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Jute industry to meet demand for foodgrain sacks within a month

Indrani Dutta

A day after the jute industry faced flak in Parliament with Union Finance Minister Pranab Mukherjee making a statement on shortage of jute bags for foodgrains packaging, the industry said on Thursday that the problem was not due to supplies but due to improper planning at the government level.

“We are putting all our efforts to gear up supplies so that additional bags can reach their destinations by June 10,” said Indian Jute Mills Association (IJMA) chairperson Manish Poddar.

Pointing out that a failed tender for jute bags by one of the state governments had led to a demand-supply gap of around two lakh tonnes, he said the industry was putting in all efforts to plug this gap for the rabi crop season.

Former IJMA chairperson Sanjay Kajaria said the industry has adequate capacity and that the problem has to do with coordination and logistics. He described as false the clamour on the short supply of jute bags for the rabi marketing season 2012-13. He said he has already highlighted the issue in letters to Mr. Mukherjee and West Bengal Chief Minister Mamata Banerjee.

West Bengal is the biggest supplier of jute bags to ten States as well as the Food Corporation of India in each crop season. Almost 66 operating jute mills, of which 54 are in West Bengal, possess an installed capacity of around 15 lakh tonnes of jute bags. The present demand for gunny bags for foodgrains is estimated at 10 lakh tonnes. Of the total crop, 20 per cent goes to the public distribution system where jute bags are used for packaging. Around 30 per cent is sold in the open market, where recycled bags are used. The rural population locally consumes the rest.

Mr. Mukherjee on Wednesday had promised that he would do all that is possible to end the shortage of jute bags to store the procured foodgrains that are now lying in the open at some places.

The Minister, who was making a statement in the Lok Sabha on the protest made by Opposition members in the House (earlier they forced adjournment of the House for a few minutes) on the bags shortage, said construction of more warehouses and export of foodgrains were some other options being examined to meet the situation and they might take time.

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Power-operated weeder to reduce farmers' burden

Special Correspondent



WORK MADE EASY:Farmers and officials having a look at the power-operated weeder at Agricultural Engineering College in Kumulur.PHOTO: M.SRINATH

The Tamil Nadu Agricultural University's Agricultural Engineering College at Kumulur has designed a power-operated weeder to clear weeds in fields. Weeds pose a problem to farmers and affect crop yield and productivity. Every farmer has to incur a huge expenditure for clearing weeds. In case of a few crops like paddy, the clearing of weeds has been a recurring phenomenon.

“The equipment will go a long way in clearing weeds on a faster pace, with less expenditure,” says A. Tajudin, Dean of the college, explaining its advantage.

A sharp-edged and stout blade made of iron, as in the case of electrical mixer, is fitted to a couple of rods at the bottom. The college has evolved different blades, to suit to different weeds of various sizes, he says. The weeds would be totally uprooted through the use of the weeder.

There are a few other crops especially orchards where the roots of the weeds should not be disturbed.

“Uprooting the weeds would also uproot the fruit crops,” he said. A special chain-like equipment has been attached to the power-operated weeder.

“The chain cuts only the upper surface of the weeds, without touching the soil,” he says.

V. Velu, Special Officer, Directorate of Natural Resources Management of the University, who visited the college recently, inspected the equipment and interacted with a cross section of farmers about the advantages of the equipment.

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Mettur level

The water level in the Mettur dam stood at 78.77 feet on Thursday against its full level of 120 feet. The inflow was 1,251 cusecs and the discharge, 1,200 cusecs.

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Integrated farming system to be introduced in Tirupur

R. Vimal Kumar

To provide value-addition in farming activities and arrest the falling farm incomes in the district, the Department of Agriculture is set to introduce 'Integrated Farming System' practices on a commercial basis in the entire 13 blocks.

The integrated system is the concept of judicious mixing of poultry, mushroom cultivation, fisheries, agro-forestry, goat/cow rearing and sericulture along with the main agricultural crop cultivation on a unit area which could help bring prosperity to farming.

