THE HINDU

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Turmeric farmers not to sell produce for three days

Staff Reporter

Members of Turmeric Farmers Association of India has decided not to sell the yellow spice to the traders for three days commencing from January 24 demanding that the Central and State governments ensure remunerative price for their produce.

The decision was taken at a meeting of the association held here on Sunday. The sharp fall in the prices of turmeric had left lakhs of growers in the country suffer huge losses. The total turmeric production in the country is expected to be around 30 lakh tonnes. “Of which, we want the governments to procure at least 20 lakh tonnes providing Rs. 10,000 as price per quintal,” association all-India president P. K. Deivasigamani told reporters after the meeting.

He alleged that the traders formed syndicates to keep the prices low.

“We have submitted a petition explaining our demands to the Chief Minister,” Mr. Deivasigamani said.

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Set up special agriculture zones: Infam

Special Correspondent

Indian Farmers' Movement (Infam) has called for establishment of special agriculture production zones and mega food parks in the State.

In a memorandum submitted to Chief Minister Oommen Chandy, national trustee of Infam M.C. George said that these measures were needed during the 12th Five Year Plan to address the desperate situation prevailing in the agriculture sector.

He said that export zones, manufacturing zones, and other sorts of exclusive areas had been earmarked for the industry, information technology, and manufacturing sectors with hundreds of hectares for each project. This could be emulated and put to operation in the farm sector.

Plenty of areas under lease for cultivating tea, coffee, and cardamom were available in the State which could be converted into special agriculture zones. “Cultivable land under forest, Plantation Corporation of Kerala, and other agencies could be brought under the scheme. Production, harvesting, post-harvesting operations, value addition process, and marketing chain should be wholly made organic to the extent possible,” he said. Dr. George said now the farming community was the most exploited class as was evident from the gap between farm gate price of the product and the end consumer price.

Tapioca cultivation in Erode may drop

A tapioca field in Erode district.— PHOTO: M.GOVARTHAN

Tapioca cultivation is likely to fall in the next sowing season which begins in March owing to non-remunerative prices. Tapioca is one of the major horticulture crops in Erode district.

Normally, the crop is cultivated in about 6,400 hectares in the district. Of these, 70 to 80 per cent of the area falls under Burgur and Kadambur hills. Many tribal farmers and labourers in the district depend on the income from tapioca cultivation.

“We expect 20 to 25 per cent fall in the total area under the crop. Many tapioca farmers are planning to switch over to other crops as they suffered heavy losses owing to the drastic fall in price,” sources here said.

Tapioca price, which stood at around Rs. 9,000 a tonne in the beginning of 2011, plummeted to Rs. 2,500 because of massive import of tapioca starch from Thailand, Vietnam and a few other countries. “I spent more than Rs. 35,000 per acre to cultivate the crop. The yield was around nine to 10 tonnes and I had managed to sell the tapioca tuber for Rs. 2,500 a tonne, suffering a huge loss," A. Senthilkumar, a tapioca farmer in Bhavani said.

Horticulture sources said the tribal farmers were the worst affected as a result of the fall in the price. "A majority of the farmers in the hilly areas gets loans from money lenders at higher interest rates to cultivate tapioca," sources say.

Tamil Nadu Tribal People's Association state executive member V.P. Gunasekaran said farmers in the tribal areas were dependent on the tapioca crop for their income.

Fix Rs. 4,500 as procurement price for red gram: samiti

President of the Gulbarga Zilla Raitha Horata Samiti Kedarlingaiah Hiremath on Sunday rejected the proposal of the Government to increase the procurement price of the red gram to Rs. 4,000 a quintal and reiterated the samiti's demand that the procurement price be increased to Rs. 4,500 a quintal.

Talking to *The Hindu* over phone from Jewargi where the samiti has launched an indefinite fast by the farmers six days ago, Mr. Hiremath said that the Government's decision was not acceptable to the samiti and added it would continue its fast till its demands are met.

Eleven farmers who were on indefinite fast have been shifted to the government hospital after deterioration of their health and the second set of five farmers had begun their fast outside the tahsildar's office at Jewargi town from Sunday.

