THE HINDU

DINDIGUL, May 25, 2012

Onion price shoots up due to export demand

Though premium price benefits onion growers, most of the beneficiaries are growers from west Tamil Nadu

Prices of shallots (small onion) has gone up to Rs.30 a kg on Thursday from a mere Rs.12 within a gap of fortnight in the wholesale market here, following growing demand for exports and poor arrivals.

Farmer and agents have welcomed the sharp increase in procurement price. Onion wholesale commission agents also hope that the prices will go up further in the days to come as demand for exports is increasing continuously.

With no restrictions on export of shallots, exporters have started procuring them in bulk (The Central government lifted the ban on exports in the second quarter of 2011 owing to stagnation of price on onion in the domestic market).

They have been buying almost the entire arrival paying more than the prevailing price. Demand for small onions is growing in Thailand, Malaysia, Singapore and other South East Asian countries.

Dindigul market receives just one third of regular arrival. Arrival at Dindigul market is just 1,500 to 2,000 bags (each bag containing 50 kg of onion) a day against the routine arrival of 3,000 to 4,500 bags a day. The exporters have been lifting 85 to 90 per cent of total arrival. This trend has been prevailing for the past one week.

Even as the premium price for onion will be advantageous to onion growers, most of the beneficiaries are growers from western parts of Tamil Nadu only. It will not be helpful for onion growers within the district. The market receives onion from Palladam, Dharapuram and Udumalpet. Onion from Mysore and Tiruchi will arrive from July. Arrival from the local areas is almost nil owing to non-season. Local farmers will bring onion only in September. Till then, the Dindigul wholesale market depends on farmers in western part of the State, said A. Mariappan, a commission agent in the market.

Small vendors are not happy as massive exports create acute shortage in the domestic market. Even if they prepare to pay on a par with exporters for procuring onion, shortage of onion shatters their hope.

Large procurement of onion by exporters creates a huge shortage in the domestic market. The present supply does not match even regular domestic requirement. But exporters worsen the situation further, say vendors. “The exporters leave only a meagre quantity for domestic vendors.

Small-scale buyers such as restaurants and vegetable vendors have to share 300 to 350 bags left by exporters. If this trend continued, onion prices will shoot up further affecting local customers, retail sellers say.

Published: May 25, 2012 00:00 IST | Updated: May 25, 2012 05:07 IST

Stress on precision farming

Precision farming will help farmers scale up profit margin and utilise water for irrigation efficiently, said Collector N. Venkatachalam.

Presiding over a farmers' grievance redressal meeting at the Collectorate here on Thursday, he said that farmers should form precision clusters to produce single crop on a large scale to lessen production cost and increase profit margin and help them export their produces to the wholesale markets in neighbouring districts.

All farmers should take up precision farming for better profits, he said.

Owing to a slump in average rainfall in May, farmers should also shift to drip irrigation to use available water efficiently and protect long-term and short-term crops. Rainfall in May was 94.59 mm when compared to the average rainfall of 199.8 mm.

Drip irrigation facilities were installed in the fields of tiny and small farmers free of cost.

Soil fertility will also improve owing to setting up of drip irrigation.

Efforts were on to make Paraivalasu, a model village, for drip irrigation. Departments of Horticulture and Agriculture jointly adopted this village and introduce 100 per cent drip irrigation covering all lands.

Arrangements will be made to enable farmers producing all crops to attend the meeting. For example, cane producers from different parts of the district will be urged to take part in the meeting. Measures would be taken to ensure representation of producers of wet and dry crops, horticulture crops and floriculture crops, perennial crops such as coconut and banana.

Village Administrative Officers will campaign at all villages to send farmers or their representatives to the meeting. Such measure will help the district administration to know the real condition of farming across the district, he said.

A farmer from Markampatti appealed to provide agri-power connection. He had applied for the connection under privilege category few years ago. Officials informed that steps will be taken.

VELLORE, May 25, 2012

Sewing machines distributed

Vellore Collector Ajay Yadav distributed sewing machines totally worth Rs.37,200 free of cost to 12 inmates of six Sri Lankan Tamil refugees' camps in Vellore district who have completed training in tailoring, at a function held here recently.P. Gomathi, District Social Welfare Officer and Dakshinamoorthy, Tahsildar (Distress Relief) were present.

