THE HINDU

Published: May 30, 2012 00:00 IST | Updated: May 30, 2012 05:08 IST

Central officials to meet farmers today

Director of Central Horticulture Department Bijay Kumar and Joint Secretary of the Central Agriculture Department B.K. Singh will visit Cuddalore to interact with farmers and bankers on relief and rehabilitation measures taken post-cyclone Thane, on Wednesday.

In a statement released here, K.S. Alagiri, MP, said the officials' visit was scheduled on the advice of Union Agriculture Minister Sharad Pawar. They would interact with District Collector Rajendra Ratnoo and bankers at 10 a.m. and with farmers at the Cuddalore Guest House at 12 p.m. Besides cyclone-affected farmers, other farmers could participate in the session, the statement said.

Published: May 30, 2012 00:00 IST | Updated: May 30, 2012 05:04 IST

‘Provide adequate seeds, fertilizers'

Staff Correspondent

Members of the Raitha Krishikarmikara Sanghatane (RKS) staged a protest near Vivekanand Circle here on Monday to exert pressure on the government to fulfil their long-pending demands.

RKS leader H.G. Desai said that every year farmers faced problems getting adequate seeds and fertilizers during the kharif and rabi seasons.

This year the situation has aggravated as the farmers of the region witnessed floods during kharif, and drought during rabi.

The government should ensure that the farmers get seeds at subsidised rates. Some of their other demands include scientific pricing of agricultural produce, putting a check on middlemen menace and protecting farmland land and stopping land acquisition for industries, and closure of ‘Land Bank' in the interest of farmers.

Published: May 30, 2012 00:00 IST | Updated: May 30, 2012 05:03 IST

Farmers demand seeds, fertilizer at subsidised rates

Special Correspondent

The Raitha Krishikarmikara Sanghatane (RKS) has demanded that State government provide seeds and fertilizer at highly-subsidised rates to the farmers in the drought-hit district for sowing during the ensuing kharif season.

Members of the sanghatane, led by its convener Ghouse Patel, staged a protest in front of the Deputy Commissioner's office in Yadgir on Tuesday.

Hit by crop failure

They said farmers were hit by crop loss last year because of the failure of the rains and were not in a position to invest money in the seeds and fertilizer needed to take up the kharif operations, urging the government to come to their assistance.

Mr. Ghouse also urged the government to fix scientific remunerative prices for all agricultural produce, taking into account the cost of cultivation and labour charges.

‘End forced acquisition'

The forcible land acquisition taken up by the government in the name of industrialisation should also be stopped, he said.

Later, the RKS leaders submitted a memorandum addressed to the Chief Minister, to the Deputy Commissioner.

MANDYA, May 30, 2012

Farmers urge banks to sanction crop loans

Slamming the failure of banks in the district to sanction agricultural loans, representatives of various farmers unions have urged the district administration to intervene into the matter. Deputy Commissioner P.C. Jaffer had convened a meeting of bankers and farmers at his office on Tuesday.

Speaking on the occasion, farmers said that the banks - including lead banks and a few nationalised banks - have been refusing to sanction crop loans to the farmers. The farmers expressed concern over the issue. Directing the bankers to display the details of loan facilities in the banks, Mr. Jaffer has urged officials of all banks not to ask no-objection certificates while sanctioning loans up to Rs. 1 lakh.

MANGALORE, May 30, 2012

New import rules may help areca farmers

Leather industry cannot import arecanut duty-free

With the Centre restricting import of arecanut only to users (gutka and pan masala makers) and, as a consequence, excluding leather industry from importing it as raw material, the farmers growing the cash crop are expected to benefit.

Anup K. Pujari, Director General of Foreign Trade has informed the CAMPCO (Central Arecanut and Ccoa Marketing and Processing Cooperative) that the recent public notice would be advantageous for domestic areca nut growers.

In a clarification sent to CAMPCO President Kankodi Padmanatha, he said prior the issue of Public Notice anyone could import arecanut under the duty free schemes. Mr. Padmanatha told presspersons that the leather industries which used to import arecanut for extracting tannin could no longer do so.

Arecanut growers had been resorting to distress sales since mid May following the Public Notice and the price of white arecanut fell from Rs.180 to Rs.155, he said.

The arecanut was said to be imported for tannin extraction, after which the arecanut was being sold to gutka manufacturers at low prices. Also, in North India, arecanut was being bought illegally. While there is good demand for it in Gujarat, there is low demand for it in Kerala, where gutka usage is very less, a release said.

The controversial public notice issued by the DGFT said: “Henceforth, import of arecanut as an input would be permitted only when it is by an actual user or by anybody (including the actual user) if it is specifically mentioned in the Centre's Standard Input and Output Norms (SION).”

This had caused confusion leading to distress sale. After the notice, Mr Padmanabha, in a letter to the DGFT, requested clarity on the issue of a fall in the price of arecanut.

In reply, Mr. Pujari said after the issue of this Public Notice, the class of persons permitted to effect such imports would get limited to (a) actual users and (b) such importers only and only when the respective SION specifically includes arecanut as a permissible input."

(According to the website of the Directorate General of Foreign Trade (DGFT): “SION consists of standard norms that define the amount of inputs required to manufacture unit of output for export purpose.

Input output norms are applicable for products such as electronics, engineering, chemical, food products including fish and marine products, handicraft, plastic and leather products. SION is notified by … and is approved by its Boards of Directors.

