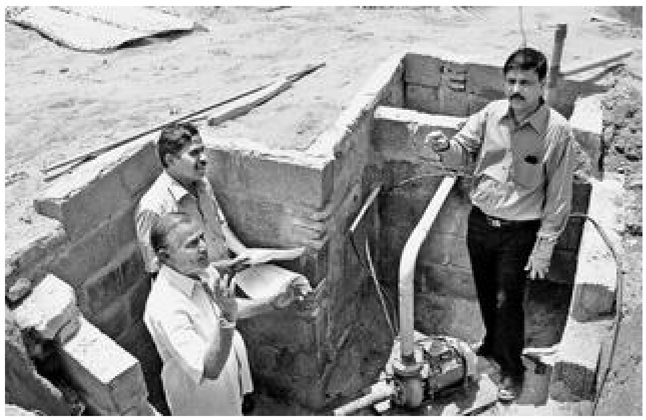
THE HINDU

Published: May 16, 2012 00:00 IST | Updated: May 16, 2012 05:34 IST

Farmers guided on methods to sustain cultivable lands

Staff Reporter

Water conveyance system, water lifting device, pipeline, planting material given



By all means:Horticulture officials inspecting the implementation of Rainfed Area Development Programme at a farm at Maravanmadam near Tuticorin on Tuesday.— Photo: N. Rajesh

With the launch of Rainfed Area Development Programme, farmers have shouldered increased responsibilities for enhancing productivity of lands. Under the RADP, one of the components in National Agriculture Development Programme, farmers could overcome any problem of crop failure arising out of drought. Even fallow lands could be converted into fertile soil. Thanks to Horticulture officials for having guided the farmers with an opportunity to sustain cultivable lands. Amidst the growing concern of shrinking lands nowadays, farmers were exposed to guidelines through new technology to adopt gainful methods of horticulture practices.

To empower the farming community, facilities of water conveyance system, water lifting device, pipeline and planting material along with drip irrigation system have been provided with, according to M. Syed Ahmed Miranji, Deputy Director, Department of Horticulture, Tuticorin.

Since the North part of Pudukottai block in the district is a drought-prone area, the scheme has been implemented here initially. Ten beneficiaries have been selected this year to avail the facilities for one hectare each. Each of the beneficiaries could enjoy a subsidy of Rs. 70, 000 per hectare, which is 50 percent of the total project cost of Rs. 1.40 lakh. Inter-crop cultivation could also be taken up under the programme to ensure sustainable livelihoods from the lands accessible to water, the key requirement for any vegetation, Mr. Miranji said here on Tuesday.

C. Chandra, a farmer at Maravanmadam village attached to Pudukottai block and beneficiary under the scheme, was ecstatic and said he could cultivate Neelam variety of mangoes from one hectare. With a promising source of water, he was sure of enhancing mango cultivation. Apart from the temperature conducive to growing of any crop, constant watering would certainly improve its fertility. Many growers of agriculture and horticulture crop could heave a sigh of relief from the shortage of farm labourers. The mechanised farming practices has replaced the manual works on field in the present scenario. P. Palanivelayudham, Assistant Director of Horticulture, Pudukottai, who accompanied the Deputy Director, also inspected the farm land at Maravanmadam.

Published: May 16, 2012 00:00 IST | Updated: May 16, 2012 05:30 IST

K.V. Arvind bags best farmer award

Staff Correspondent

K.V. Arvind of Kanivemane village in Shikaripur taluk has won the district-level Best Farmer Award for 2011-12 instituted by the zilla panchayat.

The average yield of paddy in the land cultivated by Mr. Arvind was 112 quintal a hectare. M.R. Nagaswamy of Ambaragoppa village has won the second prize while Manjunath of the same village has won the third prize.

A committee formed under the Chief Executive Officer of zilla panchayat, Sanjay Bijur, selected farmers for the award. C. Suresh of Chikkamarasa village was declared best farmer of Shimoga taluk while Palakshamma of Mallapura village and H.M. Vishwanath of Holehatti village have won the second and third prize respectively.

In Bhadravati taluk, Hashim Beig of Donabaghatta village was declared the best farmer. N.G. Shiva Kumar of Tadasa village and B. Cheluvaraju of Mavinakere village have won the second and third prize respectively. In Tirthahalli taluk, H.N. Manjappa of Kudumallige village has won the first prize while Tejappa A.G. of Heggodu village and Bhadrappa A.G. of the same village have won the second and third prize respectively. Venkappa of Hosur village has been selected best farmer of Sagar taluk while B. Nagappa of the same village and K. Ganapathi of Kambalikoppa village have secured the second and third prize respectively.

Halamma of Harohitlu village has been declared the best farmer of Hosanagar taluk, while Basappa of Dobailu village and Dharmendra of Harohitlu village have won the second and third prize. In Shikaripur taluk, H. Vishwanath of Churchugundi village has won the first prize, B. Lingaraju of Punedahalli village and K. Yogaraj of Gama village have secured the second and third prize. Siddappa of Bendekatte village has been selected as the best farmer of Sorab taluk while Ningana Gowda of Barangi village and Indudhara Gowda of Alahalli village have won the second and third prize respectively.

Published: May 16, 2012 00:00 IST | Updated: May 16, 2012 05:09 IST

Vegetable prices shoot up

Substantial loss of crop in vegetable growing areas in the State and a tight supply situation in Tamil Nadu have combined to push up vegetable prices in the local markets here.

While the locally-grown bananas (nendran) has set a record of sorts, selling Rs. 50 a kg in the wholesale market, other items of daily use like cowpea (achinga), snake gourd, French beans, carrot and cabbage too have become too dear compared to the previous months.

Scientists at Vegetable and Fruit Promotion Council, which is responsible for substantial quantity of vegetable production in the State said that areas like Puthukkode in Palakkad and Ernakulam's vegetable growing areas have recorded substantial losses this season.

