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## **Punjab to tie-up with Israeli company to promote dairy farming**

The Punjab Government will tie up with Israel-based Afimilk company to provide technical support to State's farmers in order to promote dairy farming.

A decision to this effect was taken by Punjab Chief Minister Parkash Singh Badal at a meeting with a delegation of an Israeli company and members of Progressive Dairy Farmers' Association here on Tuesday.

Afimilk provides technical support to dairy farming sector the world over and also has the world's highest yielding cows with 12,000 liters of milk per cow per year through intensive use of advanced technology. Mr. Badal asked the delegation to provide their technical support to the dairy farmers in Punjab. He said that the government would also constitute district-level committees to assist farmers and other interested ones about setting up of dairy farms.

Each committee would comprise officers of the district administration, and State's Animal Husbandry and Dairy Development Department, besides the representatives of progressive dairy farmers, said Mr. Badal.

He also asked the Principal Secretary Animal Husbandry and Dairy Development to chalk out the modalities for establishing 'Dairy Service Centers' (DSCs) equipped with modern machinery to be utilised for the common cause of dairy farms. He also assured that all these machines would be provided to DSCs at subsidised rates. He asked small farmers to adopt dairy farming as their occupation as food grain output in the State has reached a saturation point.

The Afimilk delegation comprised its Vice-President (Sales), Bjarne Rune, Regional Manager Ronen Kull and corporate relations in-charge Abraham Yehuda.

BANGALORE, June 6, 2012

**Farmers plan protest**

Even as the government is busy finalising the arrangements for the second edition of the Global Investors' Meet to be held in Bangalore on June 7 and 8. The Karnataka Prantha Raitha Sangha and the Karnataka unit of the All India Agricultural Workers' Union on Monday announced that they

would hold protests throughout the State against the GIM, including in front of the venue of the meeting in Bangalore on June 7.

BELGAUM, June 6, 2012

### **'Procure unsold turmeric from farmers'**

The Janata Dal (S) has threatened to launch an agitation if the State government does not procure the huge stock of unsold turmeric left with farmers of the district within a week.

Criticising the government's 'piece-meal' approach towards growers at a press conference here on Sunday, JD(S) State secretary Ashok Pujari said that following steep fall in prices of turmeric in the open market, the government decided to open procurement centres in different parts of the State.

But, just one centre was opened for the 10 taluks of the district, at Gokak town, he said.

### **Support price**

He said though the government announced support price of Rs. 5,000 a quintal of turmeric, the market price was as low as Rs. 3,000 in the district. The government should have fixed the support price considering the actual cost of production of turmeric, which was around Rs. 8,000 to Rs.10,000 an acre, he said.

Since the procurement centre was opened on May 3, the agency had registered 46 of the total 426 turmeric growers in seven taluks. Yet, it had failed to lift even 10 per cent of the stock available with the growers, Mr. Pujari said.

JAIPUR, June 6, 2012

## Rajasthan targets supply of 53,500 tonne of fertilisers

The Rajasthan State Cooperative Marketing Federation (RAJFED) has set the target for supplying 53,500 tonne of fertilisers to village cooperative societies in the State this month to facilitate the irrigation of kharif crops. The cooperative societies have, at present, an estimated stock of two lakh tonne of fertilisers.

Principal Cooperative Secretary Vipin Chandra Sharma said here on Tuesday that diammonium phosphate (DAP), supplied by the Indian Farmers Fertiliser Cooperative Limited (IFFCO) and Indian Potash Limited, will be made available to farmers at old retail prices. The prices were revised from June 1.

In addition to 1.07 lakh tonne DAP supplied by RAJFED, the cooperative societies have 50,000 tonne of DAP provided by IFFCO. The cooperative societies have also stockpiled 13,000 tonne of IFFCO NPK, 20,000 tonne of IFFCO urea and 11,000 tonne of Krishak Bharati Cooperative Limited (KRIBHCO) urea.

Mr. Sharma said a regular review of availability of fertilisers was being done at the State level to ensure uninterrupted supply to the farmers. The Cooperative Department is coordinating with all agencies concerned for supporting the farmers during the crucial months for sowing and irrigation of kharif crops, he added.

