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Soaring fertilizer prices: who is reaping the harvest?

L.Renganathan

With the cost of agricultural input, especially chemical fertilizers skyrocketing over the past few months, farmers are feeling the pinch of misplaced government policies governing fertilizers.

The prices of essential fertilizers have been rising steadily since 2010 and has caused enormous strain on agricultural economy. The returns have been dwindling as costs of inputs have grown alarmingly.

DAP was sold for Rs.486 per bag of 50 kg in 2009 but has climbed to Rs.1,050 per bag last month. Next month it might even touch Rs.1,245. Similarly, NP complex fertilizer 20:20 sold for Rs.360 per bag then has reached Rs.855 last month and is set to get revised to Rs.920 this month.

Potash was being sold for Rs.261 in 2009 but shot up to Rs.745 per bag of 50 kg last month, but could be priced anywhere between Rs.810 and Rs.820 for the current month.

Super phosphate that cost only Rs.170 in 2010 sold for Rs.385 per bag last month and might get revised to Rs.400 now.

In fact, all complex fertilizers have suffered a rise of up to 300 per cent in the last three years, informed sources say.

Farmers point fingers at the fertilizer policy of the Central government that decided in January 2011 to allow fertilizer manufacturing companies to fix the price of products.

That measure took effect from April 1, 2011 resulting in a monthly increase in the price of fertilizers. Another reason for increased fertilizer prices was the implementation of the nutrient-based subsidy policy since 2010 that has resulted in enormous dip in production of Di ammonium phosphate even as it simultaneously encouraged production of complex fertilizers.

Companies plumped for low-nutrient complex fertilizers that fetched good returns and higher prices over farmer-friendly DAP which diminished their returns. Farmers are forced to use two 50

kg bags of NP complex fertilizer 20:20 instead of one 50 kg bag of DAP per acre for crops such as paddy. The Centre's subsidy for one bag of DAP is Rs.712 while for the two bags of NP complex fertilizer farmers buy it works out to Rs.940. Both the farmers and the government shell out more even as fertilizer manufacturing companies laugh all the way to the bank. Through these measures, the Centre indirectly encouraged use of complex fertilizers in the place of DAP, causing loss to farmers in two ways. Increased use of complex fertilizers not only drained the farmer but also ruined quality of his fields, irreparably.

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- *All complex fertilizers have suffered a rise of up to 300 per cent in the last three years*
 - *Farmers blame Central government policy that allows fertilizer companies to fix prices*

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Wholesale price of egg drops

Egg rate from June 11	
Date	Price (in Rs.)
11.6.2012	3.04
14.6.2012	3.11
16.6.2012	3.16
18.6.2012	3.22
21.6.2012	3.24
23.6.2012	3.26
25.6.2012	3.28
28.6.2012	3.33
05.7.2012	3.20

The wholesale price of egg in Namakkal zone dropped to Rs. 3.20 from Rs. 3.33 here on Thursday.

The reason for the drop was attributed to the beginning of Sharavvan, a season when consumption of non-vegetarian food was less, from July 4 in North India.

“The festival will go on for a month in Delhi, Punjab, Uttar Pradesh and West Bengal. It will begin on July 19 in Andhra Pradesh, Karnataka, Maharashtra and Gujarat and will be observed for a month,” a National Egg Coordination Committee (NECC) official said.

President of the Tamil Nadu Poultry Farmers Association R. Nallathambi told *The Hindu* that another reason for this drop was a result of the slump in egg consumption.

“The soaring rate of the commodity landed in an increase in its retail price and resulted in a drop in consumption,” he said.

NECC sources said that retail price of egg was Rs. 3.50 when the wholesale price was Rs. 3.22. “Retailers could not manage with a mere 17 paise profit when the wholesale rate scaled to Rs. 3.33. So their next slab was Rs. 4.

The price drop on Thursday could bring down the floor price to Rs. 3.50 and give retailers a 30 paise margin,” an NECC official said.

“On the other hand he said that demand for egg was on the rise when vegetable price was going up, but now it has become vice versa”, he added.

Cull rate of egg laying birds was also brought down to Rs. 44 per kg from Rs. 48 on Wednesday.

Reason for this fall was attributed to the falling price of broiler chicken.

Wholesale price of broiler chicken that was Rs. 76 per kg about a week ago has now come down to Rs. 55 (38 percent), on Thursday.

ERODE, July 6, 2012

Turmeric procurement flops

S. RAMESH

Open market price more attractive than government's offer



Farmers want Rs. 7,000 a quintal Many could not transport the produce to procurement centre

The turmeric procurement initiative taken by the State government has evoked no response from the farming community in Erode district. None of the farmers in the district sold their yellow spice to the government during procurement carried out on June 29 and 30.

Though the government had announced that it would procure the spice from the farmers directly at the rate of Rs. 4,000 a quintal from the first week of June, it took the authorities more than 20 days to draw up the guideline for the procurement.

As a result, the procurement centres were opened in Erode, Gobichettipalayam, and Sathyamangalam only on the evening of July 28, leaving only two days for the farmers to take advantage of the government's announcement.

The Cooperative Department had been asked to procure a maximum of 1,500 kg from a farmer. Erode District Collector V.K. Shanmugam launched the procurement process.

But the department was not able to procure 1 kg of turmeric from the farmers during the two days. "We have not received any response from the turmeric farmers for our procurement initiative," a senior official in the department said.

Sources said that many farmers were not aware of the procurement process and the government had failed to provide identity cards to all the turmeric growers in the district. By the time the department started the procurement process, only a few farmers had their identity cards. Besides, the price of good quality turmeric fetched a little over Rs. 4,000 a quintal in the open market.

We were left with very little time to transport our turmeric to the procurement centres. So we did not use the opportunity provided by the government, many farmers here said.

“We, however, hoped that the government would extend the deadline for the procurement by at least another 30 days and increase the procurement price to Rs. 7,000 a quintal. But the government was yet to make any announcement in this regard,” farmers said.

Farmers associations here urged the government to extend the deadline for the procurement and allow a farming family to sell at least 100 quintals. This would encourage more farmers to sell the spice to the government and also help stabilise the price in the open market, they said.

COIMBATORE, July 6, 2012

Siruvani Dam level low this year

Deficit keeps Coimbatore Corporation on tenterhooks



The news from Siruvani has nothing to cheer about. The Siruvani Dam has 6.88 feet water as of July 4, a full month into the South West Monsoon.

The current water level is a cause for concern as it is nearly 25 feet lower than what it was during 2011. Water level data available with *The Hindure* reveals that as on July 4, 2011 the Dam had 31.69 feet water.

Water level

Exactly a year later, the level was only 6.88 feet, a fall of a little over 24 feet.

The deficit has been keeping the Coimbatore Corporation on tenterhooks as the civic body feeds more than 35 of its 100 wards with Siruvani water.

The deficit story continues from Day One of the start of the South West Monsoon this year. The data suggests that as on June 20, the deficit was 22.30 feet. As on June 30 it was 25.68 feet.

Coming in the backdrop of reports that the South West Monsoon has thus far been below normal, the deficit percentage across the country 29 and there are only 60 per cent chances for the monsoon to turn normal, the outlook for the Corporation is not positive.

Rainfall

This is reflected in the rainfall figures obtained from the dam. On July 4, the rain gauge at the Dam recorded 50 mm.

The highest reading the last fortnight was on June 20, when 65 mm rain was recorded. On other days the reading has been marginal. And on June 24, 25, 26, 27, 28 and 29, there had been no rain in the Dam's vicinity.