TIRUCHI, May 25, 2012

Mettur level

The water level in the Mettur dam stood at 79.51 feet on Thursday against its full level of 120 feet. The inflow was 1,727 cusecs and the discharge, 1,149 cusecs.

PALAKKAD, May 25, 2012

Scientist to open agro service centre

The first, most modern Agro Service Centre sanctioned under the Rashtriya Krishi Vikas Yojana (RKVY) in the State will be inaugurated by renowned agriculture scientist M.S. Swaminathan at Vandithavalam in Chittur on May 27.

The meeting will be presided over by Minister for Agriculture K.P. Mohanan.

The second phase of the high-tech ‘Precision Farming' will be inaugurated by P.K. Biju, M.P at the function.

K. Krishnankutty, a leading farmer of Chittur and a pioneer in Precision Farming in the State, will present the idea before Agro Service Centre at the inaugural function.

The Agro Service Centre is a consortium of Perumatty Grama Panchayat, Perumatty Service Co-operative Bank, Perumatty Precision Farming Cluster and Agro Process, that will provide modern agriculture implements, agriculture technology and the labour.

SANGAREDDY, May 25, 2012

Shortage of Bt cotton seed worries farmers

With khariff season approaching in the next couple of weeks, the district administration is getting ready to meet the demand from farmers.

Authorities are taking all precautions as normal rainfall is predicted after a drought year. However, they are not sure on how to deal with the increasing demand for a particular variety of Bt cotton in the district. According to authorities' assessment, cotton will be cultivated in 20,000 hectares in the district during the season.

According to sources, the district has been allocated 5.24 lakh packets of Bt cotton. More than a dozen companies that have to supply the seed before the commencement of the season include Mahyco,. Nuziveedu, Agro-genetic and Nath. The Mahyco has been directed to supply 88,400 packets of seed to the district, but it has failed to do so. Representatives of the company have informed the authorities expressing inability to meet the promised supply attributing to production problem.

"The first consignment of 4,000 packets has already arrived and we have seized them and directing the dealers to stop the supply. Another 10,000 packets in the second consignment are expected, but by what time we are not sure," P. Padmanabah Gupta, Joint Director, Agriculture, told *The Hindu* .

Recommendations

The farmers are not ready to accept any other variety of Bt cotton seed except Mahyco at areas such as Gajwel, and they are worried about the supply of seed. Some of them are approaching the authorities with recommendation letters from local legislators requesting to allocate required quantity of seed.

"Whom should be we blame if the government fails to assure supply of seed to farmers in the beginning of the season? Fearing mad rush in the last minute, we are approaching the authorities for allocation," Ramachandra Reddy, a farmer from Gajwel, said.

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hindustantimes

Fri,25 May 2012

weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Friday, May 25

Max	Min
42.1°	29.5°

Rain: 00 mm in 24hrs

Humidity: 44%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1003

Tomorrow's Forecast

Rainy

Saturday, May 26

Max	Min
40°	30°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
May 27	May 28	May 29	May 30	May 31
39° | 30°	39° | 30°	40° | 30°	40° | 30°	39° | 30°
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES

25 MAY, 2012, 05.04AM IST, BLOOMBERG

Wheat fields parched by drought from US to Russia

CHICAGO | LONDON: Droughts withering wheat crops from the US to Russia to Australia will probably spur the biggest reduction in global supply estimates since 2003 and drive prices to the highest in almost a year.

Kansas, the top US grower of winter wheat, is poised for its driest May on record, the state's climatologist estimates. Ukraine and Russia, accounting for 11% of world output, have endured drought conditions for three months, University College London data show.

The US Department of Agriculture may cut its global crop estimate by 1.2% next month, the biggest drop in a June report since 2003, according to the average of 18 analyst estimates compiled by Bloomberg.

Wheat traded in Chicago rose as much as 18% in the 10 days through May 21 on concern that the market is returning to the droughts of 2010. Russia and Ukraine curbed exports that year and prices more than doubled to $9.1675 a bushel by February 2011, the month when world food costs tracked by the United Nations rose to a record. Analysts surveyed by Bloomberg expect futures to gain 12% to $7.51 by mid-July.