- *Prior the issue of Public Notice, anyone could import arecanut under duty free schemes*
- *The growers have been resorting to distress sales since mid May*

KAKINADA, May 30, 2012

1.1 lakh quintals paddy seed to be supplied to farmers

The AP Seeds Corporation has made available 1.1 lakh quintals of seed to the paddy farmers from the East Godavari district for the ensuing kharif season, according to Christiana, vice-chairman and managing director of the corporation.

Reviewing the supply of seed with the officials here on Tuesday, Ms. Christiana said that RGL-1064, MTU-1061, 1010 and 1001 seed varieties were available for the farmers who opt for canal irrigation. In the upland areas, BPT-5204 was the choice of the many, she said, adding that in the absence of the seed or delay in the onset of monsoon, the farmers could opt for 1001 variety. Observing that there was no seed godown to the corporation in the district, Ms. Christiana said she would release funds for the construction of a warehouse, provided allocation of land by the district administration.

Collector Neetu Prasad said the corporation could apply for land for the construction of godown after identifying it in the locality of their choice. She asked the officials of the Agriculture department to get ready the seed by the first week of June and take steps for the immediate disbursement of input subsidy to the drought hit farmers.

THIRUVANANTHAPURAM, May 30, 2012

NGO announces farm awards

Three schools in the district have bagged the Krishipatom awards instituted by the Agri Friends Krishi Samskarika Vedi, a non-governmental organisation, for promotion of farming activities among students.

MGM Higher Secondary School bagged the award for its “Jai Jawan, Jai Kisan” project for documenting novel farm initiatives. St. Thomas Central School bagged the award for “Nanavu Krishigramom” programme, while Lourdes Mount Higher Secondary School has been chosen for the award for promoting vegetable cultivation.

Krishna Kurup, 106-year-old traditional farmer from Alappuzha, has been selected for the Krishipatom Gurushreshta Award for his contribution to the field of agriculture. The Krishipatom Harithashreshta Award will be conferred on P. Sreekantan Nair, Director, Environment and Climate Change Department.

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hindustantimes

Wed,30 May 2012

weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Wednesday, May 30

Max Min

42.3° | 30.3°

Rain: 00 mm in 24hrs

Humidity: 50%

Sunrise: 6:35

Sunset: 18:03

Tomorrow's Forecast

Cloudy

Thursday, May 31

Max Min

39° | 30°

Wind: Normal	**Barometer:** 1003

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Jun 1	**Jun 2**	**Jun 3**	**Jun 4**	**Jun 5**
40° | 30°	39° | 30°	40° | 30°	40° | 30°	40° | 30°
Rainy	Rainy	Cloudy	Partly Cloudy	Sunny

THE ECONOMIC TIMES

30 MAY, 2012, 06.51AM IST, ET BUREAU

India set to hike refined edible oil production

MUMBAI: India, the world's largest edible oil importer, is set to increase its refined edible oil production capacity. Government is in the process of raising the import duty on refined edible oil, which is mainly imported from Indonesia. This move is likely to help oil mills which have idled 60% of the total refining capacity of 20 million tonne.

According to official sources, the finance ministry will soon take a decision on the quantum of the increase in the import duty which is now at 7.5%. The move will also cut down India's dependence on imports and will bring down the import bill. Imports have become costlier as the rupee has depreciated by about 14% in the last three months to touch its all-time low of Rs 56.37 to a dollar.

The government is looking to increase crude palm oil imports so that refiners could put their idle plants into use. There is a zero duty on imports of crude palm oil. A large number of refiners are on the verge of closure due to the rising imports of refined oil and falling oilseed production in the country.

"It will not only enhance our production capacity but also boost employment in the sector," said Dr B V Mehta, secretary of Solvent Extractors Association of India(SEA). India meets 50% of its total edible oil demand through imports. It imports palm oil mostly from Indonesia and Malaysia.

30 MAY, 2012, 07.00AM IST, BLOOMBERG

Rubber climbs on hopes of China stimulus

TOKYO: Rubber advanced, reversing earlier losses after Chinese policy makers pledged new spending, boosting speculation that demand from the world's largest consumer may weather Europe's debt crisis and keep expanding.

November-delivery rubber gained 0.6% to settle at 271.9 yen a kg ($3,421 a tonne) on the Tokyo Commodity Exchange after earlier dropping to 265.5 yen. The most-active contract has lost 13% this month, the largest drop since November.

Asian stocks and oil increased as China's finance ministry announced subsidies for energy-saving products and an official said the government would revive incentives for car buying, adding to stimulus Credit Suisse Group said may total as much as 2 trillion yuan ($315 billion). "The market was buoyed by expectations for additional stimulus from China," said Makiko Tsugata, an analysts at research company Market Risk Advisory in Tokyo.

Gains were limited as concerns grew that Spanish lenders will need more financial support to weather Europe's debt crisis as Prime Minister Mariano Rajoy struggles to avoid tapping markets to fund a bailout of its third-biggest lender.

Thai rubber exporters will continue buying on overseas bourses until local prices climb to 120 baht ($3.79) a kilogram, the level the government would like to see, Prapas Euanontat, the president of the Thai Rubber Association, said May 24.

Thailand announced plans this month to buy more than 10,000 tons in Tokyo and Shanghai and to continue purchases from local farmers at above-market rates to drive prices higher.