Prices of at least 14 vegetables rule around Rs. 30 a kg or more in the retail market, with French beans leading the pack with a price of Rs. 57 a kg in the retail market and Rs. 46 in the wholesale market, figures from VFPCK said.

The wholesale price of bhindi was Rs. 18 a kg on Tuesday. Cabbage was selling at Rs. 40 a kg; carrot at Rs. 36 a kg; cauliflower at Rs. 28; cowpea at Rs. 36 a kg; green chilli at Rs. 23 a kg and tomatoes appear comparatively cheaper at Rs. 24 a kg in the retail market.

Published: May 16, 2012 00:00 IST | Updated: May 16, 2012 05:11 IST

Mango Fest

The Calicut Agri-Horticultural society is organising the 19th ‘Mango Fest' at Gandhi Park here from May 23 to 27. Around 50 varieties of mango will be exhibited and a mango-eating contest will be held.

Published: May 16, 2012 00:00 IST | Updated: May 16, 2012 05:33 IST

Mettur level

The water level in the Mettur dam stood at 78.94 feet on Tuesday against its full level of 120 feet. The inflow was 2,435 cusecs and the discharge, 1,138 cusecs.

Published: May 16, 2012 00:00 IST | Updated: May 16, 2012 05:05 IST

Rs.24 lakh subsidy to farmers

The State government has allotted Rs.24 lakh to be disbursed as subsidy to farmers in Perambalur district this year under the fodder development programme implemented through the Department of Animal Husbandry. Collector Darez Ahmed isaid the subsidy would be given to 800 beneficiaries. The beneficiaries would be given Rs.3,000 as subsidy per unit of 0.25 acre each under the programme. During 2011-12, about Rs.48.26 lakh was given as subsidy to 1,945 beneficiaries, he added.

---

hindustantimes

Wed,16 May 2012

weather

INDIAN CITIES | INTERNATIONAL CITIES

Chennai

Chennai - INDIA

Today's Weather

Sunny

Wednesday, May 16

Max Min

39.8º | 27.9º

Rain: 00 mm in 24hrs

Humidity: 44%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1006

Tomorrow's Forecast

Partly Cloudy

Thursday, May 17

Max Min

38º | 28º

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
May 18	May 19	May 20	May 21	May 22
37° | 29°	38° | 29°	38° | 29°	38° | 28°	36° | 26°
Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Partly Cloudy

THE ECONOMIC TIMES

15 MAY, 2012, 07.44PM IST, SHRAMANA GANGULY MEHTA,ET BUREAU

Adani Wilmer to launch rice barn oil by July

AHMEDABAD: Ahmedabad-headquartered Adani Wilmar Ltd (AWL) will launch rice barn oil by mid-2012. The company is undertaking capacity expansion at its Krishnapatnam plan in Andhra Pradesh to introduce rice barn in the Indian market.

AWL COO Angshu Mallick told ET on Tuesday that the company is expanding its capacities to 800 tonnes per day from current 600 tonnes per day at the AP plant.

AWL's total capacities acorss its 18 manufacturing plants stands at 2.5 million tonnes per annum. It sold 1.3 lakh tonnes per month in the domestic market last fiscal, he said.

Soyabean oil contributes 50% to AWL's basket in terms of value while palm oil, sunflower oil and mustard oil contribute the rest.

"Rice barn is a sensitive oil and is subject to fast FFA (free fatty acid) formation and hence, needs to be handled well. After the capacity expansion in next two months, we should be able to launch rice barn oil in the Indian market," he said.

Chouhan assures farmers of procuring wheat

WEDNESDAY, 16 MAY 2012 00:08

STAFF REPORTER N BHOPAL

Chief Minister Shivraj Singh Chouhan has once again assured that every grain of wheat would be procured from farmers and all out efforts were being made for proper storage of the procured wheat.

The State Government is even prepared to distribute wheat to the poor if the Central Government permits, Chouhan said here on Monday evening after inaugurating 'Simhastha-2016' by laying the foundation stone of the zero-point railway over bridge to be constructed at a cost of `30 crore.

The wheat procurement work had been going on smoothly, but the shortage of gunny bags created some problems, he said, adding that the State Government is tackling the situation efficiently and the farmers would have no inconvenience.

On the occasion, Chouhan also said that Ujjain would be developed as a unique city, in accordance with its prestige as one of the most important centres of pilgrimage, with the cooperation of all. The Chief Minister also mentioned that Madhya Pradesh clocked over 10 per cent growth rate, that his higher than the national average.

The Centre has not fulfilled its commitment of providing promised quantity of gunny bags to the State and since this year there is a bumper wheat crop, we have directed officials to identify places where wheat can be stored even without gunny bags and procure each and every grain of wheat, even after the expiry of May 31 deadline," Chouhan said.

The State is expected to procure 80 lakh MT of wheat this year, which is unprecedented, and the credit for it goes to both farmers and the State Government which has enhanced the irrigation potential of the State, he added.

‘Wheat should be transported from procurement’

WEDNESDAY, 16 MAY 2012 00:06

STAFF REPORTER | BHOPAL

Minister of State for Food and Civil Supplies (independent charge) Paras Jain has instructed officers to transport wheat from small procurement centres at the earliest. He also asked them to make immediate arrangements for safety of wheat and its transportation at procurement centres.

Jain was reviewing arrangements for wheat procurement at Mantralaya here on Tuesday. Additional Chief Secretary Antony Desa, Food Commissioner Deepali Rastogi, Civil Supplies Corporation Managing Director Chandrahas were present on the occasion.

Jain instructed officers to ensure immediate supply of gunny bags to small procurement centres. He said that as per the CM’s wish, every single grain of wheat will be purchased from farmers. Centres will not have to face shortage of gunny bags. Orders for supply of a total of 61,000 bales of plastic gunny bags have been placed. So far, 7,000 bales have arrived. A rake is reaching Nishatpura, Bhopal on Tuesday while a rake has reached Itarsi and one rake will leave for Sagar on Tuesday.