The Tamil Nadu Water Supply and Drainage Board on an average draws around 85 million litres a day to supply Siruvani water to a number of wayside habitations and also the Coimbatore Corporation. On days when the inflow into the Dam is not good, the Board draws only around 65 mld.

The Board engineers say that though the deficit appears to be huge, there is nothing to worry about and that the city's water needs can be met. Corporation sources say that they are aware of the situation, are studying the water supply situation to look at alternatives.

Coimbatore Corporation supplies more than 35 of its 100 wards with Siruvani water

ERODE, July 6, 2012

'Ensure remunerative prices for agri produce'

Members of various farmers associations in the State wanted the Central and State governments to come up with a comprehensive plan to ensure sustainable development in the agriculture sector and remunerative prices for all agricultural produce.

Participating at a State-level conference on fixing remunerative prices for agricultural produce organised by the Tamizhaga Vivasayigal Sangam here on Thursday, representatives of various

associations said the efforts taken by the governments to address the problems of farmers were grossly inadequate. The prices of almost all the agricultural produce had come down, leaving the farmers to suffer.

The prices of turmeric, sugarcane, tapioca, paddy, coconut, maize and various other produce witnessed a steep fall. The government should ensure a minimum support price of Rs. 2,000 for a quintal of paddy, Rs. 15,000 for a tonne of tapioca tuber, Rs. 20 for a kg of maize, Rs. 75 for a kg of groundnut and Rs. 10,000 for a quintal of cotton.

The minimum support price of the coconut copra should be revised upward to Rs. 75 a kg.

The government should procure buffalo milk at Rs. 40 a litre and the cow milk Rs. 30 a litre, the members said in a resolution passed during the conference.

The government should increase the minimum support price for all the agricultural produce as the cost of cultivation had gone up several folds in the recent past. The prices of fertilizers and various inputs witnessed a sharp increase, the members said.

TIRUCHI, July 6, 2012

Mettur level

The water level in the Mettur dam stood at 77.33 feet on Thursday against its full level of 120 feet. The inflow was 595 cusecs and the discharge, 1,046 cusecs.

KOTTAYAM, July 6, 2012

National meet on livestock breeds

A national conference on 'Native livestock breeds for the future of mankind' being organised by Vechur Conservation Trust and National Biodiversity Authority will be held on Saturday and Sunday at Pala.

K.M. Mani, Minister for Finance, will inaugurate the seminar and V.K. Taneja, Vice-Chancellor, Guru Angad Dev Veterinary and Animal Sciences University, Ludhiana, and advisor to Planning Commission, will deliver the key note address at the inaugural session chaired by Sosamma Ipe, managing trustee of Vechur Conservation Trust.

P.C. Chacko, MP, will inaugurate the exhibition being organised as part of the function.

Scientific sessions on research on native cattle, bio-diversity and food security and the role of NGOs in conservation and sustainable production, will be held during the conference. The highlight of the seminar will be sharing of farmers' experience with native animals, organisers said.

The valedictory function on Sunday will be inaugurated by K.P. Mohanan, Minister for Agriculture.

KAKINADA, July 6, 2012

Make better use of horticulture schemes, SC/ST farmers told

Vigilance and monitoring panel meet discusses various issues

The ex gratia being given to the victims of SC/ST atrocities has been increased, according to the recent orders issued by the State government. The victims could now get an ex gratia ranging between Rs. 60,000 and Rs. 5 lakh basing on the intensity of the case. Till recently, the amount was anything between Rs. 25,000 and Rs. 2 lakh. The issue was discussed at length during the district-level meeting of the special vigilance and monitoring committee for the SCs and STs held at the Collectorate here on Thursday.

Addressing the meeting, Collector Neetu Prasad said that relief and rehabilitation would be provided to those who lost their lands to the projects and dialogue would be arranged between land owners and industrialists to obtain an amicable solution. Referring to the KSEZ project, she said that efforts were on to provide quality education to the children from the families of the evacuees and a comprehensive plan would be chalked out after discussing the issue with Varalakshmi Foundation, the welfare wing of the KSEZ promoters.

Subsidies

Advising the poor farmers from the SC/ST categories to make better use of the schemes available with the Horticulture Department, Ms. Neetu said that handsome subsidies were being offered to the horticulture farmers.

Under the Indira Jalaprabha programme, bores, sprinklers, and drip irrigation schemes would be allotted to the farmers through the SC Corporation, for which the latter need not pay any contribution, she said. Representatives of the SC/ST welfare organisations brought issues like ill-health and malnutrition among the students in welfare hostels and in agency areas, delay in promotions to the SC/STs who were in the government service.

Need to carry out repairs to the social welfare hostels and distribute surplus lands to SC/STs were the other issues highlighted at the meeting. In-charge Joint Collector B. Rama Rao, trainee Collector Swetha Mohanthy, and other officials were present.

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- *Victims of SC/ST atrocities to get more ex gratia*
 - *Children of KSEZ project evacuees to be provided quality education*

BIDAR, July 6, 2012

Sugar factory pays arrears to growers

Rs. 6.24 crore deposited in farmers' accounts

Bidar Sahakari Sakkare Karakhane has released arrears to sugarcane growers.

A sum of Rs. 6.24 crore had been deposited in bank accounts of farmers who supplied cane from March 16 to April 5, factory chairman Subhash Kallur said in a release. So far, Rs. 80.54 crore had been paid to farmers, he said.

The factory was also distributing a kg of sugar for every tonne of sugarcane supplied, to farmers for free.

“As much as 5,327 quintals of sugar have been supplied this way. We are also distributing 5 kg sugar to all members of the cooperative society who did not supply sugarcane to the factory,” Mr. Kallur said. The factory has begun preparations for the coming year. They had already paid Rs. 3.34 crore to labour groups who would cut the sugarcane and Rs. 1.2 crore to transporters as pre-operative expenses, the factory official added.

- *Factory distributing 1 kg of sugar for every tonne of sugarcane supplied*
 - *Members of the cooperative who did not supply sugarcane get 5 kg sugar each*
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hindustantimes

■ ■ Fri, 06 Jul 2012

weather

Chennai - INDIA

Today's Weather



Cloudy

Friday, Jul 6

Max Min

38.6° | 27.3°

Rain: 00 mm in 24hrs

Humidity: 71%

Wind: Normal

Sunrise: 5:45

Sunset: 18:39

Barometer: 993

Tomorrow's Forecast



Rainy

Saturday, Jul 7

Max Min

36° | 28°

Extended Forecast for a week

Sunday Jul 8	Monday Jul 9	Tuesday Jul 10	Wednesday Jul 11	Thursday Jul 12
34° 28°	33° 28°	32° 28°	33° 27°	33° 27°
Rainy	Rainy	Rainy	Rainy	Rainy

6 JUL, 2012, 08.22AM IST, P K KRISHNAKUMAR,ET BUREAU

Cardamom auctions to continue on record production

KOCHI: Despite record cardamom exports and high domestic demand, the inventory has still not been emptied. Traders say cardamom auctions will continue without a break this year despite a delay in the next harvest to clear out the high production in 2011-12.

Normally auctions stop by the end of June. The trade estimates the production to range from 16,000 tonne to 18,000 tonne, probably the highest in the recent times. But official figures put it around 13,000 tonne.

Cardamom exports touched a record 4,650 tonne in 2011-12 as compared with 1,175 tonne in the previous year, which held the price line to a certain extent.

The average cardamom price was Rs 643 per kg last year. Normally, arrivals taper off necessitating a break in auctions.

