THE HINDU

March 8, 2012

Farm queries

MULTIPURPOSE ONION MACHINE

Is there any person who has developed a multipurpose machine for onion crops?

L. Bhatia

Punjab

Mr. Pandharinath Sarjerao More has developed a tractor drawn onion transplanter that performs three functions at a time — transplanting, applying fertilizers, and digging irrigation channels. The machine also sows seeds of cereals and pulses. For more details contact Mr. Pandharinath Sarjerao More, At. & Po., Sangavi Bhusar, Kopargaon Ahmednagar, Maharashtra 423602, phones: 02423-262070, 202070, mobiles: 9881269253 and 9420748253.

RAT TRAP

Is there any eco friendly rat trap available in the country?

Gomes Philip

Goa

Mr. Arun Kumar from Tumkur district has designed an eco-friendly trap for the pest. By this method about 3-4 rats can be trapped and killed. For more details contact Mr. S.R. Arun Kumar Shettikere, Chikkanaikanahalli,Tumkur district- 572226, Phone: 08133 – 269564, mobile: 09900824420.

March 8, 2012

Aromatic crops provide good returns in hilly regions

M.J. PRABU

The fragrance from these aromatic plants keeps wild animals at bay

Alternative:Puttiyamma, Bargur with her rose crop.- Photo: special arrangement

Experiencing unexpected losses in agriculture due to adverse climate or pest attack is a common feature in the life of farmers. Even the best technologies fail when they have to gamble with adverse climate. The problem is all the more acute for those living in hilly regions bordering reserve forest areas.

Because apart from the vagaries of climate, farmers also have to keep track of movements of wild animals in their fields which cause sudden and disastrous loss both to the crops and sometimes to human lives.

Mrs. Puttiyamma, is a lady farmer of Bargur hills in Erode district of Tamil Nadu, successfully proved that all the above stated facts are not a deterrent when it comes to growing crops in the hills and successfully marketing them.

Mrs. Puttiyamma owns about 4 acres of land and is presently growing Rosemary in about half an acre.

Rosemary group

“I was growing ragi and double beans and reaped only a minimum margin. With no alternative I sought other casual jobs to meet my family’s basic needs.

“I heard from sources in my village about MYRADA KVK (Mysore Resettlement and Development Agency — Krishi Vigyan Kendra) which is encouraging farmers in our area to grow Rosemary (an aromatic herb) and are also helping them to market the same produce by forming the rosemary group (Group of farmers with common interest being to market Rosemary),” she explained.

She joined the group and started cultivating the crop. Rosemary thrives well both in irrigated and dry land conditions and is not disturbed and grazed by any wild animal because of its aroma.

As it is a perennial crop there is no need for investing money for seeds and land preparation every year and the crop provides a stable income.

Harvesting tonnage

Mrs. Puttiyamma harvested around 2 tonnes/year of fresh leaves and earned about Rs.20.00 per kg of fresh leaves in the past three years.

“I have earned about Rs.40,000 per year from 1/2 an acre of land under rain fed condition whereas the returns from rest 3.5 acres of Ragi crop and beans have been only half of this income. My income kindled the interest of other farmers who also started growing the crop,” she said.

Oil extraction

As there has been an increase in the number of farmers who took to Rosemary cultivation the District Rural Development Agency, Erode funded the establishment of an oil extraction unit nearby.

The unit reduced the herbage loss during transport and has been able to increase the income to about Rs.3,600 per acre besides providing employment to the rural youth.

The tribals of this region grew crops such as ragi, double beans, tapioca, turmeric and some fruit varieties. But due to constant incursion by wild animals from the bordering reserve forests many of them could not succeed in their farming operations, explained Dr. P. Alagesan, Programme Co-ordinator, Myrada Krishi Vigyan Kendra.

"When some of the tribals approached us for guidance our team visited the area and after careful study realized that aromatic crops can be safely grown there as the climate is cool and favourable and also the fragrance emanating from these aromatic plants will keep the wild animals at bay," he says.

Clear understanding

Myrada krishi vigyan Kendra encourages group approach to get fair price to the product. A clear understanding between marketing agencies and growers committee is ensured. The tribals are made to interact with officials Hope — an organization in Nilgiris — are pioneers in the cultivation and promotion of the crop.

In order to get additional revenue in the rosemary field/garden, other long term crops such as Tea, Eucalyptus citridora can be encouraged as a border crop, says Mr.Pachiappan, of the Kendra. The Tamil Nadu Agricultural University conferred an award on the lady farmer.

To speak to the farmer readers can contact Dr. P. Alagesan, Programme Co-ordinator, Myrada Krishi Vigyan Kendra, No.272, Perumal Nagar, Puduvalliyampalayam Road, Kalingiyam – Post, Gobichettipalayam – 638453, Erode District, Tamil Nadu, e-mail : myradakvk@gmail.com, myradakvk@dataone.in, website : www.myradakvk.org, Phone : 04285 241626, 241627.

March 8, 2012

'Work towards enhancing production in rain fed areas'

Need for a farmers' federation

The Director General, ICAR Dr. S. Ayyappan inaugurated an exhibition by the Krishi Vigyan Kendras at Chitradurga and Tumkur.

The exhibition was set up by Zonal Agricultural Research Station, National Agricultural Innovation Project and Akshya Food Park.

The DG appreciated the efforts of the scientists of the University of Agricultural Sciences, Bangalore in developing various farmer friendly agricultural implements and suggested patenting the same.

Farmers' interaction

He interacted with several farmers, officers of the line departments and the scientists. Dr. Ayyapan elaborated upon the research priorities for climate change and the programmes that are being envisaged to be taken up in the XII Five year plan.

He urged the scientists to go for production of quality seed and planting material and at the same time to give more emphasis on value- addition and post- harvest technology.

He opined that the production level in India with the average annual rainfall of 400 – 500 mm is low when compared to other countries where the annual rainfall is less than 140 mm and urged the scientists to develop technologies that suit low rainfall areas and help in increasing the productivity.

Market exploitations

Dr. K. Narayana Gowda, Vice-Chancellor, University of Agricultural Sciences, Bangalore, in his presidential address, emphasized the need for formulating farmers' federations to mitigate the market exploitations.

He also said that the University is planning to set up dry land agriculture research station, Diploma college for Chitradurga district and provide more importance for dry farming technologies and agro forestry, according to a press release from ICAR.

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Drip irrigation for farmers to beat summer blues

Staff Reporter

To be given at subsidised rates under micro irrigation programme

The Agriculture Department is gearing up to help farmers tide over what is expected to be a tough summer ahead.

Plan to provide drip irrigation systems under micro irrigation programme at subsidised rates for the farmers is on the anvil.

Pre-season farming

Under the National Agriculture Development Programme (NADP), pre-season farming is being encouraged to cover 200 hectares in the district in the current year.

Through the NADP, drip irrigation system under micro irrigation, with a 75 per cent subsidy, is being extended to farmers. The maximum subsidy permissible is Rs.55,800 per hectare.

Liquid fertilizer

The department also facilitates farmers get liquid fertilizer costing Rs.25,000 per hectare for free, Collector V. Shobana said here on Wednesday.

For the small and marginal farmers, the State government is extending 100 per cent subsidy for establishing micro irrigation schemes, Ms. Shobana pointed out urging farmers to make full use of the scheme.

She noted that Chief Minister Jayalalithaa had envisioned doubling revenue of farmers by increasing the production and productivity.

Mobile sprinklers

The State is providing 100 per cent subsidy for purchasing mobile sprinklers and rain guns.

For the mobile sprinklers a sum of Rs.17,000 is being provided while for rain gun Rs.25,000 is being extended for purchasing the equipment.

A total of 100 mobile sprinklers and 50 rain guns have been sanctioned for farmers in the district.

The total subsidy involved is Rs.29.46 lakh, according to the Joint Director of Agriculture Soundaram who adds that the disbursal of equipment would be over by the month end.

