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## Dip in sales as tender coconut prices soar

Kavita Kishore

The price of tender coconut has soared.

Coconuts that were earlier selling for Rs. 8 are now being sold for Rs. 15; larger coconuts which were earlier selling for Rs. 15 are now being sold for Rs. 30.

“The rise in prices is because of the Cyclone, Thane,” says one of the coconut sellers, Lakshmi. All roadside stalls are now forced to obtain tender coconuts from places in Tamil Nadu like Anumanthapuram and beyond Cuddalore. As a result, the sellers are paying Rs. 12 for a coconut in place of the earlier Rs. 5 – including the cost of transport and handling, she said.

Now, many people are not buying tender coconut owing to the rise in prices, which is affecting the sellers.

“Earlier, about 70 to 80 coconuts would sell on a sunny afternoon. Now, customers do not buy coconut water citing the price rise,” another seller, Vijay, said. Even foreigners, who used to buy tender coconut by the dozen, are not willing to spend much.

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## Cultivation of capsicum picks up speed in Thanjavur



taking stock:R.Manivannan, centre, farmer, R.V.Chary, right, senior manager, Canara Bank, looking at rich harvest of capsicum at a farm at Eachankottai village near Thanjavur on

Farmers of Thanjavur have taken to capsicum cultivation in a big way, thanks to the National Horticulture Mission implemented by horticulture department. Capsicum used in eatables such as pizza, burger, and fried rice has a good market potential.

R.Manivannan, a farmer of Eachankottai village, has raised capsicum on 1000 sq mts in his R.R.Farm under high tech poly green house. Every alternate day we harvest capsicum and send it to Tiruchi market, he said. "We raise the seedlings in a poly tray using seeds given by horticulture department. Later the seedlings are planted. Yield starts after 55 days of planting. From seed to yield it takes 90 days. We harvest 150 to 200 kilos of capsicum every alternate day," Mr.Manivannan said. Each plant gives a yield of two kilos. The selling price was Rs.33 per kilo. Drip irrigation is done and fogger is used to maintain humidity. A met chamber indicates the temperature of the green house so that sprinkling water or irrigation can be taken up.

M.Selvaraj, deputy director of horticulture, said that the department is giving Rs.215 per sq mt as subsidy. Mr.Manivannan has also raised chillies on another 1000 sq mt. Vallam branch of the Canara Bank has given a loan of Rs.20 lakh to Manivannan for raising capsicum and chillies.

R.V.Chary, senior manager of the bank, said that the bank was ready to help any farmer who is interested in raising crops such as capsicum.Manivannan has also raised yellow and red capsicum for seed purpose. "We are doing integrated farming. Besides capsicum we have raised black gram, paddy, tissue culture banana, and a dairy farm. There are twelve milch animals now which gives 60 litres of milk per day. Mr.Selvaraj said that horticulture department has taken steps to increase the area under horticulture crops.

Cocoa has been raised on 300 hectares in Thanjavur district. Pepper has been raised as an intercrop in coconut groves in Peravurani area.

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**Inflation level to continue till this month**

*48th annual conference of Indian Econometric Society inaugurated*



Chairman, Economic Advisory Council to Prime Minister, C. Rangarajan, and Vice Chancellor of Pondicherry University J.A.K Tareen at the annual conference of the Indian Econometric Society in Puducherry on Thursday.— Photo:T.Singaravelou

There may not be any further significant decline in inflation till the end of this month and when a decision is taken on rationalisation in pricing of petroleum products it might have an impact on price, C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, said here on Thursday.

Speaking at the inaugural of the 48th annual conference of the Indian Econometric Society at Pondicherry University, he said, an environment of reasonable price stability is conducive to economic growth.

The case of price stability as a major objective of economic policy rests on the assumption that volatility in prices creates uncertainty in decision making.

Rising prices adversely affect savings while they make speculative investments more attractive.

At the same time, inflation adversely affects those who have no way to hedge rise in price of essentials, including the economically weaker sections of society. Hence, there is a need to maintain price stability, particularly in developing and emerging economies, he said.

Reconciling to the conflicting objectives of price stability and economic growth in the short run is through estimating “threshold level of inflation,” a level beyond which costs of inflation begins to rise steeply and affect growth. Pointing out that there is a divergent view on the level in which inflation can be maintained, he said in the Indian context it should be ideally around 5 to 6 per cent.

Stressing the need to ease supply side constraints to continue with growth along with price stability, he said, however, interventions to reduce supply constraints would take time to mature.

“In our case, at least as far as foodgrains are concerned, use of official stocks in an imaginative manner can help to keep foodgrain prices under control. Thus, the extraordinary high level of inflation seen in the last two years is due to certain supply constraints, particularly of agricultural products,” he said.

The fact that inflation is triggered primarily by supply shocks does not mean that monetary policy has no role to play in such conditions, he said, stressing the need to adopt monetary and fiscal policies to contain overall demand pressures.

Vice-Chancellor of Pondicherry University J.A.K. Tareen, Director of Studies M. Ramadass and president of Indian Econometric Society Biswajit Chatterjee spoke.

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CHENNAI, March 2, 2012

### Prices of vegetables up by 40 per cent

*Traders attribute hike to less crop yield and depletion of water resources during summer*



OUT OF REACH Soaring prices of vegetables translates to lesser purchase for many. -Photo: K. Pichumani

With the arrivals at the Koyambedu wholesale vegetable market dipping since the past few days, the cost of many vegetables has escalated by 30-40 percent, forcing consumers to be frugal in their purchases.

