450 a quintal despite subdued demand, while tur old (Nimari) sold at Rs 2,300-2,600. New tur (Nimari) was firm at Rs 3,300-3,500.

With demand for tur rising, it's dal also rose despite sluggish demand. Tur dal (full) was quoted at Rs 5,550-5,600 a quintal (Rs 5,500-5,550), tur dal (*sawa*no.) at Rs 4,700-4,750 (Rs 4,650-

4,700) and tur (marka) at Rs 6,000-6,200 (Rs 6,000-6,100). Urad and its dal were unchanged despite slack buying support.

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Export contracts keep rice steady

Our Correspondent

Karnal, Jan. 11:

After witnessing a good rally in the last 10 days, the rice market remained steady on Wednesday, with prices of aromatic and non-basmati rice ruling firm at previous levels.

The market has seen some good buying over the last few days and recently some new export contracts have been signed at around $800 a quintal, said Mr Tara Chand Sharma, proprietor of Tara Chand and Sons. Traders have committed to export around 2.24 million tonnes of aromatic rice over the next nine months, he added. Aromatic rice is unlikely to see any major change in prices, said Mr Sharma.

Pusa-1121 (steam) was quoted at Rs 4,150-4,250 a quintal, while Pusa-1121 (sela) was at Rs 3,400-3,550 a quintal. Duplicate basmati was sold at Rs 3,300-3,400 a quintal. Pure basmati (raw) was quoted at Rs 4,900 a quintal, while pure basmati (sela) was sold at Rs 4,100 a quintal.

Among the brokens of Pusa-1121, Tibar sold at Rs 3,200-3,250; Dubar at Rs 2,700; and Mongra at Rs 2,200 a quintal.

Sharbati (steam) quoted around Rs 2,800-2,925, while Sharbati (sela) was quoted at Rs 2,750-2,800 a quintal.

Permal (sela) sold at Rs 1,800-2,150 a quintal, while permal (raw) quoted at Rs 2,000-2,125 a quintal.

Paddy Arrivals

About 6,000 bags of aromatic paddy varieties arrived at the Karnal grain market terminal. Around 3,000 bags of Pusa-1121 arrived and sold at Rs 1,850 a quintal. One thousand bags of duplicate basmati arrived and sold at Rs 1,550, while around 2,000 bags of pure basmati arrived and sold at Rs 1,950 a quintal.

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Selling pressure drags fair quality sugar

Our Correspondent

Mumbai, Jan. 11:

Sugar prices on the Vashi wholesale market declined on Wednesday. On the spot market, fair quality sugar dropped by Rs 10-20 a quintal on selling pressure, while fine quality sugar ruled unchanged on buying by stockists.

*Naka*rates for S-grade fell by Rs 10 a quintal while M-grade eased by Rs 30. Volumes were at usual levels, driven by need-based local demand. Continued absence of buying by neighbouring States forced Maharashtra's mills to offload stocks in the local markets. The market, according to sources, seems to be stabilising at current levels on reports of lower-than-expected production in Maharashtra and the possibility of the Union Government allowing an additional 5-10 lakh tonnes of sugar for exports.

not a big impact

However, a section of thetraders is not too optimistic. According to them, the first tranche of 10 lakh tonnes of sugar permitted for exports by the Government need to be exported first. More than half of that still needs to be shipped, they said. So, announcement of additional quantity will not have a big impact.

Besides, the current year's production, at 260 lakh tonnes, is expected to be higher than the domestic consumption, at 220 lakh tonnes. And, because of an unfavourable world market, the producers have to depend on the domestic market. Sugar prices went up by Rs 350 a quintal in November, but declined by Rs 250 in December.

At the Vashi market, 50-51 truckloads arrived, with local dispatches at 48-49 truckloads. On Tuesday, 19-20 mills offered tenders and sold 70,000-72,000 bags at Rs 2,720-2,820 (Rs 2,740-2820) for S-grade, and at Rs 2,820-2,920 (Rs 2,830-2,920) for M-grade.

Bombay Sugar Merchants Association's spot rates:S-grade, Rs 2,876-2,996 (Rs 2,891-2,991); and M-grade, Rs 2,960-3,092 (Rs 2,981-3,092).

*Naka*delivery rates: S-grade, Rs 2,840-2,900 (Rs 2,850-2,900); and M-grade, Rs 2,910-3,050 (Rs 2,940-3,020).

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Low demand grinds turmeric

Erode, Jan. 11:

Spot turmeric dropped by Rs 250-400 a quintal because of poor demand on Wednesday.

“Turmeric sales resumed after a halt in trading on Tuesday, as Regulated Marketing Committee officials attended the auction in the Erode Turmeric Merchants Association Sales yard, where for want of demand prices decreased by Rs 250 a quintal,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Arrivals increased to over 12,000 bags of turmeric arrived for sale as farmers, who couldn't sell on Tuesday, brought more stocks to the market. But only 60 per cent of the stocks were sold. Traders and exportersdid not receive new orders as the market awaits the new crop arrivals from mid-February. Bulk buyers bought only to meet pending orders.

The hybrid Salem crop fetched higher prices as the quality of arrivals was good. In contrast, prices by about Rs 500 a quintal due poor quality arrivals at the Gobichettipalayam Cooperative Marketing Society.

All the over 370 bags of Mysore number 8 variety that arrived were sold for Rs 3,400 a quintal, traders said. At the Regulated Marketing Committee, 1,504 of the 2,115 bags that arrived were sold as farmers refused to sell the rest at current prices that were down Rs 400 a quintal. In the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 3,611-4,491 a quintal and the root variety at Rs 3,519-4,369.

Salem crop:The finger variety was sold at Rs 3,810-5,279 a quintal and the root variety at Rs 3,619-4,516. Out of the 2,913 bags that arrived, 1,006 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,579-4,423 a quintal and the root variety at Rs 3,369-4,339. Out of the 495 bags kept for sale, 487 were sold.

At Erode Cooperative Marketing Society, the finger variety fetched Rs 3,589-4,516 a quintal and the root variety Rs 3,369-4,389. Out of the 1,650 bags kept for sale, 1,278 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 4,092-4,519 a quintal and the root variety at Rs 3,739-4,096.

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