Mr. Hiremath said that the demand for increasing the procurement price of red gram to Rs. 4,500 was based on "scientific" reasons and the increasing cost in the cultivation.

"The Government has fixed the procurement price of the crop at Rs. 4,000 last year also. It will be wrong on the part of the Government to retain the same procurement price," he said.

He said inflation had its impact on the agriculture sector as the cost of labour, material and fertilizers was going up. "This should be taken into account by the Government before fixing the procurement price," Mr. Hiremath said.

Demands

He said the Government should concede other demands of the samiti such as taking up the work of the installation of the pumps in all the three lift points of the Mallabhad Lift Irrigation project which would provide irrigation facilities to more than 1 lakh acres of land in Jewargi, Surpur and Shahapur taluks.

At present, the government had taken up the work of installation of the pumps at Balabatti and had not taken any decision on starting the work at Naganur and Jamkhandi lift points.

He said that the project would be delayed if the work was not taken up in all the three lift points simultaneously and would also result in escalation of costs. Mr. Hiremath urged the government to establish a separate irrigation division for the Mallabhad Lift Irrigation Project and also separate subdivisions in all the three lift points to hasten the process of completion of the project. He demanded that the Government take up the construction of a bridge near Saradgi barrage to facilitate people living across the Bhima to have easy access to the city and Jewargi town.

- *Government urged to start installing pumps in all three lift points of Mallabhad irrigation project*

- *'Procurement price of Rs. 4,000 a quintal not acceptable'*

Embryo transfer tech to preserve cattle breeds

Livestock board plans research for genetic chromosome study of Vechur cow

Bright future:Kasaragod dwarf, one of the native cattle species identified for conservation.

The Kerala Livestock Development Board (KLDB) is gearing up to take up the conservation of four rare native breeds of cattle, including the Vadakara dwarf, Kasaragod dwarf, Wayanad spotted cows, and Kuttanad water buffalo.

Flush with the success of the breeding programmes for indigenous varieties such as Malabari and Attapady black goats,

Angamaly black pig, and the ongoing project for conservation of Vechur cow, the world's smallest cattle breed, the board is now preparing to initiate selective breeding of other native varieties. The board is drawing up plans to use embryo transfer technology to improve the genetic pool of indigenous breeds, kick-starting a movement for preservation of domestic breeds of animals. The state-of-art embryo transfer laboratory set up by KLDB at Puthur in Thrissur district will be a key player in the programme.

“Over time, indigenous breeds noted for their heat tolerance, high resistance to diseases, and adaptability to local climatic conditions have been replaced with exotic varieties and cross bred animals that lack these attributes. Hence, conservation of valuable indigenous germplasm is essential,” points out KLDB managing director Ani S. Das.

The board is also entering into research collaboration with the National Bureau of Animal Genetic Resources (NBAGR) for genetic chromosome studies of Vechur cow.

Dr. Das told *The Hindu* that the conservation programme would rely on selective breeding using a pool of females with specific characters. “The quality of the stock improves with each generation and the population goes up. Non-related bulls will be used for production of the next generation of animals.”

Embryo transfer can greatly increase the number of offspring that a genetically-important cow can produce while greatly reducing the risk for transmission of infectious diseases.

It involves a technique by which embryos are collected from a donor female and transferred to recipient females, which serve as surrogate mothers for the remainder of pregnancy. The donor cow will be treated with a hormone to produce multiple ova, a process known as super-ovulation.

Each of the offspring produced through embryo transfer would potentially carry the superior traits of the mother, such as increased weight gain or enhanced milk production.

Rice basmati falls on reduced offtake

Agencies Posted online: Sat Jan 21 2012, 14:37 hrs

New Delhi : Rice basmati fell by Rs 150 per quintal on the wholesale grains market today due to reduced offtake by stockists and retailers adequate stocks positions.

Wheat dara also weakened due to fall in demand at prevailing higher levels.

Marketmen said adequate stocks position against reduced offtake by stockists and retailers mainly led to fall in rice basmati Pusa-1121 variety.

In the national capital, rice basmati Pusa-1121 variety fell by Rs 150 to Rs 3,350-3,950 per quintal.