“To start with, the system will be implemented in one village each of the 13 blocks,” P. Thangaraju, joint director of Agriculture, told *The Hindu*.

Technical support

The farmers will be given technical support to kick-start the allied ventures and preference to avail subsidy assistances earmarked under various government schemes, he said.

For a district like Tirupur where small and marginal farmers with land holdings of less than two hectares are predominant, the integrated farming will be of great significance as it could enable the farmers fetch stable income through products like egg, milk, mushroom, vegetables, honey and silkworm cocoons obtained from the linked activities all through the year.

At present, they are heavily dependent on income from mono-cropping system which alone is popular in the district.

Efficient

Meanwhile, the mixed farming system of crops and animals are more efficient, remunerative and conducive for people with small farm holdings in both irrigated and rain-fed conditions.

“Another advantage is that such all-season agriculture activities will generate regular employment for the family members of small and marginal farmers thus, preventing any possible migration of profession,” Mr. Thangaraju said.

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Farmers gearing up for kharif cultivation

Pradeepkumar Kadkol

The good rainfall in April has gladdened farmers in the district who are preparing for the kharif season.

According to sources in the Agriculture Department, the district received 126.9 mm of rainfall in April, compared to the normal average of 101.9 mm.

In April, Chalakere taluk received 149.6 mm against the normal of 17.9 mm, followed by Chitradurga with 146.7 mm (normal of 33 mm), Hiriya with 151 mm (23.6 mm), Holalkere with 115.1 mm (35.7 mm), Hosadurga with 70.1 mm (22.6 mm), and Molakalmuru with 129.1 mm (19.7 mm). The district recorded 15.7 mm of rainfall till May 7, as against the normal rainfall of 69.5 mm.

This year, the Agriculture Department has set a cultivation target of 3,58,500 hectares during the kharif season, with foodgrains on 1.82 lakh hectares, oilseeds on 1.64 lakh ha, and commercial crops on 1.14 lakh hectares, according to sources.

There is adequate stock of seeds and fertilizers in the district. On an average, the district needs about 52,898 tonnes of fertilizers.

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- *Agriculture Department has set a cultivation target of 3.58 lakh hectares of land*
 - *Officials say there is adequate quantity of seeds or fertilizer in the district*
-

GUNTUR, May 11, 2012

Tobacco growers a worried lot

The average price of tobacco sold through auction this season (40 million kg) up to May 8 stood at Rs. 102.34 per kg compared to Rs. 113.72 last year (a fall of Rs. 11.38).

If the same trend continues, farmers will lose heavily, representatives of ITA, exporters and cigarette manufacturers observed at a meeting held at Tobacco Board office here on Thursday.

Board Chairman G. Kamalavardhan Rao presided over the meeting. He was asked to take steps so that farmers will earn remunerative price.

Mr. Rao said he took stock of the situation arising out of a significant increase in the cost of production and was exploring the means to help farmers mitigate the losses.

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Minister assures schemes to increase foodgrain production

Staff Reporter



Collector N.Mukteswar Rao launching Rythu Chaitanya Yatralu in Nalgonda on Thursday.Photo: Singam Venkataramana

Minister for Civil Supplies D.Sridhar Babu has said that the government was taking all measures for the welfare of the farming community and to increase the foodgrain production by launching various programmes.

Speaking after launching the Rythu Chaitanya Yatralu in Rangadamunipalli village of Pegadapalli mandal on Thursday, he said that the yatras would empower the farming community for the ensuing kharif season for better harvest of their crops. He called upon the farmers to accord priority for the seed processing units as the government would provide 90 per

cent subsidy for setting up of mini-seed processing units. The agricultural authorities through public address system on their vehicles would campaign in the villages about the cultivation of respective crops, use of vermin-compost, avoidance of pesticides, etc. They also explain the farmers about the latest agricultural implements, seed varieties, etc.