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# hindustantimes

Wed, 06 Jun 2012

weather

Chennai - INDIA

### Today's Weather



Sunny

Wednesday, Jun 6

Max Min

42.2° | 29°

Rain: 00 mm in 24hrs

Sunrise: 6:35

### Tomorrow's Forecast



Rainy

Thursday, Jun 7

Max Min

37° | 28°



Humidity: 44%

Sunset: 18:03

Wind: Normal

Barometer: 1003

### Extended Forecast for a week

| Friday<br>Jun 8   | Saturday<br>Jun 9   | Sunday<br>Jun 10  | Monday<br>Jun 11  | Tuesday<br>Jun 12   |
|---|---|---|---|---|
|  |  |  |  |  |
| 36°   29°   | 35°   29°   | 35°   29°   | 38°   29°   | 38°   30°   |
| Rainy   | Rainy   | Rainy   | Cloudy  | Rainy   |

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## THE ECONOMIC TIMES

5 JUN, 2012, 02.23PM IST, PTI

### Sugar futures recover on spot demand

NEW DELHI: In range-bound movements, sugar prices recovered marginally by 0.04 per cent to Rs 2,787 per quintal in futures trade today as speculators enlarged their positions on pick-up in spot demand from bulk consumers.

However, higher output and supply pressure in the spot markets restricted gains.

At the National Commodity and Derivatives Exchange, sugar for June delivery traded Re 1, or 0.04 per cent, higher at Rs 2,787 per quintal, with an open interest for 11,860 lots.

Sugar for delivery in July also rose by similar margin to Rs 2,824 per quintal, with an open interest of 22,470 lots.

Analysts attributed the rise in sugar futures to speculators building-up positions, driven by a pick-up in demand from bulk consumers, but supply pressure on higher output limited the gains.

5 JUN, 2012, 02.59PM IST, REUTERS

### **Turmeric hits contract low; jeera up**

MUMBAI: Turmeric futures fell to a contract low for the second consecutive session on Tuesday, pressured by bulging stocks after a bumper harvest and sluggish export and domestic demand.

Buyers are staying away because of expectations for more price declines, said Faiyaz Hudani, senior analyst at Kotak Commodity Services. "Trend is bearish in the short term," he said.

Fresh supplies from the north-eastern state of Assam are piling pressure on prices, traders said.

At 2:27 p.m., the July contract on the National Commodity and Derivatives Exchange was down 1.28 per cent at 3,544 rupees per 100 kg, after touching a contract trough of 3,518.

In Nizamabad, a key market in the southern state of Andhra Pradesh, turmeric fell 5 rupees to 3,487.

Spot prices have slumped more than 30 per cent since the end of 2011 in anticipation of a harvest of 8.5-8.8 million bags of 70 kg each, compared with 6.9-7 million bags last year.

The harvest has been boosted as farmers expanded the area under cultivation lured by higher prices last year, traders said.

### **Jeera nudges up**

Falling spot supplies with the end of the peak arrival season helped lift cumin seed, or jeera, futures. Spot prices, however, were subdued.

Daily arrivals at Unjha, a major market in the western state of Gujarat, have dropped to around 7,000-8,000 bags of 60 kg each from 8,000-10,000 bags in the previous week.

Jeera is cultivated during winter from October to December and harvesting starts from February.

The July contract rose 0.54 per cent to 12,962.5 rupees per 100 kg.

"Supplies have come down but at the same time demand has also slipped," said Samir Mahendra Shah, a trader in Unjha. Export enquiries were also lower than expected, he said.

At Unjha, jeera fell 6 rupees to 13,365 rupees.

### Pepper falls

A drop in world prices piled pressure on pepper futures, which have been facing resistance due to high domestic prices. The most active July delivery fell 0.43 per cent to 38,320 rupees per 100 kg.

"Prices have come down in the international market due to a drop in demand. Vietnam has also lowered its prices," said Hudani.

There have been no takers for Indian origin pepper because domestic prices were about \$300 to \$400 a tonne costlier than rivals Vietnam and Indonesia, the world's top two producers.

At Kochi in the southern state of Kerala, pepper fell 97 rupees to 38,320.

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### 'Conserve rain water for a better tomorrow'

TUESDAY, 05 JUNE 2012 23:22

PIONEER NEWS SERVICE | RANCHI

Jal hi kal hai (Water is tomorrow), said Deputy Chief Minister Hemant Soren at the inaugural ceremony of Vikas Bharti's save water campaign on Tuesday. In a bid to raise awareness about the need to save water, Vikas Bharti launched its 10-day long campaign which will cover 151 districts of the State.

The campaign will educate people about the benefits of rain water harvesting and allied techniques through which water can be saved.

Inaugurating the campaign Soren said, "Water crisis has become a global problem these days. We cut trees and construct buildings and in summers we only go to hill stations for enjoying beautiful landscapes. Every person should take the pledge to plant five saplings each.

"Now mukhiyas can take decisions related to projects up to `5 lakh. Jal Sahiyas are also being trained for raising awareness among rural populace," added Soren.

Secretary of Vikas Bharti Ashok Bhagat in his address said, "We have 30 years of experience in these fields. One cannot understand the problems faced by people in villages therefore powers related to their welfare should be vested to them. Water has no substitute so save each and every drop of water." Bhagat also thanked the Drinking Water and Sanitation Department for giving decision making powers to Gram Sabha.