"In 2010, everyone was talking about dryness in Russia even in May, but no one was paying attention," said Chris Gadd, an analyst at Macquarie Group in London. "Because you've had the history of 2010, people are going to the other extreme and overreacting a little. If weather conditions deteriorate further, production estimates could go a lot lower."
Futures surged to an eight-month high of $7.22 on May 21 on the Chicago Board of Trade, and rose to $6.705 on Thursday. The grain's 2.6% advance this year makes it the third best performer in the Standard & Poor's GSCI Index of 24 commodities behind soybeans and gasoline. The gauge's 4.1% drop since the start of January compares with a 0.2% gain in the MSCI All-Country World Index of equities. Treasuries returned 1.4%, a Bank of America index shows. The USDA said on May 10 that global wheat output will decline 2.5% to 677.56 million tonne in the crop year beginning June 1, leaving stockpiles of 188.1 million tonne at the lowest relative to demand since 2009.
The department will probably cut the production forecast to 669.15 million tonne in its June 12 report and reduce the inventory estimate to 183.3 million tonne, according to the Bloomberg survey. Kansas got 0.39 inch (0.99 centimeter) of rain in the first 20 days of May, according to Mary Knapp, the state's climatologist.

Business Standard

Friday, May 25, 2012

Govt may raise duty on edible oil imports

With Indonesian imports becoming costlier, duty aims to protect refiners here

Anindita Dey / Mumbai May 25, 2012, 0:19 IST

The government is examining a proposal to increase the import duty on refined edible oil.

To this effect, the department of food, under the ministry of consumer affairs, is in the process of giving a proposal for consideration of the finance ministry. “Currently, both a rise in import duty as well as tariff value on imports are under examination to discourage import of edible oil," said an official. Tariff value on imports is like a reference rate prescribed by the government in dollars, on which import duty is levied.

According to officials, edible oil prices are already high in the retail market, as around 50 per cent of the demand has to be met by imports. Indonesia, from where a majority of the edible oil is imported by India, has raised the duty for export of both crude and processed refined palm oil. However, the increase in export duty on crude oil is much more than on processed or refined oil, which is why importers are preferring import of refined oil. In Indonesia, while refined oil has an export duty of nine per cent, crude oil export duty is double at 18 per cent. Consequently, as an importer, India will have to pay more.

Official sources said the proposal to raise the import duty on refined oil will mostly encourage import of crude oil. It will also help the domestic industry, since suppliers will mainly depend on domestic refiners.

India imports palm oil from Indonesia and Malaysia and soybean oil from Brazil and Argentina. The country imports about 50 per cent of the domestic demand. There is zero duty on crude edible oils and 7.5 per cent on refined edible oils.

According to data compiled by the Solvent Extractors' Assoc-iation of India, import of vegetable oils during April was 925,334 tonnes, compared to 475,123 tonnes in April 2011, consisting of 897,404 tonnes of edible oils and 27,930 tonnes non-edible oils, up by 95 per cent. Overall import of vegetable oils during November 2011 to April 2012 was 4.72 million tonnes, compared to 3.6 million tonnes, up 31 per cent.

According to the data, during November 2011-April 2012, import of refined oil (RBD palmolein) was up an alarming 89 per cent and reported at 919,507 tonnes, compared to 487,090 tonnes during the same period last year. The share of refined oil has increased year-on-year by 20 per cent, while that of crude oil decreased to 80 per cent. The sharp increase in refined palmolein oil is attributed to the inverted duty structure of Indonesia, which encourages larger export of refined oils.

On the other hand, sunflower oil is emerging as a major contributor in meeting demand for soft oil, as internationally its prices are attractive compared to soybean oil, according to market sources. Also, India has started importing canola oil and safflower oil.

Barley up on short-covering, spot demand

Demand from consuming industries influenced prices

Press Trust of India / New Delhi May 24, 2012, 14:22 IST

Barley prices firmed up by Rs 18.50 to Rs 1,365 per quintal in futures trading today on firm trend in the spot markets after speculators covered-up their short positions.

At the National Commodity and Derivatives Exchange, barley for delivery in June rose by Rs 18.50, or 1.37%, to Rs 1,365 per quintal, with an open interest of 29,130 lots.