Collector Smita Sabharwal, KDCCB chairman K.Ravinder Rao, Joint Director (Agriculture) Prasad were present.

Rs.190 crore released

Adilabad Staff Reporter writes: Collector A.Ashok on Thursday launched Rythu Chaitanya Yatralu at Marlavai village in Boath mandal. He said the main aim of the programme was to educate farmers on modern methods of cultivation with an eye on reducing investment while improving yields.

The Collector said the government had released Rs.190 crore as compensation to farmers who had suffered crop loss due to drought in the last season. He urged bankers, revenue and agriculture officials to cooperate in expediting advancement of crop loans to farmers.

Mr. Ashok inaugurated an online news facility at Boath market committee yard.

Creating awareness

Nalgonda Correspondent writes: Collector N. Mukteswara Rao on Thursday urged officials, who go round villages during the Rythu Chaitanya Yatralu till May 31, to ensure that farmers are motivated to achieve maximum kharif production.

Flagging off the yatra at the Collectorate, Mr. Rao said officials should educate ryots about the latest technologies and revolutionary changes taking places in the field. 'Make sure that no drop of water is wasted by farmers,' he stressed.

The Collector advised farmers to make the best use of the counsel being offered at their doorstep by scientists and officials of agriculture and related departments.

Joint Director of Agriculture Jayaraj, Joint Director of Animal Husbandry Khadeer, Assistant Director of Marketing Prasada Rao, RDO Padmakar, AD of Horticulture Babu, AP Transco DE Inkarayya were among those present.

Input subsidy

Sangareddy Staff Reporter writes: Minister for Women and Child Welfare V. Sunitha Lakshma Reddy said that as much as Rs.1,816 crore was being paid as input subsidy to farmers in the State.

Addressing a gathering after formally launching Rythu Chaitanya Yatralu at Natnayipalli village in Narsapur constituency on Thursday, Ms. Sunitha Lakshma Reddy said that the State government has been extending input subsidy, seed and agricultural instruments to farmers to make the farming viable.

Informing that more than Rs.106 crore is being released to farmers in the district as input subsidy, the Minister said that the amount would be directly deposited into the accounts of farmers to avoid any mismanagement or corruption.

Sating that the agriculture officers would come to villages to create awareness among farmers, the Minister urged the farmers to use the available technology and resources being provided by the government for better yielding.



■ Fri, 11 May 2012

weather

Chennai - INDIA

Today's Weather



Sunny

Friday, May 11

Max Min

36.6° | 27.9°

Rain: 00 mm in 24hrs

Sunrise: 6:35

Humidity: 49%

Sunset: 18:03

Wind: Normal

Barometer: 1009

Tomorrow's Forecast



Partly Cloudy






Saturday, May 12

Max Min

37° | 27°

Extended Forecast for a week

Sunday May 13	Monday May 14	Tuesday May 15	Wednesday May 16	Thursday May 17
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37° 29°	37° 29°	37° 28°	37° 29°	38° 29°
Rainy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

Business Standard

Friday, May 11, 2012

Guar sowing hit by seed shortage

Govt and trade sources expected much more cultivation after last year's record prices that may not happen now

Dilip Kumar Jha / Mumbai May 11, 2012, 0:58 IST

A majority of guar seed farmers may not be able to respond to last year's record high prices by expanding sowing in this kharif season due to an acute shortage of seeds.

Farmers have started collecting seed ahead of the season at prices 30 per cent higher than the spot rates in the market to ensure supply at the time of sowing. Consequently, bringing more area under guar seed may be affected. The Union ministry of agriculture had estimated at least 20 per cent increase in sowing area this season and trade sources estimated an increase of 40 per cent area. Guar sowing generally begins with the first monsoon shower in the major producing states of Rajasthan, Gujarat and Haryana, largely in the third week of June. Earlier, traders estimated total sowing to rise this year to five million hectares compared to 3.5 million hectares last year.