Thai rubber on a free-on-board basis was unchanged at 116.05 baht a kilogram today, according to the Rubber Institute of Thailand.

The September-delivery contract on the Shanghai Futures Exchange added 0.8 percent to close at 24,670 yuan a ton.

Thailand's Rubber Estate Organization kept the price at which it will buy from farmers unchanged at 110 baht per kilogram, the agency said on its website today. It didn't provide the average auctioned price in three local markets.

Business Standard

Wednesday, May 30, 2012

Coconut oil, copra prices fall drastically on oversupply

George Joseph / Kochi May 30, 2012, 0:58 IST

A sudden fall in prices of copra and coconut oil has upset traders, mill owners and coconut growers. Contrary to the last season, the price of coconut oil in wholesale trading has fallen to Rs 5,400 a quintal, while copra prices have decreased to Rs 3,500 a quintal. In May last year, price of coconut oil was Rs 10,400 and copra was quoted at Rs 7,000-7,500 a quintal. According to latest indications from retail trade, a coconut now costs around Rs 5, compared with Rs 8-10 a few weeks earlier.

It is a surprise for both growers and traders, as they are unable to understand the reasons behind such a drastic fall in prices. Within just four weeks, the coconut oil price fell Rs 900 a quintal, while copra fell by Rs 950. Such a sharp fall is seen for the first time in the past four years.

According to C V Antony, a leading oil mill owner in central Kerala, growers hinged their hopes on copra procurement by Nafed, but it failed miserably. Now the market is flooded with copra produced in four states — Tamil Nadu, Kerala, Karnataka and Andhra Pradesh. There is actually a glut in the market and the demand is rather weak, compared to the supply.

The procurement of copra has not yet started in most parts of the country and the state-level nodal agencies are not keen on stocking copra. This is a loss-making exercise for most of the agricultural co-operative societies.

A majority of copra was stocked expecting higher prices through the price support scheme, but in vain. Now, this stock is being released to the open market and the supply is at its peak. This is a major factor behind such a strong bear phase in the market, said experts.

Investments in petro schemes fall in 11th Plan

Anindita Dey / Mumbai May 30, 2012, 00:58

The progress of various schemes of the ministry of chemicals and fertilisers for petrochemicals, including its flagship Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs), considerably slowed in the 11th Plan (2007-12).

In its report to the government on the sector, the Planning Commission says the pace of investments has been much below expectation as has emerged in its discussion with state governments, the Department of Petrochemicals and the industry.

The primary reason for the slowdown in PCPIRs is the various private and public sector undertakings, which are acting as anchor tenants that have officially ‘put on hold’ their proposed investment decisions, according to the ministry. On the other hand, state governments are of the view that the proposed Budgetary support from the central government has been inadequate for developing the infrastructure in PCPIRs.

Similarly, the plastic park scheme announced by the ministry never took off with vigour. The objective of the policy, announced in 2010, was to encourage the competitiveness of the plastic industry by upgrading the quality of the product to meet the end-use of domestic industries and exports. However, the high cost of centralised effluent treatment and the negative image of plastic as a major environmental pollutant has hindered major investment and participation in the scheme, said the report.

At first, in 2006-07, six states gave proposals for PCPIR. Of these, three – Gujarat, West Bengal and Andhra Pradesh —were approved in 2009.

The various anch-or tenants for the PCPIRs are ONGC Petro Additions Ltd (OPAL), GAIL and Gujarat State Petro-leum Corporation (GSPC) for Bharuch, Gujarat; Indian Oil Corporation and CALS Refinery by Spice Energy for Haldia, West Bengal; Hindustan Petroleum Corporation Ltd and GMR Consortium for Visakhapat-nam, Andhra Pradesh, and Indian Oil Corporation for Kendrapara and Jagatsinghpur in Orissa.

The Karnataka government has decided to shelve the proposal altogether.

Till date, committed investments in all these Cabinet-cleared projects have barely reached 50 per cent of the proposed investment. The Gujarat PCPIR has a committed investment of Rs 22,930 crore (as against proposed investment of Rs 50,000 crore).

While the Haldia IOC-promoted PCPIR received investment to the tune of Rs 48,180 crore (Rs 93,180 crore), the Visakhapatnam projects committed funds worth Rs 1,74,654 crore (Rs 3,43,000 crore). The Haldia projects, though cleared in 2009, are yet to decide as to whether they are part of the West Bengal government's PCPIR, which will determine the state government's cooperation in the project.

Officials said the ministry aimed at creating a window for the government funding support and had proposed this to the Planning Commission.

It is evaluating the scope of budgetary funding in these projects, apart from the specified mode of viability gap funding (VGF) and through public-private partnership (PPP).

Under the extant project guidelines, there is no budgetary support and the entire funding is to be done by the participants, which includes a government petrochemical public sector undertaking as anchor investor.

The VGF scheme provides financial support in the form of grants, one-time or deferred, to infrastructure projects undertaken through PPPs.

Palm oil up over 1% on spot demand

Firm trends abroad also influence futures market

Press Trust of India / New Delhi May 29, 2012, 14:10 IST

Crude palm oil prices rose by Rs 6.40 to Rs 590.70 per 10 kg in futures trade today as speculators created fresh positions, supported by rising demand in the spot market.

Firmtrends in overseas markets also influenced the crude palm oil futures prices.