In meeting it was told that the process of procurement of wheat on support prices is going on unabatedly in the State. So far, 56 lakh MT of wheat costing `7,756 crore has been purchased from 6,35,000 farmers, which is 89 per cent of the target. About 39 lakh MT of wheat was procured till this period during the last year.

Jain also discussed the points pertaining to wheat procurement, status of purchase of jute/plastic gunny bags, supply of gunny bags to districts, storage arrangements, cap storages, checking of procured wheat’s quality etc.

Business Standard

Wednesday, May 16, 2012

China not to ban seafood imports from India

George Joseph / Kochi May 16, 2012, 0:23 IST

The Marine Products Export Development Authority (MPEDA) on Tuesday said it had successfully resolved a certification row with Chinese authorities over seafood exports from India, which had threatened to halt New Delhi's seafood trade with its neighbouring country from June 1.

MPEDA said the format of the inspection and quarantine certification issued with respect to marine product exports to China had been accepted by Chinese authorities.

The controversy dates back to May 2011, when the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of China issued a notification which made it mandatory for all seafood exports to China to carry an inspection and quarantine certification.

Recently Business Standard reported that Chinese authorities had banned seafood imports from India from June 1 as they don't have the certification

Now, with the issue settled between the two countries, seafood exports will not be affected, MPEDA said.

The Export Inspection Council of India (EIC) would issue the required certificates to seafood exporters, it said. MPEDA and EIC had approached the Chinese authorities through the Indian embassy in Beijing and resolved the issue in favour of India, it added.

Exporters, fearing the ban, had stopped sending consignments to China from April last week as it takes three to four weeks for these to reach China. The average annual exports to China is 90,000 tonnes (11 per cent of total exports) valued at Rs 1,151 crore, which mainly includes low-value fish items.

Record rabi production brings opportunity'

BS Reporter / Mumbai May 16, 2012, 0:54 IST

With Haryana heading for Record rabi production in wheat, efforts should be laid on ensuring the cash surplus available with farmers is leveraged to create a long term financial asset, said A M Sharan, FC & PS (Finance), Haryana government He said record rabi production provides multiple opportunity and challenge to banking sector.

Natural rubber output dips 7.2% in April

George Joseph / Kochi May 16, 2012, 0:27 IST

Natural rubber (NR) production in the country has declined by 7.2 per cent for the month of April 2012, as compared to the corresponding month of the previous year.

Production during the month stood at 52,700 tonne, as against 56,800 tonne in April 2011. The consumption of NR during April 2012 has decreased by 4.7 per cent to 80,500 tonne, as compared to 84,500 tonne, according to the provisional figures of the Rubber Board.

NR imports have registered a growth of 265 per cent in April to 17,509 tonne, as against 6518 tonne in the same month of last year. Meanwhile, exports have recorded a sharp fall at 755 tonne, as against 2,214 tonne in April 2011. According to the data, NR stocks as on April 30 were 226,000 tonne, as against 268,781 tonne in April 2011.

Natural rubber imports are likely to record new heights in the current financial year as in just one month 17,509 tonne was brought in. During 2011-12, the total imports were 205,433 tonne. As per the trend in April, imports may cross 250,000 tonne by March 2013, said a leading rubber dealer in Kochi.

The Rubber Board has projected the production and consumption of NR for the year 2012-13 to be at 942,000 tonne and 10,06,000 tonne respectively with a deficit of 64,000 tonne.

The rubber-consuming industry has the entitlement to import around 120,000 tonne through duty-free channels.Hence, imports are likely to increase this year as the local market has severe shortage in the case of quality sheet rubber (RSS-4 grade).

DGFT imposes restrictions on sugar exports

BS Reporter / Mumbai May 16, 2012, 0:26 IST

Within three days of the ministry of food allowing “free” sugar exports under the open general licence, the Directorate General of Foreign Trade (DGFT) has imposed restrictions similar to the control it did for cotton earlier this month.

The DGFT, reversing the food ministry’s May 11 order, has not only made registration mandatory, but has also put a quantitative restriction of 10,000 tonnes by an individual exporter. The DGFT has also clarified that an exporter can be granted a registration certificate (RC) for a maximum 10,000 tonnes at a time. To obtain a second RC, the exporter would require to execute the export order and give to the DGFT all relevant details.

The May 14 circular has another factor that some find most embarrassing: penalty for an exporter who fails to execute an order within 30 days from the date of issuance of such certificate. According to the policy, the exporter would be liable to pay not less than Rs 10,000 and not more than five times the value of the goods, whichever is more.

The Indian Sugar Mills Association (Isma) said the latest DGFT order amounted to “complete reversal” of the logic behind the decision taken at a May 2 inter-ministerial meeting chaired by the prime minister, which freed export of quantitative and time restrictions — the need for release orders from the directorate of sugar was done away with. Instead of the release orders, the mills have to get registration and for a maximum of 10,000 tonnes.

“This is in total contradiction to the food ministry’s May 11 notification, which did not put in place any such quantity or time restrictions,” according to Isma director-general Abinash Verma. “Such a registration requirement and control, as ordered by the DGFT, will badly stall sugar export. There is almost no way now the mills would be able to clear cane arrears of a whopping Rs 10,000 crore.”

One shipload of sugar requires at least 25,000 tonnes, which is not the quantity that one exporter would usually get. The DGFT’s restriction proves unworkable, he claimed. “We, therefore, appeal for the immediate withdrawal of the DGFT notification and allow unrestricted sugar exports as per notification issued by the food ministry,” Verma added.

Union agriculture minister Sharad Pawar has decided to take up the matter and find a solution.