"All farmers and stockists have sold their inventory to cash on the higher prices. A handful of stockists are holding minimal quantity, insufficient to meet this year's sowing demand," said Purshotam Mundra, partner of Rajendra Prashad Purshotam Mundra, a Jodhpur-based commodity trader.

Last year's low production and negligible carry forward stock from the year before, coupled with a spurt in demand for guar gum, a derivative of seed, helped reduce the domestic inventory. The commodity futures market regulator, the Forward Markets Commission, had estimated total guar seed production at 1.25 million tonnes during the 2011 kharif season, compared with 1.5 mt in the previous year.

This year, due to record high prices, farmers liquidated most of their holdings, keeping aside a very small portion for sowing. They have started procuring seed from the mandis at the prevailing high prices of Rs 300-320 a kg, expecting good returns in the next season, too. They are willing to pay even Rs 400 a kg for ensuring supply during the peak sowing season. Normally, nine to 10 kg of seed is required for sowing one acre.

According to a March study by the Associated Chambers of Commerce and Industry, the price of guar had gone up 120 per cent in the past month, 700 per cent in the past four months, 875 per cent in the past 12 months and 1,300 per cent in the past 18 months. The normal price of the guar bean in the season is Rs 10 per kg, while guar seed is traded at Rs 25 per kg and guar gum at Rs 50 per kg. Currently, guar seed is trading in major Rajasthan mandis at Rs 300 a kg, while guar gum is selling at Rs 1000 a kg.

"We do not expect farmers to sow guar in additional area when seed is not available. Since, India supplies around 98 per cent of guar globally, there is also no alternative source for import," said Sanjay Periwal, another Jodhpur-based trader.

Says Navaratan Daga, a Bikaner-based trader, "The overall increase in area and crop size would also depend upon monsoon rainfall this season." Last year, guar plants were washed out due to excessive rain; this crop requires a medium-type monsoon, with not much of either showers or drought.

Earlier, futures trading in guar had been suspended from the commodity exchanges, on reports of excessive speculation.

Pepper rises 1.70% on lower output

Rising demand in spot market pushed prices higher

Press Trust of India / New Delhi May 10, 2012, 16:07 IST



Pepper prices rose sharply by Rs 645, or 1.70%, to Rs 38,670 per quintal in futures trade today as speculators created positions, driven by expectations of lower output this season.

Also, firming trend in spot markets on rising demand also influenced pepper futures prices.

At the National Commodity and Derivatives Exchange, pepper for delivery in June rose by Rs 645, or 1.70%, to Rs 38,670 per quintal with an open interest of 2,800 lots.

The May contract moved up by Rs 535, or 1.43%, to Rs 37,955 per quintal in 2766 lots.

Analysts attributed the sharp rise in pepper futures to speculations of a lower output this season against pick-up in demand.

THE HINDU Business Line

Mixed trend in pepper market

G. K. Nair

Kochi, May 10:

The pepper market on Thursday witnessed high volatility and ended in a mixed trend with May dropping while other nearby deliveries moving up.

The market moved down to the lowest levels in the opening session. Thereafter, May moved sharply in the beginning of forenoon session and touched the highest price of the day to Rs 38,100 a quintal up by Rs 880.

Volatility

June also went up by Rs 880 to the highest levels of Rs 38,780 a quintal. Then the trade turned highly volatile.

At the beginning of the closing session, it dropped sharply and May ended below the previous day's closing while June and July closed above the previous day prices.

Stocks are said to be coming down on the exchange platform while May delivery prices were dropping to below spot prices and difference is about Rs 9 a kg.

Meanwhile, staggered delivery clause will become effective from May 14. Therefore, buying is likely to be less, market sources told *Business Line*.

As the market was firmer during much part of the day, sellers were quoting prices higher than that of yesterday and the buyers were reluctant and hence not much activities took place on the spot market.

However, importers were said to be showing interest to cover heavy bulk density pepper allegedly to balance the quality with the material imported for value-addition and re-export.