The scheme is exclusively for the pulses growing farmers, he said. The aim was to increase pulses productivity.

Rice fallow falses

Ms. Shobana said that the raising of rice fallow pulses is expected to be covered well in the district ahead of the summer.

Kulithalai, Nangavaram, Krishnarayapuram, Nachalur and Lalapet areas, provided the perfect setting for rice fallow pulses cultivation, Mr. Soundaram explained adding that the practice was already under way in Kulithalai taluk.

Normally 1,000 acres would be covered under the practice that produces 400 to 500 kg black gram per acre.

Duration of the crop will be around 65 days.

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Paddy transplantation to go hi-tech in Kumari dist

P. S. Suresh Kumar

The Agriculture department in co-operation with the National Bank for Agriculture and Rural Development and Tamil Nadu Agriculture University would launch three transplanters for the first time in the district during the coming Kannipoov season as part of implementing modernisation in the field of agriculture with an intention to minimise the cost of inputs and increase productivity.

The Joint Director for Agriculture, A.Danasingh David told *The Hindu* that on experimental basis three transplanters would be introduced in selected villages. Ninety percent of the amount for using the machine would be met by NABARD and the remaining 10 percent would be contributed by the farmers.

Based on the response and the demand, transplanters would be pressed into service throughout the district.

The farmers here have raised paddy crops in over 8,455 hectares and the harvest is expected to be completed next month.

As farmers used to hire a combined harvester on rent by paying exorbitant amount during peak periods, they have been urged to use the harvesters belonging to the Agriculture Engineering Department.

They could avail the service of combined harvester at cheaper rate when compared to existing market rate of other harvesters owned by private parties.

He further added that the district has recorded so far 7 to 8 tons of yields per hectare in the Kumbapoov season (second crop) and it would be expected to touch 9 tons after completion of harvest.

In the first season i.e. in Kannipoov season, farmers have raised paddy crops on over 8,263 hectares.

The agriculture department had also recorded an average of 9.211 tons of yields per hectare.

The total paddy production was 76,000 tons in the first season. However, in the present Kumbapoov season the agriculture department could get 82,000 tons of paddy, thanks to the efforts taken to control the pest attack.

The farmers in different parts of the district have urged the agriculture department to set up direct purchase centers so that they could dispose their produce for better price.

The agriculture department has also sent a proposal to the district administration to direct the Tamil Nadu Civil Supply Corporation to set up direct purchase centers.

Meanwhile, the agriculture department has mooted an idea of forming ‘commodity groups' so that the farmers could dispose their produce for better price to these groups with out the interference of middlemen.

The Kanyakumari district administration has made arrangements for storing the produces of farmers at Regulated Marketing Committee in Vadaserry for 180 days in order to dispose their produce for better price after stipulated period.

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Mettur level

The water level in the Mettur dam stood at 80.47 feet on Wednesday against its full level of 120 feet. The inflow was 556 cusecs and the discharge, 1,320.

Published: March 8, 2012 00:00 IST | Updated: March 8, 2012 04:31 IST

Mangoes likely to be expensive this year

Shankar Bennur

Mango fruit formation has commenced but fruits may start to drop if there are no showersin the coming days.— PHOTO: M.A. SRIRAM

It is likely that you will have to shell out more money if you want to feast on the king of fruits, mango, this year. For, the fruits could just become expensive because of predictions of a sharp fall in the crop yield in view of the continued dry condition in the State. Despite a “rare phenomenon” during which the current season, which was earlier described as “off year” for the crop, turned into an “on year” due to widespread flowering, experts have predicted a sharp decline in mango production. This will result in an increase in mango prices as it happened two years ago.

The drought situation followed by extreme cold weather in the State last year increased carbohydrate and nitrogen (C/N) ratio, triggering flowering despite the “off year” prediction. Officials in the Horticulture Department have said that the crop yield this year will be up to 60 per cent less than the combined crop yield recorded last year.

“The extremely dry weather condition and zero moisture in the soil will result in fruit-drops. Fruit-drop will be higher than usual,” according to S.V. Hittalmani, Additional Director of Horticulture (Fruits and Flowers).

Speaking to *The Hindu* , he said that moisture in soil was needed when fruit formation starts. “As fruits in the early stages are delicate, the chances of crop loss are more in such conditions. The size and quality of fruits will decline if the dry condition continues. The fruits need moisture to gain size,” he said.

The officials had said a bumper harvest depends largely on pre-monsoon or summer showers.

“A spell of rain can help save the crop,” says Mr. Hittalmani. Despite this “rare phenomenon”, the season is now described as “off year” for the crop due to prediction of drop in production.

The area under mango cultivation was increasing every year. With the area under cultivation up by 25,000 hectares due to the concessions extended under National Horticulture Mission, farmers have taken up mango cultivation in nearly 1.4 lakh hectares in the State.

Kolar, Chickballapur, Haveri, Dharwad, Mysore, Belgaum, Shimoga and Tumkur districts are among the largest mango growing areas.

“This year, the crop yield may cross 10 lakh tonnes if the weather remains normal when fruits start developing, and powdery mildew disease and anthracnose do not break out,” according to sources.

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High cultivation cost, low prices hit cotton farmers in H.D. Kote

R. Krishna Kumar

Rise in cultivation cost and depressed price in the market has forced a large number of farmers in H.D. Kote to quit cotton cultivation and opt for horticultural crops.

Reckoned to be a major cotton cultivating region, H.D. Kote taluk in Mysore district was also known for producing the finest variety of organic as also the indigenous variety of cotton.

However, a steady increase in the cultivation cost coupled with a gradual decline in the market price has forced the farmers in the region to do a rethink on cotton cultivation.

Vivek Cariappa, an organic farmer and a former member of the Organic Farming Mission, told *The Hindu* : “Traditionally, farmers in the area cultivated Extra Long Staple variety of cotton that is used in the textile mills with focus on exports.”

The bulk of the ELS cotton used to go abroad – mostly to western European countries — in view of their demand for high-end clothing in the garment industry. But the economic uncertainty in the European Union has led to a decline in demand as a result of which the market price for cotton too has crashed, said Mr. Cariappa.

Though Mysore district has nearly 50,000 hectares under cotton cultivation, H.D. Kote taluk alone used to bring in about 15,000 ha under it but it has begun to shrink and is less than 8,000 to 10,000 ha this year and likely to shrink further.

The market support price for cotton has been pegged at Rs.3,000 per 100 kg, which, the farmers say, is very low.

Mr. Cariappa said being a labour intensive crop, cotton required continuous nurturing and small and medium land-holding farmers now find it economically unviable to persist with cotton cultivation.

During the cotton picking season in 2011, labourers were in short supply and in view of the high demand for them, the daily wages increased to Rs.200 per day which, the small and medium landholding farmers, found it difficult to accede.

Input cost

Along with high labour charges, the input cost by way of seeds, fertilizer and chemical pesticides increased while the returns declined. It is reckoned that more than 80 per cent of the farmers in H.D. Kote have small and medium-sized land holdings ranging from three to five acres and the average yield varies from 8 to 10 quintals per acre.

So, the economics of scale did not work in favour of these farmers and their income from cotton declined significantly.

Those with large-sized holdings found it difficult to secure labour during picking season and hence the returns were meagre.

“After computing the input costs, labour etc, farmers earn between Rs.5,000 to Rs.6,000 per acre which is not much given the hard work involved. The income is equal to the returns on ragi cultivation which is least labour intensive,” say the farmers.

The farmers pointed out that for cotton cultivation to be viable, the procurement cost should be at least Rs.4,000 per quintal and alleged that the purchase price of cotton has been kept artificially depressed by the cartel representing the textile industries which was interested in cheap raw materials.

Mr. Cariappa urged the Government to extend subsidies to cotton cultivators and to provide a level-playing field in the market.