"Conferences and seminars are being organised everywhere but if we do not take serious steps all these efforts will be wasted. In the name of development we are deteriorating environment. This campaign should be taken as a movement and the Forest Department is always there to help Vikas Bharti," said Principal Chief Conservator of Forests AK Malhotra.

Agriculture Minister Satyanand Jha 'Batul' encouraged people to adopt water saving techniques like drip water irrigation and sprinkler irrigation in their fields. Representatives from various panchayats attended the programme in large number.

### **CS directive for proper storage of procured wheat**

SUNDAY, 03 JUNE 2012 22:38

PNS | LUCKNOW

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In a strict directive, Chief Secretary Javed Usmani has asked officials of the State Warehouse Corporation to protect the wheat stacked in open and has warned of stern action against the erring officials if it was damaged.

"If the wheat stacked in the open gets damaged because of rain or dust storm, the axe will fall on the officials responsible for proper storage of the stocked foodgrain," Usmani told officials in a review meeting held here on Sunday.

He said the officials should purchase tarpaulin and other paraphernalia required to protect the wheat lying in the open. "If required, the district administration should post policemen for security of the foodgrain. Theft of wheat has to be stopped at all cost," he said.

With weathermen forecasting possibility of dust storm in parts of the state in the next few days, a review meeting was held with the Chief Secretary in the chair to evolve steps to protect the wheat stacked in the open.

The Met officials have also predicted that monsoon is expected to touch the state in the mid of this month.

In the meeting, the Chief Secretary was informed that till date, 32.25 lakh metric tonnes of wheat had been purchased, which was 73 per cent of the targeted 42 lakh metric tonnes. The procurement of wheat so far is 25 per cent more than that of last year. Farmers have been paid Rs 4136.04 crore. The Food Corporation of India general manager was asked to pay the dues within the fixed dates.

Principal Secretary (Food and Civil Supplies) Balwinder Kumar said that there was no paucity of bags anymore for storing wheat. "In the last few days, various government agencies have placed orders for 19,840 bags and their supply has started. By June 18, UP will get its share of bags," he said and added that there was enough stock of gunny bags also.

Food Commissioner Archana Agarwal and other senior officials also attended the meeting.

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## Business Standard

Wednesday, Jun 06, 2012

### Consumers needn't worry about chana prices

Anindita Dey / Mumbai June 6, 2012, 0:39 IST





It is unlikely the retail price of chana (chickpeas) will rise much. In fact, it is expected to stay unchanged or even move downwards.

According to suppliers and manufacturers in the crop's major growing regions of Madhya Pradesh, Maharashtra and Rajasthan, retail prices have stagnated at around Rs 60-65 per kg, which is on the high side. This has led to both retail and bulk buyers (hotels and hostels, among others) staying away.

Chana is consumed as pulse or as flour, in the form of besan. "Big buyers are now preferring a multi-grain mix for flour and not pure besan or besan flour for consumption. Thus, the high price of chana dal is compensated by other mixes of relatively lower prices," explained an observer.

So, with low retail consumption and modified consumption of flour users, there is a lot of stock in the market. And, output was robust last year, at 8.2 million tonnes (mt). Beside, both government and private agencies had imported large quantities. This year, too, anticipating demand, there was import. So, with this unused stock, even if the fourth and final advance estimate output is less than that of last year, at 7.5-7.8 mt, dealers say this is more than enough to meet demand. According to suppliers who buy directly from farmers, most growers have already offloaded stock in preparation for the ensuing kharif season, to buy seeds and fertilisers.

"In fact, most of them offloaded in a hurry in the mandis, since there were no buyers forthcoming at the rates flashed by commodity exchanges. A farmer can at best hold it for two-three days. He cannot put the rest of his itinerary at rest for just watching prices and hold on to the stock," said a manufacturer and supplier of chana dal. "They also feel there is a great disconnect between the prices as reflected on the commodity exchanges and deals actually done bilaterally or in the retail market."

Traders who just take a position in the commodity exchanges would like to speculate at high prices but a genuine manufacturer has to worry about offloading the inventory at the best prices to minimise other losses. On the commodity exchanges, since the end of last year, chana prices have moved up from Rs 3,338 a quintal to a high of Rs 4,350 a quintal currently. The price volatility had even prompted the the commodity markets regulator, the Forward Markets Commission, to impose a special margin on chana trades.

## **Fresh cardamom to be delayed by two months**

George Joseph / Kochi June 6, 2012, 0:14 IST



Cardamom harvesting will be delayed this season by at least 8-10 weeks due to the extreme heat in Idukki district of Kerala and Kambam area in Tamil Nadu, the two major growing regions.