Different varieties of tomatoes, which were priced around Rs.15 until recently, now cost around Rs. 24 a kg. Traders attributed the price hike to less crop yield and depletion of water resources

during summer. The Koyambedu market, which normally receives 60 truckloads of tomatoes daily, got only 45 lorries from Andhra Pradesh and Karnataka on Thursday.

The hike has meant cut in the budget for vegetables in many households. P. Sunitha, a resident of Choolaimedu, said: "I buy more quantity of vegetables that are relatively cheaper. I cannot decrease purchase of tomatoes as I use them daily. I have started growing greens and vegetables at home to supplement my needs."

Some of the hotels too have started replacing cheaper vegetables to fit in the meal price.

According to S. Chandran, a wholesale trader, the cost of most vegetables increases every summer owing to the gap between demand and supply. Even affordable ones such as cabbage are priced around Rs.10 a kg in the wholesale market. Beans, sourced from Chittoor district in Andhra Pradesh and from Karnataka, are also priced high at the wholesale market as the yield has decreased by half, they said.

Carrots, brinjals and ladies fingers are out of the reach of most people. However, the prices of onions and potatoes remain stable, providing some solace to the consumers.

The prices of vegetables are higher by at least Rs. 5 a kg in the retail market. Vendors said this was essential to cover increasing labour and transportation charges. "Many customers now think twice before buying a kg of vegetables and expect the prices to drop. We cannot afford to give curry or coriander leaves free of cost to regular customers as they are also expensive," a vendor said.

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### **Assistance under farmers' scheme**

Applications for educational scholarships, marriage and cremation assistance, and accident compensation provided under the Farmers Protection Scheme could be submitted to the respective village administrative officers, Collector Jayashree Muralidharan said in a press release.

Farmers and agricultural labourers and their family members can submit the applications, written in plain papers, to the VAOs, she said.

## Share

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### Farm equipment distributed

Collector S.Nadarajan distributed agriculture equipment including mini tractor and konometer worth Rs.18 lakh to seven farmers at Menankudi village in Nannilam taluk on Wednesday. The Collector took part in the demonstration of agriculture equipment and distribution at subsidised rate at a meeting organised by agriculture engineering department. Sampath, Nannilam Panchayat Union chairman, and V. Duraisamy, executive engineer, agricultural engineering department, participated, said a press release here on Thursday.

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### Farmers seek release of water

*Collector refuses to accept petition since poll code is in force*



Citing their plight:A group of farmers submitted petition to the Collector seeking water release from tank in Tuticorin on Thursday.— Photo: N. Rajesh

A group of farmers from Rajapathi submitted petition to Collector Asish Kumar on Thursday urging him to release water from Kadambakulam for advance 'kar' paddy cultivation.

President of Tamirabharani Water Users' Association from Rajapathi D.T. Guna said the farmers of Kadambakulam, who are mostly relying on the water body for paddy cultivation, would go for advance 'kar' paddy cultivation every year.

Following this tradition, water should be released from Kadambakulam this year also to encourage the farming community to take up advance 'kar' paddy cultivation, Mr. Guna said.

Refusing to accept the petition, Mr. Ashish Kumar told them that he could not accept their plea as the election model code was in force in view of the March 18 bypoll at Sankarankovil.

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DHARWAD, March 2, 2012

### **Varsity develops heat-resistant crop varieties**

Vice-Chancellor of the University of Agricultural Sciences, Dharwad, R.R. Hanchinal has said that the varsity has developed several crop breeds that are resistant to heat, and leaf blotch diseases.

Speaking to presspersons here on Wednesday, Prof. Hanchinal said the new breeds include the UAS-304 variety of wheat that had a yield potential of 42 to 46 quintals per hectare , Siri-1253 variety of paddy that is leaf and neck blast resistant and is recommended for cultivation in a rain-fed midland situation and the high-yielding Mesta variety AS-73-CP-560.

### **Horticulture**

The varsity has released non-stacking, high-yielding, fresh market tomato varieties DMT-1 and DMT-5 which are resistant to bacterial wilt. A variety of Coccinia, DRC-2, ('tondikai') with a yield potential of 65 tonnes per ha has also been released.

A research conducted by them has shown that under rain-fed conditions, both organic farming and integrated farming generated similar yield levels.

With the help of the Indian Institute for Agriculture Research on Climate Change, which has been established in the university, farmers will be given real-time 'now-casts' and forecasts.

### **Seed production**

Prof. Hanchinaal said the varsity had given priority to seed production and technology transfer through the supply of quality seeds to farmers.

The university had produced 34,072 quintals of seeds in 2009-10.

It had supplied seeds of improved varieties at 50 per cent subsidised rates to 4,425 farmers.



This year, the varsity had set a target of producing 1.50 lakh quintal seeds.

### **Revolving fund**

Scientists at the UAS were involved in dissemination of technology through production and supply of quality inputs, and value-added products, besides offering consultancy services to farmers under revolving fund schemes.

A total of 225 revolving funds were in operation and have generated Rs. 11.64 crore during the year, he added.

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ULBARGA, March 2, 2012

### **Farmers to get Rs. 2 more for every litre of milk supplied**

The Gulbarga-Bidar Cooperative Milk Producers' Federation has decided to offer Rs. 2 more to farmers for every litre of milk supplied to the federation.

President of the federation Mallikarjun Biradar said here on Thursday that the decision was taken by the board of directors of the federation, after obtaining permission from the Karnataka Milk Federation.

It came into effect on Thursday and would be in force during the entire summer, he said.