He said the current practice of making raw materials available for textile mills at a cheap rate was at the cost of the farmers who also wanted import duties on cotton to be increased to support the domestic cultivators.

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Girijans demand support price for tamarind

Special Correspondent

Up in arms:Tribal people staging a protest in front of the Girijan Cooperative Corporation seeking a higher price for tamarind, in Visakhapatnam on Wednesday. — photo:C.V.Subrahmanyam

Girijans from all the mandals of Visakha Agency took out a rally in the city and later staged a dharna in front of the GCC office on Wednesday demanding Rs 30 as support price for tamarind and to extend help in other ways too to improve the lot of Girijans.

The programme was conducted by the Girijana Sangham. While the Girijans were facing a lot of problems due to lack of remunerative price for forest products, GCC had brought down the support price for tamarind from last year's Rs.25 to Rs.15 this year even as prices of essential commodities were on the rise.

With the private merchants exploiting the Girijans in the absence of remunerative price, GCC must announce a good support price, said Sangham's district secretary K. Surendra.

Market must be expanded and GCC strengthened to help the Girijans, president of the State unit of Girijana Sangham and former MLA Kolaka Lakshmana Rao, and other leaders Ch. Narasinga Rao and Ch. Tejeswara Rao demanded.

In a memorandum submitted to the Managing Director of GCC, the Girijana Sangham demanded procurement of forest produce, allotment of Rs. 100 crore to GCC and formation of a forest produce rates stabilisation fund, establishment of super bazaars in mandal headquarters, filling up of vacancies in GCC with eligible local candidates and to establish Daily Requirements depots on a large scale in the Visakha Agency. The Government must also drop its plan to set up Super Bazaars on BOT basis.

The Girijana Sangham charged the Government with trying to weaken GCC. Only Rs.10 crore were allocated to the GCC in this year's budget, compared to Rs.28 crore of last year.

GULBARGA, March 8, 2012

UAS Raichur seeks hike in MSP for red gram

The Board of Management of the University of Agricultural Sciences, Raichur, has urged Union Agriculture Minister Sharad Pawar to increase the minimum support price (MSP) for red gram from Rs. 3,200 a quintal to Rs. 5,000.

The members of the board, led by Allamprabhu Patil, Congress MLC, chairman of the Khadi Board Shankar Gowda Harvi, Basavaraj Patil Itagi, Shival Ballidav, Challiah and Asha Sheshadri, Hanemesh Nayak, in a joint letter said the MSP of Rs. 3,200 fixed by the Union Government was “unscientific” and did not cover the cost of cultivation.

They urged Mr. Pawar to provide relief to red gram growers in the Hyderabad Karnataka region.

The members said there was inconsistency in the fixing of MSP for various crops and pointed out that the MSP for red gram which was harvested in 180 days was Rs. 3,200, while the support price for green gram which was harvested in 60 days was fixed at Rs. 4,000 a quintal.

BELGAUM, March 8, 2012

Event to popularise local fish varieties

The city is all set for the three-day ‘Matsya Mela 2012' on Kumar Gandharva Rangamandir premises here from March 10 to 12.

Potential

The event, being organised by the Department of Fisheries and the Belgaum Zilla Panchayat to generate interest among the unemployed youth in rural areas to exploit the potential of inland farming and popularise local fish varieties available in Belgaum division, also promises tasty delicacies of freshwater and sea fish dishes at “reasonable prices”, for which the department has drawn the services of professional chefs.

That apart, the department has arranged free lunch for farmers and fishermen on all the three days.

First time

This is the first such mela being organised outside of Bangalore in the State, and it is expected to attract not only farmers and fishermen but also sea-food lovers and those maintaining personal aquariums at homes and offices.

Disclosing this here on Wednesday, Deputy Director of the department S.C. Hemantraju said in addition to popular fish varieties like Katla, Rao and Mrigal, variety of ornamental fish available in Belgaum, Dharwad-Hubli, Bijapur, Bagalkot, Gadag and Haveri districts under Belgaum division would be on display in 40 aquariums.

Stalls

He said the stalls include information centres that would provide information about fishery, research centres, seed production and rearing farms and fish feed.

Responding to the questions, Senior Assistant Director A.S. Burli said that though there was a good potential for inland fishery in the division , not many were showing interest.

The sector could play an important role in the socio-economic development of local communities by way of contributing to the food basket, nutritional security, employment generation and income, according to him, besides earning foreign exchange for the nation and helping out the unemployed.

He said that, at present, there were fish seed production and rearing farms in Hidkal, Savadatti and Rakkaskop in Belgaum district; and Neer Sagar in Dharwad, besides farmers rearing fish in water tanks in Haveri district.

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hindustantimes
Thu,08 Mar 2012

weather

Chennai - INDIA

Today's Weather

Sunny

Thursday, Mar 8

Max	Min
35º	23.6º

Rain: 00 mm in 24hrs
Humidity: 70%
Wind: Normal
Sunrise: 6:35
Sunset: 18:03
Barometer: 1007

Tomorrow's Forecast

Cloudy

Friday, Mar 9

Max	Min
34º	21º

Extended Forecast for a week

Saturday	Sunday	Monday	Tuesday	Wednesday
Mar 10	Mar 11	Mar 12	Mar 13	Mar 14
32º | 20º	31º | 19º	32º | 20º	32º | 20º	32º | 23º
Partly Cloudy	Partly Cloudy	Cloudy	Partly Cloudy	Cloudy

THE ECONOMIC TIMES
Commodities

8 MAR, 2012, 04.43AM IST, ET BUREAU

Food ministry hikes sugar production estimates

NEW DELHI: A day after Union agriculture minister Sharad Pawar showed willingness to export one million tonne of sugar, the food ministry has upwardly revised its initial production estimates.

"We have reviewed the output estimations. It is set to cross 25 million tonne - more than the initial estimates of 24.6 million tonne. Last year, sugar output stood at 24.3 million tonne," said a top food ministry official.

The revised estimation will brighten prospects of more shipments from the world's second-largest producer.

The government has already allowed exports of 2 million tonne. Indian millers have been lobbying the government to allow up to 4 million tonne of exports this year.

"This upward revision in the estimates may prompt the government to open more exports. The cash flow from the exports will help millers make timely payments to farmers," said an official of a sugar mill.

The estimates, however, are still lower than the estimations of millers association which has predicted this year's production to be at 26 million tonnes.

The country's annual sugar consumption is estimated at 22 million tonnes.

8 MAR, 2012, 04.41AM IST, MADHVI SALLY,ET BUREAU

Cotton export ban: Hard-pressed farmers are in no position to hold cotton crop

AHMEDABAD: The ban on cotton might be good for domestic mills, but it is not good news for farmers, at least for those with small landholdings.

While the ban doesn't impact farmers with large farms and better yield (who are still looking at

30-40% net profit), it has affected farmers with smaller landholding and less yield per acre. A large number of farmers across Gujarat, Maharashtra and Andhra Pradesh have been holding the crop in anticipation of better prices.

"I have got cotton from my own field and neighbouring farms to sell in the market. The yield was 4-5 quintal an acre due to negligible water resources. I am hopeful prices will rise in the coming days," said Raghavendra, a farmer from Khammam district in Andhra Pradesh with a three-acre landholding who sold the crop to Cotton Corporation of India (CCI) at the minimum support price of Rs 3,300 a quintal.

Market yard officials say middlemen from villages were getting cotton to mandi after buying from farmers. "Over 60-70% of farmers currently selling cotton have landholdings of 2-5 acres. The crop quality is also not good," said Guntur's district assistant director (agriculture marketing) Venkateshwara Reddy. However, small farmers in Gujarat have been holding the crop in the hope that prices will firm up much the way it happened in the previous year.

"I sold two quintals of cotton for Rs 9,000 in December and am holding 30-50 quintal," said Ramesh Chaganbhai, a farmer from Magra Kheda in Chotila taluka of Surendranangar district. The farmer, who is betting on cotton again, says everyone in his village is holding the crop on traders' advice.

