THE HINDU

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:27 IST

Paddy MSP raised by Rs. 170 per quintal

Gargi Parsai

: The Centre, on Thursday, raised the Minimum Support Price (MSP) of paddy by Rs. 170 per quintal for the 2012-13 kharif marketing season. The highest hike — of Rs. 1000 per quintal, however, has been in the price of urad and groundnut in shell.

“Paddy MSP has been increased from Rs. 1,080 per quintal to Rs. 1,250 per quintal [common variety],'' Home Minister P. Chidambaram told journalists after the meeting of the Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Manmohan Singh.

For Grade ‘A' grade variety of paddy, the support price has been hiked to Rs. 1,280 from Rs. 1,110 last year.

The Minister said the government had accepted the recommendation made by the Commission for Agriculture Costs and Prices (CACP) after taking into account the cost of production.

Announcing the revised price for other kharif crops, Mr. Chidambaram said MSP of urad has been raised by Rs. 1000 to Rs. 4,300 per quintal. The decision on tur and moong, however, was deferred as the government needs to review the CACP suggestion.

In oilseeds category, the support price of soyabean has been fixed at Rs. 2,200 per quintal for black and Rs. 2,240 for yellow varieties, up by Rs. 550/quintal each from last year.

The support price of groundnut (shell) has been increased to Rs. 3,700 per quintal from Rs. 2,700 last year. The support price of sunflower oilseed has been set at Rs. 3,700 per quintal from Rs. 2800 last year. The price for sesamum has been fixed at Rs. 4200 per quintal as against Rs. 3,300 last year.

For coarse cereals, the MSP of jowar (hybrid) and ragi have been raised to Rs. 1,500 per quintal from Rs. 980 and Rs. 1050 respectively. The support price for bajra has been set at Rs. 1,175 per quintal as against Rs. 980 last year.

The MSP of cotton (medium staple) has been raised from Rs. 2,800 per quintal to Rs. 3,600 and that of cotton (long staple) has been hiked to Rs. 3,900 per quintal from last year's price of Rs. 3,300.

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:23 IST

Surge in food prices pushes up inflation

Ashok Dasgupta

A continuing surge in food prices pushed headline inflation to 7.55 per cent in May from 7.23 per cent in April, rendering it slightly trickier for the Reserve Bank of India to decide on whether to initiate monetary steps to spur flagging growth or hold the policy rates for now to contain the price spiral.

Even as stock markets — which had been eyeing a repo (short-term lending) rate cut of 25 basis points at the least by the RBI on June 18 — tanked on inflation concerns, analysts are still hopeful of a monetary easing as the fresh spurt in WPI inflation was due to a spike in food prices, which continue to suffer from supply-side issues and not on account of core inflation.

As per the WPI data, it was overall food inflation that spiked to 10.74 per cent in May from 10.49 per cent a month ago. On the contrary, manufactured inflation eased somewhat to 5.02 per cent from 5.12 per cent in April, although the 'fuel and power' segment inflation in May stood pegged at 11.53 per cent year-on-year, a tad higher than 11.03 per cent in the previous month. Aptly describing the apex bank's dilemma was Nomura India economist Sonal Varma, who said: "The key issue before the RBI is whether to support flagging growth momentum or tackle inflationary pressures."

However, what may clearly tilt the scales in favour of a rate cut next week are two other developments. First, the official trade figures which added to the economic woes and the other was Moody's, which viewed that the Indian economy was in for a phase of stagflation — a double whammy of low growth coupled with high inflation.

According to the provisional trade data, the country's exports slipped by 4.16 per cent to $ 25.68 billion in May, ostensibly owing to the continued slump in global demand following the euro zone crisis and the consequent slide in domestic industrial growth. But a more worrying factor is the marked decline in imports by 7.36 per cent to $ 41.9 billion, primarily on account of plant and machinery imports falling by 8 per cent.

When correlated with the IIP (index of industrial production) data, it not only signals a weakening economy but also explains the massive contraction in capital goods output which, in turn, reflects a fall in business sentiment and investor confidence. “We have also seen the IIP numbers. So you can correlate the reasons why exports have not done too well...,” Commerce Secretary S.R. Rao said.

In its analysis of the country's economic scenario, global financial services Moody's noted that India was facing stagflation and, therefore, the central bank cannot afford to be aggressive in cutting the interest rates.

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:30 IST

Paddy MSP raised by Rs. 170 per quintal

Gargi Parsai

Hefty hike in support price ofurad and groundnut-in-shell

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- *Decision on tur and moong deferred pending CACP review*
- *Groundnut support price hiked to Rs.3,700 per quintal*

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:29 IST

Medical insurance for dairy farmers

Special Correspondent

The Malabar regional union of Milma, together with Oriental Insurance Company, is implementing a medical insurance scheme for dairy farmers, society employees, Milma dealers and their families.

An official press note here said the scheme would cover hospital expenses and other costs involved in the case of accidents and diseases.

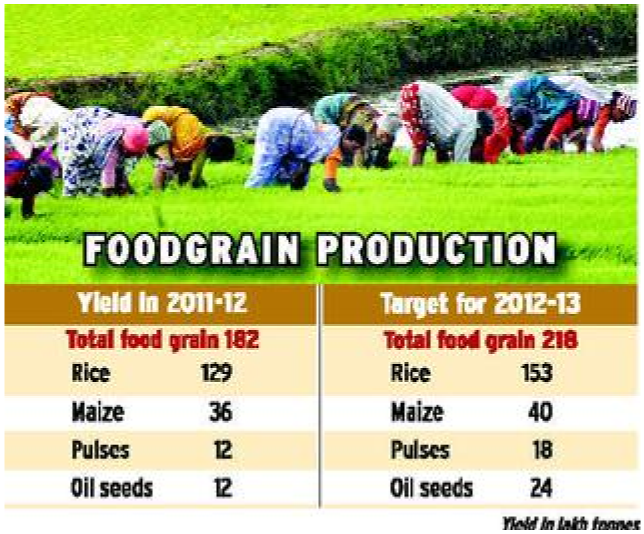
Benefits

The scheme would provide a maximum of Rs.30,000 for an individual and Rs.50,000 for a family. It would apply to treatment at approved allopathy hospitals and government Ayurveda and homoeopathy hospitals. Milma would foot a portion of the premium expense. Dairy farmers are directed to contact the cooperative society in their area for details.

HYDERABAD, June 15, 2012

Agriculture plan presents a rosy picture

State targets 218 lakh tonnes foodgrain production if monsoon is normal



Banking on the forecasts of a normal monsoon, the State government has targeted foodgrain production of 218 lakh tonnes during 2012-13 as against 182.58 lakh tonnes last year.

Agriculture Minister Kanna Lakshminarayana who released the Agricultural Action Plan for 2012-13 here on Thursday, said foodgrain production for Kharif was expected to be 114.16 lakh tonnes and for Rabi 103.85 lakh tonnes .

Crop acreage

The crop acreage is estimated to be 130.78 lakh hectares this year compared to 120 lakh hectares last year. During Kharif, the acreage under various crops is expected to be around 87.61 lakh hectares.

The plan for this year also forecast a significant rise in production of pulses at 18 lakh tonnes compared to 12 lakh tonnes of last year.

The oil seeds production which saw a decline last year at 12 lakh tonnes (normal 26 lakh tonnes) is expected to touch 23 lakh tonnes this year.

Speaking to media persons, Mr. Lakshminaraya said in preparation for Kharif, adequate quantity of seed and fertilizer were already stocked up by various State agencies and being supplied to districts. The movement of fertilizer was also being coordinated with railway officials, he said.

Farm mechanisation would get special focus this year in view of rising labour cost. An amount of Rs.500 crore has been allocated for this, he said.

Admitting that there were some issues in the supply of seeds and fertilizers, he said field visits by the department officials and vigilance raids would be stepped up to check black-marketing.