"But this time, auctions are continuing as the supply is not over. Daily arrivals are averaging 40 tonne. However, growers are happy with the prices as the labour wages have gone up," said P C Punnoose , general manager of Cardamom Processing and Marketing Co-operative Society.

The flow from estates is nearly over and the current arrivals are from small holders. Steady stream of arrivals has dragged down the prices , which are averaging Rs 625 per kg.

6 JUL, 2012, 03.53AM IST, AP

Oil prices lower after disappointing economic data

NEW YORK: A slew of disappointing economic news spooked investors Thursday and pushed down the price of oil.

Shoppers in the U.S. cut back on spending last month, leaving many retailers with tepid sales and concerns about consumer demand during the coming back-to-school season. Consumers

drive about 70 percent of U.S. economic growth.

And the Institute for Supply Management reported that U.S. service companies appear to be struggling, as growth declined last month to the slowest pace in nearly two and a half years. Service companies, which include retail, construction, financial services, health care and hotels, employ about 90 percent of the nation's workers.

On the brighter side, weekly jobless claims fell to a six-week low, offering some hope on the jobs front.

Meanwhile, Europe and China lowered interest rates in an effort to spark consumer borrowing and spending. Interest rate cuts _ and the expectation that they'll increase economic growth and energy demand _ have boosted oil prices in the past. This time, analysts said, investors are focusing most on what those moves say about the economy.

``You have to ask why they are stimulating the economy in the first place," independent analyst and trader Stephen Schork said. ``We're still in this economic malaise."

The U.S., China and Europe have instituted a number of government stimulus programs since the Great Recession, and analysts say investors are increasingly frustrated that the global economy continues to limp along.

``We're still in uncertain economic waters," said Gene McGillian, a broker and oil analyst at Tradition Energy. ``We need to see consistently better economic news, and there's a general fear that we're not going to see that anytime soon."

Benchmark U.S. crude lost 44 cents to end the day at \$87.22 per barrel in New York _ a slight drop following a jump of nearly \$10 a barrel in less than a week.

The U.S. Energy Information Administration reported that the nation's supplies of oil fell by 4.3 million barrels last week. Analysts expected a decline of 2 million barrels, according to Platts, the energy-information arm of McGraw-Hill Cos.

A drop in oil supplies usually pushes prices higher. But analysts pointed out that the U.S. has more oil on hand than in the past 22 years, and crude stocks are almost 12 percent above the five-year average. The country also used less oil and gasoline last week, compared with a year ago.

Overseas, Norway's Statoil said that striking oil workers will force it to shut down production in the North Sea by 1.2 million barrels per day. That's nearly as much oil lost on world markets last year during the Libyan uprising.

Brent crude, which comes from the North Sea, rose by 93 cents Thursday to end at \$100.70 per barrel in London. Brent crude helps set the price for oil imported into the U.S. that is used to make gasoline.

In other futures trading, heating oil added nearly a penny to end at \$2.768 per gallon, and wholesale gasoline rose 4.19 cents to finish at \$2.7648 per gallon. Natural gas rose by 4.6 cents to finish at \$2.9450 per 1,000 cubic feet.

6 JUL, 2012, 02.37AM IST, JAYASHREE BHOSALE,ET BUREAU

Falling soyabean crop area vexes processors

PUNE: Soyabean processors, the bedrock of India's protein industry, are increasingly getting anxious as acreage in Madhya Pradesh, the largest producer, by July 4 was barely a fifth of what it was last year.

Since soyabean prices have more than doubled during the last six months, the industry is waiting for a good rainfall in July to ensure adequate supply of the affordable raw material. In case the price rises further, it will hit consumer budgets through more expensive cooking oil, chicken and eggs.

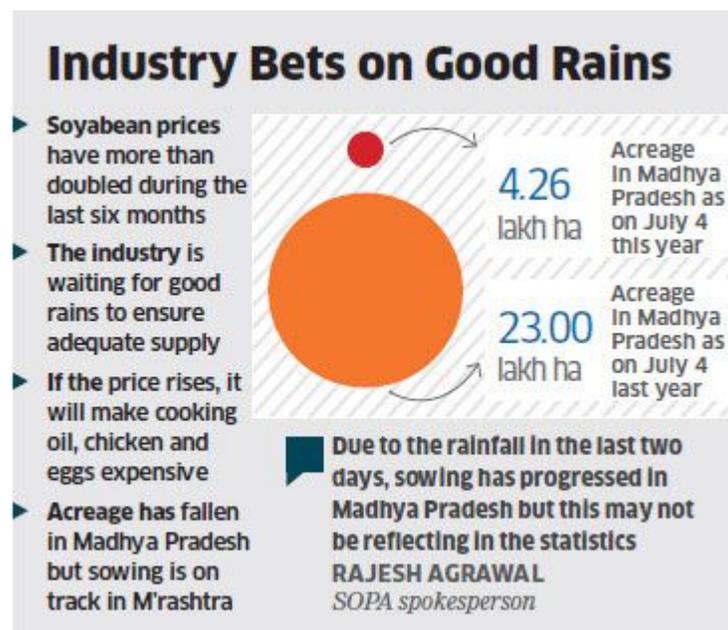
"Soyabean sowing was completed over 4.26 lakh ha in Madhya Pradesh till July 4 as against 23 lakh ha during the same period last year. If we get good rains just for two days, sowing can be completed as farmers are ready with seeds and other inputs," said Vijay Thakare, deputy director (agriculture), Madhya Pradesh.

The area under soyabean in Madhya Pradesh in 2011 was 62 lakh ha, which is close to 62% of the total soyabean area in the country.

"We are concerned about the delay in sowing in some parts of Madhya Pradesh, Maharashtra and Gujarat. But we are hoping for around 5-10% increase in acreage under soyabean during this season.

A higher price realisation has motivated farmers to increase the area. The weather department is still hopeful of a reasonable monsoon and we can expect production to be similar to or better than last year's," said Dinesh Shakra, MD, Ruchi Soya Industries.

Soyabean Processors Association of India spokesperson Rajesh Agrawal said: "Due to the rainfall in the last two days, sowing has progressed in Madhya Pradesh but this may not be reflecting in the statistics.



The next 15 days are crucial for India and the US - which is also undergoing a dry spell - as prices will be decided by the US situation. We are confident that the entire sowing will take place by July end."

However, there is good news from Maharashtra, the second largest soyabean producer, where sowing has progressed considerably after the first spell of rains. According to the statistics available from the state agriculture department, soyabean was sown over 12 lakh ha area till July 2, 56% of the soyabean acreage in Maharashtra.

"We are expecting a considerable increase in soyabean area in Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu due to an expected shift from cotton to soyabean," said Agrawal.

Prices opened firm on Indore markets on Thursday on better buying support against poor availability. "Prices started gradually increasing from 1,750/quintal in October last year. Currently, they are ruling at 3,900/quintal to 4,000/quintal, a jump of almost 10% in the last 15 days," said PS Pangaria, executive director, SOPA.

Increased buying of Indian soyameal by Iran at a premium of \$40/tonne has supported soyabean prices during the last three months. Demand from Iran has increased because of the Western embargo.

6 JUL, 2012, 02.21AM IST, ET BUREAU & AGENCIES

Oil rises on Statoil lockout, palm oil on poor weather

AHMEDABAD: Brent crude oil prices rose towards \$102 a barrel on Thursday on fears that Norway's oil output could be sharply cut.

The country's oil major Statoil called a lockout to end a worker strike. Brent crude rose by \$1.92 to \$101.69, after hitting a high of \$102.25 a barrel.