But farmers with large landholdings are adopting a wait and watch policy. "I will hold the crop for the next 15 days. If no decision on cotton export ban comes, I will sell cotton in lots of 40 quintal each," said farmer Satish Rao from village Batsharavama near Adilabad town in Andhra Pradesh. "Compared to a net profit of 60-80% in the previous year, this year my net profit will be close to 40%," said Rao who sowed cotton on a 100-acre land and got an yield of 30 quintal per acre even as the state average yield was 12 quintal per acre.

"My net profit will have been more had it not been for the increased expense of spraying pesticide to protect the crop from sucking pest. I have been selling cotton in the mandi as soon as picking has been completed," said Surinder Ahuja, a farmer who grew cotton on 44 acres in Hissar with a 9.5 quintal per acre. The average price he got was Rs 4,200 a quintal. "If I keep cotton which has high moisture, it will discolour the crop. Also the weight of the crop will reduce.

It is better to sell," he said.

Meanwhile, the Confederation of Indian Textile Industry (CITI) welcomed the government's decision to prohibit further cotton exports. The confederation had earlier reacted against such government intervention and suggested that market forces be allowed to play out.

"It has now come to its notice that speculative registration of cotton export contracts in large quantities has been resorted to by some traders and permitting exports against such contracts would have seriously affected the fibre security of the textile value chain," CITI chairman SV Arumugam said.

8 MAR, 2012, 04.38AM IST, RITURAJ TIWARI,ET BUREAU

Government to check sugar mills from selling in excess

NEW DELHI: The government is readying steps to curb sugar companies in three states that sell the sweetner in excess of their fixed monthly quota by exploiting a legal loophole.

Around 20 sugar mills in Uttar Pradesh, Maharashtra and Karnataka have moved courts to allow additional releases on the pretext of paying cane price arrears.

The sugar directorate will try to stop these mills by getting the court orders quashed.

"We are taking steps to stop these factories. Recently, we restrained 12 companies in Andhra Pradesh which were selling sugar above their quota through various court orders," a top sugar directorate official said.

"The directorate will now train its guns on sugar companies in Uttar Pradesh and Karnataka which have offloaded around 4 lakh tonne sugar collectively in excess of their monthly quota," he said.

"We also know that a few mills in Maharashtra are going to move court to sell sugar in excess of their monthly quota. We are preparing to stop them from seeking court intervention."

According to the sugar control order, the monthly quota of each mill and the aggregate quantum for the country is decided to keep prices stable and ensure sufficient availability of sugar in the market.

"However, sugar mills often bypass the monthly quotas by getting court orders for additional releases on the pretext of paying cane price arrears. This can lead to oversupply, triggering a price decline. It is important to control this to maintain a balance between demand and supply," he said. The government has allocated 1.35 million tonne of free sugar for mills in March 2012. It released 1.4 million tonne last month.

"We are waiting for the C Rangarajan committee's recommendations on sugar decontrol. If it is favourable, most of our problems will be solved," said a sugar miller from Uttar Pradesh.

The committee was formed in January to examine issues related to decontrolling of the sugar sector. It is likely to submit its report in the next six months.

The Indian EXPRESS
JOURNALISM OF COURAGE

PM directs GoM to urgently review ban on cotton exports

Agencies Posted online: Wed Mar 07 2012, 15:00 hrs

New Delhi : Taking note of concerns from various quarters, Prime Minister Manmohan Singh today directed review of the Commerce Ministry's decision to ban cotton exports on March nine.

Singh directed that the Group of Ministers should meet on Friday to review the decision urgently, a PMO statement said.

The direction came after a delegation of Gujarat Congress led by Mohan Prakash, in-charge of party affairs in the state and Maharashtra met the Prime Minister with a demand for immediate removal of ban on export of cotton.

Agriculture Minister Sharad Pawar had taken strong objection to cotton export ban and raised the issue with Singh, who referred the matter to a Group of Ministers for review.

Gujarat Chief Minister Narendra Modi has also shot off a letter to the Prime Minister on Monday, the day the notification was issued for ban on cotton exports.

In a strongly-worded letter to Singh, Modi had asked why such important decisions were taken without consulting the affected states.

Pawar had said that the Commerce and Textiles ministries had kept him in the dark and he came to know about the decision only after a notification was issued by Directorate General of Foreign Trade on Monday.

"While taking such a decision, it is always proper to discuss it in Cabinet Committee on Prices or in Cabinet Committee on Economic Affairs as is done with wheat, rice, sugar. So, I have raised this issue with the Prime Minister.

This is highly objectionable," he had said.

Defending the decision, Commerce Minister Anand Sharma said "a judicious and considered view was taken" and that he would speak to Pawar on the matter.

Business Standard

Thursday, Mar 08, 2012

Millers feel the heat of high g'nut prices

Vimukt Dave / Mumbai/ Rajkot March 08, 2012, 0:45 IST

Persistently higher groundnut oil prices for last one month led several of the oil millers in Gujarat to either down their shutters or cut their production. More than 90 per cent oil mills have downed their shutters while rest of the mills are working part time in a week, industry sources informed.

In Gujarat, there are about 250 small and medium-sized groundnut oil mills, out of which only 15-20 mills are working for two to three days in a week.

Due to shortage of groundnut for crushing, groundnut oil prices have increased for last one month and reached a high of Rs 1890-1900 per 15 kg tin. The groundnut oil prices have increased by about Rs 130 per tin over the past one month.

On Tuesday, groundnut oil loose traded in the range of Rs 1135-1140 per 10 kg, while the price for 15 kg new tin stood at around Rs 1890-1900, up by Rs 10 a tin. Groundnut prices have increased over the past one month to Rs 72,000-72,500 per tonne. The arrivals of groundnut at the Gujarat markets remained at around 17,000-20,000 bags per day.

"Groundnut oil industry is in awful condition. This year is very crucial for us as since the beginning of the oil year, we are facing shortage of groundnut for crushing. When price goes up, everybody blames millers but there is nothing we can do as we have no stock to crush," said Samir Shah, president, Saurashtra Oil Mills Association (SOMA).

"It is not in our hand to control groundnut oil prices as production is less than the demand. Most of the working oil mills are trying to buy groundnut but all the arrivals are consumed by peanut traders for export purpose," said Suresh Kaneriya of Kaneriya Oil Industries.

"At present mills produce about 80-90 tonne of groundnut oil against the demand of 150 tonnes," he said.

Raising concerns about falling groundnut availability, Ravajibhai Mandanaka, president, Gondal Oil Mills Association informed, "If the present situation will continue, price of groundnut oil may touch Rs 2200 per tin in two month." "The price of groundnut is also not viable to us. Small millers are inactive presently and some of them shifted to other oil," he said.

Rajesh Bheda, president, Indian Oilseed and Produce Export Promotion Council (IOPEPC) said, "Domestic use as well as export of groundnut has increased in past one year. We are expecting over 450,000 tonnes of groundnut export in current financial year."

Meanwhile, the IOPEPC stated that India has exported 384,000 tonnes of groundnut during April-October 2011. In 2010-11, country's total groundnut export stood at 419,000 tonnes.

Pepper price soars in domestic market

George Joseph / Kochi March 08, 2012, 0:11 IST

Over the past few weeks, the price of pepper (the black variety) in India has risen more than in Europe. A tonne of it costs the equivalent of $7,800 a tonne there and $8,500 here.

Observers say poor production is only part of the reason. They allege some “foul play” in futures trading in the commodity. With such high prices here, there is presently no foreign demand for Indian pepper. Growers in Kerala are very reluctant, as a result, to sell whatever they have now. Most of them are keeping their stock for the market to touch Rs 500/kg. Last year, the question was when the price would touch Rs 300/kg.