Mr. Biradar appealed to beneficiaries under the Amrutha Yojana, Tribal Sub Plan and Special Component Plan to use the facilities offered by the government for purchase of milch animals. Under these programmes, destitute women, Devadasis, widows and women labourers would be provided Rs. 35,000 for purchase of cows or buffaloes. While destitute women and labourers would get 50 per cent subsidy on loans, beneficiaries under the Special Component Plan would be eligible for 60 per cent subsidy, and those under the Tribal Sub Plan for 75 per cent.

Application forms for these schemes were available at the offices of the departments of Animal Husbandry as well as Women and Child Development, Mr. Biradar added. The last date for submitting applications is March 25.

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PALAKKAD, March 2, 2012

### **Banana Fest in Palakkad**

M.B. Rajesh, MP, will inaugurate the 'Banana Fest' organised by the hotel management and catering science students of the A.J.K. College of Arts and Science, Coimbatore, at the Town Hall here on Sunday at 5.30 p.m.

College secretary Ajithkumar Lalmohan said there would be 100 food items made from banana – from root to flower - at the festival.

The costume design department of the college will organise a fashion show as part of the festival.

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NIZAMPATNAM, March 2, 2012

### **Value-addition for fish products stressed**

A two-member team of Cochin-based Central Institute of Fisheries Technologies (CIFT) conducted a training programme on value-addition to fish products at the harbour here on Thursday under the aegis of Medical & Cultural Association (MCA), Repalle.

N. Venkata Rao, Senior Technical Officer of CIFT from Visakhapatnam and G. Bhushanam, technical assistant, explained the nutritional value and mode of preparation of various fish products like fish pickle, powder, wafers and noodles.

Mr. Venkata Rao said some small fish and prawn species end up as chicken meal, which is a waste of marine wealth. Hygiene is an important factor as the fish produce would otherwise fail to fetch decent returns in the domestic and international markets.

By drying the fish and other species on clean platforms, fisher folk could ensure good quality. Processing the fish has to be done neatly.

About fish recipes, Mr. Venkata Rao said that there was high demand for a wide variety of these food items in countries like Japan.

This demand could be met by Indian fishermen who have to diversify instead of just dumping the commonly available species. Societies need to come forward to prepare fish recipes and reap the dividends. MCA secretary V. Prakasa Rao said the association was willing to facilitate more such programmes for the welfare of fisher folk, some of whom were benefiting from fish recipes.

- *Hygiene is an important factor, says CIFT team*
- *'There is a high demand for fish in Japan'*

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**hindustantimes**

Fri, 02 Mar 2012

weather

Delhi - INDIA

#### Today's Weather



Sunny

Friday, Mar 2

Max Min

29.4° | 12.2°

Rain: 00 mm in 24hrs

Sunrise: 7:14

Humidity: 60%

Sunset: 17:48

Wind: Normal

Barometer: 1009

#### Tomorrow's Forecast



Sunny

Saturday, Mar 3

Max Min

27° | 11°

#### Extended Forecast for a week

Sunday

Monday

Tuesday

Wednesday

Thursday

Mar 4

Mar 5

Mar 6

Mar 7

Mar 8



28°   12°	29°   13°	30°   13°	32°   15°	33°   14°
Sunny	Sunny	Sunny	Sunny	Sunny



### **Admn procures paddy from remaining D'nal farmers**

THURSDAY, 01 MARCH 2012 23:47

Paddy procurement from the left-out 69 token holder farmers was done on Wednesday night at GN Prasad centre after Anti-Corruption Committee and Krishak Sangharsh Samiti president Debashish Hota threatened mass agitation all over Dhenkanal. During the procurement, the Bhuban branch manager of Angul Cooperative Bank Santosh Kumar Dash was present. No Food and Civil Supply department officials were present fearing public anger, since the innocent 69 farmers were made to wait on road for last eight days. Harapriya Rice Mill procured 2,160 quintals in 10 trucks whereas Kamlesh Rice Mill procured rest 450 quintals in two trucks. Everything was done hurriedly at night not to face any untoward incident.

However, Hota alleged that the hasty procurement during night was done to hush up the irregularities of the officials and demanded that a probe be instituted to unravel the corruption in the 74 paddy procurement centres in the district.

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## **Business Standard**

Friday, Mar 02, 2012

### **Regulator levies 10% cash margin on mentha oil, cardamom contracts**

**Imposes margins only on the long side move to protect traders from price volatility**

**Dilip Kumar Jha / Mumbai March 2, 2012, 0:02 IST**

The Forward Markets Commission (FMC) has levied 10 per cent special cash margin on two

narrow commodities – mentha oil and cardamom – effective on Thursday, to check volatility in these counters. With this revision, the overall margin on all mentha oil and cardamom contracts has shot up to 18.58 per cent and 19.5-20 per cent from 8.58 per cent and 9.5-10 per cent, respectively.

The regulator has imposed margins only on the long side, which means only buyers would require to keep 10 per cent additional cash with exchanges for protection from price volatility. The two minor commodities are active on the Multi Commodity Exchange (MCX) and the National Commodity & Derivatives Exchange (NCDEX). FMC officials had recently denied any possibility of speculative activity in minor commodities, including mentha oil and cardamom.

FMC has also halved additional margins in all kapaas contracts from the existing 10 per cent to five per cent on both long and short sides. It also withdrew the special margin of 10 per cent, including five per cent cash margin on all pepper contracts.