May contract on the NCDEX decreased by Rs 120 to the last traded price of Rs 37,300 a quintal. June and July went up by Rs 135 and Rs 320 respectively to the LTP of Rs 38,160 and Rs 38,820 a quintal.

Turnover

Total turnover increased by 1,806 tonnes to 3,870 tonnes. Total open interest declined by 77 tonnes to close at 5,593 tonnes.

May open interest fell by 381 tonnes to 2,491 tonnes showing liquidation while June and July increased by 298 tonnes and 6 tonnes respectively to 2,926 tonnes and 139 tonnes showing switching over.

Spot prices remained unchanged at previous levels of Rs36,700 (ungarbled) and Rs38,200 (MG 1) a quintal on limited activities.

Indian parity in the international market moved up marginally to \$7,300 a tonne (c&f) for Europe and \$7,600 a tonne (c&f) for the US. Strengthening of the rupee against the dollar also aided the rise in the parity.

Overseas trend

Vietnam market, according to a report today, remained unchanged. 500 GL was offered at \$6,300 a tonne (fob) HCMC - prompt shipment. 550 GL was at \$6,550 a tonne(fob) and V Asta at \$6,950 a tonne (fob). White pepper double washed was offered at \$9,300 a tonne.

Refineries dither on hiking palmolein price

Our Correspondent



Mumbai, May 10:

Edible oil prices declined during the day trade on Thursday. Lack of demand with cautious mood ahead of industry data of palm and soya by exporting nations was the reason. But it rebounded in Malaysia towards the end of the day. Stockists covered good quantity of palmolein from refineries. Active volume pushed up sentiment for imported oils said traders.

In Mumbai, palmolein rose by Re 1 while other soft oils declined by Rs 2-5/10 kg. Groundnut oil lost further by Rs 15 on almost zero demand due to higher price level compared with cotton and other oils. New summer crop arrivals in producing area weighed on indigenous oils. Costlier import parity because of continuous weakness in the Indian currency against dollar improved the fresh buying sentiment, said sources.

Mumbai's two leading refineries have sold about 1,000 – 1,200 tonnes of palmolein in the range of Rs 655-657 for near term delivery. As demands for ready delivery was lower than expected, refineries kept price for palmolein unchanged. Liberty, towards the end of the day, quoted palmolein at Rs 657-658. Ruchi quoted palmolein at Rs 658, soya refined oil at Rs 711 and sunflower refined oil at Rs 740. Allana's rate for palmolein was Rs 660. Mewah's rate was Rs 657. Resellers offered palmolein at Rs 654-655. In Rajkot - Saurashtra groundnut prices increased to Rs 1,840 (Rs 1,830) for *Telia* tin and Rs 1,200 (Rs 1,190) for loose - 10kg.

Malaysia's crude palm oil June contracts closed at MYR 3,360 (MYR 3,340), July at MYR 3,349 (MYR 3,335) and August at MYR 3,340 (MYR 3,324) a tone. **The Bombay Commodity Exchange spot rates were (Rs/10 kg):**groundnut oil 1,185 (1,200), soya refined oil 710 (712), sunflower exp. ref. 665 (665), sunflower ref. 740 (740), rapeseed ref. oil 810 (815), rapeseed expeller ref. 780 (785) cotton ref. oil 692 (695) and palmolein 656 (655).

Jeera crackles on higher arrivals



RAJKOT, MAY 10:

Spot jeera prices declined as arrivals have increased in the last few days. Jeera futures declined on profit booking by market participants.

At Unjha, new jeera medium declined by Rs 25-30 to Rs 2,070-2,170 for 20 kg, NCDEX quality raw quoted at Rs 2,450-2,550. Arrivals stood at 25,000-26,000 bags. Raw jeera at Jodhpur in Rajasthan quoted at Rs 12,200-13,400 a quintal. Arrivals were reported around 700-750 bags.

In Rajkot, jeera price dropped by Rs 30-40 to Rs 2,150-2,455 for 20 kg, arrival stood at 3,600-3,800 bags.