Both Vietnam and Indonesia now offer Asta grade pepper at $7,250 a tonne, readily available in Europe at $7,800. Brazil’s current tag is $7,100 a tonne and Vietnam offers a comparable variety at a $6,400-6,800 a tonne.

A leading exporter suggests the government should allow duty-free import this year, to aid domestic consumers. According to local traders, even at Rs 400/kg, pepper is not available in major producing centers like Idukki.

Also, they say, a major chunk from that district is smuggled to Tamil Nadu. There is a high level of hoarding and the Kochi market is devoid of pepper. Growers from Karnataka are also reluctant to sell below Rs 400/kg.

FMC raises margins in pepper, mentha oil contracts

Dilip Kumar Jha / Mumbai March 08, 2012, 0:10 IST

Barely three weeks after withdrawing special margins in all running pepper contracts, the Forward Markets Commission (FMC) levied 10 per cent additional margin on both the long side and short side in the commodity, to reduce volatility.

According a circular posted on the National Commodities & Derivatives Exchange (NCDEX) website, the additional margin will be applicable on all live contracts from Friday. This means both buyers and sellers will have to pay an additional 10 per cent of margin with their respective exchanges, for which they would not get any trading exposure.

The development assumes significance as frequent changes in regulatory norms discourages traders from active participation. A healthy trade environment requires sustained policy without frequent tweaking.

“The objective of this additional margin levy is to reduce volatility in pepper price, where speculators fear price manipulation in the commodity,” said a trader.

Pepper for near-month delivery on NCDEX has shot up 41 per cent since February 16, to trade currently at Rs 43,025 a quintal from Rs 30,555 a quintal.

The commodity markets regulator had in February withdrawn special margins of 10 per cent (including five per cent of cash margins) on all long side contracts effective February 21.

With this increase, total margins on all long side pepper contracts work out to 20.43 per cent from the existing 10.43 per cent (8.43 per cent initial and two per cent of exposure free).

The regulator has also levied a 15 per cent special margin on mentha oil on all buy side contracts from the existing 19.64 per cent to 34.64 per cent now. Earlier, only a 10 per cent special margin was applicable. With the current increase, the overall special margin has surged to 25 per cent.

Prices of mentha oil have jumped 55 per cent since February 16, to trade currently at Rs 2,467 a kg from Rs 1,595 a kg.

According to Ajay Kedia of Kedia Commodity, a Mumbai-based research firm, mentha oil may cross the benchmark Rs 2,750 a kg level soon, on the heels of strong stockist demand against diminutive arrivals in major mandis. The commodity has gained 46.4 per cent so far this year from Rs 1,322 a kg on January 1.

Mentha oil rates shot up as rising export demand amidst lower stocks kept trends positive. Even imposition of a higher margin failed to have any significant corrections in rates.

While the market is in an overbought condition, the overall fundamentals remain highly bullish due to good export and domestic demand, amidst low stocks and lower production.

Sentiments remain firm, though a fall in the dollar against the rupee could affect the export rates adversely, said Kedia.

Good demand from international markets and domestic pharmaceutical industries was noted. Low production and lower stock levels supported the market sentiments, too.

Traders expect an overall bullish trend to prevail in the markets, as arrivals in the mandis remain moderately low. The total arrivals of mentha oil stood steady at 200-250 drums (each 180 kg).

Ginners strike against ban on cotton export

Vimukt Dave / Mumbai/ Rajkot March 08, 2012, 0:47 IST

Protesting against the recent cotton export ban, ginners of the Saurashtra region have gone on a two-days' strike from Wednesday. What's more, even the agricultural produce market committee (APMC) of the region has also joined them in the protest.

"Ginning mills in the state have gone on two-days' strike to oppose the Union Government's decision on banning cotton exports. The ginning mill owners will meet on March 9 to decide on their future action plan," said Bharat Vala, president of Saurashtra Ginning Association.

According to Vala, the ban will affect next cotton sowing and if farmers don't get their expected prices then they may shift to groundnut crop as they have been receiving good prices for groundnut throughout all the year. The ban on cotton export has come also hit the commodity prices which declined by almost Rs 3000 per candy of 356 kg. Varieties like Gujarat Sankar-6 cotton were traded on Rs 32,800-33,000 per candy.

"We are considering to go for indefinite strike after our meet," Vala added.

The government has banned cotton exports with immediate effect, the Directorate General of Foreign Trade (DGFT) said on Monday, as the world's second-largest exporter of the fibre moves to conserve supplies for local mills.

"All APMCs in Saurashtra have also extended their support by joining the strike and have suspended cotton auctions till the ban is withdrawn," said Hardevsinh Jadeja, president of Rajkot APMC.

THE HINDU Business Line

Rice firm on domestic demand

Karnal, March 7:

Good domestic demand, coupled with fresh trade enquires, kept aromatic and non-basmati rice firm on Wednesday.

Rice prices ruled firm as trade enquiries supported the market, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company. Rising retail demand has turned the market sentiment positive and prices are likely to go up in near future, he added.

In the physical market, Pusa-1121(steam) improved by Rs 20 and was quoted at Rs 3,920-4,020 a quintal, while Pusa-1121(sela) was sold at Rs 3,400-3,515 a quintal, Rs 15 up from the previous level.

Pure basmati (raw) increased by 25 and sold at Rs 4,450-4,525 a quintal, while pure basmati (sela) was at Rs 3,950-4,000 a quintal. Duplicate basmati remained unchanged and sold at Rs 3,200-3,250.

Among the brokens of Pusa-1121, tibar sold at Rs 2,900-3120, dubar at Rs 2,450-2,610, while mongra was trading at Rs 1,915 a quintal.

Prices of non-basmati varieties remained almost unchanged. PR14 (steam) sold at Rs 2,250 a quintal.

Permal (sela) sold at Rs 1,900-2,000 a quintal, permal (raw) quoted at Rs 1,820-2,000 a quintal, PR11 (sela) was trading at Rs 2,100-2,260 a quintal, while PR11 (Raw) went for Rs 2,000-2,200 a quintal.

Heavy arrival pull down turmeric

Erode, March 7:

Due to heavy arrival, turmeric prices decreased by Rs 200 a quintal.

The arrival of turmeric bags has started increasing, as the production has jumped by 200 per cent this year. Because of arrival of more than 20,000 bags, spot turmeric has decreased by Rs 200 a quintal on Wednesday.

Unusual arrivals

“Usually during this season the arrival touches 10,000 bags, but this year arrivals have been double of that,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Arrivals in other markets have also increased, bringing down prices.

So North Indian traders are keeping quiet and no orders were placed by them. Following this, local traders and exporters quoted lower prices and purchased limited quantities.

"Out of 21,000 bags of turmeric that arrived on Wednesday, 55 per cent were sold. Such heavy sales were due to the holiday declared for four days for the turmeric markets," Mr Ravishankar said.

"In connection with Holi, the market will remain closed on Thursday and Friday and will open on March 12," he added.

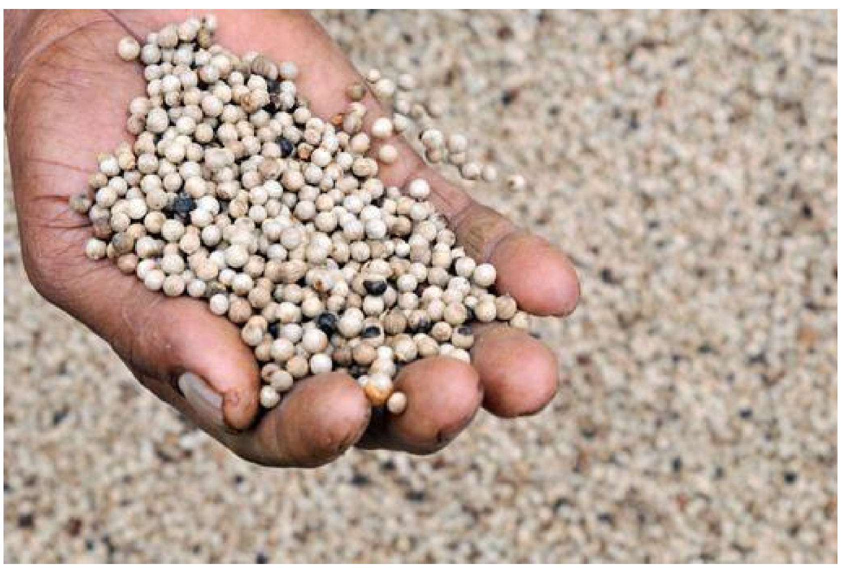
At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 2,509-3,816 a quintal and the root variety at Rs 2,450-3,639 a quintal.