Asserting that there was no dearth of Bt cotton seed, he said of 1.25 crore packets of cotton seed required, 30 lakh packets were already supplied.Though different varieties of good quality cotton seeds were produced by various companies, the demand for one particular company seed was creating shortage.A special drive would also be launched on crop insurance to create more awareness among farmers. Last year 36 lakh farmers opted for crop insurance and this year, they wanted the number to touch 50 lakhs, he added.

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:30 IST

Fisheries college students learn ornamental fish culture

GOOD CATCH:Students of Fisheries College and Research Institute, Tuticorin, looking at ornamental fish culture at Sawyerpuram.— Photo: N. Rajesh

: Learning experience in ornamental fish culture, which has started taking root in Sawyerpuram, paid rich dividends for Fisheries students. Under the 105-day Rural Awareness Work Experience (RAWE) programme, the final year students of Fisheries College and Research Institute, Tuticorin, a constituent of Tamil Nadu Veterinary and Animal Sciences University (TANUVAS), Chennai, got an exposure to production technology of ornamental fishes in concrete and earthen ponds. As part of programme, the learners went to a farm at Sawyerpuram and got an exposure to production of ornamental fishes in concrete and earthen ponds. Advocating the need for educating students on increased responsibilities, M. Nagoor Meeran, Coordinator of RAWE, FCRI, said here on Thursday that exposure to establishment and management of ornamental farms would motivate the students to venture into self-employment.

To gain practical knowledge about the ornamental farming, students also approached various villages here. The learners were taught regarding maintenance of to maintain water quality, seed production, feeding and marketing trends. A wide range of variety could be cultured in fresh waters in concrete ponds enclosed with shadow nets and also in lined earthen ponds, established artificially.It was noted that the ornamental fishes in the earthen ponds would attain colouration far ahead of those cultured in concrete ponds. Since the earthen ponds was exposed to sunlight, algal production would be good, Dr. Meeran said. The RAWE programme was beneficial for both the farmers and students, Dr. Meeran said.

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:30 IST

Kuruvai cultivation begins in pumpset-irrigated areas

All in a day's work:Farmers transplanting kuruvai paddy in Thanjavur on Thursday.— Photo:B.Velankanni Raj

Kuruvai cultivation has started in pumpset-irrigated areas in Thanjavur district. According to agriculture department officials, the crop has been raised so far on 2,500 hectares.

Kuruvai may not be raised in canal-irrigated areas as opening of Mettur dam is delayed this year due to lack of adequate water in the dam.

In pumpset-irrigated areas, it has been planned to raise Kuruvai on 20,000 hectares.

"But this may be difficult as pumpsets are not getting adequate power supply," said farmers.

"We need two shifts of six hour power supply one each in daytime and night. But we are not getting power supply even for three hours," they said.

So, this year, kuruvai will be restricted and farmers are pinning their hopes on the long term samba.

Agriculture department has supplied ADT43, ADT45 and ADT 36 varieties of kuruvai seeds to farmers, and has advised them to go for System of Rive Intensification (SRI) method of cultivation to reduce water requirement and getting more yield. In SRI method seedlings are raised on mat and planted within a month.

The department has also advised farmers to raise green manure crops like "sunhemp" in the fields where kuruvai has not been raised so that they may be ploughed into the soil before taking up samba cultivation.

"They will be good manure for samba crop," the officials said.

Meanwhile, water level at Mettur dam stood at 79.12 ft on Thursday. Inflow into the dam was a meagre 374 cusecs. Water level should reach 90 ft for opening the dam for cultivation.

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:24 IST

Farmers demand cut in fertilizer prices

Special Correspondent

The All-India Kisan Sabha (AIKS) has demanded that the Centre reduce the prices of fertilizer.

The increase in prices would push up the cost of cultivation, causing hardship for farmers, AIKS members said.

The members, led by AIKS secretary Shoukat Ali Alur, held a protest inside the office complex of the Joint Director of Agriculture, demanding that the Centre continue the subsidy on fertilizer.

The import of costly fertilizer should be stopped and Indian companies encouraged to increase production to meet the demand, they said.

They urged the State government to act against the illegal sale of fertilizer on the black market and waive loans taken by farmers who have been hit by drought.

- *Centre urged to continue subsidy on fertilizer*
- *'Stop import of costly fertilizer'*

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:29 IST

High ginger price a relief for farmers in Wayanad

Staff Reporter

Ginger price has gone up providing succour to the farmers in the district. The spot price of monsooned ginger (old ginger) in Meenangadi market on Wednesday was Rs.1,200 a bag (60 kg) as against Rs.450-Rs.500 a few weeks ago.

A. Benny, a ginger trader, attributed the price rise to poor availability of the produce in the market. But the spurt in price would not benefit Keralite farmers who had cultivated ginger on rented land in Karnataka, as the tenure of the leased land expired on May 30, N. Mohanan, general secretary, Kerala Ginger Growers' Association in Karnataka said. Hence, 95 per cent of the farmers were forced to harvest the crop before that date and the price of ginger in that period was Rs.400 to Rs.450 a bag, Mr. Mohanan added.

However, there are fears that the joy could be short-lived. “On last Saturday, the price was 2,000 a bag. It came down since Monday after it became known that ginger harvest had begun in the northeastern States and that ginger would be brought from China, through Nepal, at a low price,” he added.

Moreover, the quality of the produce in Kerala and Karnataka was lower than that from the northeast and China. Farmers here could not take enough steps to maintain quality owing to the dismal price ginger fetched in the market for the past one year, sources said.

Published: June 15, 2012 00:00 IST | Updated: June 15, 2012 04:29 IST

Farmers stage protest against poor supply of cotton seed

Staff Reporter

Farmers took the officials to task and staged a dharna at Gubbagurti village in Konijerla mandal on Thursday in protest against the alleged failure of the officials concerned to supply the requisite quantity of cotton seed.

Farmers from the surrounding villages thronged the seed sale point at Gubbagurti from the early hours of the day. They waited patiently in serpentine queues for several hours in anticipation of their turn to get cotton seeds.

However, the officials concerned allegedly stopped the distribution of cotton seeds later in the day citing short supply of the seed of a particular brand, which is presently popular among the cotton growers.

The irate farmers expressed their ire at the officials for allegedly depriving them of cotton seed of their choice. The officials tried to pacify them but in vain.

The agitated farmers staged a protest demonstration in the village resenting the alleged raw deal meted out to them.

They withdrew their agitation only after the officials announced that they would try to get additional cotton seed in a day or two.

hindustantimes

Friday, June 15, 2012

HT Correspondent, Hindustan Times

New Delhi, June 14, 2012

First Published: 12:26 IST(14/6/2012)

Last Updated: 01:33 IST(15/6/2012)

Inflation up at 7.55%; India is in 'stagflation', says Moody's

India's inflation rate rose to 7.55% in May, up from 7.23% in April, adding to a flurry of bad data for an economy that US-credit rating agency Moody's on Thursday described as one facing "stagflation."