Cotton may see gloomy days ahead

Cap on export orders and high global stock projections depress prices down the line, worry of less output next season

Rajesh Bhayani & Komal Amit Gera / Mumbai/ Chandigarh May 16, 2012, 0:19 IST

The cotton controversy does not seem over yet, despite the decision at the beginning of this month to re-allow its export. Cotton prices in the domestic and global markets have fallen six to seven per cent. Exporters say they're selling at a loss due to individual ceilings imposed in the notification. Prices have fallen globally as well, due to expectations of high (global) ending stocks.

The real problem for consumers would start three months down the line, by when stocks at home would have dried up and the new crop might be lower, going by the expectations of a 10 per cent fall in area sown. Which is likely to mean prices begin to move up. Even before the government allowed free export a fortnight earlier, the Cotton Advisory Board (CAB) had estimated a closing stock of 2.51 million bales (a bale is 170 kg) after considering 11.5 million bales already shipped out. The closing stock estimated was already the lowest in a decade. It was four million bales in each of the past two years.

Exports have since been freed but traders are not as enthusiastic, though they feel 1.5 million bales might still be exported in the next three months, before the season ends. Exports will be limited on two counts. Several restrictions have been imposed by the government and the US department of agriculture (USDA) has said the current year's global closing stock is expected to be higher by 12 million bales, at 77 million bales. The reason: China, the largest importer of cotton, is expected to have huge cotton reserves and is not likely to purchase substantial quantities this year. Traders say China's new import quota, to be announced in the near future, may be close to 1.2 million tonnes (seven million bales) this year.

Govt caps, stocks

Explaining procedural difficulties in exports under the new notification, Rakesh Rathi, president of the North India Cotton Association, said the guidelines issued by the directorate general of foreign trade say an existing exporter can send only up to 10,000 bales and a novice 1,500 bales under one Registration Certificate (RC). A second RC would be issued only on filing proof of executing at least half the quantity of export mentioned in the first RC. This, he said, has undermined the prospects. Exporters who had contracted would now have to seek a new letter of credit (LC) from importers, which they are finding difficult as they had not been able to meet past commitments due to a sudden export ban.

On the other hand, even if only 1-1.5 million bales are exported in the next three months, the closing stock will fall to a little over a million bales, going by CAB estimates. D K Nair, director-general, Confederation on Indian Textile Industry, says: “The cotton crop may be lower than even CAB had estimated, as arrivals of new cotton are not that high at present.” CAB had in its April meeting estimated 34.7 million bales.

This may lead to a crisis for cotton textile mills and spinning mills when the season comes to an end, as they will not get cotton till the new season crop arrives. “By then, prices should start rising and the benefit of higher prices will not accrue to farmers, as they would have sold all the cotton they have and traders will reap the benefits,” said Nair.

Jagdish Joshi, a veteran cotton industry analyst, however said, “The scene may not be that bad, as CAB’s estimates seem very conservative and India’s total crop for 2011-12 may turn out to be 36.5 to 37 million bales.”

Interestingly, several exporters who’d stored cotton expecting free export have started selling even at a loss in the domestic market, given the 10,000-bale cap on shipment abroad. This has lead to a slide in prices at home, as mentioned over the past week, of seven to eight per cent. In the Mumbai market, the Shankar-6 variety was selling at Rs 33,000 per candy (356 kg). After the latest USDA projections regarding high global ending stock, prices in the US market have also come down by eight per cent, to 76.71 cents per pound.

Cotton prices in China are 10 per cent higher but they are not eager to give more orders to Indian exporters, as the latter have not met past commitments due to the sudden ban imposed by the government. Noting the drop in global cotton prices, spinning mills in India are also buying less.

Summarised a Mumbai-based exporter: "Ever since government intervention started in cotton, the entire value chain has gone into a mess. Neither farmers nor traders have been rewarded with the recent decision on lifting of the ban on exports."

THE HINDU Business Line

Pepper moves up

G. K. Nair

Kochi, May 15:

The pepper market on Tuesday moved up on bullish sentiments after remaining volatile and all the contracts increased significantly, despite good liquidation and bearish reports from overseas claiming high outputs in other producing countries.

There are said to be good buying outside the exchange platform. Primary market dealers and others were said to be covering. This phenomenon is attributed to the rise in the futures market. At the same time, buying by the primary market dealers is claimed to be a pointer towards squeeze in supply from the growers, market sources told *Business Line*.

They said buyers and sellers preferred to give and take delivery outside the exchange platform on mutually accepted prices due to the "cumbersome and impractical formalities" needed to be fulfilled for taking delivery through the exchange platform.

Arrivals from the primary markets were very thin and only 5 to 7 tonnes of pepper arrived today and that was traded at Rs 367, 370 and Rs 372 a kg.

May contract on the NCDEX increased by Rs 925 to the last traded price (LTP) of Rs 36,950 a quintal. June and July went up by Rs 465 and Rs 440 respectively to the LTP of Rs 38,055 and Rs 38,700 a quintal.

Turnover

Total turnover decreased by 595 tonnes to close at 2,367 tonnes. Total open interest fell by 336 tonnes to end at 5,085 tonnes showing good liquidation.May and open interest dropped by 239 tonnes and 154 tonnes respectively to close at 529 tonnes and 4,225 tonnes while July moved up by 55 tonnes to 284 tonnes showing some switching over.

Spot prices were up by Rs500 a quintal in tandem with the futures market trend and limited availability to close at Rs 36,700 (ungarbled) and Rs 38,200 (MG 1) a quintal. Indian parity in the international market was at $7,250 a tonne (c&f) Europe and $7,550 a tonne (c&f) for the US and remained above other origins. According to the trade if at all the Indian parity remained competitive now, indigenous availability of the material is a big problem. There are selected markets supporting Malabar even at the current levels, they claimed.

Poor offtake crushes groundnut oil

Rajkot, May 15:

Groundnut oil has dropped by Rs 80 for a 15-kg tin in the last one week on almost zero demand.

A Rajkot-based edible oil trader said that after groundnut oil rallied to a recore high many consumers switched over to alternatives such as cottonseed oil, soya oil and sunflower oil. “Only the elite class is buying groundnut oil,” he said.