Malaysian crude palm oil futures rose to the highest in more than five weeks, as investors anticipated a dry-weather rally would continue. Benchmark September palm oil futures on the Bursa Malaysia Derivatives Exchange rose 1.4 % to close at 3,164 ringgit (\$1,001) per tonne.

In the domestic oil and oilseed wholesale market, select edible oil prices fell by 50 per quintal owing to slackened demand at the prevailing higher levels. In Delhi, soyabean refined mill delivery (Indore) declined by 50 to 8,000 while crude palm oil (ex-Kandla) traded lower by 50 to 7,500 per quintal.

Gold prices rose to two-week highs, with investors reluctant to make big bets after pricing in an expected European Central Bank (ECB) rate cut.

In India, demand for the metal was subdued. The contract for August delivery on the Multi Commodity Exchange was up 0.55% at 29,734 per 10 gm.

At the Vashi wholesale market, sugar prices continued to climb due to consistent demand from stockists and retailers. Medium sugar was quoted at 3,210 to 3,291 per quintal and small sugar gained by 50 per quintal to 3,092 to 3,161 per quintal.

Business Standard

Friday, Jul 06, 2012

Rice shares up on removal of minimum export price

Dilip Kumar Jha / Mumbai July 6, 2012, 0:08 IST



Rice stocks surged by up to 16 per cent on Thursday on the back of the government's decision to allow basmati exports without the barrier of minimum export price (MEP).

Fixed by the government, MEP is the benchmark price below which an exporter cannot sign a contract with foreign buyers. The Directorate General of Foreign Trade (DGFT), through a notification yesterday, announced the removal of MEP, which was received by exporters positively.

While the share price of Kohinoor Foods Ltd jumped 14.41 per cent to close at Rs 32.15 that of LT Food Ltd shot up 9.64 per cent to Rs 43.80. Also, KRBL Ltd stock price jumped 7.75 per cent to close at Rs 22.25 on the BSE. Non-basmati rice exporters saw similar jump in stock prices.

BRIMMING OVER			
Name	BSE price in Rs		
	4-Jul	5-Jul	% change
Rei Agro	10.00	11.56	15.60
Kohinoor Foods	28.10	32.15	14.41
Chaman Lal Setia Exports	30.45	33.60	10.34
Lakshmi Energy & Foods	17.64	19.45	10.26
LT Foods	39.95	43.80	9.64
KRBL	20.65	22.25	7.75
Saboo Sodium Chloro	10.00	10.70	7.00
Usher Agro	59.45	62.80	5.63
Madhur Ind	10.16	10.66	4.92
ADF Foods	49.30	51.70	4.87
Freshtrop Fruits	12.72	13.27	4.32
Chordia Food Products	43.65	45.50	4.24
Foods And Inns	238.35	247.95	4.03
Agro Dutch Ind	5.05	5.23	3.56
Hind Ind	29.55	30.50	3.21
Data compiled by BS Research Bureau			

Rice exporters anticipate a huge surge in their realisation on the growing global demand for the Indian variety. Especially with the Chinese government's decision to import basmati from India, the staple food is expected to fetch higher premium.

"For that, however, India would have to change the strategy and do proper marketing. Basmati rice of similar quality originating from Thailand fetches \$1,100-1,200 a tonne in the export market, while the same of Indian origin attracts \$950-1,000 a tonne. Hence, Indian exporters need to do immense effort to fetch realisation at par with Thai suppliers," said Vijay Setia, former president of All India Rice Exporters' Association.

Global demand, however, is robust. Hence, prices are likely to remain firm. With an estimated annual production at 7.5 million tonnes (mt), India has 70 per cent of the global basmati export market.

India's basmati exports are likely to jump 30 per cent this financial year on the government's decision to remove MEP. Total exports shot up 20 per cent to three mt during 2011-12, compared with 2.4 mt in the previous year.

The growing foreign demand and China's interest in importing from India would create competition. Since the production quantity remains almost stagnant and the chances of inclusion of the non-basmati variety of higher quality are minimal, the growing foreign demand is expected to prove beneficial for exporters.

"Overall, exports of basmati rice will go up at least by 30 per cent," said Gurnam Arora, joint managing director of the Kohinoor Foods Ltd, the producer and exporter of Kohinoor brand.

The demand for Indian basmati has been fairly good in Iran, Iraq, Saudi Arabia, Europe and the US, despite unfavourable global economic conditions. India's basmati, especially the Pusa 1121 variety, has been fetching a premium over the MEP. About two months ago, the government had cut MEP by \$200 to \$700 a tonne from \$900 a tonne.

The delay in monsoon rainfall in major growing areas has hampered the sowing of paddy this season.

Centre's contingency plan for weak monsoon out

With sowing getting started, scheme prepared with ICAR for 285 of the 640 districts, to maintain crop yield in adverse weather

Anindita Dey / Mumbai July 06, 2012, 0:06 IST

The Union ministry of agriculture has prepared a district-wise contingency plan to cope with the wavering trend of rainfall, in collaboration with the Indian Council of Agricultural Research (ICAR).

Already given to states, the plan seeks to push low-gestation seed varieties of crops and seed multiplication varieties to deal with dry spells, drought or deficit rainfall and, for that matter, floods. "The objective is to maintain the yield and productivity of crops in a region despite weather-based adversities," explained official sources.

ICAR has developed such varieties in paddy, which can provide timely yield despite floods, and oilseeds which can generate yields even when the initial sowing failed to gestate due to dry spells. Such varieties have been developed for all crops in all regions, say official sources. Of 640 districts, a contingency plan has been prepared for 285. These are mainly in the states of Andhra Pradesh, Rajasthan, Tamil Nadu, Punjab, Odisha, Maharashtra, Haryana, Kerala, Karnataka, Gujarat, Madhya Pradesh and West Bengal.

For instance, in eastern Uttar Pradesh, where the monsoon has been delayed by two weeks, farmers have been advised to sow short-duration paddy varieties for direct seedling, as well as transplanting. Besides, staggered sowing of paddy nurseries at a 15-day interval is suggested.

In Andhra, for areas where cotton has already been sown and seedlings are withering due to a break in the monsoon, these could be protected by pot watering and application of fertiliser delayed till sufficient soil moisture is available from rains, the plan suggested. Similarly, sowing of paddy nurseries might be taken where groundwater is adequate.

In Karnataka, farmers are advised to choose medium duration varieties of red gram in areas where the rains are delayed by more than two weeks. Intercultivation and mulching may be done to the already sown crops. In the northern part, farmers are advised not to sow green gram and black gram at present and to keep the land fallow in areas where double cropping (moong/sorghum) has been planned, if moong cannot be sown by early July. Mulching is a

process of inbred fertilisation which employs decomposed organic materials to blanket an area in which vegetation is desired. The procedure enriches the soil for plant development, while preventing erosion and decreasing the evaporation of moisture from the ground.

Officials explained the impact of rainfall on kharif crops should be analysed not in one month but as an impact of cumulative rainfall over June, July and August. They said in 2004 and 2009, rainfall was deficit in June but heavy rainfall in July resulted in a bumper harvest.

Officials said sowing had just started in the first week of July. State governments and farmers themselves had also prepared contingency plans for substitute cropping in case the initial sowing failed or the rainfall trend reverses.

The weather based agro advisory has also suggested measures for feeding, management and health care of livestock.

Urea import rule eased for fertiliser use

Anindita Dey / Mumbai July 6, 2012, 0:33 IST



The government last week allowed private companies to import urea for preparation of complex fertilisers used in agriculture. Till now, such companies could only import urea for industrial use, in preparation of chemicals.