On the Multi Commodity Exchange, crude palm oil for delivery in May rose by Rs 6.40, or 1.09%, to Rs 590.70 per kg, with a trading volume of 131 lots.

The June contract added Rs 5.90, or 1%, to Rs 594.30 per 10 kg, with a business turnover of 800 lots.

Analysts said fresh positions built up by speculators on the back of a pick-up in demand in the spot market and a firming trend overseas, mainly led to rise in crude palm oil prices at futures market.

Meanwhile, in Malaysia, the August-delivery contract advanced as much as 0.5% to 3,144 ringgit (USD 1,001) a metric tonne on the Malaysia Derivatives Exchange.

Cardamom down 1% on profit-booking

Subdued demand against adequate availability in the physical market also puts pressure on prices Press Trust of India / New Delhi May 29, 2012, 14:04 IST

Cardamom prices fell by Rs 12.40 to Rs 1,327.50 per kg in futures trade today, amid profit-booking by speculators at prevailing higher levels.

Subdued demand against adequate stocks availability in the physical market also put pressure on the cardamom prices.

At the Multi Commodity Exchange, cardamom for delivery in July declined by Rs 12.40, or 0.92%, to Rs 1,327.50 per kg in business turnover of 372 lots.

The June contract shed Rs 11.80, or 0.87%, to Rs 1,337.20 per kg with trading volume of 1,421 lots.

Market analysts said profit-booking by speculators at existing higher levels amid subdued demand in the spot markets, mainly kept pressure on the cardamom prices at futures trade.

THE HINDU Business Line

Pepper down on bearish sentiments

G. K. Nair
Kochi, May 29:

The pepper market on Tuesday dropped on bearish sentiments and liquidation. All the active contracts ended much below the previous day's closing.

Reports of slightly easier overseas market were also used to push the market down, market sources told *Business Line*.

Substantial increase in turnover with marginal fall in the open interest indicates of a good circular trading. 'Tug of war' between the operators is said to have made the market highly volatile. However, some in the market felt in the decline the market corrected itself.

June contract on the NCDEX decreased by Rs 665 a quintal to the last traded price (LTP) of Rs 39,750 a quintal. July and August dropped by Rs 695 and Rs 575 respectively to the LTP of Rs 40,150 and Rs 40,760 a quintal.

Turnover

Total turnover increased by 2,264 tonnes to 6,452 tonnes. Total open interest declined by 31 tonnes to close at 6,124 tonnes.

June open interest fell by 331 tonnes while that of July and August increased by 260 tonnes and 40 tonnes respectively to 2,104 tonnes and 185 tonnes.

Spot prices in tandem with the futures market trend dropped by Rs300 to close at Rs37,900 (ungarbled) and Rs39,400 (MG 1) a quintal.

Overseas trend

According to an overseas report today Vietnam has already shipped out an estimated 62,000 tonnes of pepper which "means (more than) half of this year's crop is already gone. Consequently some time later this year Vietnam will run tight," it claimed.

Millers purchase boosts chana

Indore, May 29:

The uptrend continued in chana on weak arrival and bullish futures. With speculators once again dominating the futures, chana (kanta) in the spot rose to Rs 4,450 a quintal on Tuesday (Rs 4,350-4,375).

However, later in the evening with a decline in buying interest at the higher rate, it fell marginally to Rs 4,425.

Similarly, chana (*desi*) rose to Rs 4,275-4,300 a quintal on improved buying support and rise in futures, while chana (annagiri) and chana (vishal) ruled at Rs 4,400 each. Arrival of chana in local mandis was recorded at 2,500-3,000 bags.

With a steady decline in arrival and enthusiastic buying support from millers, a bearish sentiment in chana appears unlikely, said a trader Mr Rahul Vora.

In the past one week, chana (kanta) prices have gone up by Rs 200 a quintal. With rise in spot chana, chana dal also gained, even as demand in pulses remained weak.

Chana dal (average) ruled at Rs 5,200-5,225 (Rs 5,150-75), while chana dal (medium) perked up to Rs 5,300-5,325 (Rs 5,250-75) and chana dal (bold) ruled at Rs 5,475-5,500 (Rs 5,325-50).

Dollar chana, on the other hand, ruled flat on sluggish demand. In local mandis, dollar chana ruled at Rs 6,500-7,400 a quintal amid an arrival of 2,500-3,000 bags.

In container also, dollar chana ruled stable on subdued buying support in the export market with 42/44 count being quoted at Rs 8,300, 44/46 count ruled at Rs 8,200, 46/48 count at Rs 8,100, while dollar chana 60/62 count ruled at Rs 6,800.

In the past one week, dollar chana by and large remained stable, primarily due to lack of enthusiastic buying support.

Sluggish demand and weak rise in selling pressure with arrival of new summer moong in local mandis gaining momentum, has pulled down moong prices by Rs 200 a quintal in the past two days.

With decline in buying support, new moong in local mandis fell to Rs 3,800-4,000 (down Rs 200), while moong (medium), on the other hand, ruled stable at Rs 3,400-3,600.

Moong dal remained unchanged even as demand in pulses remained slack with moong dal (average) being quoted at Rs 5,000-5,100 a, moong dal (best) ruled at Rs 5,500-5,600, while moong mongar ruled at Rs 5,300-5,600.

No fresh orders to boost turmeric

Erode, May 29:

Spot turmeric prices declined by Rs 200 a quintal on lack of fresh orders on Tuesday.