The July contract was up 1.27% and traded Rs 17.50 at Rs 1,396 per quintal, with an open interest of 6,790 lots.

Marketmen said apart from short-covering by speculators, rising demand from consuming industries also influenced barley futures prices here today.

Govt may allow sugar exports of up to 2.5 mn tonne

From May 11, sugar export has been freed by putting it under Open General Licence

Reuters / New Delhi May 24, 2012, 12:36 IST

The government may allow up to 2.5 million tonne sugar export under the Open General Licence (OGL) scheme in the 2011-12 marketing year ending in October.

Before sugar export was brought under OGL earlier this month, the government had allowed export of 2 million tonnes of sugar in view of higher production.

With effect from May 11, sugar export has been freed by putting it under OGL with no quantitative restriction on the shipments. However, the Commerce Ministry has asked millers to register the export contracts with itself to keep a track on quantity of shipments.

"The Commerce Ministry is looking after sugar exports. It was decided to review exports once its touches two million tonnes. The industry has estimated output at 26 million tonnes and since there has been less lifting of levy sugar, there is scope for allowing additional 5,00,000 tonnes," Food Minister K V Thomas told PTI.

Levy sugar is the sweetener that government buys from mills at subsidised rate for supply through ration shops. It is mandatory for mills to sell 10 per cent of their production to the government at lower rate. Levy sugar quota is allocated to states and union territories for supply via ration shops.

The government has pegged sugar production at 25.2 million tonnes in the 2011-12 marketing year as against the annual demand of 22 million tonnes.

Industry body Indian Sugar Mills Association (ISMA) has estimated sugar production at 26 million tonnes for this year as against 24.3 million tonnes in the last year.

THE HINDU Business Line

Growers hold back quality turmeric

ERODE, MAY 24:

Turmeric growers have begun to hold back quality produce, looking for higher remuneration. They are, however bringing only fair average quality turmeric, resulting in prices dropping on Thursday.

“Buyers, mainly stockists, purchased 50 per cent of the 14,800 bags that arrived. Stockists looked for quality stocks but farmers held them back, bringing only fair average variety to the market. This led to a fall in prices Further, for want of demand no exporter purchased,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

In the last two months, spot turmeric prices have ruled below Rs 4,000 a quintal, making farmers unhappy. North Indian dealers purchased stocks Nizamabad and Sangli.

Local traders and exporters are awaiting orders from North India. Prices will remain around current levels till this month, he said.

Good quality hybrid Salem turmeric fetched Rs 200 a quintal higher price.

At the Erode Turmeric Merchants Association Sales yard, the finger variety sold at Rs 2,299-3,791 a quintal, root variety Rs 2,219-3,674 a quintal.

Salem Crop: The finger variety was sold at Rs 3,429-4,279 a quintal and the root variety Rs 3194-3814 a quintal. Of 2,161 bags that arrived, 907 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 3,339-3,849 a quintal and the root variety Rs 3,319-3,831. Of 1,544 bags kept for sales, 1288 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 2,849-3,791 . The root variety at Rs 2,689-3,749.

Further correction likely in rice market

KARNAL, MAY 24:

Rice prices remained flat amid tepid selling at low margins on Thursday.

Due to lack of trading at all levels, prices of almost all rice varieties remained unchanged, said Mr Amit Kumar, proprietor of Ginny Rice.Despite a fall in Pusa-1121 prices last week, there is hardly any buyer in the market.Traders don't want to take fresh positions at current levels and are looking for some more correction in the upcoming days, he said.Market sources alleged that big players of the industry are responsible for the situation.

In the physical market, after witnessing a fall at the beginning of this week, rice prices are ruling flat.Prices of Pusa-1121 (steam) quoted at Rs 5,700-5,800 while Pusa-1121 (sela) sold at Rs 4,600-4,700.Prices of pure basmati (raw) quoted at Rs 5,500 while pure basmati (sela) sold at Rs 5,000 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 at Rs 2,200-2,400 a quintal.

Duplicate basmati went for Rs 4,300; PR-14 (steam) Rs 2,400-2,600 while Sugandha (steam) at Rs 3,700; Sharbati (steam) at Rs 3,500; Sharbati (sela) Rs 3,450.