For agricultural purposes, private companies used to source urea from imports made by government canalising agents, such as Indian Potash Ltd and state trading houses MMTC and STC. Two Indian companies, Coromondal International and Zuari Industries, are allowed to import urea for agricultural purposes. Now, these companies can directly import without involving canalising agents, official sources said.

However, the permission is given with a rider that the urea cannot be sold directly in the market. The imported urea is to be used only to make the NPK complex fertiliser, which these companies can then sell.

Further, say the rules, strict monitoring will be done for usage of imported urea in manufacturing of the fertiliser. A company does not get a subsidy if its uses indigenously manufactured urea in preparation of complex fertilisers.

India produces about 22 million tonnes (mt) of urea in a year and consumes a little more than 30 mt. In 2010, the government had increased the retail price of urea by 10 per cent to Rs 5,310 per tonne. This is still the current price.

Meanwhile, the ministry of chemicals and fertilisers has sought to exempt urea from the proposed Goods and Services Tax (GST), and to remove customs duty on import of plant and machinery for fertiliser projects. A ministry report on the duty structure on fertiliser and its inputs says the government distributes urea much below the cost of import or production. Taxes and duties are levied on the maximum retail price fixed by the government, which covers only 25-40 per cent of the cost. The inputs for urea production are, however, taxed at full cost, resulting in tax incidence on the inputs far in excess of that on the finished fertiliser.

Thus, under the proposed GST, the input tax credit will far exceed the tax payable on fertiliser, meaning the input credits will be far more than what could ever be availed on the outputs. This would block large amounts of input tax credit of fertiliser companies with the government on a recurring basis, even if there was provision of periodic cash refund. Currently, there are no provisions for refund of unadjusted credits in GST, except for refunds on exports.

Hence, goes the argument, the sector (meaning, urea) should be exempt from GST.

Also, it notes, a number of crucial inputs for urea manufacturing like natural gas, electricity generation and petroleum products are out of the GST ambit. Besides, the GST model seeks to exempt the food, health and educational sectors.

Costlier inputs make poultry feed dearer

Our Correspondent

Karnal, July 5:

As expected, dearer ingredients pushed up the cost of poultry feed products on Thursday. The uptrend was anticipated as prices of key ingredients have increased over the last two weeks, said Mr Subhash Sharma, Financial Head, Sarvottam Poultry Feed Supply Centre Pvt Ltd.

Soyameal has rallied and prices have increased by Rs 750 a quintal in last two weeks. It may go up further, he said.

A rally in soyameal is the prime reason behind the hike, Mr Sharma said.

On Thursday, soyameal prices increased by Rs 500 and quoted at around Rs 3,800 a quintal. Similarly, maize prices went up by Rs 15 to Rs 1,075 a quintal.

Bajra increased by Rs 20 and settled at Rs 1,030 a quintal. On the other hand, DCP ruled flat and quoted at Rs 35 a kg, while fish oil sold at Rs 82 a litre.

Poultry feed products

Prices of poultry feed products went up by Rs 30 and Rs70 for a 30 kg and a 50 kg bag respectively. Broiler concentrates feed went up by Rs 70 and quoted at Rs 1,630.

Broiler Starter Mash sold at Rs 1,280 for a 50 kg bag, Rs 40 up from its previous level.

Broiler Pre-Starter Concentrate increased 30 per cent (up Rs 50) and sold at Rs 1,420 for a 30 kg bag, while layer concentrate went up by Rs 60 and cost Rs 1,260 for a 50 kg bag.

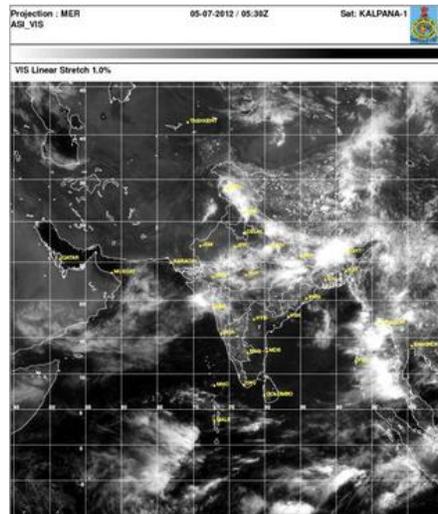
Pre-lay mash quoted at Rs 830, Rs 30 up from its previous level while broiler finisher went up by RS 40 and sold at Rs 1,260 for a 50 kg bag.

Meanwhile, low production and good domestic demand pushed egg and broiler prices up in North India, while chick ruled firm. On Thursday, broiler quoted at Rs 125 a kg against Rs 120 last week.

The price of an egg went up by 10 paise to reach Rs 3.20, while chick remained unchanged and sold at Rs 17-18.

Rains pound central India as parched north-west waits

Vinson Kurian



Thiruvananthapuram, July 5:

The monsoon continued to pound parts of east and central India even as the parched northwest awaited the first few showers of the season.

Indications are that the latter will get to witness these showers over the next few days, an India Meteorological Department (IMD) update said on Thursday.

RAINS ADVANCE

The rains have advanced into more parts of Gujarat region, entire Madhya Pradesh and east Uttar Pradesh, most parts of Uttarakhand and Himachal Pradesh.

Even entire Jammu and Kashmir and some parts of east Rajasthan and west Uttar Pradesh too have been covered.

Thus, the northern limit of the monsoon has reached the arc linking Jamnagar, Ahmadabad, Kota, Dholpur, Bareilly, Dehradun, Shimla and Jammu.

The IMD hoped rains would march into more parts of Gujarat, Rajasthan, west Uttar Pradesh, entire Uttarakhand and Himachal Pradesh and parts of Haryana (including Delhi) and Punjab by Sunday.

49 PC WEEKLY DEFICIT

But IMD statistics also showed that the rains have been a worrisome 49 per cent below average during the week ending Wednesday.

This had come on top of the 18 per cent deficit in the previous week.

Global weather models continue to caution that it is 'too optimistic' to expect dramatic change in weather conditions in northwest India any time soon.

The current wet spell over central and east India have come at the expense of peninsular India, which is fast drying up.

As for northwest, the global models agree that some rain is there for the asking, but how long the trend would sustain is a big question.

BREAKING UP

This is because they suspect that the 'enabling' environment is breaking up. An IMD inference on weather conditions on Thursday evening too hinted the same.

The models persist with the view the rains would start withdrawing to east India and along the foothills Uttar Pradesh and Bihar.

Some rains may continue to persist along the west coast. But not over peninsular, central and northwest India, given the weakening trend in monsoon flows.

Jeera gains on supply,demand mismatch

Our Correspondent



Rajkot, July 5:

Jeera prices increased in spot and futures market on the back of short supply coupled with higher demand.

According to Kedia Commodity report, there is a good demand in the spot market from local buyers but supplies are weak, leading to a higher price.

Analysts said that besides pick-up in spot demand, lower arrivals from producing regions is the main reason for the upsurge in jeera futures.

On the National Commodity and Derivatives Exchange (NCDEX), jeera July contract increased by Rs 250 to Rs 14,112.50 a quintal with an open interest of 3,204 lots. August gained by Rs 150 to Rs 14517.50 a quintal with an open interest of 21,903 lots. NCDEX accredited warehouses jeera stocks gained by 42 tonnes to 9,294 tonnes.

Jeera medium increased Rs 25 to Rs 2,075-2,175 for a *maund* of 20 kg, NCDEX quality raw quoted at Rs 2,500-2,600 at Unjha market . Arrival stood at 10,000-12,000 bags and traded around 13,000-14,000 bags.