On the National Commodity and Derivatives Exchange (NCDEX), jeera May contract slipped by Rs 162.5 to Rs 13,340 a quintal with an open interest of 6,423 lots. NCDEX June contract dropped by Rs 115 to Rs 13,770 for 100 kg with an open interest of 18,627 lots.

According to Kedia Commodity from Mumbai, jeera price declined due to intra-day profit booking after prices gained in past few days as daily spot supplies fell after the arrival season came to an end. Strong overseas demand due to attractive prices from India also boosted the trend.

Buying is strong in the spot market, especially from the exporters. Supplies have come down and are expected to decline further because arrival season has already come to an end. Daily average spot supplies are in the range of 17,000-20,000 bags at Unjha, down from more than 30,000 bags at the start of April.

Poultry items warm up on dearer input costs

Our Bureau



Chennai, May 10:

Egg and broiler prices are slowly rising towards the record levels, thanks to higher input costs and a pick-up in consumption.

The Namakkal-based National Egg Coordination Committee (NECC) increased the price of an egg by 16 paise to Rs 2.68 on Thursday.

Broiler prices, too, are inching up towards the record Rs 75-a-kg mark seen in April 2011. Prices of cull birds are ruling at Rs 70/kg, owing to the demand for animal protein during summer.

From March-end till the middle of last month, the NECC has been trimming prices to lift consumption and normalise an overflowing stock resulting from a ban imposed by Oman on Indian poultry products and non-supply of eggs to the noon-meal scheme (that procures around 70 lakh eggs) owing to vacation.

Mr P. Selvaraj, Chairman of the NECC's Namakkal zone, told *Business Line* that spiralling cost of soyameal - a key ingredient in poultry feed is one of the reasons. Soyameal at Indore ruled at Rs 28,700-29,000 a tonne on Thursday against Rs 25,000 last month. Feed costs account for two-thirds of cost of production in a poultry unit. However, he said that the price rise will be a gradual one and demand is yet to pick up fully as schools are on vacation mode. Prices of layer birds too have increased and are were quoted at Rs 50/kg (Rs 35).

Growers hold back turmeric, expect market intervention

Our Correspondent



Erode, May 10:

Spot turmeric prices gained on Thursday as stockists continued to build inventories. Further, farmers, too, have begun to hold back their produce, hoping for market intervention by Tamil Nadu, Karnataka and Andhra Pradesh.

Mr Rajamanickam, a trader, said: "Due to rumours that the Government will buy stocks at a good price, , stockists lifted a large quantity at a higher price.

"Further, arrivals have decreased to around 15,000 bags as farmers have decided hold back their produce at current price of Rs 3,500 and odd a quintal."

About 65 per cent of the stocks that arrived were sold. He said that some farmers were expecting prices to move up in a week's time. "But prices will not touch Rs 4,000 a quintal in near future," he said.

Some exporters purchased the root variety to cater to orders from Punjab and Delhi.

They also purchased the Hybrid Salem crop by quoting Rs 200 a quintal higher than Wednesday's.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 2,350-3,739 a quintal and the root variety at Rs 2,310-3,609.

Salem Crop: The finger variety was sold at Rs 3,266-4,529 and the root variety at Rs 3,200-3,699.

Of 2,111 bags that arrived, 1,107 were sold. At the Regulated Marketing Committee, the finger variety fetched Rs 3,319-3,809 and the root variety Rs 3,269-3,649.

Out of arrival of 1,299 bags of turmeric, 1,249 bags were sold. At the Erode Cooperative Marketing Society, finger variety was sold at Rs 3,180-3,899 a quintal; root variety Rs 3,011-3,729. All 1,431 bags kept for sales were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,100-3,860 and the root variety Rs at 2,819-3,660. All 332 bags kept for sales were sold.

Spot rubber improves on covering buys

Our Correspondent



Kottayam, May 10:

Physical rubber prices improved on Thursday. The market opened steady but improved marginally on late trades, probably on covering purchases at lower levels. The trend was mixed.