<b>PREVENTIVE MEASURES</b>				
Cardamom and mentha oil prices on the Multi Commodity Exchange				
(Rs/kg)	Spot price		Near-month futures	
	Cardamom	Mentha oil	Cardamom	Mentha oil
1-Mar-11	1,090.40	1,223.70	1,097.30	1,146.50
1-Mar-12*	766.20	2,167.50	956.80	2,079.00
<b>% chg</b>	<b>-29.73</b>	<b>77.13</b>	<b>-12.80</b>	<b>81.33</b>
* Till 1415 hrs IST			Compiled	
by BS Research Bureau				

Margin is a portion of money deposited with the exchange for the safety of all stakeholders — traders, members and exchanges — from high price volatility. In case of dramatic price fluctuations, margins are increased to cool down prices. Margins are the prerogative of commodity exchanges and the regulator alike.

“The two narrow commodities were very volatile in the last few months. The special cash

margin will help curb price volatility,” said Naveen Mathur, associate director, Angel Broking.

Data compiled by the BS Research Bureau shows a dramatic spurt in mentha oil prices. The commodity for delivery in the near-month shot up by 81 per cent to trade at Rs 2,079 a kg on Thursday, compared to Rs 1,146 a kg a year ago. Similarly, it jumped 77.13 per cent to quote at Rs 2,167.5 a kg in the benchmark spot Chandausi market on Thursday, compared to Rs 1,223.7 a kg a year ago.

According to Ajay Kedia, analyst with Kedia Commodity, “Mentha oil is trading firm on the heels of strong stockists’ demand against diminutive arrivals in major mandis. The commodity has gained over 45 per cent this year.”

Strong demand from international markets and the domestic pharmaceutical industry along with waning supplies in major mandis added strong gains in the spot market, which is currently reflecting in futures as well. Arrivals have further plunged between 150-160 drums on Thursday, from 200 drums in major mandis about a week ago.

Mentha production in 2011 was earlier estimated at 42,000 tonnes and later revised downward to 36,000 tonnes in October, against 28,000 tonnes in the previous year. In the last few days, prices of mentha have witnessed sharp rise due to hoarding by local stockists anticipating further price rise on account of limited supplies between March and June. Sowing of crop has commenced and fresh arrivals will begin only in July.

India is the world’s largest producer and exporter of mentha oil, which is widely used as a flavouring agent in food products, including confectionery. Export of mint products, including menthol, menthol crystals and mint oils in the last three years was 17,000-20,000 tonnes, valued between Rs 1,200 crore and Rs 1,700 crore. Besides India, other countries that produce this oil are China, Brazil and the US. There is a growing export demand for mentha oil.

Prices of cardamom, however, fell by 30 per cent in the past year in the spot market to trade on Thursday at Rs 766.2 a kg, down from Rs 1,090.4 a kg a year ago. On MCX, the commodity for near-month delivery plunged 12.8 per cent to Rs 956 a kg from Rs 1,097.3 a kg a year ago.

After hitting a low of Rs 660 a kg about a month ago, cardamom price turned around. On rising export demand, the price is expected to move up further to around Rs 12,000 a kg in a month, said Amit Sajeja, senior research analyst with Kotak Commodity Services.

Meanwhile, both production and export of cardamom are estimated to set a new record this year.

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### **Sugar output rises 15% this season to 18.7 million tonnes**

**Press Trust Of India / New Delhi March 2, 2012, 0:30 IST**

Sugar production has gone up by 15 per cent to 18.65 million tonnes till February 29 this marketing season, according to industry data.

The country had produced 16.25 million tonnes in the same period of the 2010-11 marketing year (October-September), Indian Sugar Mills Association (ISMA) said in a statement on Thursday. Maharashtra, the country's largest sugar producer, produced 6.49 million tonnes of sugar till February 29, which is 14 per cent higher than last season, it added. Similarly, output in Uttar Pradesh, the second biggest sweetener producing state, rose 13 per cent to 5.27 million tonnes in the same period. Karnataka and Tamil Nadu reported higher production at 2.87 million tonnes and 8.20 lakh tonnes, respectively, as of February 29, ISMA said. Andhra Pradesh has reported 20 per cent more production than last year at 8.71 lakh tonnes of sugar so far, it added. As per ISMA, the country is likely to produce 26 million tonnes in the 2011-12 marketing year, against 24.2 million tonnes in the previous year. However, the government has pegged output at 24.5 million tonnes.

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### **Cooking oil imports seen at record as harvest drops**

**Bloomberg / New Delhi March 2, 2012, 0:14 IST**

Cooking-oil imports by India, the biggest palm oil buyer, will climb as much as 12 per cent to a record after dry weather and excessive rain curbed oilseed crops, according to GG Patel & Nikhil Research Co.

Purchases will total 9.2 million metric tonnes to 9.4 million tonnes in the year that began on November 1, compared with 8.37 million a year earlier, said Managing Partner Govindlal G Patel, who has traded vegetable oils for more than three decades. India bought a record 8.82 million tonnes in 2009-2010.

The tropical oil, used in everything from candy bars to biofuels, advanced to the highest level in eight months on February 28 as dry weather cut soybean harvests in South America. Global inventories of soybean and palm oils will drop to 7.84 million tonnes by the end of 2011-2012, the lowest in four years, the US Department of Agriculture data show. About 80 per cent of India's purchases consist of palm oil.

It's "a cheaper option for India," Ryan Long, vice-president of futures and options at OSK Investment Bank Bhd., said by phone from Kuala Lumpur. "Higher demand from India will support palm-oil prices."

The May-delivery contract gained 0.5 per cent to 3,285 ringgit (\$1,094) a tonne on the Malaysia Derivatives Exchange on Thursday.

Futures, which have rallied from a 12-month low of 2,754 ringgit on October 6, may reach 4,000 ringgit by June as demand growth outstrips production, according to Dorab Mistry, director of Godrej International Ltd.