In the international market, Indian jeera one per cent July ready shipment quoted at \$2,700 a tonne (cnf) Singapore. Meanwhile, Syria is offering for July ready shipment at \$3,000 and Turkey at \$3,100 f.o.b. There is no clear news on the production of Syria and Turkey crop. However, cumin seed production is being reported less than previous year.

Mustard may touch Rs 4,000/quintal soon as growers retain stock

Our Correspondent



Indore, July 5:

Mustard prices may top Rs 4,000 a quintal in the spot market in the next couple of sessions as farmers hold back their produce. Higher demand and lower arrivals are also expected to boost prices.

“Farmers have clamped down mustard looking for higher returns, said Mr Ankit Bafna, a trader in Neemuch.

He said that depleting stocks and delayed sowing of soyabean will add to the bullish trend as delay in sowing of soyabean will also delay sowing of mustard seeds that are normally sown in October.

Though Mandsaur mandi remained closed on account of local holiday on Thursday, in private trading mustard seeds ruled almost Rs 60-70 higher at Rs 3,800 a quintal. Similarly in Neemuch, mustard ruled at Rs 3,800, while in Indore and Jaipur mandis, it ruled at Rs 3,800-3,900.

Compared with prices in the physical market, mustard seeds in the futures are almost Rs 200 a quintal higher. With robust buying support, July and August contracts on the NCDEX closed at Rs 4,042 (up Rs 74) and Rs 4,104 (up Rs 66). Plant deliveries in mustard for Jaipur line also ruled higher at Rs 4,050 a quintal (up Rs 60) on improved buying support from the crushers.

Arrival in Madhya Pradesh declined to around 2,000 bags against 25,000 bags in Rajasthan.

Monsoon showers in the past two-three days have lifted demand for mustard and its oil in mandis across Madhya Pradesh and Rajasthan.

With demand gaining momentum from pickle manufacturers, the rally continues in mustard oil for the past few days with its price at Indore mandis being quoted at Rs 765 for 10 kg on Thursday. Compared with last week's prices, mustard oil in Indore mandis is up Rs 5, while it rose Rs 15 at Jaipur and Rs 25 in Gujarat.

According to Mr Kamlesh Nahata, a Neemuch-based trader, the bullish trend will continue with further rise in demand and decline in arrivals in the coming days. Besides, demand from the pickle manufacturers, consumption of mustard oil during the rainy season increases in northern States and it would further push up prices in the coming days, said another trader from Mandsaur.

Cotton blooms on huge orders from spinners



Erode, July 5:

Cotton prices increased by Rs 1,600 a quintal at the Bhoodapady Regulated Marketing Committee sales on Wednesday and Thursday as mills placed huge orders with traders.

Mr Arumugasamy, a cotton trader from Madurai, said: "We are in need of cotton now, as we have received huge orders from spinners. So we are quoting higher price and there is heavy competition at the Bhoodapady Regulated Marketing Committee". He said that due to rain in North India traders opt to buy cotton here. In the Bhoodapady Regulated Marketing Committee, 8,000 bags arrived on Wednesday and the sale continued till Thursday. On Wednesday, 3,000 bags of Bt cotton were sold at Rs 4,400-5,640 up Rs 940 from last week.

On Thursday, 5,000 bags arrived. They were sold at Rs 5,640-6,300, up Rs 1,600 than last week. Similarly, at the Anthiyur Regulated Marketing Committee, the MCU-5 and Surabi varieties fetched Rs 4,750-5,020 and the Ct Cotton was sold at Rs 4,400-4,800 a quintal. Buyers said that in both the places, they were able to get quality cotton. The higher price will spur farmers to bring more cotton next week. "Further, we brought only fine variety cotton to the market for sale," said a grower

Mr Subramani, Superintendent of the Bhoodapady Regulated Marketing Committee, said that the arrival of cotton has almost doubled and the demand was high. Hence, all the cotton that arrived were sold. Due to heavy arrivals, the auction was held on Thursday too. He said from next week, 10,000 bags may arrive for sale and prices may also increase.

Egg cools down on buyer resistance

Gayathri G.



Chennai, July 5:

After scaling to a record Rs 3.33 a piece last week, the egg price has cooled down.

Faced with buyer resistance and to perk up poultry consumption, the National Egg Coordination Committee (NECC), Namakkal zone, has slashed the price of an egg by 13 paise to Rs 3.20. The commodity hit a record Rs 3.33 on rise in demand following the onset of South-West monsoon. From May 26 to June 28, the wholesale price was raised 15 times from Rs 2.75 to Rs 3.33 (an overall increase of about 20 per cent). Industry sources attributed the price cut to buyer resistance. "We see a lag in the offtake owing to higher prices at retail level and we don't want to pile up these perishable products. Hence, we have trimmed prices to perk up consumption," a source said. Mr P. Selvaraj, Zonal Chairman, NECC, Tamil Nadu, said that a host of factors such as rise in consumption, spiralling input costs, pricey vegetables, ban on fishing in the neighbouring Kerala & Karnataka (major markets for TN's poultry trade) pushed egg prices up. "Prices are likely to remain at the same level in the coming days to boost offtake," he added.

"Of our average production of 2.75 crore eggs, we used to send 30 lakh eggs to Kerala. It has almost doubled owing to a fishing ban in that State," said a poultry-unit owner in Namakkal. On the export front, the industry is pinning hopes on neighbouring Bangladesh that has opened its gates to poultry imports to meet Ramadan demand. Exports plummeted to a 10-year low of 240.88 lakh eggs in May against 330.62 lakh eggs last May. Prices of layer birds have been trimmed to Rs 44/kg (Rs 48), while the Broiler Coordination Committee has slashed chicken prices to Rs 55/kg (Rs 60). Broiler prices touched a record Rs 76/kg a fortnight ago.

Sri Lankan teas fetch world's highest average price

P.S. Sundar



Coonoor, July 5:

Sri Lankan teas continue to fetch the highest average price at auctions among teas from all countries, reveals an analysis of the latest data available with the different auction centres around the globe.

In the first four months of current calendar, the Island's teas fetched an average price of \$3.02 a kg at Colombo auctions — 14.20 per cent less compared to \$3.52 got in the same period of last year.

Kenya's teas fetched the second highest price of \$2.69 at Mombassa auctions — 3.58 per cent less compared to \$2.79 got last year.

Bangladesh's teas came third at \$1.89 at Chittagang auctions — 17.11 per cent less compared to \$2.28 last year.

Indonesian tea price averaged \$1.84 at Jakarta auctions – 9.04 per cent less compared to \$2.02 last year.

Closely following this, Indian teas at country's different auction centres fetched an average price of \$1.83-10.29 per cent less than \$2.04 got last year. North Indian auctions lost 12 per cent to average \$1.98 (last year: \$2.25) while South Indian auctions, 7.19 per cent to average \$1.55 (\$1.67). Malawi's tea fetched the lowest price average of \$1.68 at Limbe auctions, but it was the only centre to post an increase over last year — 3.52 per cent more compared to \$1.63.

Pepper gains onbuying support

G. K. Nair



Kochi, July 5:

The pepper market on Thursday gained on buying support amid tight supply scenario. All the active contracts moved up and closed above the previous day's closing.

There was circular trading. Speculative position holders were liquidating and switching over. Some marginal additional purchase was also seen.

Because the futures prices have gone up, investors and processors were buying actively for processing and deliver to the exchange platform. About 33 tonnes of spot pepper were there afloat and of which 31 tonnes were reportedly traded.

The market was volatile. August delivery went up as high as Rs,1000 a quintal. Different people such as exporters/investors/ processors/ operators were seen active in the market.