Wheat dara (for mills) also weakened by Rs 5 to Rs 1,250-1,260 per quintal and atta chakki delivery traded lower by the same margin to Rs 1,260-1,265 per 90 kg.

Atta flour mills eased by Rs 20 to Rs 650-670 per 50 kg.

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

Wheat MP (deshi) 1,675-1,875, Wheat dara (for mills) 1,250-1,260, Chakki atta (delivery) 1,260-1,265, Atta Rajdhani (10 kg) 190, Shakti bhog (10 kg) 190, Roller flour mill 650-670 (50 kg), Maida 720-740 (50 kg) and Sooji 740-760 (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 3,350-3,950, 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 985-990, Jowar yellow 975-1,025, white 1,825-1,925, Maize 1,350-1,360, Barley 1,085-1,095, Rajasthan 1,080-1,090.

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express buzz

By Express News Service

23 Jan 2012 03:04:20 AM IST

Mullaperiyar: Swamy for out-of-court settlement

KANNUR: Janata Party leader Subramanian Swamy has said that the state governments of Kerala and Tamil Nadu should find an out-of-court settlement to the Mullaperiyar issue. Inaugurating the concluding meet of the state conference of ABVP here on Sunday, Subramanian Swamy said that the chief ministers of the both the states should sit together and find a settlement to the issue.

“DMK leader Karunanidhi has no moral right to speak about the issue. He took no action when the Supreme Court delivered its judgment on Mullaperiyar on February 23, 2006,” said Swamy. He added that a settlement could be found following the example of the Kaveri River water dispute which was settled amicably.Swamy said that Union Home Minister P Chidambaram would be convicted in the 2G spectrum scam and he would soon be jailed. He further alleged that 80 per cent of the ministers in the Cabinet headed
by Dr Manmohan Singh have accounts in Swiss banks. ABVP state president P R Babu presided over the meeting.

the pioneer

Mango growers worried over early flowering of trees

SUNDAY, 22 JANUARY 2012 22:59

IANS | CHANDIGARH

The early flowering of mango trees in and around Chandigarh has left the growers worried, with horticulturists saying it could indicate an impending poor yield this season.

Erratic weather conditions have made the mango trees around the Tri-cities of Chandigarh, Panchkula and Mohali flower early this year.

Mango trees across Sector 29 and the Industrial Area in Chandigarh have grown a yellow canopy that is indicative of its flowering. Concerned growers and horticulturists believe the early flowering is not good for the ‘king of fruits’ that is eagerly awaited in summers.

Before the city of Chandigarh was planned in the late 1940s and early 1950s by the Central Government in post-Independent India, the whole area on which Chandigarh, Panchkula and Mohali stand now as an urban mass used to be a huge mango grove. Tens of thousands of mango trees were cut down at that time to clear the land. However, the authorities retained a few portions of the earlier mango groves, like the ones in Sector 29 and part of the Industrial Area belt.

Horticulture experts say that usually the flowering in the mango trees around the city takes place during late February and March. “The flowering of trees is dependent on the weather conditions and the variety of the trees,” said RK Kohli, senior ecologist and chairman, Department of Botany, Panjab University here. “However, all the trees have developed new buds much before their usual time this year,” he added.

Even as some people are happy with the phenomenon and are awaiting an early fruit, experts say this cannot be a sign of a good crop. “If the ripening of this early crop is disturbed, then the trees might not fruit the entire season,” a grower said. Kedar Nath, a fruit grower and vendor at Industrial Area, pointed out: “If it rains now, the crop will be destroyed, which is the usual problem with early blooming. It is unusual for the trees to flower at this time of the year.”

Growers are worried that even if the trees become infertile for the season, contractors appointed by the local authorities are likely to spray the trees with medicines to get some crop. “After that, trees bear fruits but they are not natural,” one grower said. However, according to Kohli, the trees can still bear fruit naturally. “However, even if these trees ripen naturally again, the fruits will not ripen properly and fall off before time,” he added.

The ripening of these trees may have taken place a month earlier than usual because of the Western disturbances and the strange changes in weather conditions. Therefore, the kind of insects that breed in a particular season also affects the growth of the trees, he added.