Shipments from Malaysia may jump to a record 19.8 million tonnes in 2012 from last year's 18 million tonnes, aided by rising demand in India and China, Lee Yeow Chor, chairman of the Malaysian Palm Oil Council, said last month.

Exports to India climbed 25 per cent to 460,220 tonnes in the four months ended February 29 from a year earlier, according to surveyor Societe Generale de Surveillance.

Oilseeds production in India may drop to 30.5 million tonnes in the year ending June 30 from 32.48 million tonnes a year earlier, according to the farm ministry.

The soybean harvest was damaged in Madhya Pradesh, the biggest grower, because of excessive rains, while the mustard harvest crop will decline after dry weather in November and December curbed yields, Patel said.



A lower crop may boost domestic oilseed prices by 20 per cent in June from a year earlier, said Sujan Hajra, the chief economist at Anand Rathi Financial Services Ltd in Mumbai. The wholesale oilseeds-price index climbed 13 per cent in January from a year earlier, according to the commerce ministry.

Cooking-oil imports climb-ed 2.9 per cent to 2.13 million tonnes in the three months ended January 31 from a year earlier, the Solvent Extractors' Association of India said on February 14.

Palm-oil purchases rose 4.9 per cent to 1.8 million tonnes, it said. Consumption may gain 3.8 per cent to 16.3 million tonnes in 2011-2012 from 15.7 million tonnes a year earlier, said Patel.

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### **Regulator levies 10% cash margin on mentha oil, cardamom contracts**

**Imposes margins only on the long side move to protect traders from price volatility**

**Dilip Kumar Jha / Mumbai March 2, 2012, 0:02 IST**

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### **Cotton prices fell by over Rs 3,000 per candy during month of Feb**

**Vimukt Dave / Mumbai/ Rajkot March 02, 2012, 0:20 IST**

On the back of lower international and domestic demand, cotton prices have witnessed a fall of about Rs 3000 per candy during the month of February. Market sources hinted at a further slide in cotton prices during March due to weak overall demand.

"Recent fall in cotton prices is led by lower buying by domestic mills that are facing power cuts. Moreover, export demand has also gone down in February," said Ahmedabad-based cotton broker Arun Dalal.

The Sankar 6 variety of cotton traded in the range of Rs 34,200-34,400 per candy of 356 kg on February 29. However, the prices were quoted at Rs 37500-37800 during the second week of the month. The prices have fallen by Rs 3400 a candy during February.

"Cotton demand from China has decreased during the month of February and domestic mills' consumption has also slowed due to power shortage in Karnataka," Arvind Raichura, director, Balkrishna Ginning said.

Adding further he said, "Based on last year's experience, mills are not doing stock this year. They procure from the market as per their requirements."

As the prices fell, arrivals have also declined by more than 40 per cent.

In the beginning of the month, cotton arrivals stood at around 65,000-70,000 bales (of 170 kg each) per day at Gujarat markets. But the arrivals fell to 45,000-47,000 bales a day in the last week of February. In India the daily supply is currently in the range of around 100,000 - 135,000 bales against 200,000 - 220,000 bales.

Dilip Patel, president of Gujarat Ginners Association said, "Price has declined as consumption of cotton is less than production. However, the prices are already at the bottom level and it is less likely to fall much from this level."

The current unsold stock is also posing a challenge for the cotton traders in Gujarat. According to Raichura, there is about 1.5 million bales of unsold stock with ginners in Gujarat. An analysis by Tamil Nadu Agricultural University's (TNAU) Domestic Export and Marketing Intelligence Cell (DEMIC) suggested a fall in the prices from current levels. There are thin chances of a rise in cotton prices, rather they are more likely to decline, if China - a key buyer of Indian cotton, discontinues its buying.

The supply in the domestic market witnessed a decline of four percent to 22.34 million bales as on February 26, against 23.38 million bales that arrived for sale during the same period last year, data compiled by the Cotton Corporation of India (CCI) showed.

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## UAS introduces new crop breeds

BS Reporter / Chennai/ Dharwad March 02, 2012, 0:12 IST

University of Agricultural Sciences (UAS) Dharwad has developed and released several crop breeds that include heat tolerance capacity, resistant to rust and leaf blight diseases. The varsity has released new wheat breed UAS-304 which is having a yield potential of 42-46 quintal per hectare. New paddy variety Siri-1253 is leaf and neck blast resistant breed which is recommended for cultivation in rain-fed midland situation. UAS Vice-Chancellor R R Hanchinal said higher fibre yielding mesta variety (pundi pallya) AS-73-CP-560 has also been developed and released. In horticulture, the varsity has released non-stacking, high yielding, fresh market type with resistance to bacterial wilt and high density planting tomato variety named DMT-1 and DMT-5. Besides, medium-sized, dark coloured fruits, suitable for long distance transport coccinia variety (tondikai) DRC-2 with a yield potential of 65 tonne per hectare has been released.

He said, the research conducted in organic farming system has proven similar yield levels for both organic farming and integrated farming under rain-fed conditions. This includes less production cost, increased organic carbon content and improvement in physical, chemical and biological activities in soil. An Institute for Agriculture research on Climate Change is established in the University. Under this programme, real-time now-casts and short range forecasts are provided to the farmers. Hanchinal said, the varsity has given top priority for seed production and technology transfer through supply of quality seeds to the farming community. University has produced 34,072 quintal of seeds in 2009-10. The varsity has supplied seeds of improved varieties at 50 per cent subsidised rates to 4,425 farmers. This year, the varsity has fixed a target of producing 1.50 lakh quintal of seeds. Further he said, the university cannot depend on government alone to fund.