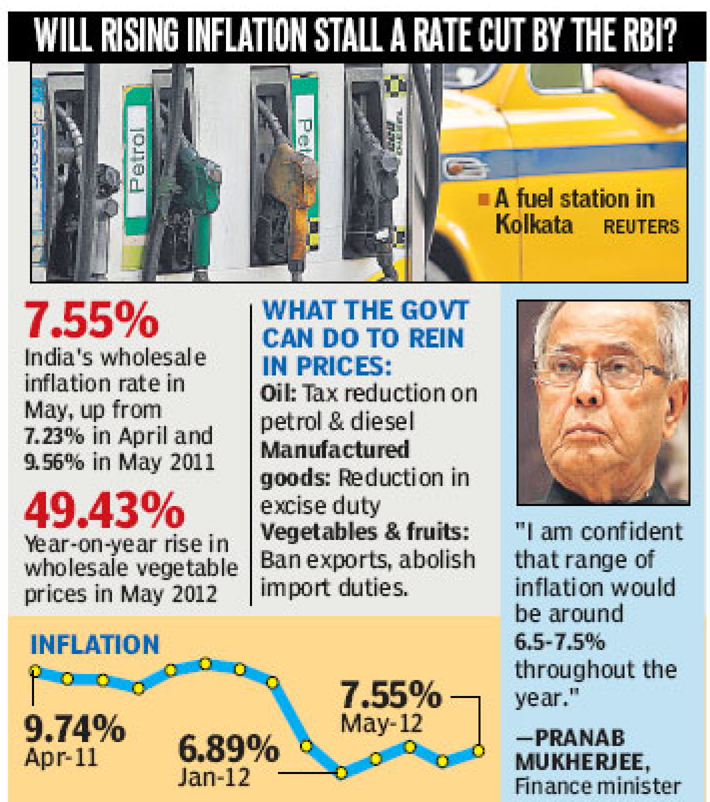
"India's economy is in stagflation, with notably weaker growth but inflation still stubbornly high," said Glenn Levine, senior economist, Moody's Analytics.

Stagflation, a term first used in British Parliament by Lain Macleod in 1965, refers to an economic situation characterised by flat income growth, persistent high prices and growing unemployment over a sustained period of time.

However, in India growth has slowed but not stagnated.

The government on Thursday raised the minimum support prices of paddy and pulses by 16% and 37% respectively. This, along with the possibility of below-normal monsoons poses the threat of worsening food inflation, already at 10.74% in May.

"I am confident that range of inflation would be around 6.5-7.5% throughout



the year," said finance minister Pranab Mukherjee. "I hope if monsoon is quite good, then it would be possible that this type of pressures would be sorted out."

Core inflation or prices of goods other than food and fuel ticked up to 4.9% in May from 4.8% in April, suggesting that manufacturers may not have benefitted from lower global commodity prices due to a depreciating rupee.

Moody's said that high inflation has added to the RBI's "headache" in slashing rates.

http://www.hindustantimes.com/StoryPage/Print/871772.aspx

THE ECONOMIC TIMES

14 JUN, 2012, 04.43PM IST, PTI

Bajra, barley decline on adequate supply

NEW DELHI: Prices of bajra and barley fell up to Rs 20 per quintal on the wholesale grains market today following adequate supplies against subdued demand from consuming industries. However, other grains including wheat and rice basmati moved in a tight range in scattered deals and settled around previous levels.

Marketmen said adequate stocks position against sluggish demand from consuming industries mainly led to fall in bajra and barley prices.

In the national capital, bajra and barley prices traded lower at Rs 990-1,000 and Rs 1,270-1,280 against last close of Rs 1,010-1,015 and Rs 1,290-1,300 per quintal respectively.

14 JUN, 2012, 03.07PM IST, PTI

Sugar prices climb on brisk demand

NEW DELHI: Sugar prices shot up by Rs 50 per quintal in the national capital today following brisk buying by stockist and retailers amid restricted supply.

Marketmen said private millers asking higher prices against restricted supply mainly pushed up sugar prices.

They said rising demand from stockist and bulk consumers such as soft-drink and ice-cream making industries, mainly pushed up the prices.

Sugar ready M-30 and S-30 prices jumped up by Rs.50 each to Rs.3120-3320 and Rs.3100-3300 per quintal.

Mill delivery M-30 and S-30 prices also hardened by Rs.50 each to Rs.2960-3195 and Rs.2940-3175 per quintal.

Among millgate excluding duty section, sugar mawana, thanabhavan and dorala all asked higher upto Rs.50 at Rs.3060, Rs.3035 and Rs.3050 per quintal.

14 JUN, 2012, 02.33PM IST, REUTERS

Indian soybean snaps 3-day gaining streak

MUMBAI: Indian soybean fell more than 1 percent on Thursday, snapping a three-day gaining streak on weak global trends, though lower inventory of beans at home limited the downside.

At 0843 GMT, the most-active soybean contract for July delivery on the National Commodity and Derivatives Exchange (NCDEX) was 0.98 percent lower at 3,370.50 rupees per 100 kg, after hitting a low of 3,360 rupees. The contract had gained 2 percent in the three previous sessions.

The most-traded July soyoil fell 1.37 percent to 717.50 rupees per 10 kg, while rapeseed for July was 0.40 percent lower at 3,723 rupees per 100 kg.

Selling is advised in soyoil in a range of about 724 rupees to 726 rupees for a target of 710 rupees, with a stop-loss of 736 rupees, said an analyst with Karvy Comtrade in Hyderabad.

Chicago soybeans slid around 0.5 percent on Thursday, falling to a one-week low as concerns over global growth weighed on the market.

Firm meal exports have left minimal stocks of soybean at home, which limited the downside in prices. India's oilmeal exports rose to 351,791 tonne in May from 323,907 tonne a year earlier, a leading trade body said.

India also raised the minimum support price for soybean to 2,200 rupees per 100 kg.

In the Indore spot market in Madhya Pradesh, soyoil was 4.90 rupees lower at 717.35 rupees per 10 kg, while soybean was down 14 rupees at 3,451 rupees per 100 kg. At Sri Ganganagar in Rajasthan, rapeseed was up 55 rupees at 3,735 rupees per 100 kg.
Traders are also watching the progress of the monsoon, which has been scant. Soybean is planted in June in Madhya Pradesh, Maharashtra and Gujarat, and harvested by late September.
India's soybean acreage is likely to rise by 7 percent in 2012/13 as higher prices of soybean prompts farmers to plant the crop, an industry official said. Indian oil millers have crushed 8.6 million tonne of soybean since October.

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the pioneer

MSP of paddy hiked by Rs 170, cotton by Rs 800 per quintal

THURSDAY, 14 JUNE 2012 22:37

PNS | NEW DELHI

Government on Thursday announced Rs 170 per quintal hike in minimum support price (MSP) of paddy to farmers at Rs 1,250 for 2012-13 crop year (July-June).

The MSP for common grade variety of paddy has been increased to Rs 1,250 per quintal from Rs 1,080 in the previous year and Rs 1,280 per for ‘A’ grade variety from Rs 1,110.

The decision was taken by Cabinet Committee on Economic Affairs (CCEA). The Committee announced MSP for other Kharif (sown in summer). India produced a record 103.41 million tonnes of rice in the 2011-12 crop year.

The MSPs of Jowar (Hybrid) and Ragi have been raised to Rs 1500 per quintal providing an increase of Rs 520 and Rs 450 per quintal, respectively. The MSPs of Bajra and Maize each have been raised by Rs 195 per quintal and fixed at Rs 1175 per quintal each.

The MSP of Urad has been raised from Rs 3300 per quintal to Rs 4300 per quintal. MSP of Cotton (Medium Staple) has been raised from Rs 2800 to Rs 3600 per quintal and Cotton (Long Staple) has been raised from Rs 3300 to Rs 3900.

'Farmers not getting benefit of subsidy'

THURSDAY, 14 JUNE 2012 23:49

PNS | GWALIOR

inShare

Addressing the Maha Panchayat of villagers, the president of district Congress committee, Darshan Singh, said that the Government is acquiring not only farms, barns and houses of the villagers but also the crematorium in the name of rehabilitation of SADA.

He said that the police and administration committed terror in Islampura in the name of acquisition. The president of rural Congress, Mohan Singh Rathore, said that the State Government has failed to provide electricity, roads and fertilisers but imposed taxes on farmers.

Business Standard

Friday, Jun 15, 2012

Sugar prices climb on brisk demand

Press Trust Of India / New Delhi June 15, 2012, 0:52 IST

Sugar prices shot up by Rs 50 per quintal in the national capital on Thursday, following brisk buying by stockists and retailers, amid restricted supply. Marketmen said private millers asking higher prices against restricted supply mainly pushed up sugar prices.