Satish Narula, a senior horticulturist in Chandigarh’s forest department, said: “If the trees have bloomed early, there is a possibility of the early fruit getting attacked by insects. “The kind of insect that breeds in a particular season will decide the further growth and flowering of the trees. Since it’s an untimely flowering, we cannot be sure how the crop will be.”

THE ECONOMIC TIMES

Commodities

23 JAN, 2012, 05.15AM IST, JAYASHREE BHOSALE,ET BUREAU

Turmeric farmers stop auction as prices stay lower

PUNE: Farmers have stopped turmeric auctions at the Sangli market in Maharashtra following a bumper production and low prices. Output has soared this year following last year's high prices but farmers, who reaped a good profit last season, aren't ready to accept a fall in prices now. They have turned to the government seeking a support price and procurement.

Prices at Erode, the biggest turmeric market in the country, are in the range of Rs 3,500/quintal and Rs 4,500/quintal. At the Sangli market, the debut price for the new season's first crop on January 17 was between Rs 3,500/quintal and Rs 5,000/quintal.

But farmers expected the prices to be in the range of Rs 10,000/quintal and they have stopped the auctions. The average turmeric price last year at the Sangli APMC were between Rs 17,000/quintal and Rs 18,000/quintal.

Turmeric production in the current year is expected to be at 85 lakh bags, a historic high. With a carry forward stock of 15 lakh bags, total availability is likely to be around one crore bags, which is double the domestic demand of 50 lakh bags. However, export demand has been good.

Representatives of farmers and the Sangli APMC met chief minister Prithviraj Chavan on Saturday to submit a representation of their demands. "We have demanded that akin to the jaggery strategy, the state government should purchase 5 lakh tonne turmeric at a support price," said Sangli APMC chairman Vaibhav Patil.

But Sangli traders want to restart the auctions. "The prices in Sangli are not less than those in any other market in the country. It is not good to keep the trading closed," said Manohar Sarda, president, Sangli Chamber of Commerce and president of the Association of Turmeric Traders in Sangli.At 35/kg, farmers barely recover the cost of production. Though farmers are making losses, corporates and traders are investing in turmeric futures as well as in physical commodity.

"Traders are interested in investing in turmeric as the production may decline next year due to low rates this year," said RK Vishwanathan, a turmeric trader at the Erode market.

Sangli accounts for 10% turmeric trade in India but it is known for the best quality Rajapuri turmeric. It was the first and the only market that had started futures trading in turmeric in the country long before commodity exchanges started their operations.

23 JAN, 2012, 05.12AM IST, RAM SAHGAL,ET BUREAU

No plans to delist guar futures, says KV Thomas

MUMBAI: The government will not delist guar futures for the time being despite an exporter lobby strongly pressing for such action in the light of the continuously mounting prices, consumer affairs minister KV Thomas told ET.

However, the minister said he had directed Forward Markets Commission (FMC), the regulator of the commodity futures market which he oversees, to present him with a report in 10 days to verify whether the exporters' demand carried merit.

"I have received a complaint only from an export organization, not from any farmer group so far," he said. "I will do anything in the farmers' interest and banning the commodity as of now is not warranted since farmers have benefited from the price rise. No members of Parliament from

Rajasthan (the main grower of guar seed) have asked for a ban either.

There is a genuine increase in demand for guar, especially from oil drillers in the US, and, coupled with lower production, that is why prices are rising." His statements come amid a strong pitch for delisting the commodity by Shellac & Forest Products Export Promotion Council (Shefexil), sponsored by the commerce ministry to encourage guar gum exports. Debjani Roy, executive director of the council, told ET that a delisting of guar had been sought.

According to Ashok Mittal, CEO, Emkay Commotrade, both farmers and processors of seed had made money since their margins had gone up due to the price rise. "Only exporters who had committed earlier at a lower price are the ones affected since they have to pay more for supplying the product," he added.

FMC chairman Ramesh Abhishek was not available for comment but has been taking action against a few Rajasthan-based brokers who reportedly admitted to having transferred funds into and out of client accounts from and to non-clients while trading in guar seed and guar gum.