Permal (raw) sold at Rs 2,000-2,100, Permal (sela) Rs 2,075, PR-11 (sela) Rs 2,300-2,430 while PR-11 (raw) was at Rs 2,470.

Pepper continues to slide

KOCHI, MAY 24:

Pepper market continued to head south on rumours that the commodity from Sri Lanka will land in India soon. Liquidation by some as not much ‘badla' is available in June also pushed all active contracts down.

The market opened on a firm note and moved up and touched the highest price by noon and thus June was up by Rs640 a quintal to Rs 39,290 a quintal. It traded with high volatility and later dropped by Rs 1,230 to Rs 38,040 and then recovered and ended much below the previous day closing. Similarly July also behaved.

RUMOURS

Rumours are said to be spreading in the North Indian markets that Sri Lanka has a bumper crop this year and hence pepper from the Island would come to Indian market soon. Consequently, the domestic buyers have resorted to holding back and that in turn has slowed down demand pushing the market down, trade sources alleged.

Also bearish propaganda that the Centre is seriously considering a proposal to import 10,000 tonnes of pepper for catering to the domestic consumers was also taken as a tool by the bear operators to pull the market down, market sources told *Business Line*.

According to the trade, even if the material is bought from Sri Lanka at $6,700 a tonne and imported duty free, still at the current exchange rate the landed cost would come to Rs380 a kg. Therefore, given the current exchange rate it is doubtful if anyone would venture to import, they claimed.

Meanwhile, Karnataka pepper is claimed to be offered at Rs 380- 385 a kg delivered anywhere in India, they said.

June contract decreased by Rs 705 to the last traded price (LTP) of Rs 38,220 a quintal. July and August dropped by Rs 855 and Rs 790 respectively to the LTP of Rs 38,710 and Rs 39,250 a quintal.

TURNOVER

Total turnover fell by 2,506 tonnes to 4,383 tonnes. Total open interest declined by 73 tonnes to 5,683 tonnes.

June open interest decreased by 132 tonnes to 3,997 tonnes while that of July and August moved up by 43 tonnes and 18 tonnes respectively to close at 1,527 tonnes and 148 tonnes.

Spot prices in tandem with the futures market dropped by Rs400 a quintal to close at Rs 37,000 (ungarbled) and Rs 38,500 (MG 1) a quintal.

There were no activities on the spot following a dawn to dusk “hartal” called by the LDF and BJP in protest against the hike in petrol prices.

Indian parity in the international market was at $7,150 a tonne (c&f) for the Europe and $7,450 a tonne (c&f) for the US and remained in line with other origins which were also said to be in the range of $7,100 to $7,150 a tonne.

Absence of demand from bulk buyers sours sugar

MUMBAI, MAY 24:

Sugar prices weakened further on Thursday on continuous fall at the upper level. Spot rates declined by Rs 5-15 a quintal as demand was local and routine. Despite an improvement in buying enquiry from West Bengal mills, tender rates dropped by Rs 20-30 a quintal due to higher selling pressure. Naka rates declined by Rs 10-20 on mounting resales. The undercurrent in the market is bearish in the absence of demand from bulk buyers, said traders.

Mr Jagdish Rawal of B. Bhogilal and Co, said: “As it is month end local demand is normal. Supply from mills are ample in local market as there is no noticeable buying by either neighbouring States or bulk buyers in Maharashtra. On Wednesday evening eastern side buyers bought one rail rake (About 27,000 bags) of S-grade at Rs 2,801 a quintal, but markets ignored it as producers continued to sell in the local markets.”

Sugar prices in Uttar Pradesh were also on par with Maharashtra and neighbouring States (North, Madhya Pradesh and Uttar Pradesh) and continued to buy . In South India, higher sugar production in Karnataka, Tamil Nadu and Andhra Pradesh is arresting buying in Maharashtra. Lifting by local stockists from mills is very poor at present, as they also face pressure of physical stocks at the market level. World sugar market is bearish with Brazil's entry. Domestic level mill have to sell good amount of stocks under the free sale quota. The Government has announced 46 lakh tonnes free sale quota for the April-June quarter. In Vashi market arrivals were 46-47 truckloads and dispatches were 42-43 truckloads. On Wednesday 14-15 mills sold about 70,000-75,000 bags including one rail rake in the range of Rs 2,800-2,850 (Rs 2,800-2,870) for S-grade and Rs 2,860-2,940 (Rs 2,880-2,960) for M-grade.