They said rising demand from stockist and bulk consumers, such as soft drink and ice-cream making industries, pushed up the prices. Sugar ready M-30 and S-30 prices jumped up by Rs 50 each to Rs 3,120-3,320 and Rs 3,100-3,300 per quintal. Mill delivery M-30 and S-30 prices also hardened by Rs 50 each to Rs 2,960-3,195 and Rs 2,940-3,175 per quintal.

Steep fall likely in turmeric sowing, after year's price sag

Sharleen Dsouza / Mumbai June 15, 2012, 0:51 IST

Turmeric is expected to see a drastic fall of 50- 60 per cent in the area under sowing from last year, due to a sharp fall in its price, with farmers having suffered heavy losses. The production cost is Rs 40 a kg but the current market price is Rs 30-35 a kg.

In the past year, prices have fallen 50 per cent from Rs 7,252 per quintal to Rs 3,554 per qtl on the National Commodity & Derivatives Exchange.

A senior official from the Spices Board of India said he expected sowing area to fall drastically. Last year, the area under turmeric was 81,000 hectares; this expectation this year is for 35,000 ha, according to the Andhra Pradesh agricultural department.

Farmers may resort to sowing cotton, pulses and oilseeds instead. These commodities gave better returns last year and their Minimum Support Price has been increased sharply by the government. This is similar to 2008-09, when turmeric prices fell to Rs 20 per kg, pushing farmers to grow cotton and oilseeds. This caused the price to increase to Rs 17,500-20,000 per qtl in 2010, due to lower production. Traders are expecting a replay and expect the price to rise from from September 2013 on.

Last year's production was 10 million bags (a bag is 75 kg) and the carryover stock from last year is two million bags. The export market is subdued.

“As last year's production was a bumper one, if the price of the spice falls by another Rs 3-5 a kg, which the market is expecting, then this will push farmers to sow other crops,” said Manubhai Shah, a Navi Mumbai-based trader.

MSP rise for oilseeds good first step: Industry

Need action on irrigation access and market support, among other initiatives

Dilip Kumar Jha / Mumbai June 15, 2012, 0:47 IST

The significant increase in the minimum support price (MSP) for oilseeds would, it is felt, help to some extent in encouraging farmers to divert acreage to this crop from other bearish crops, such as cotton, during the coming kharif season.

For kharif oilseeds, the government raised the MSP by 21-37 per cent on Thursday, ahead of the sowing season. While the MSP for groundnut was raised 37 per cent to Rs 3,700 a quintal, that of soybean rose 30 per cent to Rs 2,200 a quintal.

“A good move but the increase should have been higher for oilseeds in which farmers’ interest has been waning for several years. For example, we would like to see more increase in the MSP for sunflower and safflower that have been losing farmers’ attention,” said Siraj Choudhary, CEO (Refined Oil), Cargill India.

The MSP for sunflower and safflower has been increased by 32 per cent and 29 per cent to Rs 3,700 a qtl and Rs 4,400 a qtl, respectively.

The agriculture ministry pegged India's total oilseed output at 30.5 million tonnes in 2011-12, down six per cent from the previous year. The output of rapeseed, a rabi oilseed crop, was pegged at 7.5 mt.

Assuming a normal monsoon and favourable growing conditions, total oilseed production in the marketing year 2012-13 (October-September) is likely to grow three per cent to 35.6 mt.

According to Gobindbhai Patel, an industry veteran, the spot price of all oilseeds has remained 25 per cent higher than the announced MSP. Since oil prices have been discouraging through the year, the MSP increase would have a limited impact on sowing decisions. The government’s decision, however, is a welcome step, he said.

India continues to remain highly dependent upon oil imports from major producing countries such as Malaysia, Indonesia and Argentina. India imports around 55 per cent of its annual edible oil consumption of 17.1 mt due to lower domestic output.

An official from Ruchi Soya Industries, one of the largest oilseed producers in India, said, “The government’s decision would help boost farmers’ sentiment despite the actual price of oilseeds being higher than the MSP.” Agreeing, B V Mehta, executive director of the Solvent Extractors’ Association (SEA), said, “The government must look at other initiatives, including increase in import duty and irrigation facilities to support the MSP initiatives, to make it successful.”

The government has increased focus on overall growth of oilseed output with special focus on the east, where a one-crop system continues due to lack of proper irrigation. With a special economic package announced for farmers in the east, the simultaneous increase in MSP wouldboost overall sentiment to sow more in the coming seasons, said Satyanarayan Agarwal, president of the Central Organisation for Oil Industry & Trade, the apex trade body in this sector.

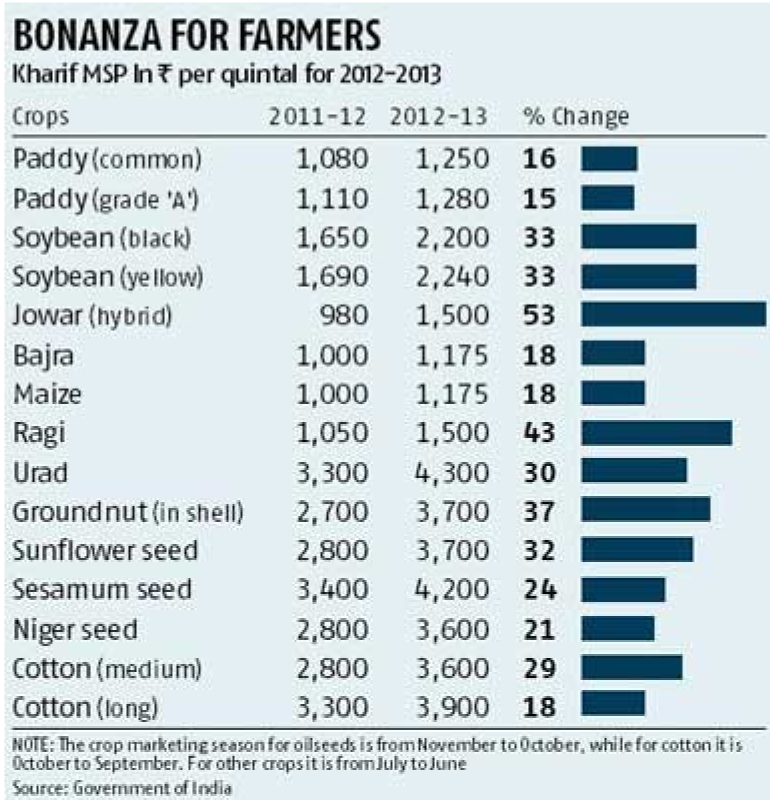
Govt raises MSPs of major crops

BS Reporter / New Delhi June 15, 2012, 0:23 IST

The government on Thursday raised minimum support prices (MSPs) of primary kharif crops for the 2012-13 crop marketing year by up to 53 per cent, leading to concern this could further raise food inflation.

“The government has accepted the suggestion made by the Commission for Agriculture Costs and Prices (CACP), which recommends MSPs after taking into account the cost of production,” Home Minister P Chidambaram told reporters after a meeting of the Cabinet Committee on Economic Affairs.

The Cabinet, however, deferred a decision on raising the support prices of moong and tur, owing to strong opposition from the Department of Consumer Affairs, which feared higher MSPs would lead to a rise in retail rates. The CACP had suggested increases of 29 per cent and 25 per cent in the MSPs of moong and tur, respectively. Officials said a proposal to offer an equity bonus of Rs 100 a quintal on paddy, over and above the MSP, was also rejected, fearing a rise in retail rates.