The scientists at UAS are involved in dissemination of technology through production and supply of quality inputs, and value-added products. Besides, offering consultancy services to farmers under revolving fund schemes.

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## **Fertiliser stocks jump on govt move to cut subsidy**

PTI

Mumbai, March 1:

Shares of fertiliser companies surged as much as 4 per cent on the BSE today on the Government's move to cut subsidy on certain decontrolled fertilisers for the next fiscal.

National Fertilisers Ltd , Rashtriya Chemicals and Fertilisers Ltd and Coromandel International Ltd saw their share prices rise by 3-4 per cent in the afternoon trade on the BSE in an overall weak market.

The Cabinet Committee on Economic Affairs (CCEA) is believed to have approved today the Fertiliser Ministry's proposal to reduce the subsidy on P and K fertilisers under the Nutrient Based Subsidy (NBS) policy.

National Fertilisers jumped 4 per cent to Rs 93.70 a piece, RCF gained 3.25 per cent to Rs 68.40 and Coromandel International rose 3.56 per cent to trade at Rs 286.50 a share. Shiva Global Agro Industries gained 0.29 per cent, while Zuari Industries grew 0.88 per cent and Deepak Fertilisers & Petrochemicals Corp was up 0.19 per cent.

However, Tata Chemicals was trading 0.29 per cent lower at Rs 361 a piece on the bourse. Due to strengthening of rupee and bearish global prices, the Fertiliser Ministry had recommended reduction in subsidy on nitrogen (N) and potassium (K) at Rs 24 per kg each and Rs 21.8 per kg on phosphate (P) for the 2012-13 fiscal.

These subsidy rates will be made with effect from April 1, 2012.

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## **Higher crop prospect may put pressure on jeera**



Rajkot, March 1:

Jeera declined on Thursday on higher new crop arrival. Besides, local demand is also weak as buyers are waiting for better quality crop. Favourable weather has increased likelihood of a higher crop, which may put pressure on the market in the short term, said an Angel Commodity report.

Its March contract was down Rs 162.50 to Rs 13,950 a quintal on the National Commodity and Derivatives Exchange (NCDEX) with an open interest of 9,615 lots while April fell by Rs 155 to Rs 14,217.50 with an open interest of 11,673 lots.

At the agricultural produce marketing committee here, jeera dropped by Rs 30-35 to Rs 2,260-2,775 for 20 kg, with arrivals at about 5,200-5,500 bags. In Unjha, where about 14,000 bags of new crop and 1,500-2,000 of old crop arrived, it declined by Rs 40 to Rs 2,115-3,320. More than 12,000 bags were traded at auctions in Unjha.

According to the Spices Board of India, 31,500 tonnes were exported in April-December last year as compared with 21,750 tonnes in the year-ago period, an increase of 45 per cent.

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**Palm oil prices will face downward pressure**

G. Chandrashekar





Mumbai, March. 1:

As we move closer to the world's largest gathering of the vegetable industry and trade at Kuala Lumpur for the annual palm oil price outlook conference, prices have begun to firm up as they usually do at this time of the year in order to create a positive atmosphere during the mega event.

While experts will debate early next week the outlook for the global vegetable oil market in general and palm oil in particular, the signs on the horizon are ominous.

Adverse impact of the dry conditions in South America has certainly boosted palm oil market in recent days as the shortfall in soya oil is sure to be filled by palm oil. Additionally, even by itself the demand-supply balance for palm oil (mainly Malaysian and Indonesian) is getting tighter this year (2011-12) as production and disappearance are expected to match evenly at about 51 million tonnes.

Prospects for palm oil look constructive on current reckoning as demand for palm oil is sure to remain robust over the coming months because of tightening soya oil availability. However, the 6-8 month period beginning April coincides with seasonal rise in palm oil production, while consumption demand in the world's largest palm oil market – India – will be depressed during May-July because of summer.

The next crop of cultivated oilseeds will be available in the northern hemisphere by September. So, when the market transits from the second to the third quarter, firm palm prices could give way to marked softness, assuming weather stays benign. Also, it is axiomatic that in a delicately balanced commodity market even a small change in either demand or supply will have a disproportionately large impact on market prices.

However, the orbit of palm prices will be influenced not only by its own market fundamentals — admittedly tight — but also that of global vegetable oil market, crude oil market and currency dynamics. Flow of speculative capital will also be an important factor. The world is more likely to see a rebound in agricultural crops in the second half of 2012 resulting from supply response to high prices in the last two years, abating weather risks and less speculative interest. As a result, grains and oilseeds prices would weaken.

Palm has the potential to outperform other oil bearing crops given its tight fundamentals. However, as for price performance of palm oil per se, two critical factors deserve attention. One is the currency. The possibility of the dollar weakening in the wake of Fed statement to continue its 'easy money policy' till 2014, does exist. If the Malaysian currency, the ringgit, firms up, export competitiveness could be somewhat blunted and palm oil price rise may be muted.

But a more important factor could be the intensifying competition between Malaysia and Indonesia to capture market share. Indonesia looks set to wrest a larger market share this year because of the new Indonesian tax structure.

Additionally, the signing of a preferential trade agreement between Indonesia and Pakistan would mean the former eating into Malaysia's share. Pakistan imports as much as two million tonnes. Malaysia will have to compete on price and nothing else. There could be competitive price reduction.

Given these non-fundamental factors, the potential for palm oil prices to rise sharply is rather limited. If anything, over the next four months, crude palm oil is most likely to trade at an average of around ringgit 3,100 a tonne with a ringgit 200 movement on either side. In dollar terms, it is likely to be around \$1,000 a tonne plus or minus \$100. Prices will weaken as we move towards the second half. While higher crude oil prices and weather aberrations can disturb the outlook and push prices higher, a major commodity sell-off or global economic growth concerns can pull prices down.