The President of Erode Turmeric Merchants Association, Mr R.K.V. Ravishankar, said that all the turmeric growers and traders are in dilemma over the selling and procurement of the yellow spice, as prices are decreasing every day.

On Tuesday, 14,800 bags arrived for sale, prices decreased by Rs 150 to Rs 200 a quintal. Traders who purchased the turmeric quoted decreased price as they said no fresh orders were received by them.

Mr Ravishankar said for the past couple of days only the traders are buying turmeric. Stockists said that they have already purchased huge stocks and were waiting for the price to go up. Traders said that they quoted lower price as prices are low in other markets in the country and also prices the futures market were low.

Farmers were reluctant in selling at a lower price. About 70 per cent of the stocks that arrived were sold. Mainly, buyers prefer quality goods. Exporters-cum-bulk buyers said that farmers are still holding stocks of fine variety turmeric. North Indian merchants want fine variety and they are waiting for the arrival of such variety.

At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 2,909 -3,591 a quintal and the root variety at Rs 2,299 -3,411.

Salem Crop: The finger variety fetched Rs 3,659-4,056, the root variety Rs 3,091-3,698. Of 2,527 bags that arrived, only 981 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 3,269-3,630, the root variety Rs 3,174-3,474 . All 1,741 bags kept for sales were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 2,891-3,629 , the root variety Rs 2,769 -3,529. All 1,072 kept for sales were sold.

At the Gobicvhettipalayam Agricultural Cooperative Marketing society, the finger variety was sold at Rs 2,569-3,619, the root variety Rs 2,480-3,489. All 490 bags kept for sales were sold.

Production cut by mills grinds wheat

Our Correspondent

Karnal, May 29:

Wheat prices decreased further by Rs 5-10 a quintal on Tuesday following sharp decline in the demand for flour. New wheat was quoted at Rs 1,190-1,200 a quintal, while desi wheat varieties ruled unchanged on account of low stocks and sluggish off-take.

Flour millers are not taking fresh positions in the market as sales of flour have decreased drastically over the last 15 days, said a trader, Mr Subhash Chander. To maintain prices, flour mills have cut back production and are using old stocks for production, he said.

Despite a fall in wheat prices, there are hardly any buyers in the market. Wheat prices have decreased by Rs 90-95 a quintal in the last 4 days.

On the other hand, *desi* wheat continued to rule firm. With no arrivals from Madhya Pradesh, *desi* wheat is almost out of stock at present, said Mr Subhash.

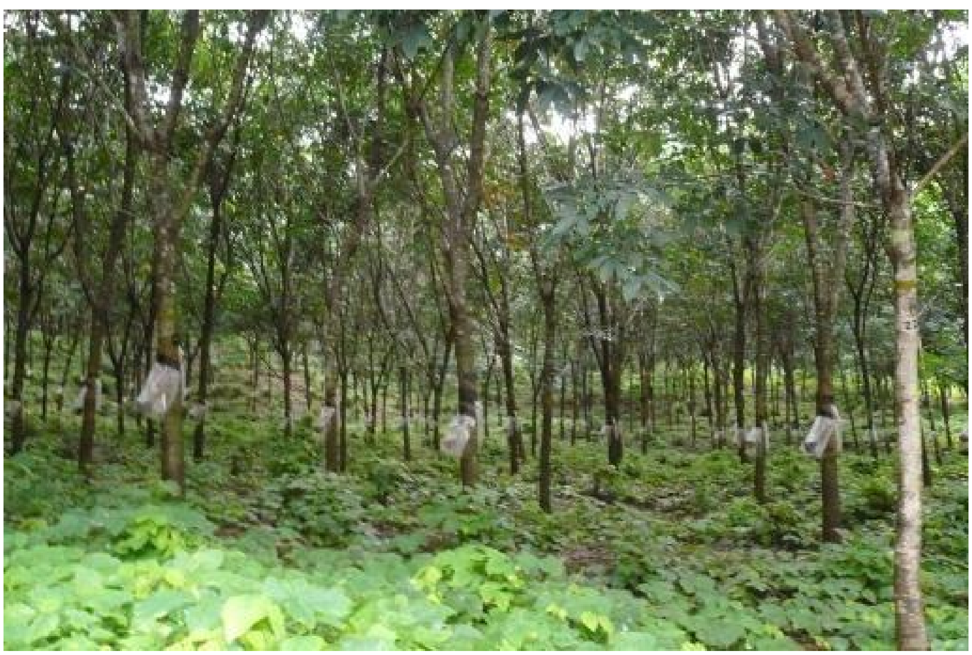
Tohfa variety ruled at Rs 2,300 a quintal, Bhojan King was quoted at Rs 2,200, Rasoi bhog was at Rs 1,900 while the Nokia variety traded at 2,150 a quintal.

The June contract on the National Commodity and Derivatives Exchange decreased by Rs 4 to Rs 1,169 a quintal; it had touched a low at Rs 1,165 a quintal earlier in the day. The July contract on the exchange dropped by Rs 3 to Rs 1,189 a quintal.

Flour Prices

Flour prices dropped further by Rs 20 and quoted at Rs 1,210 for a 90-kg bag. On the other hand, chokar remained unchanged on steady demand and sold at Rs 650-660 for a 49-kg bag. Traders expect that chokar prices may increase in upcoming days as availability of green fodder is low in the region.