BONANZA FOR FARMERS

Kharif MSP In ₹ per quintal for 2012-2013

Crops	2011-12	2012-13	% Change
Paddy (common)	1,080	1,250	**16**
Paddy (grade 'A')	1,110	1,280	**15**
Soybean (black)	1,650	2,200	**33**
Soybean (yellow)	1,690	2,240	**33**
Jowar (hybrid)	980	1,500	**53**
Bajra	1,000	1,175	**18**
Maize	1,000	1,175	**18**
Ragi	1,050	1,500	**43**
Urad	3,300	4,300	**30**
Groundnut (in shell)	2,700	3,700	**37**
Sunflower seed	2,800	3,700	**32**
Sesamum seed	3,400	4,200	**24**
Niger seed	2,800	3,600	**21**
Cotton (medium)	2,800	3,600	**29**
Cotton (long)	3,300	3,900	**18**

NOTE: The crop marketing season for oilseeds is from November to October, while for cotton it is October to September. For other crops it is from July to June

Source: Government of India

Madan Sabnavis, chief economist, Care Ratings, said, "I can't understand the need to announce MSPs for crops other wheat and rice, given there is no official procurement. It does nothing, except pushing up food inflation."

In a research note, Religare Commodities stated though MSPs were thought to be the primary reason behind allocating sown area for a crop, the last few years had show barring soybean, cotton and paddy, farmers did not respond adequately to a rise in MSPs.

Contesting these claims, CACP Chairman Ashok Gulati told Business Standard the high MSP of paddy would not hit the majority of the population, as after the Food Bill was implemented, 60 per cent of the population would get grains at prices lower than market rates. "Apart from this, there is ample grain in government warehouses to keep a tab on any upward rise in prices," he added.

Despite the rise in MSPs, retail prices of oilseeds and a few pulses wouldn't rise, as their market rates were already higher, he said. "Ideally, the MSP should be 10-15 per cent less than the prevailing market price. Currently, we had MSPs almost 50 per cent less than market prices. If we had not recommended higher MSPs, farmers would not have been incentivised," he said.

"We have not just suggested cosmetic adjustments in MSPs, but recommended a thorough restructuring of the process to ensure growers are encouraged to shift towards non-cereals crops, production of which is below the demand," he added.

Aska sugar factory to pay Rs 5 cr dues to farmers

BS Reporter / Kolkata/ Berhampur June 15, 2012, 0:59 IST

The Aska Cooperative Sugar Industries Limited (ACSIL) has agreed to pay Rs 5 crore towards its dues to the sugarcane growers. The oldest sugar industry in cooperative sector, based at Aska in south Odisha's Ganjam district, owes around Rs 12 crore to the farmers.

The sugarcane growers in Ganjam district who threatened to launch agitation demanding their dues, have now decided to defer their stir following assurance from ACSIL."We have postponed our agitation plan as the factory authorities agreed to pay the dues," said Samir Pradhan, general secretary, Ganjam District Sugarcane Growers' Association (GDSGA). He also urged the authorities to make arrangements for payment of the rest amount to the farmers.He warned that the sugarcane growers would be forced to launch agitation if the factory authorities make further delay in payment of the dues.ACSIL sources said the factory paid around Rs 29.38 crore to the farmers towards cost of 0.13 million tonnes of sugarcane processed up to March 15 this year. The payment of around Rs 12 crore was due for procurement of 58,000 tonnes of sugarcane.

Demand plunges for cotton seed

With low output prices, farmers shifting to other crops MSP rise not enough to check this trend, say suppliers

Rutam Vora / Ahmedabad June 15, 2012, 0:56 IST

Lower cotton prices have prompted cotton seed making companies to be ready for a dent in their sales this year.

Most of these fear seed demand would drop 12-15 per cent nationally, as more and more farmers have started switching from cotton to maize, groundnut and guar instead. They are pessimistic on a recovery in demand even after the Cabinet Committee on Economic Affairs (CCEA) revised the Minimum Support Price (MSP) for cotton today, by up to 28 per cent. For medium staple, the MSP has been raised from Rs 2,800 per quintal to Rs 3,600 per quintal and for long staple from Rs 3,300 to Rs 3,900 per quintal .

"The hike in MSP would not make any significant impact. Market prices are ruling almost at par with MSP. Many cotton growers are now shifting to guar, groundnut or soybean. Therefore, the demand for cotton seeds would remain under pressure," said Paresh Verma, former member of the governing council, National Seed Association of India.

Raw cotton prices were around Rs 7,500 per quintal in early 2011 and have fallen to Rs 3,800-4,000 per quintal in recent weeks.

Last year, seed companies had sold about 40 million packets (each 450g) of cotton seeds. Of this, five to seven million are sold by unorganised entities. Cotton seed prices are controlled by the government and these are Rs 900-Rs 930 per packet.

"By our estimate, there will be a drop of about 15 per cent in seed demand and the hike in MSP may only limit losses marginally," said Satish Kagliwal, managing director of Nath Seeds.

Lower demand would put pressure on the prices. Some of the majors in cotton seed supply are Mahyco, Rassi Seeds, Ankur and Monsanto. "We have placed the seeds at the distributor level. But there is no movement happening from there. Demand is weak in the current situation," said a senior official of Mahyco.

According to Uday Singh of Namdhari Seeds Pvt Ltd, a Bangalore-based seed maker, there has been a sharp surge in demand for maize instead of cotton. "More and more farmers in states like Maharashtra, Karnataka and Andhra Pradesh are opting for maize. There will be at least a five to seven per cent rise in the demand for maize seeds. Prices have been good in the past year and this year, too, they are likely to stay up," he said.

"This MSP (rise) is too low and it will not change farmers' decision to shift to other crops. Seed usage per acre has dropped but cost of seed has increased. There is no demand in some pockets of cotton growing regions," said Ajay Vir Jakhar, chairman, Bharat Krishak Samaj (BKS), a farmers' body.

Meanwhile, with the monsoon progressing, sowing is expected to pick up. In Gujarat, the largest cotton growing state, government officials expect full-fledged sowing to start in a fortnight.

THE HINDU Business Line

Bulk buying interest lifts wheat

The Hindu

Karnal, June 14:

The hope of a rise in demand pushed PR varieties up by Rs 30-300 a quintal, on Thursday.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that buying interest from bulk buyers mainly lifted PR prices. Traders expect that domestic demand may increase in upcoming days. Uptrend in PR was anticipated as trade enquires for PR varieties were on the higher side over the last few days, he added.

In the physical market, the price of Permal (raw) went up by Rs 300 and sold at Rs 2,000-2,400 a quintal while Permal (sela) went for Rs 2,370, Rs 250 up from previous level. PR-11 (sela) increased by Rs 30 and sold at Rs 2,300-2,530 while PR-11 (Raw) went up by Rs 50 and sold at Rs 2,500 a quintal. PR-14 (steam) rose by Rs 50 and sold at Rs 2,400-2,650.

On the other hand, after witnessing a fall earlier this week, prices of Pusa-1121 varieties and all other aromatic varieties remained range bound. Pusa-1121 (steam) quoted at Rs 5,775-5,800 a quintal, while Pusa-1121 (sela) sold at Rs 4,800-4,850. Pure basmati (raw) quoted at Rs 5,450-5,500, while pure basmati (sela) ruled around at Rs 5,000.

For the brokens of Pusa-1121, Tibar sold at Rs 3,800, Dubar at Rs 2,800-2,900 and Mongra at Rs 2,100-2,300 a quintal.

Duplicate basmati quoted at Rs 4,500 while Sugandha (steam) was at Rs 3,700 a quintal.

Sharbati (steam) sold at Rs 3,400-3,450 while Sharbati (sela) at Rs 3,200 a quintal.

Prices of almost all rice varieties, except the PR varieties, have been ruling range bound but within negative territory, said Mr Chandna.

Higher mill tender rates sweeten sugar

Mumbai, June 14:

Sugar prices on the Vashi terminal market improved further by Rs 10-15 a quintal at spot and naka delivery levels on Thursday, tracking demand-supported higher prices at the mill level.