The Bombay Sugar Merchants Association's spot rates (Rs/quintal): S-grade Rs 2,932-2,991 (Rs 2,940-2,996) and M-grade Rs 3,000-3,161 (Rs 3,016-3,171). Naka delivery rates: S-grade Rs 2,900 -2,950 (Rs 2,900-2,950) and M-grade Rs 2,970-3,050 (Rs 2,980-3,070).

Arrival season's end likely to boost jeera

RAJKOT, MAY 24:

Prices of jeera (cumin)increased in the futures market as buying emerged at lower levels. However, export demand was normal and spot prices remained almost steady.

With the arrival season heading towards close, supplies are seen dropping. This could lead to a bullish trend, traders said.

According to market analysts, jeera futures gained since participants were of the view that current prices made sense for value picking. Slow arrivals in the spot market also supported the rising trend.

According to traders, arrivals of jeera decreased. A rise in export demand is expected in coming days and it could lead to gain in prices of spot jeera.

On the National Commodity and Derivatives Exchange, jeera June contracts increased by Rs 122.50 to Rs 13,115 a quintal with an open interest of 14,976 lots. July contracts gained by Rs 120 to Rs 13,487.50 with an open interest of 12,438 lots. NCDEX accredited warehouses jeera stocks increased by 227 tonnes to 11,470 tonnes.

New jeera (medium) quoted at Rs 1,975-2,075 for a *maund* of 20 kg; NCDEX quality raw quoted at Rs 2,350-2, 450 a maund at Unjha market in Gujarat. Arrivals stood at 12,000-13,000 bags. Around 12,000-13,000 bags were traded.

Raw jeera at Jodhpur in Rajasthan ruled at Rs 12,000-12,400 a quintal. Arrivals reported were around 400-500 bags.

At the Rajkot APMC, jeera was offered Rs 2,140-2,492 a maund amidst arrivals of 1,800-2,000 bags.

Edible oil market pauses on rupee recovery

MUMBAI, MAY 24:

Edible oils ruled steady on Thursday despite a sharp rebound back in Malaysian crude palm oil futures. The market took breather on partial recovery in the rupee against the dollar. The volume was thin for the second consecutive day.

Currently, domestic and international edible oils markets are reeling under currency volatility, so it is difficult to judge, said market sources.In the local market, groundnut oil lost Rs 5 for 10 kg in absence of demand and tracking a sharp drop of Rs 50 in the Saurashtra market. Cotton refined oil declined by Rs 7, while rapeseed – mustard oil eased by Rs 2. On poor need-based demand imported palmolein lost by Re 1, while soya refined oil rose by Re 1. The volume in imported oils remained thin in physical market due to need-based demand. About 80 – 100 tonnes of palmolein were sold by Liberty at Rs 623 for nearby delivery at JNPT. Another 100-150 tonnes palmolein were traded in resale in the range of Rs 623–624. Towards the day end, Liberty quoted palmolein at Rs 631-633, soya oil Rs 700 and sunflower refined oil at Rs 730. Ruchi quoted palmolein at Rs 628, soya refined oil at Rs 700 and sunflower refined oil at Rs 735. Allana quoted palmolein at Rs 635 for 15-30 June.Resellers quoted palmolein at Rs 625. In Rajkot - Saurashtra under intense selling pressure, groundnut oil dropped by Rs 80 to Rs 1,900 for *Telia* tin and by Rs 50 to Rs 1,250 (Rs 1,300) for loose - 10kg.

Malaysia's crude palm oil June contracts closed at MYR 3,060 (MYR 3,015), July at MYR 3,073 (MYR 3,019) and August at MYR 3,069(MYR 3,019) a tonne.The Bombay Commodity Exchange spot rates were (Rs/10 kg):groundnut oil 1,190 (1,195), soya refined oil 695 (694), sunflower exp. ref. 660 (660), sunflower ref. 720 (720), rapeseed ref. oil 788 (790), rapeseed expeller ref. 758 (760) cotton ref. oil 660 (667) and palmolein 627 (628).