According to reports from Idukki, where almost 45 per cent of the total production is carried out, fresh crop would hit the market only by mid-August. The first lots usually arrive at the auction centres by mid-June. Growers say the hot weather, coupled with poor summer rains, have dried the flowers in most plantations. It would take at least two months for fresh offshoots to appear and ripen into cardamom. Growers estimate production may drop 30 per cent this season.

Of the total area of 105,000 hectares under plantation, 32,500 hectares is in Idukki. Of the total output of 20,000 tonnes, roughly 9,500 tonnes come from this district. Interruption in electricity supply and low voltage have also affected irrigation since pre-monsoon rains have been poor.

The price of cardamom, however, has dropped because of the unwinding of stocks. Farmers said the chunk of the old stock is sold out and the delay in harvesting is likely to push up prices.

## **Stockists hold back mentha oil, price climbs**

**As the commodity has no substitute in user sectors, players eye repeat of record prices seen in lean season**

Sharleen D'Souza / Mumbai June 6, 2012, 0:11 IST



Lured by record high off-season realisation early this financial year, farmers and stockists have reduced the supply of mentha oil by 50 per cent in wholesale spot markets, though this is the harvesting season.

Against an estimated 1,800 drums (180 kg each) of daily supply around the same time last year, farmers and stockists have restricted their sale in the physical market to around 800 drums.

This has created a shortage of mentha oil, which is used for manufacturing gutkha, confectioneries, cosmetics and pharmaceutical products. The price has surged by 13.4 per cent in the past six days in the benchmark Chandausi, Uttar Pradesh, mandi. Today's trade of mentha oil was at Rs 1,322 a kg as compared to Rs 1,166 a kg on May 30. Uttar Pradesh is the largest producer of mentha oil in India.

"Farmers are holding their stocks amid anticipation of record high prices again this year. During the lean season, i.e., around early April, mentha oil price set a record at Rs 1,750 a kg," said Ajay Kedia, managing director of Kedia Commodities.

However, the surge in prices may not be to the extent farmers and traders anticipate, countered an analyst from a leading commodity broking firm.

According to the analyst, output this season was estimated to rise 42 per cent to 50,000 tonnes this year from 35,000 tonnes last year.

Mentha oil, a derivative of a medicinal plant, is grown in January–February for harvesting in June. A sudden spurt in spot prices is unusual for a commodity during the harvesting season. But the lack of carryover stock from the last season, coupled with stockists' need-based release, has created an artificial shortage of the oil in the physical market. Consequently, demand is expected to pick up in the coming days, said Girish Kumar, an Uttar Pradesh-based trader.

In early April, the demand waned as the government of Bihar banned production and sale of gutkha in the state for a year. Export demand also remained lower, due to the ongoing

economic crisis in the European Union. Mentha oil is mostly exported to Europe.

The upward price movement in mentha oil is likely to get support from the higher cost of production. According to Kumar, the production cost of mentha oil from mentha leaves has gone up to Rs 75,000 per drum this year, from Rs 45,000-50,000 last year, due to rise in cost of labour and crushing. Still, manufacturers are making huge profits, said Kedia.

Now, renewed buying interest has emerged in the commodity from domestic users. Amid expectations of higher realisation, farmers brought an additional area under mentha this year, resulting in a near-20 per cent increase in sowing to 210,00 hectares this season, compared to 175,000 hectares last year. "The price shot up last year on rising consumer demand, especially from industries like confectionery and cosmetics. Since mentha oil has no substitutes, user industries continued to buy at the market price," Kumar said. On June 2, total stock of mentha oil at MCX-monitored warehouses at Chandausi was 53,961 kg, of which 42,455 kg was physical stock and the demat stock was 11,505 kg. At Barabanki, the total stock was 229,690 kg, of which physical stock accounted for 209,177 kg and demat stock was 20,513 kg.

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## THE HINDU Business Line

### Low quality offerings pound turmeric



Erode, June 5:

Spot turmeric fell by Rs 200 a quintal on Tuesday as traders offered lower prices on non-availability of fine quality turmeric. Absence of fresh orders from the North also aided the trend. Traders said the north Indian merchants sought quality turmeric but farmers chose to wait for higher prices.

“Due to three days holidays, arrivals in the four Erode markets increased and totally 16,000-odd bags turmeric arrived for sale. Farmers and traders had expected prices to go up slightly, said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. He said that the market was dull with local traders purchasing only to fulfil local orders. Traders said that some major exporters did not attend the market. Senior traders said turmeric is a cyclic crop; once in three years prices will drop and then improve. So there are high chances of increase in price in 2014. At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 2,319-3,466 a quintal and the root variety at Rs 2,238-3,255. **Salem Crop:** The finger variety fetched Rs 3,155-3,814 and the root variety Rs 2,955-3,506. Of 2,487 bags that arrived, only 1,002 were sold. At the Regulated Marketing Committee, the finger variety was sold at Rs 3,169-3,560 and the root variety at Rs 3,096-3,290. Out of 1,695 bags kept for sales, 1,600 were sold. At the Erode Cooperative Marketing Society finger variety was sold at Rs 2,899-3,500 and the root variety Rs 2,809-3,369. All the 1,027 bags kept for sales were sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 2,927-3,531 and the root variety at Rs 2,819-3,429. About 427 bags of turmeric were sold against arrival of 470.