Mr Suresh Kaneriya, Managing Director of Kaneriya Oil Mills, said: “Groundnut oil price is coming down on increased availability due to lower demand from peanut traders and exporters. Moreover, new summer crop will hit the market in 10-15 days. It is also putting pressure.”

According to millers and traders, groundnut oil price may decline to Rs 1,800-1,900 a tin in a month.

Currently, groundnut oil prices are down at Rs 2,030-35 for 15-kg tin. Groundnut oil had reached a record Rs 2,100-10 a tin during end of April. Despite a declining price trend, there is no pick up in demand yet. Loose groundnut oil stood at Rs 1,190-95 for 10 kg.

Groundnut prices also slid and in some places summer groundnut arrivals have begun. Groundnut price has declined by Rs 60-70 to Rs 900-1,050 for 20 kg.

Similarly, cottonseed oil traded on the lower side. Cottonseed oil loose stood at Rs 617-620 for 10 kg and cottonseed oil new tin 15-kg traded at Rs 1,090-1,100. About 500-600 tonnes of cotton oil were traded on Tuesday.

Lower inflow, futures perk up chana

Indore, May 15:

Weak arrival and bullish futures perked up chana by Rs 50-75 to Rs 4,400-25 a quintal, while chana (desi) rose to Rs 4,225 . Chana (annagiri) ruled at Rs 4,400 , chana (mausmi) at Rs 5,000-5,500 , chana (vishal) ruled at Rs 4,400, chana (kaktu) at Rs 4,500, while chana (gulabi) ruled at Rs 5,000.

Arrival of chana in the local *mandis* remained weak with merely 2,500-3,000 bags being offloaded in local mandis on Monday.

Chana dal, on the other hand, declined on weak buying support with chana dal (average) being quoted at Rs 5,225-50 a quintal (Rs 5,250-75), chana dal (medium) at Rs 5,325-50 (Rs 5,350-75), while chana dal (bold) declined to Rs 5,525-50 a quintal (Rs 5,550-75).

Dollar chana ruled stable even as demand remained weak in domestic and export markets. In the local *mandis,* dollar chana ruled at Rs 6,500-7,000 a quintal, while in container, dollar chana declined on weak demand with the 42/44 count being quoted at Rs 8,100, 44/46 count at Rs 8,000, 46/48 count at Rs 7,900 while, dollar chana 58/60 count ruled at Rs 7,000. Arrivals declined to 3,000-3,500 bags in local *mandis.*

Turmeric loses sheen despite lower arrivals

Erode, May 15:

Spot turmeric prices dropped by Rs 100 a quintal on Tuesday despite farmers bringing limited stocks to markets. Exporters who had new orders from upcountry buyers quoted a lower price, leading to the bearish trend.

“Over 60 per cent of the 15,000 bags turmeric that arrived were purchased by stockists. A few exporters who had new upcountry orders purchased. All of them quoted a lower price. Farmers brought very limited stocks to markets,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that the price of turmeric in other markets such as Nizamabad and Sangli are also selling at lower price, but merchants in North India have placed orders in Erode in view of its quality.Prices in the futures market decreased by four per cent. The Hybrid Salem crop fetched good price due to quality arrivals, and prices increased by Rs 250 a quintal. All the 220 bags of hybrid turmeric were purchased by exporters.Turmeric growers said that they hold over 75 lakh bags with them. They will dispose of at least 25 lakh bags in the next few months and will keep at least 25 lakh bags for at least two years for , so that we will get a good price.At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 2,350-3,520 a quintal. The root variety was quoted Rs 2,300-3,309 a quintal.

Salem Crop

The finger variety sold at Rs 3,899 to Rs 4,929 and the root variety Rs 3,474-3,694. Of 2,870 bags that arrived, 1,107 were sold.At the Regulated Marketing Committee, the finger verity sold at Rs 3,310-3,799 and the root variety at Rs 3,239-3,789. Some 1,152 bags were sold against the arrival of 1,300.At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 3,230-3,853 and the root variety Rs 3,273-3,789 . All the 1,142 bags were sold.At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,100-3,810 and the root variety Rs 2,739-3,629. All the 461 bags were sold.

Guar gum futures trade is strictly regulated: NCDEX

Mumbai, May 15:

From relative obscurity, guar seed and guar gum have been propelled to near-celebrity status in the agri-commodity market, thanks to strident price appreciation despite regulatory brakes applied from time to time.

Willy-nilly, the functioning of the commodity futures exchange – National Commodity and Derivatives Exchange (NCDEX) – has come in for scrutiny. Did the exchange acquit itself well? *Business Line* caught up with the exchange's MD and CEO, Mr R. Ramaseshan, a former bureaucrat from the Indian Administrative Service. He asserts that futures prices of guar seed and guar gum simply reflected the acute tightness in the physical market, and that nowhere in the world was any commodity ever subjected to such stringent regulatory steps.

What triggered the price rise in guar seed and gum?

Guar is a naturally rain-fed crop. The crop size varies year to year depending on the rainfall. Guar seed output in 2011-12 season is estimated at 12.10 lakh tonnes compared with 15.46 lt in 2010-11.

According to APEDA, from April 2011 to January 2012 guar gum export aggregated 5.59 lt, a rise of nearly 60 per cent compared with 3.50 ltduring the same period in the previous year.

Guar gum is largely exported and has seen very strong demand from the oil drilling industry overseas since 2010 due to its chemical attributes and absence of cheaper and comparable substitutes. Market fundamentals in guar complex have been very tight during the past two years on account of a spurt in demand from the oil drilling industry for the “Hydraulic Fracking” process.