However, Abhishek had told ET earlier that there was no evidence to show trading irregularities were linked to market manipulation. Market rumours attribute the one-way price movement to attempts by a few brokers and corporates of cornering the product. These entities were allegedly paying brokers to trade on their behalf in the commodity.

On Saturday, guar seed and its derivative guar gum, used as a sealant by oil drillers, hit record highs of Rs 11,828 and Rs 39,118 per quintal respectively, up over 70% so far this year. The commodity shot into focus last month after breaking the upper circuit limits at a time arrivals were under way.

To curb the runaway price, FMC has successively increased the margin to be deposited for trading the commodity to 70% and reduced the near-month client limit by 20%.

The FMC chief earlier said margins would continue to be increased till volatility at higher levels subsided. Shefexil admitted last year's guar seed crop at 12 lakh tonne was 20% below that in the preceding year.

23 JAN, 2012, 04.55AM IST, ET BUREAU

Higher output, poor exports may hit chilli prices

KOCHI: Poor exports and an increased availability from the principal producing region of Andhra Pradesh may again drive down chilli prices in the domestic market.

The prices have recovered to around Rs 60-65 per kg after plunging to Rs 50-55 per kg in the first week of January. Higher production from Madhya Pradesh and a fall in exports have combined to push down the prices to Rs 50 -55 per kg, closer to the cost of production. But the prices have rebounded on improved demand from local traders.

"The crop from Madhya Pradesh, which comes first, is 20% higher this year. Harvesting in Andhra Pradesh has just begun and peak arrivals can be expected towards the middle of February," said APMurugan, director of Paprika Oleos (India), a leading exporting firm. Prices have dropped from Rs 90-100 per kg last year to Rs 60-65 per kg now. According to Murugan, prices have reached the bottom and a further fall could be met with resistance from growers who may refuse to sell.

The cultivable area of chilli has seen a rise of 10-15% in Andhra Pradesh and Karnataka. Many farmers shifted from cotton to the more remunerative chilli this year. As a result, production is expected to swell. Perhaps, a low carryover stock has come as a relief to farmers. The quantity available with cold storages is around 7-8 lakh bags (each bag of 45 kg), which is sufficient for a month's consumption.

Exports have shown a declining trend. "Quantity of exports is down, which could be because of the higher price prevalent last year. It could have led to a buyer resistance," said Philip Kuruvila, managing director of Indian Products. Chilli export in April-November 2011 stood at 1,32,500 tonne valued at Rs 1,266 crore. Quantity fell by 24% while value was up by 20%.

The next three months do not hold high promise because of a debt crisis in Europe. The crop in China, a major producer of the high-colour low-heat variety, is reported to be good. At present, the Chinese price is higher than the Indian prices. But exporters say it could drop to a more competitive level by the end of the month.

THE HINDU Business Line

Tea Board recommends schemes worth Rs 3,000 cr

P.S. Sundar

Coonoor, Jan. 22:

Tea Board has recommended schemes worth Rs 3,000 crore for implementation during the 12th Plan beginning April 1.

"This is far higher than the investment of Rs 862.75 crore during 11th Plan. Besides entailing higher outlay for all schemes, some new schemes are envisaged during 12th Plan," Dr S. Ramu, Tea Board member representing factories, told *Business Line*.

"We have been pressing for continuance of factory machinery upgradation scheme in 12th Plan with increased subsidy to retain Indian tea's competitiveness.

The Board has recommended Rs 500 crore for this scheme against Rs 354 crore spent in 11th Plan," he disclosed.

"Our approach has been to ensure that the 12th Plan is eventful for tea industry. Accordingly, we are happy that Rs 800 crore had been recommended for Plantation Development Scheme including Special Purpose Tea Fund for replantation and rejuvenation against Rs 256 crore spent in 11th Plan," Mr P. Viswanathan representing Parliament, said.

Financial outlay

"An outlay of Rs 400 crore (11th Plan: Rs 115 crore) for Market Promotion Scheme and Rs 200 crore (Rs 110 crore) for Research and Development are other major recommendations,", he said.