#### Lower output may drive bears from chana



Indore, June 5:

The bearish trend in chana may be shortlived due to drop in production and sustained buying. Chana has declined by about Rs 200 a quintal since last week.

A trader told *Business Line* that increased demand for besan (gram flour) in the local market was forcing millers to buy chana even at higher rates.

However on Tuesday, chana declined on weak buying support, even as arrivals were poor. About 2000 bags were offloaded in local mandis.

In the spot, chana (kanta) declined by Rs 50-75 to Rs 4,250-4,275 a quintal, while chana (desi) ruled at Rs 4,175-4,200.

The average quality chana dal was quoted at Rs 5,075-5,100 a quintal (Rs 5125-50).

Dollar chana (chickpea) also traded lower on subdued demand and weak buying support. Its prices ruled stable at Rs 6,500-7,200 a quintal. In the container trade, dollar chana ruled flat on sluggish export demand with dollar chana 42/44 count ruling flat at Rs 8,100 a quintal, 44/46 count at Rs 8,000 a quintal, 58/60 count ruled at Rs 6,550-75 a quintal, while 60/62 count ruled at Rs 6,450-6,475 a quintal.

#### Limited availability of nut heats up groundnut oil



Rajkot, June 5:

Despite lower demand, prices of groundnut oil rose as availability of the nut for crushing was decreasing due to good demand by nuts traders and exporters.

A Rajkot-based groundnut trader said: “Arrival of summer crop is around 1,00,000 bags a day but most of the stock has been consumed by peanut traders and exporters as price is on the decline in the past few days.”

Groundnut oil for 15 kg new tin rose Rs 15 to Rs 2,045-2,050 and loose groundnut oil gained Rs 15 to Rs 1,200-1,205 for 10 kg. *Telia* tin moved up Rs 23 to Rs 1,840-1,841 for 15 kg. About 40-50 tonnes of groundnut oil were traded from mills.

Similarly, cottonseed oil increased by Rs 5 a tin to Rs 1,075-1,085 for 15 kg new tin. Cottonseed oil wash traded higher by Rs 5 to Rs 620-630 for 10 kg. About 700-800 tonnes of cotton oil were traded here.

According to a retailer, demand for cotton oil has increased as groundnut oil is ruling high.

According to Saurashtra Oil Millers Association data, cottonseed oil production has doubled in the last two years – from one lakh tonnes in 2009-10 to two lakh tonnes in 2011-12.

Simultaneously, groundnut oil production has slipped from 4.5 lakh tonnes to 3 lakh tonnes in the same period.

#### Coconut oil slides on poor upcountry buying



Kochi, June 5:

Coconut oil prices declined in Kerala markets as lack of demand from upcountry buyers continued for the second week. Prices this week dropped to Rs 57 a kg against Rs 58 last week.

Mr Prakash B. Rao, Vice-President, Coconut Oil Merchant Association (COMA), said that the market is expected to come down further due to higher arrivals from Tamil Nadu. Prices in Tamil Nadu continue to rule at Rs 54 quoted last week. The rates in the State had climbed to Rs 56 a couple of days ago but later slid to Rs 54 due to selling pressure at higher levels.

In Kerala, copra price held steady at Rs 3,800 a quintal quoted last week. However, in Tamil Nadu it went up by Rs 100 to Rs 3,400 a quintal.

Prices of edible oil such as palm oil and palm kernel oil, which are a close substitute of coconut oil, are still on the higher side — at Rs 72 and Rs 74, respectively, quoted last week.

Mr Bharat M. Khona, former Board Member, COMA, said that corporates were not active even at this level, but are expected to be active soon.

Mr Thalath Mahamood, President, COMA, said that heavy selling pressure was the main reason for lower prices in the Kerala market. Prices will recover only when government agencies commence copra procurement at minimum support price.

He said that the supply is unlikely to decline with the monsoon as there was more than sufficient stock with farmers in Tamil Nadu.

### Flour mills avoid wheat purchase





Karnal, June 5:

Unexpected buying emerged in wheat futures on the National Commodities and Derivatives Exchange on Tuesday afternoon. After hitting a low of Rs 1,121 a quintal, June contracts on the NCDEX shot up to Rs 1,140 and touched a high of Rs 1,143/quintal. Wheat spot prices on the MCX rose by Rs 4.40 to Rs 1,307.5/quintal. In the physical market, sluggish domestic demand coupled with ample stocks pulled dara and desi wheat down by Rs 30-70/quintal on Tuesday.