Salem crop

The finger variety was sold at Rs 3,657-4,221 a quintal, root variety Rs 3,391-3,824 a quintal. Out of total arrival of 4,500 bags of turmeric, 2,012 bags were sold.

Pepper continues to remain hot

G. K. Nair



Kochi, March 7:

Pepper continued to stay hot on Wednesday with prices scaling new heights in its trading history, with the spot and futures moving further up above Rs 400 a kg on strong demand and limited supply.

The market witnessed high liquidation, switching over and heavy circular trading as is evident from the huge turnover. In fact, long position holders were making short position holders to run around, some in the trade alleged.

As the difference between March and April delivery widened, those who did not have stocks with them against their speculative sales switched over to April. Surprisingly, there was good liquidation and significant fall in open interest and yet the market shot up today, they pointed out.

The bull and bear operators were allegedly showing their muscle power on the turnover front, trade sources alleged. The processors were buying spot pepper and selling March and April delivery in the exchange platform.

Nearly 150 tonnes of pepper might have been traded in several directions at Rs 400-415 a kg, market sources told*Business Line*.

There was strong domestic demand as the end users were covering hand to mouth and are reportedly with an empty pipeline. Hence they were covering now. Meanwhile, the trade alleged that the regulator's decision to impose a 10 per cent additional margin from March 9 on both sides was “unrealistic and unethical” and said “such margins according to futures market rules should be imposed on sellers in a declining market and on the buyers in a rising market.”

March contract on the NCDEX increased by Rs1,160 a quintal to close at Rs 42,970, while April and May went up by Rs 1,625 and Rs 1,695, respectively, to close at Rs 43,900 and Rs 43,970 a quintal.

Total turnover soared by 28,899 tonnes to close at 29,368 tonnes, showing heavy circular trading.

Total open interest fell by 470 tonnes to close at 10,187 tonnes. March open interest dropped by 1,030 tonnes to close at 3,155 tonnes, while that of April increased by 610 tonnes to 5,437 tonnes, showing good switching over. May declined by 52 tonnes to 1,204 tonnes.

Palm oil seen bullish on poor S. American harvests

Our Correspondent

Mumbai, March 7:

Groundnut oil shot up by Rs 30 to a Rs 1,150 for 10 kg on Wednesday, tracking a bull run in Saurashtra. Imported palmolein rose by Rs 3 for 10 kg, in line with firm Malaysian futures. Cottonseed oil improved by Rs 4 and rapeseed oil by Rs 3 for 10 kg.

Volume was need-based in absence of buyers ahead of Holi on Thursday. Market will be close for the festival.

Malaysian crude palm oil futures improved sharply after vegetable oil analysts forecast a bullish outlook at a palm oil industry conference on Wednesday in Kuala Lumpur. They said global soya oil and palm oil prices are expected to rise because of poor South American soyabean harvests and as rising regional bio-fuel mandates limit soya oil export, forcing buyers to switch to palm oil.

Sources said local refiners continue to avoid quoting for palmolein. Resellers traded about 150-200 tonnes of palmolein at Rs 580-582. Ruchi offered super palmolein at Rs 605, soya refined oil at Rs 682 and sunflower seed refined oil at Rs 692. In Saurashtra and Rajkot, Groundnut oil increased by Rs 15 to Rs 1,780 for a *telia* tin and to Rs 1,165 for loose (10 kg) on export buying.

Malaysia's crude palm oil's March contract settled at 3,255 ringgit (3,217 ringgit), April at 3,275 ringgit (3,237 ringgit) and May at 3,266 ringgit (3,244 ringgit) a tonne. On the National Board of Trade in Indore, soya refined oil for March delivery closed at Rs 719.20 (Rs 710) and for April at Rs 729 (Rs 721.70).

Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 1,150 (1,120), soya refined oil 680 (680), sunflower seed exp. ref. 635 (635), sunflower seed ref. 695 (695), rapeseed ref. oil 785 (782), rapeseed expeller ref. 755 (752), cottonseed ref. oil 640 (636) and palmolein 579 (576).

Export hopes lift castor futures

Our Correspondent

Rajkot, March 7:

Castor futures gained on Wednesday on new covering by investors. Traders said expectation of export demand rising after Holi festival led to the increase in covering. Arrivals in the past few days declined ahead of the festival. Though prices are expected to firm, increasing arrivals may cap the gains.

Castorseed's March contract increased by Rs 14 to Rs 3,652 a quintal on the Rajkot Commodity Exchange, while June rose by Rs 26 to Rs 3,746. On the National Commodity and Derivatives Exchange, castor's March contract was up Rs 26 to Rs 3,852 a quintal with an open interest of 11,900 lots while April gained Rs 31 to Rs 3,806 with an open interest of 7,500 lots.

About 2,400-2,500 bags arrived in Saurashtra and quoted at Rs 675-720 for 20 kg.

The Solvent Extractors' Association of India (SEA) has estimated a record castorseed production of 1.61 million tonnes for 2011-12 season (October-September), showing a growth of about 30 per cent over 1.25 million tonnes recorded last year.

In its report, ‘Castor Crop Survey: 2011-12,' conducted by Nielson India, the association maintained that area under crop for 2011-12 has increased by 34 per cent over last year to 1.15 million hectares.

Tur drops on sluggish demand; dal steady

Our Correspondent

Indore, March 7:

Poor demand dragged down tur by Rs 25 at Rs 3,550 a quintal, while tur (Nimari) ruled at Rs 2,800-3,075 a quintal.

Demand for pulses was weak as most traders stayed away from *mandis* ahead of Holi on Thursday. Tur had been ruling high for the past two days on weak arrival and enthusiastic buying support from millers. Besides, annual household buying also increased its prices.

Tur dal, on the other hand, ruled unchanged, with full dal being quoted at Rs 5,300-5,400 a quintal, *sawa* no. dal at Rs 4,400-4,500 and marka at Rs 6,000 a quintal.

Urad

Urad ruled unchanged at Rs 3,400-3,550 a quintal on weak buying support. Decline in prices of imported urad in Mumbai also weakened urad. Medium urad ruled at Rs 2,800-3,000 a quintal.

In the past week, urad prices have remained, by and large, steady despite decline in buying interestat the higher rate and cheap availability of imported urad.

Urad dal was also unchanged even as demand remained weak ahead of Holi. Urad dal ruled at Rs 3,600-3,800, bold dal at Rs 4,500-4,600 and mongar at Rs 5,200-5,500 a quintal.

Chana

Chana continued to rise on bullish futures. Kanta chana on Wednesday perked up to Rs 3,500-3,525 a quintal (Rs 3,450-3,475) on rise in chana futures. Arrival was at 3,000 bags.

Chana dal, however, was unchanged. Average dal quoted at Rs 4,200-4,225, medium at Rs 4,325-4,350 bold dal at Rs 4,425-4,450 a quintal.

Dollar chana

Weak arrival and improved export demand perked up dollar chana or chickpea in local mandis by Rs 100 a quintal to Rs 5,800-6,300 a quintal. Because of the festival, arrival in local *mandis* declined to 3,000-4,000 bags against 7,500-8,000 bags on Wednesday.