"Two new schemes have been recommended — Rs 300 crore for small grower development fulfilling our long-pending demand, and Rs 50 crore for monitoring implementation of Tea Act's regulatory provisions," said Mr Koshy Baby, member representing small growers.

(This article was published in the Business Line print edition dated January 23, 2012)

Coffee output may be lower than initial estimates

Exporters see 2011-12 crop at 3 lakh tonnes

Rising output (in lakh tonnes)

	2009-10	2010-11	2011-12*
Arabica	0.946	0.941	1.045
Robusta	1.950	2.078	2.177
Total	2.896	3.02	3.222

*-Initial estimates of Coffee Board

New Delhi, Jan. 22:

Coffee output in the current crop year 2011-12 could be lower than the initial estimates on decline in yields, especially of the robusta variety. The harvest of robusta has begun in some coffee zones in Karnataka and the trade expects about a 10 per cent decline in crop.

In its post-blossom or initial estimates, the state-run Coffee Board had pegged the 2011-12 crop at 3.22 lakh tonnes (lt), with a projected Arabica output at 1.04 lt and Robustas at 2.17 lt. The coffee crop has a bi-annual cycle, wherein the crop size peaks every alternate year. Last year was an ‘on year' for the Indian coffee, where the production peaked to 3.02 lt.

The harvest of Arabicas, the milder and premium varieties has almost been complete. “The Arabica output is broadly in line with the estimates. However, the robusta crop is seen lower. Being an ‘off-year,' we doubt whether the plants have strength to deliver another huge crop this year,” said Mr Ramesh Rajah, President, Coffee Exporters Association. Mr Rajah expects the 2011-12 crop at around 3 lt, almost same as last year.

The Coffee Board Chairman, Mr Jawaid Akhtar, said the board was still in the process of post-monsoon crop assessment and will finalise its estimates in a couple of weeks.

Even coffee growers feel that the crop size would shrink on lower Robusta output. Mr Marvin Rodrigues, Chairman, Karnataka Planters Association, said based on initial trends in harvest the robusta crop could be lower by about 10 per cent than the post-blossom estimates.

"A clearer picture would emerge in a couple of weeks as harvest would commence across all coffee zones," Mr Rodrigues, also a large grower, said. The robusta output had touched an all time high of 2.07 lt in 2010-11, with the previous high being 1.96 lt in 2000-01.

Another grower, Mr K.A. Bopanna, partner of Kaapi Royale with estates in Coorg and Chikmagalur, said the robusta crop was down by about 20 per cent this year. *vishwa@thehin*

Prices decline at Kochi tea auctions

Kochi, Jan. 22:

Tea prices declined at the Kochi Tea Auction even as arrivals were steady. About 11,26,000 kg of dust and 2,09,000 kg of leaf tea were on offer. The CTC dust auction opened lower and the trend continued till close of trade.

AVT, Tata Global and Kerala Stave Civil Supplies Corporation continued to be very active on good liquoring grades. Hindustan Unilever was selective and covered only small quantity. Exporters were active at the bottom level. Upcountry buyers were subdued. Orthodox dust auction opened lower and there were several withdrawals. Limited quantity was absorbed by upcountry buyers.

Leaf Auction

Good quality Nilgiri teas remained firm even as prices of Nilgiris broken grades inched lower at the orthodox leaf auction. Good fannings from the same region quoted dearer, while others remained barely steady.

Medium whole leaf and broken grades remained firm to dearer, while others remained steady. Plain grades quoted lower and witnessed some withdrawals.

Exporters to CIS and other traditional destinations were active. Exporters to Tunisia operated on small quantities. Fannings were absorbed by tea bag exporters. *cjp@thehindu.co.in*

(This article was published in the Business Line print edition dated January 23, 2012)

Poppy seed prices head north on supply squeeze

G.K. Nair

Kochi, Jan. 22:

Poppy seed prices are heading north on limited availability due to crop failure and consequent squeeze in supply in domestic and international markets.

According to the trade sources in the upcountry markets, the prices have moved up by Rs 30–40 a kg in the last couple of days to Rs 200 a kg.