Mill tender rates improved by Rs 20-30. Freight charges on the Kolhapur-Karad line increased by Rs 5-7 a bag on tight availability of vehicles. Volumes were routine due to the mid-month slowdown in retail demand. The sentiment the market remains firm, said traders. Mr Jagdish

Rawal of B. Bhogilal & Co said the sentiment was bolstered by fresh local buying support and inquiries from the East. Stockists favoured building up stocks ahead of monsoon onset. The market has been witnessing need-based local demand for the last two months and prices have dropped to below-parity levels, making producers stop selling to avoid losses. Expected lower production next year and higher demand during *Ramadan* festival starting next month support the sentiment.

Fewer millers offered tenders on Wednesday evening on expectations of a further rise in prices. Demand from neighbouring States is expected to improve soon as the crushing season has ended. Prices have gone up by Rs 40-50 at the mill level in four days this week, he said.A retail sugar broker said retailers' demand for fine variety has gone up. Monsoon has yet to start in Mumbai so they want to cover before heavy rains disturb supply channel. Usually, sugar loses quality in rainy seasons due to higher moisture content. At the Vashi market, arrivals were 50-52 truckloads and local dispatches were 48-50 truckloads.

On Wednesday evening, 11-12 mills offered tenders and sold about 48,000-50,000 bags to local traders in the range of Rs 2,810-2,870 (Rs 2,790-2,850) for S-grade and Rs 2,890-2,970 (Rs 2,860-2,950) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,932-2,991 (Rs 2,926-2,986) and M-grade Rs 3,021- 3,181 (Rs 3,011-3,161).

Naka delivery rates: S-grade Rs 2,900 -2,930 (Rs 2,890-2,930) and M-grade Rs 2,960-3,040 (Rs 2,960-3,030).

Mustard seeds, oil bearish on poor offtake

Indore, June 14:

Mustard seeds and their oil continued to fall on Thursday on weak demand. Besides, monthly cuts on the National Board of Trade and weak futures also pulled down their prices.

Mustard oil fell by Rs 5 a quintal to Rs 730 in *mandis* here. It was down Rs 5 a quintal in Neemuch at Rs 725 and Rs 8 a quintal at Rs 732 in Moorena. Among Rajasthan *mandis*, it declined by Rs 10 a quintal each in Ganga Nagar (Niwai) and Kota and by Rs 15 a quintal at Rs 740 in Jaipur.

However, it was unchanged in Gujarat at Rs 725.

Mr Kailash Agrawal, an oil trader, differed saying that demand from pickle-makers during the monsoon will turn mustard oil bearish.

On the other hand, despite slack demand mustard seeds were unchanged in *mandis* here at Rs 3,700 a quintal, while raida seeds ruled at Rs 3,550. In Neemuch, too, mustard seeds ruled stable at Rs 3,450-3,550 a quintal. Compared with a week ago, mustard seeds have declined in *mandis* here by about Rs 100 a quintal and by Rs 50-75 in Neemuch.

Plant deliveries of mustard seeds declined on lower demand from crushers. In Jaipur, they were quoted Rs 17.25 down at Rs 3,819 a quintal. Plant deliveries for Ganga Nagar and Alwar were quoted lower at Rs 3,670 and Rs 3,816 a quintal.

Mustard seeds futures traded lower on weak buying support.

June and July contracts closed at Rs 3,694, down Rs 8 a quintal, and at Rs 3,728, down Rs 10.

Buying at lower levels lifts up jeera spot prices

Rajkot, June 14:

Buying at lower levels and a decline in arrivals raised jeera prices in the spot market on Thursday. However, mix trends prevailed in the futures market.

Jeera traded Rs 15 higher at Rs 2,000-2,025 per 20 kg for medium quality. NCDEX quality raw quoted at Rs 2,425-2,525 per 20 kg at the Unjha market in Gujarat. Arrivals stood at 10,000 bags and traded around 12,000-13,000 bags.

Raw jeera at Jodhpur in Rajasthan quoted at Rs 12,400-12,500 per quintal. Reported arrivals were around 150 bags. Traders said that domestic and export demand were jointly pushing up prices.

On the National Commodity and Derivative Exchange (NCDEX), jeera for July delivery declined by Rs 10 to Rs 13,182.50 per quintal with an open interest of 16,044 lots. However, August contracts gained Rs 12.50 to rise to Rs 13,610 per quintal with an open interest of 11,493 lots.

According to Geojit Comtrade, a short cover rally is in progress towards 13,250 levels. If prices are able to overcome the Rs 13,300 obstacle levels, the rally could extend up to Rs 13,500 levels in the immediate run.

A Kedia Commodity report stated that arrivals are drying up as the peak season has already ended. Supplies in coming weeks are expected to remain steady to low but demand from local and overseas buyers could increase. The prospects of lower production in Turkey and Syria combined with a strong dollar could also support this trend.

Slack demand from stockists cool off edible oils

Mumbai, June 14:

Edible oil prices declined on Thursday in absence of demand as stockists stayed away tracking sharp decline in foreign markets.

Bearish futures weighed on the physical market.

Imported palmolein and soya oil declined by Rs 5 each for 10 kg following weak Malaysian markets. Cottonseed refined oil decline by Re 1 for 10 kg, while rapeseed oil eased by Rs 3.

A broker said due to continuous decline in Malaysian palm oil in the last three days, domestic refiners were forced to lower the rates as the market did not get the demand support as expected.

Stockists now fear heavy losses as palmolein has dropped by Rs 80 in the last one-and-a-half month. Resellers quoted palmolein Rs 10 lower at Rs 585.

Liberty quoted palmolein at Rs 600, soya oil at Rs 695 and sunflower refined oil at Rs 720.

Ruchi quoted palmolein at Rs 591 for July, soya refined oil at Rs 695 and sunflower refined oil at Rs 715.

Malaysia's crude palm oil's July contracts settled at MYR 2,839 (MYR 2,946), August at MYR 2,846 (MRY 2,950) and September at MYR 2,850 (MYR 2,955) a tone.

On the National Board of Trade in Indore, soya refined oil June-12 futures closed lower at Rs 718.00 (Rs 721.00) and July-12 closed at Rs 714.50 (Rs 727.20)

The Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 1,190 (1,190), soya refined oil 695 (700), sunflower exp. ref. 655 (650), sunflower ref. 715 (715), rapeseed ref. oil 797 (800), rapeseed expeller ref. 767 (770) cotton ref. oil 668 (669) and palmolein 595 (600)

Spot rubber remains static

Kottayam, June 14:

Spot rubber continued to rule almost steady on Thursday. The undercurrent was weak following the declines on the National Multi Commodity Exchange. Sheet rubber closed unchanged at Rs 184.50 a kg according to traders. The grade was flat at Rs 185 a kg both at Kottayam and Kochi as quoted by the Rubber Board. The trend was partially mixed and volume low.

RSS 4 weakened at its June series to Rs 181.75 (182.66), July to Rs 184.25 (184.94) and August to Rs 183.30 (183.94) while the September series improved to Rs 181.98 (181.94) and October to Rs 181.40 (181.12) a kg on NMCE.

RSS 3 (spot) slipped to Rs 188.12 (188.44) a kg at Bangkok. The June futures dropped to ¥248 (Rs 174.49) from ¥249.1 during the day session but then bounced back to ¥250 (Rs 175.90) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 184.50 (184.50); RSS-5: 180 (180); ungraded: 175 (175); ISNR 20: 181 (181) and latex 60 per cent: 128 (129).

Delay in crop data worries tea trade

P.S. Sundar

Coonoor, June 14:

Indian Tea Board's delay in announcing production figures is causing concern to the industry and trade as the market is being manipulated with conflicting data on shortage.

Prices are sentimentally driven by stories of shortage in tea's availability. Currently, prices are averaging Rs 93 a kg at the auctions of Coonoor Tea Trade Association against Rs 56 this time last year.

Still, the volume offered for sale at this week's auction has been the highest so far in this calendar and some 37,000 kg more than the volume of this time last year.