Sugar turns bitter on poor local demand

Mumbai, March 7:

Lower local demand pulled down sugar on the Vashi wholesale market on Wednesday. Trading became dull after 3 p.m. as traders left early because of Holi on Thursday. Market will remain closed for the festival. Volume was nominal as stockists and retailers shied away from new purchases ahead of the holiday, said traders.

A wholesaler said spot rates declined by Rs 8-10 a quintal in Vashi, while *naka* rates dropped by Rs 20-30 for S-grade and Rs 10-15 for M-grade as the due date of March 10 nears for lifting old purchases. Mill tender rates also declined in absence of demand. The sweetener will remain range-bound in the first fortnight as millers have to sell before March 15 what is left of the 1 lakh tonnes of carryover stocks from last month.

Weak international and local futures markets also put pressure on the prices. That mills have sold through tenders on the forward market at higher rates indicates that prices will not fall any further. While production is higher this year, demand from neighbouring States is lacking, forcing mills to sell locally. Onset of summer may improve demand, though till then ample stocks will keep market under pressure, said a retail broker.

Arrivals in Vashi were higher at about 50-52 truckloads and despatches were about 44-45 truckloads. On Tuesday, about 14-15 mills offered tenders and sold 40,000-42,000 bags at Rs 2,750-2,820 (Rs 2,770-2,840) for S-grade and Rs 2,850-2,930 (Rs 2,870-2,940) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,882-2,955 (Rs 2,900-2,962) and M-grade Rs 2,991-3,061 (Rs 2,992-3,066).

***Naka* delivery rates:** S-grade Rs 2,820-2,880 (Rs 2,850-2,900) and M-grade Rs 2,940-3,000 (Rs 2,950-3,000).

Facilitate private investment in the farm sector

SANJAY KAUL

Mr Sanjay Kaul

Liberalised rules for setting up private mandis and encouragement to contract farming are among steps that can help push up private sector investments into agriculture.

March 7, 2012:

Annual Plan outlays for agriculture have remained limited to less than Rs 15,000 crore. Political compulsions and populist strategies have, however, led successive Finance Ministers to increase fertiliser and food subsidies which crossed Rs 100,000 crore this year. Investment in agriculture has remained at less than 1 per cent of GDP. There is little wonder that agricultural growth has stagnated at less than 3 per cent per annum.

Rising subsidies

Food subsidy is expected to rise to almost Rs 70,000 crore next year even if the new Food Security legislation is not implemented. The increase is largely due to higher procurement and storage costs and the costs of managing the burgeoning and rising food stocks with the Government.

Fertiliser subsidies are also likely to go up by at least 10 per cent. These expenditures limit the space available to the Finance Minister to increase outlays on productive programmes in agriculture.

April 2012 will mark the commencement of the Twelfth Plan. If India is to succeed in the realisation of the targeted 4 per cent rate of growth in the agriculture sector, then the first requirement is to significantly enhance investments into the sector.

As Plan outlays for agriculture are unlikely to be raised adequately due to the continued pressure on the Finance Minister to raise subsidies, the only way to meet the gap would be to encourage and facilitate private sector investments. The recent U-turn in respect of FDI investment in modern and organised retail has sent a negative message to investors. This negativity has to be countered by the Finance Minister.

Ten-point plan

Private sector investments will flow into agriculture if the following 10-point plan is announced by the Finance Minister in the forthcoming Budget:

Encourage modernisation of marketing of agriculture produce through liberalised rules for setting up private*mandis*.

Removal of stock limits and movement restrictions in respect of agriculture produce.

Encouragement to contract farming and direct corporate purchases of agricultural produce.

Incentivise building of agriculture infrastructure through viability-gap funding for various infrastructure investments into warehousing, cold chains, and so on.

Improved and enhanced access to agricultural credit through liberalised interest rate subvention schemes. At present, interest rate subvention extends only up to Rs 3 lakh.

Encourage aggregation and procurement of farm produce by processors and agri-corporates.

Liberalise exports of agriculture produce and put in place a stable import-export regime in respect of agricultural produce and products.

Recognise the private sector as a partner for supply of seeds, inputs, technology and for bringing in efficiencies across the entire value chain.

Introduction of a single point GST for all agriculture produce.

Encourage electronic spot and futures exchanges to ensure improved price discovery and price realisation to farmers.

(The author is MD & CEO, National Collateral Management Services Ltd.)

Volume hits 4-week low at Coonoor tea auction

P. S. Sundar

Coonoor, March. 7:

A volume of 10.46 lakh kg will be offered for Sale No: 10 of the auctions of Coonoor Tea Trade Association to be held on Thursday and Friday, reveals an analysis of listing by brokers.

It is the lowest volume of the last four weeks. It is about 24,000 kg less than last week's offer and 73,000 kg less than the offer this time last year.

Of the 10.46 lakh kg on offer, 7.52 lakh kg belongs to the leaf grades and 2.94 lakh kg belongs to the dust grades.

As much as 9.60 lakh kg belongs to CTC variety and only 0.86 lakh kg, orthodox variety.

The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.48 lakh kg belongs to orthodox while 7.04 lakh kg, CTC.

Among the dusts, only 0.38 lakh kg belongs to orthodox while 2.56 lakh kg, CTC.

In the 10.46 lakh kg, fresh teas account for 9.06 lakh kg. As much as 1.40 lakh kg comprises teas which had remained unsold in previous auctions.

Last week, there was only selective buying for exports – Pakistan for Rs 54-63 a kg and the CIS, Rs 58-67.

Quotations held by brokers indicated bids ranging Rs 50-55 a kg for plain leaf grades and Rs 85-145 for brighter liquoring sorts.

They ranged Rs 55-58 for plain dusts and Rs 85-143 for brighter liquoring dusts.

Hyderabad to host expo on agri, horticulture

Our Bureau
Hyderabad, March 7:

Emu farming, processing and dairy sector will be the focus of a three-day exhibition and conference on agriculture and horticulture starting here on March 24.

In recent times emu farming is on the increase in the State. There is also the need for diversification in the agriculture sector, with emphasis on processing, diary and value-added products that help in increasing the earning power of farmers.

The three-day 'Agri and Horticulture India Expo 2012' aims to create awareness among farmers on better faming practises and various products, technology and services available to get better yields, said Mr M. A. Nazeer, chief organiser of the event.

Companies dealing with seeds, fertilizers, equipment and machinery, cold storage and packaging are expected to participate in the exhibition. It will also provide a platform for farmers, technicians, dealers and other stakeholders to meet and exchange ideas, he said.

The event is being organised by NRS Publications. The expo would also have buyer-seller meets and provide opportunities for business tie-ups. Farmers would also be exposed to machinery and developments in cold storage, packaging etc, he added.

Spot rubber remains steady

Our Correspondent

Kottayam, March. 7:

Physical rubber prices were almost steady on Wednesday. Sheet rubber finished unchanged at Rs 187 a kg both at Kottayam and Kochi according to traders and the Rubber Board.

Meanwhile latex 60 per cent made moderate gains on low supply.

Natural rubber prices continued to decline in the international market. TOCOM rubber futures slid further on concerns over the economic growth in Euro Zone and China. Decline in crude oil prices also weighed over the sentiments.

In futures, the March series closed at Rs 187.70 (188.63), April at Rs 193.11 (193.86), May at Rs 198 (198.97), June at Rs 200.97 (200.95), July at Rs 200.97 (201.04) and August at Rs 199.25 (201.25) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 declined at its March futures to ¥310.2 (Rs 193.26) from ¥316 a kg during the day session but then recovered partially to ¥312 (Rs 194.36) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 187 (187); RSS-5: 185 (185); ungraded: 182 (182); ISNR 20: 186 (186) and latex 60 per cent: 125.50 (123.50).

‘India yet to provide scientific justification on poultry ban'

Press Trust of India

Washington, March. 7:

A top Obama Administration official has said US was yet to receive a “scientific” justification from India over New Delhi's ban on imports of certain American farm products, including poultry meat and eggs.