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## Spot rubber rules static amidst dull trade



Kottayam, March 1:

Spot rubber finished unchanged on Thursday. The market remained neutral as there were no quantity sellers or buyers in the major trading centres following a weak closing on the National Multi Commodity Exchange. Sheet rubber was steady at Rs 188 a kg, as quoted by the traders. The grade closed flat Rs 188.50 a kg, according to the per Rubber Board. Volumes were extremely dull.

In futures, March contracts weakened to Rs 188.27 (189.84), April to Rs 193.15 (194.42), May to Rs 198 (199.01), June to Rs 199.85 (200.83), July to Rs 199.17 (201.28) and August to Rs 198.01 (200.86) a kg on the NMCE.

RSS 3 (spot) bounced back to Rs 199 (196.82) a kg at Bangkok. The March futures increased to ¥322 (Rs 195.55) from ¥319.4 a kg during the day session but then slipped to ¥321.9 (Rs 195.49) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 188 (188); RSS-5: 185.50 (185.50); ungraded: 182.50 (182.50); ISNR 20: 187 (187) and latex 60 per cent: 123 (123).

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## Lean consumption keeps egg flat



Chennai, March 1:

The wholesale egg price continued to remain flat this week with the Namakkal-based National Egg Coordination Committee's zonal committee retaining it at Rs 2.84 a piece at its meeting held on Thursday.

Consumption in Tamil Nadu and other states such as Maharashtra, Karnataka and Andhra Pradesh, major markets for Tamil Nadu's shell egg and broiler trade, has started to pick up slowly with the austerity season coming to an end. But in Kerala, consumption has taken a beating with the starting of Lent season, said poultry sources.

Egg, which touched a record Rs 3.20 a piece in December 26 last year (and maintained till January 7), was on the downside, but not for too long. It perked up again towards January-end and has risen constantly to the Rs 3 mark. However, the present lean patch in terms of offtake in view of the Lent season and public examinations is expected to give way soon, leading to demand pick-up, sources told *Business Line*.

On the exports front, the country has started shipping table eggs to Afghanistan. Mr P. Selvaraj, Chairman, NECC (Namakkal zone), told *Business Line* that they are now shipping considerable containers of eggs to Afghanistan, although he declined to put a number to it.

Meanwhile, the price of layer birds is also witnessing a downtrend with NECC trimming it by Rs 10 a kg to Rs 25 while the Broiler Coordination Committee's rate for cull birds is up by Rs 6 a kg to Rs 52.

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### Ample stocks, weak demand pound wheat futures



Karnal, March. 1:

Dara and flour prices remained unchanged and ruled steady on Thursday, after witnessing some correction earlier this week.

The situation was anticipated as privately held stocks have already been exhausted and apart from the small arrivals from Uttar Pradesh. Flour mills are now depending on the stocks of the Food Corporation of India to meet their requirement, said Mr Subhash Chander, a wheat trader.

“Market may continue to rule around current levels for next few days and arrivals of the new crop are expected by the end of this month,” he said.

In the physical market, the Dara variety was sold for Rs 1,230-1,240 a quintal. Around 35 tonnes of dara variety arrived from Uttar Pradesh and stocks were directly delivered at the mills. Mill delivery of dara was Rs 1,230-1,235 a quintal, while delivery at chakki was at Rs 1,240 a quintal.

Tohfa, a desi wheat variety, continued to rule flat and quoted at Rs 2,300 a quintal.

Ample stocks coupled with weak spot demand pulled down wheat on the futures and spot markets. The March contract on the National Commodity and Derivatives Exchange decreased

by Rs 9 to Rs 1,204 a quintal after touching a low at Rs 1,202 a quintal earlier. Spot prices on the MCX decreased by Rs 7 to Rs 1,248.8 a quintal.

## Flour Prices

With a steady trend in wheat, flour prices ruled flat and sold at Rs 1,220-1,225 for a 90-kg bag. Similarly, after witnessing a fall earlier this week, Chokar prices remained unchanged and quoted at Rs 610-620 for a 49-kg bag.

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## Global tea availability up 0.87 mkg



Coonoor, March 1:

The global tea production chart for 2012 has opened with an increased availability of 0.87 million kg (mkg) over the corresponding period of 2011, reveals an analysis of the latest information received from various producing countries and traders' bodies.

The official production data for January has come out for Sri Lanka and Malawi. "While Malawi has produced 0.40 mkg less over January 2011 to total 6.40 mkg, Sri Lanka has produced 1.27 mkg more to total 22.41 mkg. Collectively, the availability has increased by 0.87 mkg to total 28.81 mkg," Mr Rajesh Gupta, Director, Global Tea Brokers and publisher of Global Tea Statistical Diary, told *Business Line*.

The latest data relating to different countries show that in calendar 2011, global black tea production declined by 22.09 mkg to total 1947.90 mkg. All countries except India and Tanzania have reported a lower output. India's production rose by 21.93 mkg to peak to a record 988.33 mkg, while Tanzania showed a marginal increase of 1.14 mkg to touch 32.78 mkg.

Kenya lost 21.10 mkg (production: 377.90), Indonesia 8.40 (63.70), Uganda 6.96 (40.28), Malawi 4.50 (47.10) and Sri Lanka 3.06 (328.37).

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### Govt cuts subsidy on non-urea fertilisers



New Delhi, March 1:

The Government announced on Thursday a cut in subsidy on complex non-urea fertilisers for fiscal 2012-13, following decline in global prices and an appreciating rupee.