Many other countries have data up to April. Kenya reports a shortage of a whopping 26.10 million kg (mkg) till April to total 90.60 mkg, Sri Lanka 4.22 mkg (production: 104.15 mkg) and Malawi 0.60 mkg (26.50 mkg), but Indonesia is the only country to report an increase – 1.40 mkg (21.60 mkg).

“According to our compilation, black tea production so far this year has fallen to 340.57 mkg from 386.28 mkg last year,” Mr Rajesh Gupta, Director, Global Tea Brokers and publisher of annual Global Tea Statistical Diary, told*Business Line.*

Veg oil imports up 35% in May

Our Bureau

Business Line

Chennai, June 14:

Vegetable oil imports rose by 35 per cent to 8.96 lakh tonnes (lt) in May from 6.64 lakh tonnes in the year-ago period, according to the industry data released by the Solvent Extractors Association of India.

Imports of edible oil this May stood at 8.83 lt, while that of non-edible oils were 13,511 tonnes in the same period, it said.

Oil year runs from November to October. In the first seven months of the current oil year, imports rose by 31 per cent to 56.11 lt against 42.67 lt in the November-May period of the 2010-11 oil year.

Meanwhile, excessive imports during the peak crushing season have led to a record stock of 16.90 lt piling up at ports and in the pipeline, which is almost equal to 40 days requirement, the association said.

It said import of refined palm oil will increase further on account of the Indonesian duty structure and decreasing gap in prices of crude palm oil (CPO) and refined palm oil (RBD palmolein).

“Share of RBD palmolein is likely to increase as current Indonesian inverted duty structure encourages larger export of refined oils (nine per cent export duty) over crude oil (18 per cent export duty),” it pointed out. During November-May period of the 2011-12 oil year, imports of RBD palmolein rose by 97 per cent to 10.84 lt (5.51 lt).

Pepper rules steady

G. K. Nair

Kochi, June 14:

The pepper market on Thursday ended nearly steady on limited activities with June ending slightly lower while July and August moved marginally up.

The market witnessed high volatility with June and July moving down and up. There were reportedly some buy calls from the leading local brokers, which has made some positive impact, albeit marginal, in the afternoon, market sources told *Business Line*.

There was some switching over while good additional buying has taken place as is evident from the increase in the open interest.

Turnover also showed an increase. It appears that the operators were covering from the exchange platform, while some were switching over.

Reports of 1.5 lakh tonnes of pepper available when the output of all the other origins is put together, appeared to have activated the sellers here. Some 16 tonnes of pepper from the plains, Wayanad and the High Ranges arrived today. The entire quantity was sold out at Rs 384 (for plains), Rs 386 (for Wayanad) and Rs 389 a kg (for High Range pepper).

June contract on the NCDEX declined by Rs 85 a quintal to the last traded price of Rs 40,140 a quintal. July and August moved up by Rs 75 and Rs 80 a quintal respectively to the LTP of Rs 40,655 and Rs 40,915 a quintal.Total turnover increased by 379 tonnes to 2,481 tonnes. Total open interest increased by 162 tonnes to close at 5,588 tonnes showing good additional purchases.June open interest dropped by 56 tonnes to 932 tonnes while July and August went up by 152 tonnes and 73 tonnes respectively to close at 3,337 tonnes and 1,298 tonnes.Spot prices on limited activities remained unchanged at Rs 38,400 (ungarbled) and Rs 39,900 (MG 1) a quintal.Indian parity in the international market was at $7,500 a tonne (c&f) Europe and $7,800 a tonne(c&f) for the US today.

Syngenta develops new technology to grow cane

M. R. Subramani

Yielding sweet results: An employee plants sugarcane seedling in a tray before shifting it to a greenhouse facility at Syngenta's Plene facility in Italpolis, Brazil. — M.R. Subramani

New method claimed to increase efficiency, yield besides trimming input costs

Itapolis (Brazil), June 14:

Syngenta, the Switzerland-based agri-business company, has launched a new technology to grow sugarcane.

Called Plene, the technology is claimed to increase efficiency in planting, reduce labour and input costs besides increasing yield.

The Swiss firm will initially propagate the technology in Brazil and other South American countries before focussing on Asian countries such as India, China and Thailand.

"It will take at least two years for this technology to be introduced in India. We will have to localise it to suit Indian conditions," said to Mr Daniel Bachner, Global Sugarcane Head of Syngenta.

New facility

On Wednesday, Syngenta opened a facility for developing the technology.

The company has so far spent $100 million on this 42-hectare campus that houses facilities for producing germplasm, greenhouse treatment, producing sugarcane for seed purpose and treating seeds with chemicals.

"The Plene technology incorporates solutions to herbicides, insecticides and for deriving higher production," Mr Bachner said.

The technology involves the company producing seedlings from sugarcane, picking the right variety suitable to an area, developing it further in its germplasm laboratory and then putting it through various stress in the greenhouse.

The sugarcane is put through the same process again before it is grown for seed purpose.

Once harvested, the cane is cut in small pieces and then treated with chemicals, turning the cane red in colour.

It is then handed over to the customer for planting on the field.

"In normal circumstances, about 20 tonnes of sugarcane are used for planting on acre with the cane being 40 cm in size. However, in the case of Plene, only two tonnes of sugarcane will be needed and the size of the cane will be 25 cm," Mr Bachner said.

Uniform size

The technology is claimed to result in uniform size cane that will be free of disease. Since planting under this technology will be done by machine, it will save labour costs significantly.

“Labour costs are high in Brazil, while laws relating to labour are also stringent. This technology will help us to use labour for other productive purpose rather than for planting,” said Mr Bachner.

In this case, the labour will be trained in handling machines and maintain them.

The machine for planting has been developed in collaboration with John Deree, a US farm equipment firm.

Until 2014, the US farm equipment company holds the right to sell the machine to interested growers.Mr Bachner said that initial results have shown the technology yielding 168 tonnes of sugarcane on a hectare against 135 tonnes in one instance. In another, the yield was0 134 tonnes against 105 tonnes.Mr Michael Mach, Syngenta Chief Executive Officer, said that the Swiss-based firm would invest many more millions of dollars to meet growing demand for new integrated solutions in sugarcane production.

Growers reap fortune from once-neglected jackfruit

A. J. Vinayak

Mangalore, June 14:

A few farmers at Miyapadavu village in Kerala's Kasargod district, which neighbours Mangalore, wasted around 1,000 jackfruits last year. Not this time.

Another bunch of farmers at Vittal in Dakshina Kannada district even shipped a truckload of jackfruit to Mumbai recently. This was unheard of of last year. Once a neglected crop, jackfruit is now being recognised by farmers and consumers alike for its utility.

Mr Shree Padre, the man who gave jackfruit some much-needed respect in society in the recent years, told *Business Line* that awareness about jackfruit has been a slow development, over the past one decade.

Dr D.C. Chowta, a progressive farmer from Kasaragod taluk of Kerala, told *Business Line* that a group of farmers at his Miyapadavu village has begun supplying raw jackfruit to makers of chips.

The edible parts removed from the whole fruit are being packed and marketed locally. “Now, we are getting queries from the nearby villages too ,” he said.

The processing of jackfruit is an art in patience as the gum latent in the whole fruit makes the process of removing its edible parts a bit tedious. That is the reason why ready-to-eat and ready-to-cook edible parts, as done by Miyapadavu villagers, are in great demand, he said.

Mr Venkatakrishna Sharma, a farmer from Vittal area of Dakshina Kannada, said that the recent despatch of jackfruit to Mumbai is a culmination of efforts of some like-minded farmers. These farmers met last year, and selected a few good varieties of jackfruit in the region. Some of these selected varieties were sent to Mumbai recently, he said.

Mr Padre said that the key is to utilise this “wonderful” food source properly. More and more jackfruit, that were allowed to rot earlier, are now reaching the dining table .