Short covering stretches spot rubber prices



Kottayam, May 29:

Physical rubber prices firmed up further on Tuesday. The market improved on fresh buying and short covering, as sellers stayed back expecting better rates ahead. Another better closing in the domestic futures added strength to the local sentiments. Sheet rubber increased to Rs 195 from Rs 194 a kg at Kottayam and Kochi, according to traders and the Rubber Board.

In futures, the June series increased to Rs 197 (195.38), July to Rs 199.95 (198.36), August to Rs 199.31 (198.22) and September to Rs 198.50 (196.88) a kg on the National Multi Commodity Exchange.

Sentiments were mixed in the international market. While worries over European debt crisis continued to hurt the overall market mood, limited supplies from Thailand and the country's market intervention scheme cushioned the falling prices at lower levels.

RSS 3 (spot) slipped to Rs 203.22 (204.67) a kg at Bangkok. The June futures inched up to ¥270 (Rs 189.56) from ¥267.7 a kg during the day session and then to ¥271.5 (Rs 190.65) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 195 (194); RSS-5: 193 (192.50); ungraded: 190 (189); ISNR 20: 194 (193.50) and latex 60 per cent: 130 (127).

Board plans to initiate coffee planting in Vizag tribal colonies

Visakhapatnam, May 29:

The Coffee Board is planning to bring 7,732 acres more under the crop during the current financial year. The board is involved in promoting coffee cultivation as tribal livelihood on eastern parts of Visakhapatnam district. The project is being implemented in association with the Paderu Integrated Tribal Development Agency (ITDA). Silver oak (the shade plantation) will be planted in 20,000 acres. Approximately, Rs 3.25 crore is to be spent this year on area expansion.

Coffee cultivation is being encouraged in the Araku and Paderu areas as the average income from the crop is Rs 30,000 against Rs 8,000 for other crops. Tribal coffee growers are realising better returns from the crop. They are able to harvest 175 kg anacre, each kg fetching Rs 120-150.

To maximise returns, pepper has been introduced as an inter crop, which is giving an average yield of 60 kg an acre, with the price being Rs 150-170 a kg.The Coffee Board is providing 100 per cent subsidy for construction of drying yards. Baby pulpers are being supplied to the coffee growers with which parchment coffee can be made from fruits. It will result in value addition of Rs 20 a kg. The Coffee Board is giving 50 per cent subsidy, the ITDA 40 per cent and the rest is contributed by the farmers.The Government has issued orders to take up the new coffee projects under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Coffee is planted on 1.04 lakh acres and shade plantations over 1 lakh acres from 2009 to 2016, the project cost being Rs 349 crore.Of the amount, Rs 287 crore comes as subsidy from MGNREGS funds and Rs 62 crores from Coffee Board funds.

Cardamom loses flavour on selling pressure

Kochi, May 29:

Cardamom prices slipped on selling pressure last week with individual average price dropping by around Rs 100 a kg from the previous week at auctions held in Kerala and Tamil Nadu.

As the prices crossed Rs 800 a kg, the market witnessed increased arrivals. At the same, buyers were not interested to buy at a price above Rs 800 a kg. Consequently, there was a mismatch in demand and supply, pushing market down.

However, the market was steady in Bodinayakannur on Monday with good export and upcountry buying interest, Mr Renganathan, a trader, told *Business Line*.

At last Monday's auction held by the CPA at Bodinayakannur, the average price was Rs 905.83 a kg, despite arrival of 53 tonnes. It fell to Rs 833.02 a kg on Tuesday, and then to Rs 769 a kg on Wednesday. On Thursday, prices recovered at the auction and the average price rose to Rs 825.46 a kg before dropping to Rs 699.62 a kg at Saturday auction. On Sunday, in increased to Rs 776.57 a kg. Arrivals during last week showed a significant increase, and similarly, withdrawals were also high. Total arrivals stood at around 417 tonnes, and of this, 367 tonnes were sold last week.

The current rate of arrivals gives the impression that the growers are still holding stocks of cardamom from the current crop which is estimated at around 20,000 tonnes. As the growing region received adequate rains last year, the crop was a bumper one.

When the carryover stock of an estimated 4,000 tonnes of cardamom were added, the total availability during the current season was at around 24,000 tonnes. Around 18,000 tonnes have been sold through the auctions so far while an estimated 3,000 tonnes might have been sold outside the auction network. The market is witnessing high price fluctuations, which is not a good sign, Mr P.C. Punnoose, General Manger, CPMC, told *Business Line*. Arrivals at the Sunday auction stood at 76.6 tonnes against 52.2 tonnes the previous Sunday, and almost the entire quantity was sold out. Maximum price yesterday was at Rs 1,245 a kg, while the individual auction average was at Rs 776.57 down from Rs 867.60 a kg the previous Sunday, Mr Punnoose said.

Total arrivals during the current season from August 1, 2011, up to May 27, were at 18,222 tonnes, and the sales at 17,552 tonnes against 10,276 tonnes of arrivals and 10,012 tonnes of sales in the same period last year.

Weighted average price as on May 27 was at Rs 631.25 a kg against Rs 1,050.72 a kg on the same date last year, according to market sources.