“Over the last few years, the United States has repeatedly asked India to justify its claim that a ban on poultry products from the United States is necessary. However, to date, India has not provided valid, scientifically-based justification for the import restrictions," US Agriculture Secretary, Mr Tom Vilsack, said.

Mr Vilsack also welcomed the decision by the US Trade Representative, Mr Ron Kirk, to drag India to the World Trade Organisation (WTO) against the ban.

Mr Kirk said US was requesting consultations with India under the dispute settlement provisions of the WTO concerning the prohibition on certain American agricultural exports.

"Today's announcement by Ambassador Kirk that the US government is seeking consultations with India under the dispute settlement provisions of the WTO demonstrate that the United States will help ensure that all of our trading partners play by the rules and uphold their WTO obligations," Mr Vilsack said.

He hoped for a swift resolution allowing Indian consumers access to "safe, high-quality" US poultry and poultry products, and restore the economic opportunities "our American farmers have earned".

Since at least February 2007, India has formally banned imports of various agricultural products from the US, as a precautionary measure to prevent outbreaks of avian influenza in the country.

High prices may hit kharif guarseed sowing in Rajasthan

Vishwanath Kulkarni

New Delhi, March 8:

Current high prices of guarseed could impact its sowing in Rajasthan in the forthcoming kharif season. The State is the main producer accounting for 70 per cent the country's produce.

It has made a pitch to the Centre seeking intervention to make available seeds at an affordable price in the kharif 2012-13 season.

There is an increased demand for seeds as more farmers attracted by high prices want to plant guar crop, Rajasthan Agriculture Department officials said. The potential area under the crop is likely to increase to 40 lakh hectares in the season, up from previous year's 30 lakh hectares, based on the demand for seeds from various districts. Such increased area will require an estimated 4,000 tonnes of seeds.

Fears of shortage

However, the State fears shortage of seeds as farmers have sold stocks to take advantage of high prices, the officials said. The output in 2011-12 was estimated at 12.5 million bags of a quintal each.

Mr P.L. Hissaria, President of Guar Gum Exporters Association, concurs that high prices may create problems for farmers. However, he expects farmers to plant more area under guarseed and expects a much higher crop next year, subject to timely rains.

Prices of guarseed, the key raw material for producing guar gum, have more than quadrupled since November last year on tight supplies and rising demand. The prices, which ruled at around Rs 4,704 a quintal in early November, have now crossed Rs 22,300 in Bikaner spot market.

Prices

Guarseed sown in the kharif season during July-August is harvested from November onwards. On Tuesday, guarseed prices for delivery in March rose by Rs 632 on the National Commodity and Derivatives Exchange to close at Rs 22,200 a quintal with an open interest of 15,580 lots. For delivery in July, guarseed gained Rs 517 to close at Rs 22,000 with an open interest of 360 lots.

Guar gum is used as a thickening agent and additive in food products like instant soups, ice creams, processed meat products and yoghurt. Besides, it also has industrial applications in paper and textiles, ore flotation, explosives and fracturing of oil and natural gas formations. India accounts for a major chunk of the global supplies and the commodity is mainly exported to the US.

Malaysia, Indonesia in talks for common tariff policy for palm oil

G. Chandrashekhar

Kuala Lumpur, March. 6:

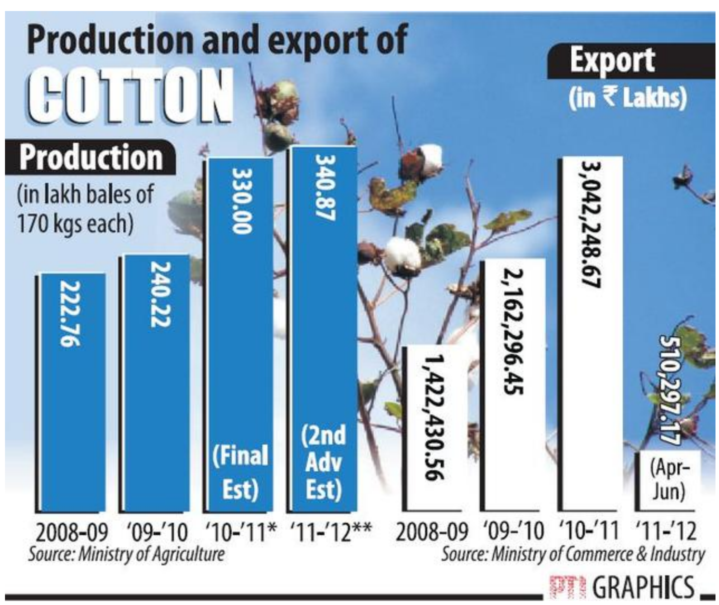
Palm oil industry will be one of the 12 core economic drivers in Malaysia under the Government Economic Transformation Program to transform the national economy into a higher come status by 2020; and palm oil as one of the national key economic areas focuses on improving the upstream and downstream sectors towards generating higher productivity and new sources of income, Mr Tan Sri Bernard Dompok, Malaysia Minister of Plantation Industries and Commodities, has said.

Inaugurating the Palm and Lauric Oils Price Outlook Conference here on Tuesday, the Minister remarked that production of oleo derivatives for applications in soaps, detergents and cosmetics as well as nutraceutical products will receive close attention. “The government will continue to emphasise the development of this industry on a sustainable basis and concurrently ensuring there is balance between its developmental perspective and the need to preserve the environment. Later, at a press conference, to a specific question from *Business Line* about how Malaysia proposes to respond to Indonesia's palm oil export tariff revisions, the Minster said that while Indonesia is going through the process of industrialisation, any tax on export will have a bearing on growers. “In Malaysia, we are examining how to help the industry without hurting the growers”, he said.

Queried further whether Malaysian and Indonesian governments were in talks to evolve a common tariff policy, Mr Dompok said, “We are cooperating and talking to our counterparts”. It is well known that Malaysia is keen to export value added palm oil products including refined oil and discourage export of crude oil. No wonder, a duty-free export quota for crude palm oil has been fixed. However, local refiners are up in arms against the duty-free export quota because the aggregate refining capacity is far ahead of domestic raw material availability; and any export of crude palm oil results in lower capacity utilisation to that extent. Refiners have demanded that duty-free export of crude oil be stopped.

Suggesting that crude palm oil export from Malaysia was about 3 million tonnes, the Minister said he wants to keep Malaysian prices same as overseas prices. This remark, of course, raises the possibility of Malaysia making suitable changes in its tariff structure to respond to the Indonesian move.

PM urges panel to review cotton export ban



New Delhi, March 7:

The Prime Minister, Mr Manmohan Singh, has directed that the Group of

Ministers (GoM) should urgently review the move to ban cotton exports on Friday.

The PM's directive on Wednesday follows a request from Congress leaders in Gujarat and Maharashtra seeking immediate removal of the ban on the export of cotton.

"The PM has given directions that a GoM should review this decision urgently on March 9," a PMO statement said. The ban was imposed by the Commerce Ministry on Monday to help improve domestic supplies.

A Group of Ministers, including the Finance Minster, Mr Pranab Mukherjee, the Agriculture Minister, Mr Sharad Pawar, and the Commerce Minister, Mr Anand Sharma, will meet on Friday to review the ban on cotton exports.

On Tuesday, the Agriculture Minister, Mr Sharad Pawar, had objected to the ban on exports, stating that it would affect cotton growers, and sought the PM's intervention in the issue. Even the Gujarat Chief

Minister, Mr Narendra Modi, had protested the Government's move to curb exports.

The Textiles Ministry had said that almost 94 lakh bales had been shipped out against the estimated export surplus of 84 lakh bales, thereby reducing the carryover stocks to 33 lakh bales for the next season. The Ministry expects the exports to reach 100 lakh bales by mid-March 2012, thereby reducing the domestic inventories and said the decision to ban exports took into account the trend of domestic consumption and depletion of domestic availability.