Poor demand for flour is a prime reason for lack of buying interest in the market, said Mr Sewa Ram, a wheat trader. Flour mills are saddled with stocks and they do not want to take fresh positions at current levels as wheat prices continue to move downwards and the domestic demand is also not picking up, he added. Dara prices fell by Rs 30 to Rs 1,160-1,170 a quintal.

Similarly, desi wheat was down Rs 50-70 a quintal. The Tohfa variety eased by Rs 50 to Rs 2,250 a quintal, and Bhojan King by Rs 60 to Rs 2,140. Rasoi bhog quoted at Rs 1,850, while the Nokia variety traded at 2,080, Rs 70 down from the previous level.

### **Flour Prices**

With a fall in dara prices, flour prices too went down by Rs 10 and quoted at Rs 1,200 for a 90-kg bag. On the other hand, Chokar continued to rule firm and sold at Rs 650-660 for a 49-kg bag. Low availability of green fodder in the region is keeping chokar prices firm, said Mr Sewa Ram.

### **Resale pressure tells on sugar**



Mumbai, June 5:

Sugar prices eased further on Tuesday as the commodity came under selling pressure from resellers. Naka rates dropped by Rs 10-20 a quintal, while spot price declined marginally Rs 2-5 on improved retail demand in the beginning of the month. Mills tender rates were lower by Rs 10 as mills continued selling before the start of monsoon as demand usually declines during the rainy season. Sentiment was weak and traders expect price to decline further in the coming days. Mr Mukesh Kuwadia, Secretary of Bombay Sugar Merchants Association, told *Business Line*: "Mills are under pressure to sell as they have to complete quarterly free sale quota before the month-end. For the April-June quarter, the Government has declared 46 lakh tonnes free sale quota. But expecting higher demand and higher price, producers did not sell sufficient quantity in the first two months. Hence, they are now under pressure". He said that the price drop in the international market has reduced export opportunities for India. In the first eight months, less than 18 lakh tonnes were exported and seeing the bearish trend in the world market, it would be difficult for exports to perk up significantly in the remaining four months. From October, the new crushing season will start. In the Vashi wholesale market, arrivals were 52-54 truckloads, while local despatches were about 50-51 loads. On Monday, about 23-25 mills sold nearly 23,000-25,000 bags of sugar to local traders in the range of Rs 2,775-2,830 (Rs 2,780-2,830) for S-grade and Rs 2,840-2,900 (Rs 2,850-2,920) for M-grade.

**The Bombay Sugar Merchants Association's spot rates were (Rs/quintal):** S-grade Rs 2,920-2,971 (Rs 2,922-2,972) and M-grade Rs 2,992-3,136 (Rs 2,996-3,131). **Naka delivery rates:** S-grade Rs 2,860-2,900 (Rs 2,880-2,910) and M-grade Rs 2,950-3,010 (Rs 2,970-3,030).

### Marginal drop in coconut oil prices

Kochi, June 5:

Lack of demand from upcountry buyers continued for the second week resulting in decline of coconut oil prices in Kerala market this week. The prices in Kerala have come down to Rs 57 per kg against last week prices of Rs 58.

Mr Prakash B. Rao, Vice President of the Coconut Oil Merchant Association (COMA) said that the market is expected to come down further due to higher arrivals from Tamil Nadu. The prices at Tamil Nadu are stable at Rs 54.



However, the rates had climbed up to Rs 56 a couple of days back and later come down to Rs 54 due to selling pressure at higher levels.

The copra prices stood at the same level of Rs 3,800 per quintal in Kerala quoted last week. However, in Tamil Nadu it went up by Rs 100 at Rs 3,400 per quintal.

The prices of edible oil such as palm oil and palm kernel oil, which are a close substitute of coconut oil, are still on the higher side.

### Wheat futures crash further



Wheat prices are far below the MSP of Rs 1,275 announced by the Centre for the current rabi marketing season.

Chennai, June 5:

Wheat futures continued to rule below the minimum support price MSP on Tuesday following record production and lack of demand.

On the National Commodities and Derivatives Exchange (NCDEX), wheat grown this year and for delivery this month opened lower at Rs 1,129 a quintal against Rs 1,134 yesterday. Prices are far below the MSP of Rs 1,275 announced by the Centre for the current rabi marketing season.

The downtrend continued in **sugar futures**, too, with the June contract for the M-grade opening at Rs 2,780 a quintal (Rs 2,786).

Industrial grade **maize** opened lower at Rs 1,082 a quintal against Rs 1,096 on Monday night.