The new rates under the nutrient-based subsidy (NBS) scheme for 2012-13, approved by the Cabinet on Thursday, are lower by 10 to 32 per cent a kg. The subsidy for nitrogen has been fixed at Rs 24 a kg, down from Rs 27.15 last year. For phosphate, the subsidy has been cut by 32.6 per cent at Rs 21.80 from Rs 32.33, while for potash the decline is about 10.3 per cent at Rs 24 from Rs 26.76.

As a result, the subsidy on di-ammonium phosphate (DAP) stands at Rs 14,350 a tonne for 2012-13, down 27 per cent from Rs 19,763 the earlier year. Similarly, the subsidy on muriate of potash (MoP) will be 10 per cent lower at Rs 14,440 from Rs 16,054. The subsidy on phosphorus (P) and potassium (K) fertilisers covered under the NBS policy will be according to the nutrient content in that grade. The new rates will be effective April 1, 2012.

Following the announcement, shares of companies that have higher exposure to decontrolled fertilisers shot up on Thursday. Shares of Coromandel International gained 4.52 per cent to close at Rs 289.15 on the Bombay Stock Exchange. Shares of Gujarat State Fertilizers &



Chemicals Ltd gained 1.59 per cent to close at Rs 394, while that of Zuari Industries ended higher by 1.13 per cent at Rs 484.70.

The Government expects the reduced NBS rates for P and K fertilisers to bring down the subsidy bill by 20 per cent for 2012-13. The subsidy bill of the two fertilisers for this financial year is expected to be around Rs 50,000 crore.

The reduced prices of complex fertilisers may help boost usage as farmers shifted to cheaper urea during kharif and rabi seasons in the current financial year following an increase in phosphatic fertiliser prices. Following the decontrol in April 2010, prices of non-urea fertilisers had almost doubled on account of rising global raw material costs and a weakening rupee.

The Government, which implemented NBS policy for P and K fertilisers effective April 2010, has been announcing the subsidy rates before the start of a financial year. This is to make these fertilisers available at a lower price than its delivered costs. The subsidy is reimbursed to fertiliser companies for selling indigenous and imported crop nutrients at a lower price to farmers.

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### Rainfall insurance scheme for coffee being fine-tuned



#### **BANGALORE, MARCH. 1:**

The Rainfall Insurance Scheme-Coffee (RISC) is being fine-tuned to address few grievances of growers and the Coffee Board is co-ordinating it. "To address the issue, Coffee Board and Agriculture Insurance Corporation (AIC) are visiting growing areas in the country and so far held few interactions with coffee growers to hear their grievances," Mr Jawaid Akhtar, Chairman, Coffee Board, told *Business Line*. The RISC is a scheme which compensates the insured

growers, against the likelihood of diminished output/yield resulting from shortfall/excess rainfall for different coverage options such as blossom showers, backing showers and monsoon and post-monsoon rains. Mr Akhtar said: "The implementation of the RISC scheme has shown that it is an effective risk management tool to the coffee growers against the vagaries of weather pattern especially the nature of rainfall distribution over last few years as payouts about Rs 16 crore are high compared to the premium collections of Rs 9 crore." "Ever since the scheme became operational, coffee growers have raised few issues such as higher and unaffordable premium rates and inadequate subzoning leading to faulty monitoring of rainfall," he added. To address the issues, Coffee Board is helping the AIC to fine tune the scheme and is also planning to help update and digitise the previous rainfall data for accurate forecast and payouts.

The scheme, since its inception in the year 2007-08, has garnered a total of 52,291 growers (88,378 hectares covered), total premium collected Rs 8.65 crore, Coffee Board's subsidy component is Rs 4.32 crore, and 17,828 growers have got payouts and the over all total payout amount stood at Rs 15.68 crore.

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### Heavy arrivals crush mustard seed, oil



INDORE, MARCH 1:

Sluggish trend continued in mustard seeds and oil on weak global cues and rise in arrivals. Continuing its downslide, mustard oil in Indore *mandis* on Thursday dropped to Rs 706 for 10 kg (down Rs 9).

In Neemuch and Moorena, mustard oil declined by Rs 10 to Rs 700 and Rs 710 for 10 kg. In Ganganagar (Niwai) and Kota (Rajasthan), mustard oil declined by Rs 8 to Rs 712 for 10 kg.

In Jaipur and Gujarat *mandis* also, mustard oil declined by Rs 10 to Rs 725 and Rs 700 respectively. In the past one week, mustard oil in Indore and other *mandis* of Madhya Pradesh has dropped by Rs 30.

Besides weak global cues, rise in arrivals have also contributed to bearish sentiments both in mustered seeds and oil.

Arrival of mustard seeds in the country on Thursday was recorded at 4 lakh bags against 14,500-15,000 bags in Madhya Pradesh *mandis* which include 2,500-3,000 bags at Neemuch and 6,000 bags each at Mandsaur and Moorena.

With increased arrival in neighbouring States of Rajasthan, mustard seeds also witnessed downtrend in Madhya Pradesh.

In Mandsaur, mustard seeds declined to Rs 2,950-3,025 a quintal (down Rs 75), while it dropped to Rs 3,000-3,060 a quintal at Neemuch and Rs 2,700-3,000 a quintal in Moorena respectively.

According to a mustard seeds trader, Mr Kamlesh Nahata, with the downtrend continuing in mustard seeds, farmers will be forced to hold up their produce and make restricted release of seeds in the *mandis* so as to get higher prices for their seeds in future as meagre arrivals will help push up its prices, he added.