It is reported that the oil industry is outbidding food and various other industries where guar gum has been in use for many years. It is seen that there has been a consequent surge in international prices. The unprecedented, high level of exports due to increased demand from the oil exploration industry overseas appears to have caused very strong demand for guar seed and guar gum locally. With less-than-required arrivals in the physical market, mandi prices have been increasing

continuously with awareness among the value chain participants that the demand is much higher than the anticipated supply of guar seed. Currently, production is down 20 per cent while demand from oil industry is up 84 per cent.

What actions did the exchange initiate when sharp price rise was noticed?

The Exchange initiated various regulatory actions in consultation with FMC (the commodity futures market regulator).

· Progressively hiked margins on the long side. Margins were as high as 60 per cent (cash) towards the end of the January expiry.

· Member and client level limits were reduced on January 21, 2012.

· Fresh positions disallowed in the January expiry contract with effect from January 17 onwards to facilitate smooth closure of the contract.

· On the basis of market reports and certain other criteria, open positions of certain entities were clubbed and these entities were considered as a single entity for monitoring purposes. The Exchange directed these entities to reduce their open positions to within that of a single client limit, thereby curbing their ability to participate in futures trading.

· Change in delivery system from “Early Delivery” to “Staggered Delivery” for March expiry contract.

· Cancelled launch of August and September contracts in view of the probable depleting stock position in physical markets.

· Disallowed fresh positions in all guar seed and guar gum contracts with effect from March 21, 2012.

· Eventually, in view of the reduced liquidity, the exchange closed out all the running contracts in Guar seed and Guar gum on March 27, 2012 at the Daily Settlement Price (DSP).

We are not aware of any other instance the world over, of such a series of stringent regulatory steps for controlling the market.

What are the guidelines to ascertain cartelisation? Was there any cartelisation or entities working in concert? If yes, when was it noticed and what action was taken?

Some entities were found to be acting in concert in Guar Seed and Guar Gum futures contracts trading on the Exchange. The inter-relationship amongst these entities was noticed by the Exchange in the course of detailed investigation of trading in these contracts, KYC forms and other client details as collected from the members and inspection of some members conducted by the Exchange.

Accordingly, the Exchange in terms of revised guidelines on clubbing issued on January 10, 2012, advised related / linked entities within a group to bring the combined positions of such entities within the single client level limits. The same was enforced by January 18, 2012 when Guar Seed prices were around Rs 10,000 a quintal and Guar Gum prices were around Rs 34,000 a quintal.

Reports suggest FMC clubbed several entities together on basis of common address, etc. Could the exchange have not done it?

The clubbing of entities according to the report of FMC was initiated by the Exchange based on inter-relationships / linkages / source of funds, etc, and implemented in consultation with FMC in January 2012.

Are there any lessons from this episode? How guar gum-like sticky situations can be avoided in future? And any thoughts on the way forward?The Regulator/Exchange in the post-Guar scenario have introduced

some major reforms with a view to strengthen the commodity futures markets:

· Staggered delivery in compulsory delivery contracts has been introduced. This would have twin benefits of facilitating smooth closure of the contracts as deliveries would be spread over a period of two weeks and permitting the seller to tender delivery and exit his position, thereby

reducing his holding and margining costs. It would also ensure that only buyers who intend to take delivery would remain in the expiry month contract during this period, thereby reducing speculative interest towards the expiry of the contract. By introducing this measure, domestic markets would take a big step in moving towards international best practices.

· Lowering the penalty on delivery default in Compulsory Delivery contracts would reduce the pressure on the near-month contracts towards expiry in cases where there is a shortage of deliverables on the Exchange platform.This would reduce the incentive of a participant on the long side from squeezing the contract. Relaxing the penalty percentage would reduce the

probability of non-convergence between spot and future prices.

· The clubbing provisions have been made more stringent.

· Taking into account the current physical market conditions, the Exchange has reduced the validity period of Mustard Seed, Pepper, Soya Bean and Chana. This would result in stocks being moved out of the warehouse at regular intervals during the year.

These steps are major reforms in the futures markets and should help commodity exchanges to provide a robust trading platform to value chain participants. These steps should aid in commodity exchanges being a platform for better price discovery and enable value chain participants to better hedge their price risks.Discrepancies noticed on the Exchange platform were limited to trading related offences such as margin funding and taking of positions through related entities to circumvent position limits. Market fundamentals were buoyant throughout the past two years and continue to remain strong despite the ban on futures trading. This is reflected in the current prices of guar gum at around Rs 1,00,000 a quintal and guar seed at around Rs 30,000 a quintal which are much higher than they were at the time of closure of futures trading.

Mixed trend in rubber

Our Correspondent

Kottayam, May 15:

Physical rubber prices were mixed on Tuesday. Major grades ruled steady on supply concerns amidst scattered transactions. The undercurrent appeared weak following the sharp declines in the global market.

Sheet rubber closed flat at Rs 194 a kg, according to traders. The grade was unchanged at Rs 194.25 a kg at Kottayam and Kochi, as quoted by the Rubber Board.

The May series improved to Rs 191.75 (190.95), June to Rs 196.51 (195.02), July to Rs 199.11 (198.05), August to Rs 199 (198.95) and October to Rs 200 (198.90) while the September series slipped to Rs 198.90 (199.90) a kg on the National Multi Commodity Exchange.

Despite high demand for natural rubber from major consumers, the Tokyo rubber futures fell to a four month low on rising fears over the debt crisis in Euro zone and slowdown in Chinese economy.

RSS 3 (spot) weakened to Rs 198.56 (202.21) a kg at Bangkok. The May futures declined to ¥256.2 (Rs 172.33) from ¥266 during the day session but then recovered partially to ¥257.3 (Rs 173.08) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 194 (194); RSS-5: 192 (192.50); ungraded: 189 (189); ISNR 20: 193.50 (193.50) and latex 60 per cent: 124 (125).

Rice market in correction mode

Our Correspondent

Karnal, May 14:

After hitting the peak for this season, the rice market witnessed some correction with prices of aromatic and non-basmati rice going dropping by Rs 70-230 a quintal on Monday.