**Turmeric** was another counter where the futures dropped further to Rs 3,358 a quintal (Rs 3,468). Higher production and lack of demand, particularly from North India, is dragging the yellow spice lower.

**Pepper**, however, increased with the June contracts rising to Rs 38,360 a quintal from Rs 38,200.

**Castor June futures** dropped marginally to Rs 3,010 a quintal (Rs 3,011), while chana for June delivery slid to Rs 4,065 a quintal (Rs 4,614).

**Chilli**, another spice that has lost its sting of late, froze further to Rs 4,572 for June contracts from Rs 4,614. **Coriander**, too, dropped to Rs 3,340 a quintal for June delivery from Rs 3,400.

**Barley June contracts** increased to Rs 1,245 a quintal from Rs 1,233.50 and **Gur** (Jaggery) July contracts dropped marginally to Rs 1,117.

**Cotton June futures** were up on the MCX at Rs 15,290 for a bale of 170 kg from Rs 15,220, while **raw cotton June futures** on the NCDEX increased to Rs 938.50 for 20 kg from Rs 932.

**Cottonseed oil cake** also increased with the June contracts rising by Rs 7 a quintal to Rs 1,084.

**Oilseeds** counter turned bullish with **mustardseed June futures** rising to Rs 3,669 from Rs 3,650 a quintal, while **soyabean** increased to Rs 3,311 a quintal from Rs 3,295.

**Refined soyabean oil** increased to Rs 716.65 for 10 kg (June contracts) from Rs 712.35.

**Potato August futures** on the NCDEX were up at Rs 1,120 a quintal from Rs 1,115.10, while on the MCX it increased to Rs 1,200 from Rs 1,188.

## Betel leaf farmers in distress, seek Govt support

Our Bureau



*Business Line*Tough times: A farmer sorting the betel leaves to pack them for export at Satyavaram village in Visakhapatnam district. — Photo: C. V. Subrahmanyam

Visakhapatnam, June 5:

Betel leaves are grown at Payakaraopeta in Visakhapatnam district and the nearby areas in East Godavari district by a few farmers in soils suitable for the crop, but they are suffering for want of marketing facilities.

Notwithstanding a good crop, betel leaf farmers of Satyavaram village are suffering. Growing production and overhead costs coupled with the declining demand from upcountry markets are worrying farmers.

Satyavaram betel leaf tastes good and has a greater shelf life compared to the one produced in other States, it is said. There are around 4,000 people in Satyavaram, who are dependent on betel farming either directly or indirectly.

At old tiled shed at Satyavaram junction, workers can be seen grading the betel leaves. The leaves are washed, neatly arranged by deft hands, bundled and packed in cane baskets for transport to the nearby Tuni railway Station and RTC bus station for onward transport or by trucks directly to Maharashtra, Chhattisgarh and other places.

“I have lost crop in five acres due to the leaf disease. The leaf turns ripe (yellow) rendering it unfit for consumption,” said S. Ramu. Ramu, a betel leaf farmer himself, who is also a betel leaf trader and exports produce to other States. He also buys the leaves from other small farmers and markets them.

The high price of the leaf last year is, however, attributed by some to the scarcity of betel leaf as large extent of crop in Satyavaram was destroyed in the December 2010 cyclone. To make matters worse, the cost of lorry transport has increased from Rs 40 a bag to Rs 60 a bag due to the rise in fuel costs.

“Betel crop has to be grown for about eight months after which the leaves can be cut once a month. The land lease rates have also gone up to Rs 25,000 an acre for a year in Satyavaram compounding the problem,” says Mr Satti Babu.

#### Coonoor tea auction turnover up 16.66%



Coonoor, June 5:

The turnover of Coonoor Tea Trade Association in the first five months of calendar 2012 has increased by 16.66 per cent compared with the same period a year ago, reveals an analysis of the market reports.

This has happened because more volume was sold at a higher price.

In all, 21 auctions had been conducted in January, February, March, April and May. A total volume of 1.89 crore kg had been sold against 1.78 crore kg in the same months of last year.

The average prices increased to Rs 74.68 a kg (Rs 67.98).

Consequently, the overall turnover increased to Rs 141.15 crore from Rs 121 crore. This increase of Rs 20.15 crore marked a growth of 16.66 per cent.

#### **Cashew heads south on weak demand**



**KOCHI, JUNE 4:**

The cashew market continued to slip last week, declining by almost 10 per cent over the previous fortnight.

Though there was a fair amount of activity for June-July shipments, not much was traded for the forwards as the big processors were not keen to sell large volumes at current levels, Mr Pankaj

N. Sampat, a Mumbai-based dealer told *Business Line*. The differential between the highest and lowest offer, he said, has widened to 15-20 cents a pound (lb) depending on the grade and shipment period.