Official prices of graded varieties on Monday (Rs/kg): AGEB Rs 1,100-1,110 ; AGB Rs 815-825; AGS Rs 795-805 and AGS 1: Rs 775-785. Good colour 8 mm bold cardamom was fetching prices up to Rs 1,300 a kg today, Bodi trade sources said. Prices of other grades there today in Rs/kg were: 7-8 mm (AGEB) Rs 1,050-1,100; 6-7 mm (AGB) Rs 800-820; 5-6 mm good quality (AGS) Rs 750-800 and 4–5 mm (AGS 1) Rs 725-750.

Farmers have to pay more now for agri-chemicals

Vishwanath Kulkarni
New Delhi, May 29:

Inputs for agriculture such as pesticides and herbicides have turned costlier, thanks to the weakening rupee. Agro-chemical makers such as Dhanuka Agritech and Insecticides (India) Ltd have hiked their product prices by 10-15 per cent ahead of the kharif sowing season. This is mainly since the drop in the rupee value has made their chemical inputs costlier.

“It is impossible to match last year's product prices. There's no way we can absorb the impact of the weakening rupee,” said Mr Rajesh Aggarwal, Managing Director of Insecticides (India) Ltd (IIL). The company has recently increased prices by an average of 10-12 per cent across its product range and plans to implement another round of price hike sometime in June-July, Mr Aggarwal said.

The import dependency for various inputs such as intermediate chemicals and technicals ranges as high as 30-40 per cent for many agro-chemical players.

Besides the rupee slide, the hike in prices by Chinese chemical makers is also hurting Indian players.

“Our Chinese suppliers have hiked prices as high as 50 per cent for some intermediate chemicals, which is affecting us,” said Mr M.K.Dhanuka, Managing Director, Dhanuka Agritech Ltd. The company imports about 25 per cent of its raw materials to make pesticide and herbicide formulations.

The hike in excise duty in the Budget has already been passed on to consumers resulting in higher prices. Even multinationals such as Syngenta are feeling the heat of a weakening currency.

“Ideally we will like to pass on the costs to our customers, but recognising the fact that our customers profitability is also impacted because of the inputs cost going up and output prices under pressure, we will evaluate and selectively pass the cost of goods increase, but this is certainly not sustainable for us," said Mr Parveen Kathuria - Head of Sales at Syngenta India. "We believe everybody is evaluating this option and will decide in the next couple of days or so," he said.

However, the agrochemical makers are divided on the impact of the price rise on consumption of their products. "With the price increase and input cost going up, consumption is bound to come down and ultimately the overall production of crop protection products for the country is likely to be affected," said Dr. K C Ravi, Head of Commercial Acceptance and Public Policy, South Asia, Syngenta.

But, Mr Dhanuka felt that there will be no big impact of such price rise on consumption as farmers are getting better realisation for their crops and they would continue to purchase pesticides to safeguard their crops from pest and diseases. "However there is always some impact on the consumption pattern due to such price rise," he said.

Global black tea output down 9%

Coonoor, May 29:

Lower harvests in most producing countries have brought down the global output of black tea. In the first four months of the current calendar, output fell by 32.3 million kg or 9.11 per cent year-on-year.

"According to our compilation, world black tea production has dipped to 322.45 million kg (mkg) this year from 354.75 mkg," Mr Rajesh Gupta, Director, Global Tea Brokers, publishers of annual Global Statistical Tea Diary, told *Business Line*.

Indonesia is the only country where output has increased over last year. Till April, it produced 21.6 mkg, up 1.4 mkg.

In April, Sri Lanka could manage to produce 29.33 mkg against 29.97 mkg last April. Consequently, the island nation's production totalled 104.15 mkg, down 4.22 mkg.

In the four months, Malawi produced 26.5 mkg against 27.1 mkg last year.

Kenya's April final figure is awaited but till March, it dipped by 12.69 mkg to 72.48 mkg.

South Indian production till April could be down by 9 mkg, according to Mr Peter Mathias, Chairman, The United Planters' Association of Southern India Tea Committee. This means, for the fourth year in succession, South India's tea output will post a decline in 2012.

South India had produced 72.44 mkg in the first four months of last year. The production in the same months of this year is likely to be around 63 mkg.

Heavy arrivals, absence of corporate demand drags down coconut oil prices

Kochi, May 29:

Heavy arrivals, coupled with panic selling in the absence of corporate buying, pulled down coconut oil prices in Kerala market this week. Prices came down to Rs 58 a kg against last week's Rs 60 a kg.

Mr Prakash B. Rao, Vice-President of the Coconut Oil Merchant Association (COMA), said that the only hope for revival in the market is the commencement of copra procurement by government agencies. Otherwise there will not be any price support.

He also urged the government to step in to commence copra procurement at minimum support price to protect coconut farmers. The prices of coconut oil in Tamil Nadu are ruling at Rs 54 a kg.Copra prices stood at Rs 3,300 a quintal in Tamil Nadu and Rs 3,800 a quintal in Kerala market.Mr Bharat N. Khona, former Board Member, COMA, said that heavy arrivals of copra and theabsence of upcountry demand resulted in a drop in prices. This affected the local market.Corporates are not fully active in the market. However, oil tanker movements are slowly picking up with the availability of more tankers, he added.The prices of edible oil such as palm oil and palm kernel oil, which are a close substitute of coconut oil, are still on the higher side. However, the price of palm oil dropped to Rs 62 a kg this week against last week's price of Rs 66 a kg and the prices of palm kernel oil also come down to Rs 72 a kg against Rs 74 quoted last week.Mr Thalath Mahamood, President, COMA, said that abundant coconut production in Kerala, Tamil Nadu and Karnataka has pushed down coconut oil prices substantially, while other edible oil prices are holding steady.He said coconut oil prices are now being determined by supplies from Tamil Nadu, with even supplies from States such as Andhra Pradesh and Karnataka going a long way to meet upcountry demand.