The market has seen some unjustified rallies over the last two months, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company. Despite having huge stocks, Pusa-1121 prices have increased by Rs 2,500 a quintal since the end of March. Retail traders are keeping off the market as they do not want to make fresh purchase on current levels, he added.

In the physical market, prices of Pusa-1121 (steam) eased by Rs 200 and quoted at Rs 6,700-6,800 a quintal while Pusa-1121 (sela) sold at Rs 5,500-5,700 a quintal, Rs 100 down from the previous level.

Prices of Pure basmati (raw) decreased by Rs 70 and quoted at Rs 5,430 a quintal while pure basmati (sela) sold at Rs 4,800 a quintal.

For the brokens of Pusa-1121, Tibar sold at Rs 3,600-3,800, Dubar was at Rs 2,900-3,000 while Mongra was trading at Rs 2,200-2,400 a quintal.

Duplicate basmati went down by Rs 200 and sold at Rs 4,600-5,000 a quintal. PR-14 (steam) and Sugandha (steam) went down by Rs 100 each and sold at Rs 2,400-2,600 a quintal and Rs 3,900-4,000 a quintal, respectively.

Sharbati (steam) eased by Rs 100 and sold at Rs 3,700 a quintal while Sharbati (sela) was at Rs 3,600 a quintal, Rs150 down from its previous level.Permal (raw) declined by Rs 80 and sold at Rs 2,000-2,150 a quintal while Permal (sela) was at Rs 2,100 a quintal, Rs 230 down from its previous level. Prices of PR-11 (sela) decreased by Rs 200 and sold at Rs 2,300-2,450 while PR-11 (Raw) was trading at Rs 2,500 a quintal.

State asks dairy board to buy surplus milk powder from coop societies

Our Bureau
Mumbai, May 15:

In view of the mounting inventory of milk powder in Maharashtra, the State Government has asked the National Dairy Development Board to buy 15,000 tonnes of milk powder from the cooperative milk societies.

The cooperative milk societies in the State are having 24,000 tonnes of excess inventory and it is getting further built up due complete ban on export of milk powder. These cooperative are managed farmers representatives; therefore they can stop milk procurement from farmers.

At a meeting held at State Secretariat on Tuesday, the Chief Minister Mr Prithviraj Chavan, asked the State Diary Development Department to expedite the process.

According to a press statement issued by the Chief Minister's office, the production cost of milk power is about Rs 180 a kg but given the surplus, it has asked NDDB to procure it at Rs 165 per kg. The losses would be equally shared the cooperative societies, State and Central Government, the released said.

Farmers in the State produce about 113 lakh litres of milk daily, off which about 75 lakh is sold through retail network, 10 lakh litres gets converted into milk products, while another 28 lakh is used for making milk powder.

Urea price hike likely ahead of kharif 2012

Shishir Sinha

Vishwanath Kulkarni

On a ramp

Company	Closing Price as on May 15 (In Rs.)	Change (%)
NFL	77.55	7.41
RCF	57.35	5.9
Chambal Fertiliser	73.05	4.43
Mangalore Chemicals	41.45	4.28
Zuari Industries	148.80	2.02
Coromandal Fertiliser	261	1.77

Source: BSE

New Delhi, May 15:

Farmers may have to shell out more for urea in the forthcoming kharif season as the Government is likely to hike the prices by about 10 per cent.

Sources said the Fertiliser Ministry has moved a price revision proposal to the Cabinet Committee on Economic Affairs (CCEA), which may decide on increasing the prices in next couple of weeks.

A 10 per cent rise in urea prices would bring down the subsidy component by around Rs 1,600 crore. The Government had last revised the urea prices on April 1, 2010 from Rs 4380 a tonne to Rs 5,310 a tonne.

This proposal assumes significance after Finance Minister Mr Pranab Mukherjee talked about some hard decisions after the budget session. These hard decisions are aimed to cap the subsidy under 2 per cent of GDP in 2012-13 and 1.75 per cent over the next three years.

However, this proposal has not gone well with the Planning Commission. A senior Government official said, “The Commission has supported Nutrient Based Subsidy (NBS) in place of the modified policy under NPS, but the Department of Fertiliser and the Department of Agriculture and Cooperation do not agree with that.”

However, the Department of Fertiliser opined that the NBS should be thought of when all the non-gas urea units are converted to gas so that there is uniformity in urea sector at least on feedstock front. It is expected that all the non-gas units to get converted in next three years.

A senior official said that decontrolling urea will not be good from the farmer's points of views.

Urea demand is estimated at around 30 million tonnes, growing at 3 per cent annually, while the domestic capacity is around 22 million tonnes. The shortfall, being met through imports, is likely to increase to 10 million tonnea by 2016-17.

The proposed hike in urea prices is broadly in line with the Government's move to reduce fertiliser subsidies. For 2012-13, the Government has pegged the fertiliser subsidy at Rs 60,974 crore, down from Rs 67,199 crore in the previous year.

On Tuesday, Agriculture Minister, Mr Sharad Pawar told the Lok Sabha on Government's plans to reduce fertiliser subsidies to contain the adverse impact of increased fertiliser use on soil and crops.Stating that excess usage of urea by farmers was affecting productivity, Mr Pawar sought Parliament's support to diver the subsidy for fertilisers to organic and balanced manure.

Tracking Mr Pawar's statement, scrips of fertiliser companies like the National Fertiliser Ltd (NFL) and Rashtriya Chemicals and Fertilisers Ltd staged a rally on Tuesday.

DGFT order a bitter pill, say sugar exporters

New Delhi, May 15:

The sugar industry is peeved over the Commerce Ministry's latest move to regulate exports that were freed up by the Food Ministry last week.

Stating that exports would be ‘free’, the Director General of Foreign Trade (DGFT) has asked sugar exporters to mandatorily register their contracts before making the shipments of the sweetener.