The prices have gone up so high that Indian pepper has become totally out priced in the international and even in the domestic market, market sources told *Business Line*.

July contract on the NCDEX increased by Rs 255 a quintal to the last traded price (LTP) of Rs 40,975 a quintal. August and September went up by Rs 340 and Rs 315 respectively to the LTP of Rs 41,585 and Rs 41,875 a quintal.

Total turnover soared by 2,708 tonnes due to circular trading and closed at 4,261 tonnes. Total open interest moved up by 53 tonnes to 6,074 tonnes showing marginal additional buying.

July open interest decreased by 562 tonnes on liquidation to 1,738 tonnes while that of August and September increased by 604 tonnes and 10 tonnes respectively to 3,225 tonnes and 103 tonnes.

Spot prices moved up by Rs100 a quintal on good buying interest to close at Rs38,500 (ungarbled) and RS40,000 (Garbled) a quintal.

Indian parity in the international market was at \$7,800 - \$7,900 a tonne (c&f) for Europe and \$8,100-\$8,200 a tonne (c&f) USA and remained much above other origins and out priced.

Upcountry orders may lift turmeric in August

Erode, July 5:

Lower demand from north Indian merchants pulled down turmeric on Thursday even as arrivals were low.



“The spice will hover around Rs 4,000 a quintal for another one or two weeks. In the first week of August, exporters and bulk buyers will get fresh upcountry orders, and the prices may increase then. Some officials at the auction centres said that they have written to the Government to procure the produce at Rs 4,000 to Rs 5,000 a quintal. If the Government agrees, the price in local market also will go up,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said arrivals in all the markets in India were limited as farmers expect prices to increase.

The farmers said that they are now bringing about 10,000 bags a day to earn enough to meet their family expenses. Due to arrival of medium quality crop, including the hybrid Salem crop, the prices fell for local crops by Rs 150 a quintal (by Rs 250 a quintal for the hybrid Salem crop).

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 2,259-4,155 a quintal, and the root variety at Rs 2,229-3,834.

Salem crop: The finger variety was sold at Rs 3,574-5,259 a quintal and the root variety at Rs 3,431-4,375. Of the 1,415 bags that arrived, 1,030 were sold. At the Regulated Marketing Committee, the finger variety was sold at Rs 3,726-4,399 a quintal and the root variety Rs 3,639-4,168. Of the 1,786 bags that arrived, 1,728 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety fetched Rs 2,810-4,386 a quintal and the root variety Rs 2,406-3,909. All the 262 bags that arrived were sold.

At the Erode Cooperative marketing society, the finger variety was sold at Rs 3,480-4,545 a quintal and the root variety at Rs 3,189-4,024. Of the 1,295 bags that arrived 1,291 were sold and four were returned because of the poor quality of the spice in them.

Run up in cotton futures likely

Our Bureau



Sowing in Gujarat, one of the largest cotton producing states, is trailing at 0.95 million hectares as of July 2.

Mumbai, July 5:

Cotton (kapas) futures on NCDEX may trade on the higher side as production is expected to fall sharply this year. Most farmers have shifted from growing cotton to other remunerative crops such as guar, castor, pulses and millets.

Cotton sowing has fallen from 1.5 million hectares to 1.3 million hectares for the kharif season 2012-13, according to the Union Ministry of Agriculture. Cotton production is expected to decline by 7.8 per cent to 32.2 million bales in the fiscal 2012-13, said CMIE.

Sowing in Gujarat, one of the largest cotton producing states, is trailing at 0.95 million hectares as of July 2. It was at 1.2 million hectares in the same period last year, said the Agriculture Department of Gujarat. Sowing in most of the other cotton growing States has also fallen. In Punjab, it was 60,000 hectares, Rajasthan, 54,000 hectares, and Haryana, 59,000 hectares.

Arrivals have already declined in many markets as farmers and ginners are holding back their stock to get a better price.

The Government has revised textile export target of \$40.5 billion for FY'13 against \$38 billion fixed at the start of the fiscal.

Short duration crops likely to aid Cauvery delta farmers

L. N. Revathy

Late sowing and untimely showers could be causes for concern, but the delta farmers foresee good potential for short duration crops this season.

Coimbatore, July 5:

Cauvery delta farmers are still hopeful of saving the Kuruvai crop this year, despite the failure of the South-West monsoon and the delay in the opening of Mettur reservoir.

Late sowing and untimely showers could be causes for concern, but the delta farmers foresee good potential for short duration crops this season.

Conceding that the weather cycles were becoming highly unpredictable in recent years impacting crop pattern, the Secretary of the Cauvery Delta Farmers' Welfare Association, Mr K.

Ranganathan, said, "Global warming is taking away the old certainties of monsoon, it is highly erratic today, not just in India, but across the world."

"Every day is a worry until the rains come to the growing regions, particularly those that bank on rain-fed cultivation practices. If the rains are delayed or bad, there is delay in sowing, yields could be lower and the quality could be impacted. It is a perennial curse for Tamil Nadu. We have to look at other alternatives," he said.

However, the rains that battered parts of Kerala and Karnataka early this week, seem to have brought some respite to farmers.

Mr Ranganathan believes that around 1.5 lakh acres would be covered under Kuruvai this year.

"It might be difficult to cover 2 lakh acres, but we should be able to do 1.5 lakh acres," he said, bringing to mind the huge acreage of almost 4.5-5 lakh acres under Kuruvai in the early 1880s.

Farmers have planted in about 10,000-15,000 acres and the rest of the area should be covered in the next fortnight or so.

Farm labour is an issue today. It is not merely availability, but the increasing cost of labour and other farm inputs that is making agriculture an unviable proposition today, he said.

Oil palm acreage increasing in north-coastal districts of AP

Our Bureau

Visakhapatnam, July 5:

Andhra Pradesh leads in oil palm cultivation in the country, but till now only the south coastal districts of East Godavari, West Godavari and Krishna were in the forefront. Now farmers in the north coastal districts are also taking to cultivation of the crop on a large scale. The Union Government is offering substantial subsidy on oil palm cultivation to reduce edible oil imports.

Three oil palm processing plants have been established by private companies in the districts of Srikakulam, Vizianagaram and Visakhapatnam, catering to the requirements of a section of oil palm farmers in the region. The processing capacity of the plants ranges from 1 lakh to 5 lakh tonnes. Besides these companies, Agro Cooperative Corporation, Foods, Fats and Fertilizers, Palmtech and Ruchi Soya also have tie-up arrangements with oil palm farmers in different mandals in the districts.

Oil palm plantations are spread in 4,000 hectares in Visakhapatnam district, 6,000 hectares in Vizianagaram and 2,000 hectares in Srikakulam. On the average, 25-30 tonnes of oil palm fruit per hectare can be harvested while the oil content after processing of the fruit is 5 tonnes per hectare. The estimated average yield of oil palm fruit in the 12,000 hectares in the region is 300,000 tonnes of fresh fruit bunches and 60,000 tonnes of processed oil.

Mr G. Prabhakara Rao, additional Director of Horticulture, said that the Government was encouraging farmers to grow oil palm as the oil yield was much more in comparison with groundnut and other crops. Therefore, oil palm would require less land. The average life of the plant is 30 years and from the fifth year onwards the plant starts producing matured fruit, generating income for the farmers.

The Government has increased incentive from Rs 23,000 per hectare to Rs 30,000 from this financial year. The farmers also get a subsidy of Rs 10,000/hectare and free seedling distribution up to 15 hectares. The incentives include Rs 30,000/hectare for four years and Rs 7,000/hectare to farmers for growing vegetables as an inter-crop in their oil palm plantations. Besides, Rs 15,000 is also given for setting up a compost yard for producing organic manure and Rs 50,000 financial assistance to SC and ST farmers for sinking borewells and Rs 10,000 for purchasing agriculture pumpsets.