Cotton may yield space to guar, oilseeds

NEW DELHI, MAY 24:

COTTON STATS

Year	Area in lakh hectares	Production in lakh bales	Yield kg/ha
2005-06	86.77	241	472
2006-07	91.44	280	521
2007-08	94.14	307	554
2008-09	94.06	290	524
2009-10	103.10	305	503
2010-11	111.42	325	496
2011-12*	121.91	356	496

* - Projected

Source: Cotton Advisory Board

The acreage under cotton may take a dip this year after having touched a record high last year. Hit by the volatility in prices induced by the flip-flop in export policy, cotton growers are likely to switch over to other lucrative crops such as oilseeds – soyabean and groundnut – and guar among others.

Trade and industry sources expect cotton area to come down by 10 per cent to 20 per cent in 2012-13. Cotton area had touched a record high of 121.91 lakh hectares in 2011-12 season that ends June 30, a growth of 40 per cent in the past seven years.

“We expect area to come down by 10 per cent and it is considered normal as area under cotton had seen an abnormal rise in past few years. An additional 10 per cent decline is possible if other crops such as guar prove to be lucrative,” said Mr M.B. Lal, Managing Director of Mumbai-based Shail Exports Pvt Ltd. He estimates the overall area reduction to be around 15-20 per cent over last year.

BETTER RETURNS

Farmers have already begun the switchover in parts of Punjab and Haryana to guarseed, prices of which range around Rs 28,000 a quintal. “Assuming the price of guar drops even further by a huge margin and the prices of cotton doubles, it still makes sense to cultivate guar, because the cost of cultivation of guar is much less” said Mr Ajay Vir Jakhar, Chairman of Bharat Krishak Samaj. Mr Jakhar, himself, is switching over to guarseed from cotton this year.

“The switchover is all driven by sentiments ahead of planting season and farmers typically look at crops that have given better returns last year,” said Dr Gyanendra Shukla, Director, Mahyco Monsanto Biotech Ltd. He estimates the cotton area to come down by 5 to 10 per cent.

In States such as Gujarat and Maharashtra, cotton growers may prefer to opt for either groundnut or soyabean as realisations were high last year.

“We expect a five to seven per cent increase in area under soyabean on a conservative basis and most of this will be in cotton growing areas of Maharashtra and Andhra Pradesh,” said Mr Rajesh Agarwal, spokesperson for the Soyabean Processors Association of India. The switchover will also happen in Karnataka, Rajasthan and Tamil Nadu that are consuming centres, he said. Soyabean acreage last year stood at around 100 lakh hectares.

Cotton prices had crashed to levels of Rs 3,000 a quintal in the aftermath of the ban imposed on exports. Since then, they have recovered marginally to be in the range of Rs 3,100-3,200.

Mr B.V. Mehta, Executive Director of Solvent Extractors Association of India, said that farmers in Gujarat will look at groundnut, jeera or guar. “It all depends on area to area and local climatic condition at the time of planting,” Mr Mehta said estimating overall oilseed area to up by three to five per cent this year.

Nabard to carry on DEDS dairy scheme this year

HYDERABAD, MAY 24:

National Bank for Agriculture and rural development (Nabard) will continue Dairy Entrepreneurship Development Scheme (DEDS) in 2012-13 too.

The Union Government has allocated Rs 150 crore for the scheme in the Budget. This includes Rs 25 crore as special component for Scheduled Castes. “The main objectives of the scheme are to encourage establishment of dairy farm for production of clean milk and to promote calf-rearing for conservation and development of good breeding stock,” Mr P Mohanaiah, Chief General Manager of Nabard, said.

The scheme would also strive to bring in structural changes in unorganised sector so that initial processing of milk can be taken up at village level. The scheme would support small dairy units of 2-10 animals, female calf rearing units (up to 20 calves), purchase of milking machines and bulk milk cooling units.

“Farmers, self-help groups, non-government organisations, cooperative societies, companies and dairy cooperative societies are eligible to seek bank finance and subsidy under the scheme,” he said.