Exporters can submit one application for issue of registration certificate (RC) subject to a maximum of quantity of 10,000 tonnes in the current season ending September 2012, the DGFT said.

Further, it states that exports have to completed within 30 days of issuing the RC. Failure to export the allowed quantity within the stipulated time would invite debarment from further registration and may lead to penalties. Further, subsequent registration certificate will be issued only after submission of proof of having exported against previously obtained RC, it said.

“The DGFT notification is in total contradiction to the Food Ministry’s notification issued on May 11, which had no quantity or time restrictions,” said Mr Abinash Verma, Director General, Indian Sugar Millers Association (ISMA).

Now, instead of release orders from Sugar Directorate, mills have to get registration certification from DGFT and that too for a maximum quantity of 10,000 tonnes. ISMA has appealed for immediate withdrawal of the DGFT notification.

“Such a registration requirement and control as ordered by DGFT will badly stall sugar export and there is almost no way the mills would be able to clear cane arrears which have reached Rs 10,000 crore,” Mr Verma said.

A high-level inter-ministerial committee under Prime Minister, Mr Manmohan Singh had recently decided to free sugar exports without any quantitative restrictions and do away with the release order mechanism.

“The reason and logic of decision taken at the inter-ministerial level has been completely reversed by the DFGT order,” Mr Verma said.

The Government had permitted exports as millers were saddled with huge stocks due to a bumper harvest this year. Sugar production is set to touch 26 million tonnes while consumption is pegged at 22 million tonnes. So far the country has exported about 2.6 million tonnes including the previous year’s quotas.

Centre mulling options to help small tea growers hit by hailstorm

Santanu Sanyal

Kolkata, May 15:

The Union Government is examining options on providing relief to a large number of small tea growers in Chopra block of West Bgal's Uttar Dinajpore district.

The growers have been hit hard by extensive crop loss following a severe cyclonic hailstorm in early April.

Hailstorm damage

Crops in over 5,000 acres have been destroyed and nearly 5,000 small-growers have been affected.

Mr Jyotiraditya Scindia , Union Minister of State for Commerce, told the Lok Sabha, on Monday that the Union Government was seized of the issue.

The Tea Board had been asked to submit a report giving details of the damage and the areas affected.

The Board will also examine if some support could be given to the affected growers under some of its existing schemes.

Technical report

A Tea Board spokesman said that under the ongoing schemes there were no provisions to provide relief for damage to crops caused by natural calamities.

There was a subsidy scheme for pruning of bushes and a scheme for a revolving corpus for Self Help Groups but the eligibility under these schemes was not linked to crop damage by hailstorm.

“We have asked the Tea Research Association to prepare a technical report on the extent of loss and the measures that need to be taken for restoring bushes to health and how much would it cost”, he said, adding that “the report, once received, will be submitted to the Government”.

The issue of providing insurance cover to tea crops had also been taken up with the insurance company, it was pointed out.

RBI study suggests change in paddy procurement by AP

K. V. Kurmanath

‘CACP data fail to capture real cost of production'

Hyderabad, May 14:

An RBI study on paddy crisis in Andhra Pradesh observed that the present structure of procurement is largely responsible for the failure to ensure minimum support price to farmers. It called for change in this system and revising the MSP to make paddy farming remunerative to the farmers.

RBI's Department of Economic and Policy Research conducted the study after disturbing news of crop holiday and huge stocks of paddy lying unsold last year.

“The present procurement structure allows overwhelming procurement of rice from millers and insignificant amount of paddy from farmers. There is a need for a change in the procurement policy of State Government to ensure MSP to farmers,” the 51-page report said.

The study was done by Dr R.V. Ramana Murthy of University of Hyderabad and Dr Rekha Mishra of the RBI.

Paddy farmers in the State have been facing serious crisis of viability for the past few years.

This crisis assumed serious proportions during 2010-11 when there was a bumper harvest.

“On one hand, the cost of cultivation has enormously risen and on the other hand, market prices fell below the minimum support prices,” they said.

Giving reasons for the crisis, the report observed that there was a steep rise in the cost of cultivation in the last three years. The other major problem is pricing. “The market prices are going below the MSP. Even the MSP fixed by the Centre is way below the increased cost of production,” it said.

CACP data gaps

The report found failure of data collected by CACP (Commission of Agricultural Costs and Prices) in capturing the actual costs due to certain methodological problems.

“Consequently, cost projections made by the CACP are way below the actual costs of production. Thus the MSP based on the under-estimated cost of production has seriously affected the returns of farmers in the State,” it felt.

Govt plans to reduce subsidy on fertilisers: Pawar

PTI

Business Line Mr Sharad Pawar, the Union Agriculture Minister. (File photo)

New Delhi, May 15:

Concerned over the adverse impact of fertilisers on soil and crops, the government plans to reduce subsidy on it and divert funds to organic manures, bio-fertilisers, green manures and promotion of organic farming.

“During the first Green Revolution, productivity was increased by 50 per cent with the help of fertilisers. But today balanced fertilisers are needed. Urea is being used by farmers in high quantity which is affecting productivity,” the Agriculture Minister Mr Sharad Pawar informed Lok Sabha today.

The government plans to change the subsidy policy and give more subsidies for balanced fertilisers and sought Parliament's support to divert the subsidy for fertilisers to organic and balanced manure, Mr Pawar said during Question Hour.

He said due to excess use of fertilisers in Punjab, Haryana and Western Uttar Pradesh, paddy cannot be grown and government is now encouraging farmers of this region to sow pulses, oilseeds and wheat.

"Eastern India will concentrate mostly on growing paddy," he said.

To another question, Mr Pawar said, "Government is encouraging use of soil amendments, micro-nutrients, bio-fertilisers, organic fertilisers, green manure and organic farming approaches to boost overall productivity."

Mr Pawar said financial assistance was being provided for setting up of mechanised compost plants from vegetable and fruit waste and bio-fertiliser production units to ensure increased availability of compost and bio-fertilisers.