Sheet rubber increased to Rs 194 (Rs 193.50) a kg, according to traders. The grade firmed up to Rs 194.50 (193.50) a kg at Kottayam and Kochi, as reported by the Rubber Board.

RSS 4 improved with May contracts rising to Rs 191.29 (190.60), June to Rs 197.63 (195.99) and July to Rs 202.50 (200.97) a kg on the National Multi Commodity Exchange.

The key Tokyo rubber futures edged higher from a 5-month low on investor buying at lower levels though deepening concerns on Europe's debt crisis continued to weigh on the sentiments. There was demand on the physical front which helped to support prices, but TOCOM was still under pressure as it failed to break above ¥300.

RSS 3 (spot) dropped to Rs 203.69 (206.64) a kg at Bangkok. The May futures increased to ¥279.7 (Rs 187.56) from ¥277 during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 194 (193.50); RSS-5: 193 (192); ungraded: 188.50 (188.50); ISNR 20: 193 (192.50) and latex 60 per cent: 125 (125).

Sugar static on ample supply from mills

Our Correspondent



Mumbai, May 10:

Sugar prices ruled unchanged on Thursday on ample supply from mills.

While S-grade sugar ruled unchanged, fair quality M-grade lost Rs 8 a quintal on the wholesale spot market on Thursday. While supply from mills increased, demand from eastern parts, particularly West Bengal, eased. Traders expect demand to rise as a weaker rupee against the dollar may help boost exports.

Naka rates fluctuated by Rs 10 a quintal either way depending on quality. Buying from neighbouring States was absent.

A Vashi based wholesaler said that sugar prices rule unchanged with minor changes on increased supply from millers as demand from West Bengal side eased at the upper level.

New demand from West Bengal after a gap of three months had pushed up prices by Rs 40-50 a quintal during the first two days of the week. Eastern buyers covered about 8-10 rail rakes (each of about 25,000 bags) from Maharashtra.

In the local market, demand is expected to ease from next week, as usual during the middle of a month. Currently, demand from local stockists and Gujarat and Rajasthan is keeping the market afloat. In Vashi, 50-52 truckloads arrived and 47-48 truckloads were despatched locally.

On Wednesday evening, about 15-16 mills offered tenders and sold about 65,000-66,000 bags at Rs 2,830-2,930 (Rs 2,810-2,920) for S-grade and at Rs 2,930-3,010 (Rs 2,920-3,000) for M-grade.

The Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,952-3,011 (Rs 2,950-3,012) and M-grade Rs 3,032-3,171 (Rs 3,040-3,161).

Naka delivery rates: S-grade Rs 2,920 -2,970 (Rs 2,930-2,960) and M-grade Rs 3,000-3,070 (Rs 3,000-3,080).

Guar brightens Rajasthan farmers' life



SRI GANGANAGAR (RAJASTHAN), MAY 10:

Seventy-year-old Birbal Ramji has locked in a safe a quintal of guarseed. He's kept it for sowing on his 10 acre land at Shree Ganganagar. The seeds are sown in July and the crop is harvested in November. He is elated that he sold 20 quintals for Rs 560,000 early this month.

Another farmer Ramesh Beniwal, 73, could not stomach the dizzying price rise in guar. Now, he feels unsafe in his own village. "I have to take extra care of 10 quintals of guar left out of last year's harvest. If this price rise continues, robberies will increase," he says.

Guar is the new gold in the Bikaner district of Rajasthan. A number of farmers have reaped a huge bonanza. It has led to a mix of emotions and reactions. There is elation. There is fear.

There is ostentatious consumption and extravagant indulgences. A few are using the windfall to expand their land holdings.

Guar prices have skyrocketed from Rs 2,000-Rs 4,000 a quintal last season to Rs 30,000 a quintal on the back of strong demand from the oil and gas sector. The sharp increase in price has led to termination of futures trading in this commodity. The measure could hardly cool down the prices.