“Though farmers are getting income from this fruit, it is not adequate. I believe that the countdown for jackfruit development has begun,” he said.

Arecanut prices may dip in June-July

Anil Urs
Hubli, June 14:

Prices of arecanut are expected to dip in June-July, according to the Domestic and Export Market Intelligence Cell (Demic).

Analysing monthly price of arecanut for the past 20 years collected from Kumta and Sirsi regulated markets, Demic said the prices of ‘chippu' arecanut would be Rs 10,600 in June and Rs 10,000 in July.

Price forecast

The prices of ‘Factory' nuts would be Rs 6,700 and Rs 6,400 in June and July respectively.

‘Cocca' would rule at Rs 8,600 and Rs 8,300 in that order in Kumta regulated market.In Sirsi, regulated market the prices of ‘Bilegotu' would be Rs 9,700 in June and Rs 10,200 in the month of July; the prices of ‘Rashi' nuts would be Rs 12,800 and Rs 13,200 and ‘Cocca' arecanut would fetch Rs 8,500 and Rs 9,100 in that order.

Avoid distress sale

According to Demic's Dr Balachandra K. Naik, DEMIC has been set up by the Indian Council of Agriculture (ICAR) under the National Agriculture Innovation Project (NAIP) at University of Agricultural Sciences, Dharwad, in order to protect farmers and regularly advise them to prevent distress sale.Dr Naik said, “we have cross checked and finetuned the forecast prices based on the opinions and suggestions of arecanut traders, agricultural scientists and progressive farmers in the region.”The good monsoon during this year would lead to a normal average yield of 20 quintals/hectare.

Low arrivals lend colour to turmeric

Erode, June 14:

Spot turmeric increased by Rs 150 a quintal on Thursday on por arrivals.“Because of arrival of 10,000-odd bags, both varieties of turmeric have increased slightly. Further the increase in price is also due to the arrival of ‘quality' turmeric. So the traders and stockists have quoted increased price, and purchased 60 per cent of the arrived stock,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.He added that arrivals are usually below 10,000 bags between June and July 15.Even at the time of peak price period the arrivals were low. This year due to low price the stockists have made heavy purchases. He said that all the bulk buyers and exporters are waiting for orders from North India.

The turmeric farmers have brought fine variety turmeric for sale and all such fine variety goods were sold.For the second day, the price for the finger variety turmeric touched a high at Rs 4,111 a quintal in Erode Cooperative Marketing Society and Rs 4,058 a quintal in Gobichettipalayam Agricultural Cooperative Society.The hybrid Salem variety increased by Rs 525 a quintal due to arrival of super fine finger variety. All the bags of this variety were sold.At the Erode Turmeric Merchants Association Sales yard, the finger variety sold at Rs 2,299-3,609 a quintal, root variety at Rs 2,232-3,385 a quintal.Salem Crop: The finger variety sold at Rs 3,295-4,444 a quintal, root variety at Rs 3,117-3,475 a quintal. Of the arrival of 1,729 bags of turmeric, 1,028 bags were sold.At the Regulated Marketing Committee, the finger variety sold at Rs 3,291-3,789 a quintal, root variety at Rs 3,279-3,728 a quintal. Of the 1,388 bags that arrived, 1,312 bags were sold.

Minimum support price for kharif crops raised

Shishir Sinha

MINIMUM SUPPORT PRICES (in Rs /quintal)

Crop	Previous	Now	Increase	% change
Paddy ©	1080	1250	170	15.74
Jowar	980	1500	520	53.06
Bajra	980	1175	195	19.89
Maize	980	1175	195	19.89
Ragi	1050	1500	450	42.85
Urad	3300	4300	1000	30.3
Groundnut	2700	3700	1000	37.03
Soyabean (b)	1650	2200	550	33.3
Sunflower seed	2800	3700	900	32.14
Sesamum	3400	4200	800	23.52
Nigerseed	2900	3500	600	20.68
Cotton (MS)	2800	3600	800	28.57
Cotton (LS)	3300	3900	600	18.18

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New Delhi, June 14:

With kharif sowing to pick up, the Cabinet Committee on Economic Affairs has approved increasing the minimum support prices between 15.7 per cent and 53 per cent.

Such an increase will benefit crops such as paddy, urad, cotton and maize besides others.

“This increase has been made on the basis of recommendations given by Commission for Agricultural Costs and Prices (CACP). However, the CCEA has referred the MSP proposal back for two pulses such as tur and urad to seek some more clarifications,” the Home Minister, Mr P. Chidambaram, said.

The most common kharif crop paddy (common) has seen minimum growth of over 15 per cent, while maximum increase has been done in the case of jowar with over 53 per cent. Ragi follows next in terms of increase. At the same time, MSP for urad, groundnut, soyabean and sunflower has been increased by over 30 per cent.

This increase has come at a time when annual rate of inflation based on wholesale price index has exceeded 7.5 per cent. Though it is lower than the previous year inflation of over 9 per cent, but still prices of various non-food items such as soyabean, niger seed, groundnut seed and cotton have gone up. MSP of all these have been raised.

Simultaneously, ragi and jowar are among the primary food products, whose prices have gone up during May. There is feeling that increase in the MSP of various food crops can increase the inflation, but the impact can be seen only in the latter half of the current fiscal year.

Meanwhile, the Government has its own argument for raising the price. It believes that cost of production has gone up for the farmers, so it was required to increase the MSP. It also believes, with increase in the overall production the prices will come down and it will have some impact on inflation.

Minimum support prices for kharif crops raised

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MINIMUM SUPPORT PRICES

(Rs/quintal)

Crop	Previous	Now	Increase	% change
Paddy ©	1080	1,250	170	15.74
Jowar	980	1,500	520	53.06
Bajra	980	1,175	195	19.89
Maize	980	1,175	195	19.89
Ragi	1,050	1,500	450	42.85
Urad	3,300	4,300	1000	30.3
Groundnut	2,700	3,700	1000	37.03
Soyabean (b)	1,650	2,200	550	33.3
Sunflower seed	2,800	3,700	900	32.14
Sesamum	3,400	4,200	800	23.52
Nigerseed	2,900	3,500	600	20.68
Cotton (MS)	2,800	3,600	800	28.57
Cotton (LS)	3,300	3,900	600	18.18

Paddy sees minimum rise of 15%, jowar the maximum

NEW DELHI, JUNE 14:

With kharif sowing to pick up, the Cabinet Committee on Economic Affairs has approved increasing the minimum support prices (MSP) between 15.7 per cent and 53 per cent.

Such an increase will benefit crops like paddy, urad, cotton and maize besides others.

“This increase has been made on the basis of recommendations given by Commission for Agricultural Costs and Prices (CACP). However, the CCEA has referred the MSP proposal back for two pulses – tur and urad – to seek some more clarifications,” the Home Minister, Mr P. Chidambaram, said.

The most prominent kharif crop, paddy (common), has seen minimum rise of over 15 per cent, while maximum increase has been in the case of jowar with over 53 per cent, followed by ragi.

At the same time, MSP for urad, groundnut, soyabean and sunflower has been increased by over 30 per cent.

This increase has come at a time when annual rate of inflation based on wholesale price index has exceeded 7.5 per cent. Though it is lower than the previous year's rate of over 9 per cent, but still prices of various non-food items such as soyabean, niger seed, groundnut seed and cotton have gone up. MSP of all these have been raised.

Simultaneously, ragi and jowar are among the primary food products, whose prices have gone up during May. Now there is a feeling that increase in the MSP of various food crops can increase the inflation, but the impact can be seen only in the latter half of the current fiscal year.

Meanwhile, the Government has its own reason for raising the price. It believes that the cost of production has gone up for the farmers, so it was required to increase the MSP.

It also believes, with increase in the overall production, the prices will come down and it will have some impact on inflation.