Mean/middle-of-the-range prices (fob) were: for W240, \$4; W320, \$3.50; W450 and SW320, \$3.45; SW360, \$3.30; splits, \$2.55; and pieces, \$2.30.

The domestic market, too, was quiet. "Here, the difference between the highest and lowest offer is currently over 10 per cent compared to 5 per cent in the international market," he said.

#### ON A ROLLERCOASTER

As mentioned by an experienced trader at the Vinacas conference in Nha Trang last week, cashew stakeholders have been on a "rollercoaster" for the last 18-24 months and there are no signs of the ride ending in the near future.

In a nutshell, W320 moved from \$3 in July 2010 to \$3.40 in October 2010, and further to \$3.80 in November 2010, \$4 in May 2011, and \$4.70 in July 2011, only to fall to \$4.50 in September 2011 and crash to \$3.75 in December 2011.

It was an upward trend from July 2010 to July 2011, and then downward up to December 2011. Price movement during 2012 has been sharp and erratic — from \$3.70 in January to \$3.20 in March to \$3.80 in early May and \$3.50 in end-May.

#### RCN PRICES DOWN

Raw cashew nut (RCN) prices have also come down by about 10 per cent as a result of the decline in kernel prices, he said.

The current prices per tonne are as follows: Guinea Bissau, \$1,400; Benin, \$1,100 a tonne; Ivory Coast (IVC), \$1,000 (c&f) but very limited business is being done.

Unfortunately, he said, the availability of good quality nuts is now limited to Guinea Bissau, Senegal and Gambia. Much of the West African crop was traded at higher levels though the quality was below normal. Shipments during April-May have been slow and, hopefully, June will be better.



Of the 2,00,000 tonnes available in Segabi, “we doubt whether shipments in June will exceed 50,000 tonnes. We feel that reasonable volume has been sold for June/July shipments and unless RCN prices come down further, shellers may not be willing (or need) to reduce kernel prices because there will not be much replacement RCN available till the Southern crops come in during the last quarter,” he said.

Unless the price is attractive, buyers will be reluctant to buy forwards, and unless there is a reasonable premium, shellers will be reluctant to take any large forward orders. The RCN market is basically a spot market.

Overall, the downside seems limited and there is a possibility that the prices could inch up a bit to the recent highs if demand picks up. Concerns about impact of too high prices on demand will put a cap on the price increase. Demand will be the key factor affecting the market trend in the coming weeks.

Apart from the disruptions in supply and uncertainty on the demand side, there is the added problem of large currency movements and difficult economic conditions in many markets. All these make long-term planning difficult and reduces the liquidity in the market. Any small deviation on supply or demand side leads to spike or dip in activity and prices, Mr Pankaj said.

#### PRUDENT STRATEGY NEEDED

In sum, the outlook is very hazy — it is “confusion compounded”. In such a situation, prudent strategy, for both sides, would be to have something on the books for the next few months to avoid any major effect on top- and bottom-lines if the market moves unexpectedly, as it has in the recent past.

“In March, the feeling was that we would soon see the market touching \$3. By early/mid May, we had crossed \$3.75 and people felt \$4 was definitely possible. Within two weeks, at the end of May, we are at \$3.50 per lb (fob) ...What will June-July bring?”

## Buyer resistance saps spot rubber



### **KOTTAYAM, JUNE 5:**

Spot rubber recorded further losses on Tuesday. The market declined on buyer resistance following another weak closing on the National Multi Commodity Exchange (NMCE).

Sheet rubber slipped to Rs 192 from Rs 192.50 and Rs 193 a kg at Kottayam and Kochi respectively, according to traders and the Rubber Board.

Despite the steep declines in the international markets, losses in the local markets were very limited, significantly widening the gap between the Indian and Malaysian market. The June series declined to Rs 188.20 (192.61), July to Rs 190.15 (194.59), August to Rs 189.10 (194.16), September to Rs 188.30 (192.62), and October to Rs 188.14 (193.50) a kg for RSS 4 on the NMCE.

The Tokyo rubber futures recovered partially on early trades after oil and equities rose ahead of emergency talks between the finance chiefs of the Group of Seven (G7) leading industrialised powers on euro zone crisis. But the market lost ground on late trades followed by investor selling.

RSS 3 recovered marginally at its June futures to ¥247.9 (Rs 176.44) from ¥245.9 a kg during the day session but then dropped to ¥240.6 (Rs 171.25) in the night session on the Tokyo Commodity Exchange. The grade (spot) closed at Rs 195.63 (202.01) a kg at Bangkok.

**Spot rates were (Rs/kg):** RSS-4: 192 (192.50); RSS-5: 189 (190); ungraded: 186.50 (187); ISNR 20: 191 (192.50) and latex 60 per cent: 131 (131.50).