Chill weather in North India is "causing damage to the new crop that is due to come to markets in April and it is expected to be small", trade sources told*Business Line*. They said the present import permits will expire in March and hence there would be considerable shortage in April. "New imports will cost Rs 210–220 a kg", they said. Imports of poppy seeds are controlled by the Indian Narcotic Board, Gwalior, and permit issues normally take two to three months. Therefore, illegal imports are unlikely to take place, they said. If the current trend is any indication, poppy seeds prices are likely to touch Rs 250 a kg soon. Import duty are at lower rates, they said.

India is a major consumer of this commodity and its annual demand is estimated at 30,000 tonnes. Indigenous production is estimated at around 12,000 tonnes and the balance of the requirement is met by imports from Turkey and China.

The crop in Turkey is projected to be in the range of 18,000 to 22,000 tonnes while China's crop is estimated to be between 1,000 and 2,000 tonnes, the trade said. Unfavourable weather conditions are being attributed to the drop in output in these countries. Consequently, prices in the international markets are at $2,200-2,800 a tonne. Last year the Turkish crop was good and hence the prices in the domestic Indian market dropped to Rs 150 a kg, they said.

Apart from the severe cold conditions prevailing in the growing areas, the International Narcotic Board has reportedly reduced the area under the crop in growing countries and that in turn was also responsible for the squeeze in supply, they said.

(This article was published in the Business Line print edition dated January 23, 2012)

Dwindling arrivals push up pepper

Kochi, Jan. 22:

Pepper market last week remained bullish locally on the apprehension that the supply from Kerala might remain much below than what the trade has expected.

The reason for such a sentiment is the thin arrivals even after mid- January, normally when the harvesting used to be in full swing.

The reasons attributed to the reduced arrivals were that good quantity of light berries and green pepper were covered by the industry and secondly, the rich growers in the high ranges who had already liquidated their stocks of old pepper, when the prices were vacillating between Rs 330 and Rs 350, at every hike are not showing any interest to sell and instead are preferring to replenish their stocks.

Consequently, arrivals from the southern and the Idukki districts of Kerala were said to be very thin last week.

Besides, Vietnam is on Lunar holidays till Jan 30, some of the origin specific buyers and some dealers based in Europe were showing interest to buy from India.

This phenomenon also aided the futures market to move up last week, trade sources told*Business Line.*

The appreciation of rupee by around 4 per cent in the past two weeks has pushed up the Indian parity in the International market.

Vietnam and Brazil were reportedly offering at competitive rates which in turn has created a bearish sentiment.

However, contrary to the earlier projections, if the reports from Vietnam and other quarters are turned out to be true, Vietnam new crop is not going to be “dramatically larger than what had been earlier predicted”.

Some activity for the Malabar Gold was reportedly there from selective buyers who apprehend that further strengthening of the rupee would push up the prices. According to the market observers the market is likely to remain steady at the current levels as the availability globally is unlikely to be much larger than that of 2011.

Domestic demand last week remained slow as the upcountry requirements are being met by sales from major stockists based in five main centres in north India.

They were said to be releasing their stocks of black pepper which they had bought early last year at much lower rates.

They were reportedly liquidating them at below origin prices, trade here alleged.

Activities were limited last week as the players were comparatively less and the difference between Jan and Feb was very thin. There was some liquidation and squaring up of positions.

January delivery matured on Friday last and there were 483 tonnes of valid stocks and of which 272 tonnes were delivered. The balance appears to have been either delivered in off the market trading or delivered earlier, they said.

The local bullish sentiments kept the market buoyant last week with all the contracts moving up. February, March and April increased by Rs 1,670, Rs 1,475 and Rs 1,555 respectively to close at Rs 32,650, Rs 32,585 and Rs 32,565 a quintal.

Total turn over fell by 5,095 tonnes to close at 28,406 tonnes at the weekend. Total open interest dropped by 605 tonnes to end at 8,601 tonnes.

Spot prices also increased by Rs 400 in tandem with the futures market trend and thin supply to close at Rs 30,500 (ungarbled) and Rs 32,000 (MG 1).

Indian parity in the international market was at around $6,600 a tonne (c&f) Europe and $6,900 a tonne (c&f) USA.

(This article was published in the Business Line print edition dated January 23, 2012)