The private companies have a buyback arrangement with the farmers and farmers have to take the crop to the collection centres.

From there, the company transports it to the processing plant. The processed oil is sent to edible oil refineries at Kakinada for further purification.

There are several edible oil refineries in Kakinada which refine domestically produced oil from these processing units besides imported crude palmolein from Malaysia.

Tea delegation visits Taiwan to tap market

Our Bureau

Kolkata, July 5:

A high-powered tea delegation led by Mr M.G.V.K. Bhanu, Chairman of Tea Board, recently visited Taiwan to explore the scope of promoting Indian tea.

Mr A.N. Singh, Vice-Chairman, Indian Tea Association, Mr Anshuman Kanoia, Chairman, Indian Merchant Tea Exporters Forum, Mr S.S. Bagaria, Chairman, Darjeeling Tea Association and Mr

Palli Durgadas, President, United Planters Association of South India, among others, were also part of the delegation.

There was little awareness about Indian tea among the Taiwanese, the delegation said. One way to market Indian tea, therefore, could be publicising the health benefit of Indian black tea.

The ready-to-drink segment held out huge opportunities as masala tea was popular. The CTC variety produced in India could be ideally suited for this segment, it was felt.

The members had a meeting with senior officials of the Council of Agriculture, Government of Taiwan, and participated in a seminar on India tea addressed by the Tea Board Chairman and buyer-seller meet to facilitate forging of tea partnership between the two countries.

There was a demonstration on Indian tea and tea sampling. A visit to the Tea Museum set the delegation mulling if a similar museum could be established also in Kolkata.

Soyabean planting picks up in MP; acreage may expand by 5%

Vishwanath Kulkarni



Soyabean has been planted in about five lakh ha in MP.

New Delhi, July 5:

Soyabean planting in the key state of Madhya Pradesh has gained momentum with the monsoon advancing over Central India in the last two days. Farmers are expected to plant the oilseed in additional area of five to six lakh hectares as prices have firmed up on concerns over global supplies.

“The sowing has picked up in past two days and we expect it to be complete by July 15,” said Mr Rajesh Aggarwal, spokesperson for the Soyabean Processors Association of India (SOPA). According to early estimates, the oilseed has been planted in about five lakh ha in MP, he said.

Soyabean prices have seen a rise in recent weeks on concerns over dry weather in the US impacting its output. Back home, soyabean futures for delivery on July 20, 2012 gained 2.53 per cent to Rs 4,159 a quintal on NCDEX. The contracts for delivery on August 17 ended 2.35 per cent, up at Rs 4,184 a quintal.

Madhya Pradesh is the largest soyabean producer, accounting for over half the country's acreage under the commodity. Last year, MP's soyabean acreage stood at around 56 lakh ha of the country's total area of 103 lakh ha.

SOPA expects the acreage expansion to also take place in Maharashtra, Gujarat, Andhra Pradesh, Karnataka, parts of West Rajasthan and Chhattisgarh, where farmers may switch over from cotton to soyabean.

“The acreage could go up by 2-3 lakh ha this year in Madhya Pradesh as the prices are good,” said Mr M.M Upadhyaya, MP's Agriculture Production Commissioner. The State has arranged for distribution of 20 lakh tonnes of certified seeds of soyabean including the late sown varieties.

The advancement of monsoon in the past two days, despite a delay of 10-12 days, should aid the sowing process, Mr Upadhyaya said. Kharif crops in the State including paddy, pulses and soyabean, have been planted in about 10 lakh ha so far.

US consumers warming up to coconut in food'

Our Bureau



The United States seems to have gradually succumbed to the health and wellness conscious consumer preference.

Kochi, July 5:

The perception of American consumers against coconut-based food products seems to have started changing, as is evident from the growing popularity for such products in the US.

Mr John Tucker, director of 'So Delicious Dairy Free', an American company based in Springfield, Oregon, said that if the increasing demand for coconut products is any indication, the US consumers are in favour of these Asian products on account of its health and wellness aspects.

Mr Tucker, a delegate at the ongoing 'Cocotech 2012' here, made these observations during his presentation at the technical session.

"The United States, which has for long been trying hard to prevent domination of coconut and its products in the US consumer market, seems to have gradually succumbed to the health and wellness conscious consumer preference," he said.

Vilification

According to him, coconut and its products had encountered a backlash in the 1980s when it was wrongly vilified in the US as a leading cause of heart disease. As health and wellness consciousness continues to play a strong role in the American diet, he said, the consumer demands in that country also keep shifting.

The present trends represent the role of a double-edged sword, one in favour of coconut-based foods due to several positive factors including evidence supporting the emerging perception of coconut as a health food and the strong link between saturated fats and heart disease on the other, Mr Tucker observed.

Coca Cola contacts Coconut Development Board

V. Sajeev Kumar

Move to make tender coconut concentrate

Kochi, July 5:

Coca Cola has sought the support of Coconut Development Board for manufacturing tender coconut concentrate.

The company has also evinced interest in buying private units producing tender coconut water products in various States with CDB aid.

This comes at a time when the Board is trying to tap the potential of tender coconut water through different sources, Mr T.K. Jose, chairman, Coconut Development Board, said.

He told *Business Line* that Coca Cola representatives attended the ongoing Cocotech meet here and showed interest in contract manufacturing of tender coconut water concentrate or matured water concentrate.

The representatives also interacted with people engaged in processing coconut water, he said.

According to Mr Jose, the entry of the US beverage giant will boost demand for coconut and accelerate efforts of the Board in creating a better market for coconut products in the country.

People who have never tasted tender coconuts have now started realising its benefits. The changing trend in consumer preference will boost the morale of coconut farmers, he added.

The Board is promoting tender coconut water usage in a big way by opening more outlets, processing units as well as marketing initiatives both within and outside the country for higher export revenues. The Board is also encouraging entrepreneurs and investors in tender coconut sector, he said.

The CDB had extended financial assistance to 10 units to process tender coconut water in the country – four in Tamil Nadu, three in Karnataka, two in Andhra Pradesh and one in Gujarat.

The investments in these units vary from Rs 75 lakh to Rs 3 crore with a total capacity to process around 10,000 coconuts daily.

Technology for manufacturing tender coconut concentrate is available with the Board and 25 per cent of the capital cost is given by way of subsidy under Technology Mission on Coconut, he said.

The participants from Sri Lanka, Indonesia, the Philippines, Thailand and Vietnam at the ongoing Cocotech meet spoke of wide-ranging use of tender coconut in their countries. This can be emulated in India so as to ensure a fair and reasonable price to farmers, Mr Jose said.

FICCI meet on farm growth via tech

Hyderabad, July 5:

The Federation of Indian Chamber of Commerce and Industry (FICCI) will organise a one-day conference on 'Technology as a driver for agriculture growth – ensuring farm prosperity' here on Friday.

Mr S V R Rao, Vice-President (Strategy and Planning) of Nuziveedu Seeds, will talk on developments in the seed industry and way forward, while Mr Dheeraj Pant, Director (Regulatory Affairs) of Monsanto, would speak on the developments in the maize sector. Mr Raghav Rao, Managing Director of Kohinoor Hatcheries, will throw light on the happenings in the poultry and feed industry.

Representatives from Association of Biotechnology-Led Enterprises and National Research Centre on Plant Biotechnology and farmers would take part.