Guar prices in Jodhpur had jumped to Rs 30,300 a quintal on Wednesday from Rs 26,700 on March 27, when futures were banned.

CAPITALISING ON HIGH PRICE

Mr Gurbal Pal Singh from Takrawada village, who owns 48 acres, has bought a high breed Nukra stallion for Rs 5 lakh. His face lights up when his 12-year-old son saddles the horse with ease. Most of the farmers in this village have sold guarseed at Rs 6,500 a quintal, he said.

Mr Dharmendra Rewar, who found employment with the Delhi Police recently, realised Rs 240,000 by selling eight quintals of guarseed two days back. His brother takes care of the field in his absence.

Mr Rewars, who currently own 25 acres, plan to buy more agriculture land. Sale of latest model of Audi, BMW and Toyota-Fortuner has seen a steady rise among the young farmers in these villagers.

Having missed the opportunity to save enough money for buying a tractor, Mr Bagyarath Saran has already started preparing the field for sowing in July.

“I missed capitalising on the last season as I sold my produce at Rs 5,000 a quintal. My field is almost ready. If rain God is kind to me, I will buy a tractor like my neighbour,” says Saran.

With guar farmers on cloud nine, traders are not far behind.

Mr Radhashyam Krishan, a stockist, has been accumulating guar for last 10 years. In January, he offloaded 500 quintals at Rs 11,000 to Rs 12,000 a quintal. He wants to take his family on a holiday to Hong Kong and invest in real estate.

“We have been leasing out our 25 acres for about Rs 1 lakh every year. This time around we want to cultivate on our own by employing a few farmers,” he said.

Sops for wheat exports in the offing?

Vishwanath Kulkarni



File photo of a scene at wheat market (insert) Prof K.V. Thomas
New Delhi, May 10:

The Government is looking to incentivise exports of wheat as it seeks to trim the Central pool stockpiles to create storage space for new stocks.

Exports from India are at present unviable, as the price at which Government is procuring wheat is higher than the global price.

The Government had opened up wheat exports in September last, after a gap of three years. The export trend is sluggish with only 8.3 lakh tonnes being shipped out to countries like Bangladesh and West Asia.

“Exports have been going on without any sops. If an incentive of even Re 1 or Rs 2 per kg is offered, it will boost shipments,” an official said. The Food Ministry is initiating talks with the Commerce Ministry on incentivising wheat exports, the official added.

Wheat stocks stood at an all-time high of 38.19 million tonnes in the Central pool as of May 1, 2012 (see table), because of bumper harvest and brisk ongoing procurement in Punjab, Haryana and Madhya Pradesh.

Global prices

Global wheat prices are ruling at a low on account of surplus stocks. The Chicago Board of Trade (CBOT) futures for July 2012 are hovering around \$6 a bushel (27.215 kg). At current exchange rate of Rs 53 to a dollar, the global wheat prices translate to around Rs 11,700 a tonne, lower than the minimum support price (MSP) of Rs 12,850 a tonne at which the commodity is being procured by the Government.

The surge in procurement in the current season has triggered storage concerns as rising stockpiles of wheat and rice at 71.21 million tonnes far exceed the current storage capacity of about 67 million tonnes. Procurement of wheat has crossed 27 million tonnes in the current season, which is about 5 million tonnes or 23 per cent higher than last year.

Export window

Earlier, the Food Minister, Prof K.V. Thomas, said the Government was looking at options to allow wheat exports, a move that could help liquidate stocks and create storage space for the wheat procured in the current marketing season.

“Export is one of the options. A policy has to be formulated in consultation with the Finance and Commerce Ministry in this regard,” Mr Thomas told reporters on the sidelines of a conference here on Thursday. India could look at West Asia, Afghanistan, Pakistan and some African countries to export wheat through Government-to-Government deals, Mr Thomas said. The Centre is also considering allocating an extra 17.5 million tonnes of wheat to the States for distribution under various welfare schemes, Mr Thomas said.