Growers won't be hit by actual user norm for areca import: Campco

Mangalore, May 29:

Arecanut growers need not resort to distress sale, as the DGFT's public notice on the actual user condition for imports will not affect them, according to Campco.

Addressing presspersons here on Tuesday, Mr K. Padmanabha, President of Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd, said that because of the amendments to SION (standard input output norms) in DGFT's (Directorate General of Foreign Trade) public notice dated May 15, the er industry is not in a position to import arecanut as a raw material for tannin extraction.

Earlier, some people were importing arecanut under the pretext of tannin extraction, and they used to release imported arecanut to traders and ‘gutkha' manufacturers in the country, he said. This was affecting the domestic market.

The public notice allows arecanut import to direct users such as ‘gutkha' and ‘paan masala' manufacturers as per SION. However, they need to export the same quantity within 36 months, failing which they are liable to pay penalty up to 500 per cent, he said.

The public notice had led to the crash in the new stocks of white arecanut. The new stocks, which were trading at Rs 180 a kg, came down to Rs 155 range. Following this, Campco had approached the DGFT seeking clarification.

Mr Padmanabha urged the farmers that they should not release the commodity to market in a hurry. Such a distress sale would lead to price crash.

FLOOR PRICE

Meanwhile, Campco has urged the Union Government to increase the minimum floor price for imported arecanut.

He said that the Government has fixed a minimum support price of Rs 85 a kg for arecanut in the domestic market. However, it allows arecanut import at a minimum floor price of Rs 35. The importer had to pay duty of 108 per cent. Even after paying that, the imported commodity will be available below the minimum support price fixed by the Government.

The present floor price for imported arecanut should be increased to Rs 85 a kg. Addition of appropriate duty to this will bring the value of the imported commodity nearer to the domestic price, he said.

Campco will lead a delegation of cooperatives to the Central Government seeking the increase in minimum floor price for imported arecanut, he added.

Area under tapioca may rise next season

Erode, May 29:

Tapioca prices ruled low was sold at Rs 2,900-3,000 a tonne for the fine variety and Rs 2,800 a tonne for other varieties.

Mr. S.S. Natarajan, Executive Director of SPAC Tapioca Product India Ltd, Poonachi, Bhavani taluk said: “Tapioca has been cultivated over one lakh acres of land in Erode, Namakkal, Salem and Dharmapuri district during this year and the yield has been encouraging, as farmers were able to get 10-12 tonnes of tapioca an acre against 10 tonnes obtained last year. But due to poor price, farmers were reluctant to cultivate the crop again.”

He said that last year the crop was affected by the Papaya Melee Bug and the SPAC came to the rescue of tapioca farmers, conducted research with the Tamil Nadu Agricultural University and other experts and distributed parasites to farmers at very nominal cost. Farmers applied it and were relieved from the pest attack.

He said that “because of this disaster and also of the low price obtained for their produce, many farmers were frustrated and cultivated the crop in limited areas. Now, he expects more area to be brought under tapioca next year as they were relieved from the pest attack.”

He said that due to lower price, the Government stopped the import of starch and now farmers have come forward to export it . Mr Natarajan said that the Government should allow exports of starch to other countries and provide some subsidy for it such as granting of duty drawback for export of garments. Mr R. Chennimalai Gounder of Archalure area said that he had cultivated tapioca over three acres of land and earned a meagre amount that was not feasible. He said that the tapioca season concludes by May and again the crop would be available for industrial purpose by August or September, when, he said, farmers are expecting a good price for the crop.

Sluggish demand pounds sugar

Mumbai, May 29:

Spot sugar prices continue to decline on Tuesday due to sluggish demand at the month end.

S-grade dropped Rs 5, while M-grade ruled steady in physical market. Naka rates were unchanged, tracking continued selling by mills at steady price level.

The volume was normal in the absence of any active bulk buying. The under current was steady as the new month approaches and traders expect improvement in demand.

The volatility in the domestic futures was narrow but the trend was bearish, said sources.

Mr. Jagdish Rawal of B. Bhogilal and Co said, in the absence of buying by neighbouring States in Maharashtra and absence of support on the export front, there was ample supply in the sugar market due to higher production.

Maharashtra's mills are forced to concentrate on State level markets to dispose of materials to avoid building up of inventories.

Due to vacation, demand from retail consumers is low leading to slowing down of lifting from mills.

In the Vashi wholesale market, arrivals were 52-54 truckloads and dispatches were 50–52 loads.

On Monday, 16-17 mills offered tenders and sold about 55,000–60,000 bags in a range of Rs 2,780-2,840 (Rs 2,780-2,840) for S-grade and Rs 2,850-2,930 (Rs 2,850-2,930) for M-grade.

The Bombay Sugar Merchants Association's spot rates (Rs/quintal): S-grade Rs 2,922-2,971 (Rs 2,926-2,976) and M-grade Rs 2,996-3,141 (Rs 2,996-3,141). Naka delivery rates: S-grade Rs 2,880 -2,910 (Rs 2,880-2,910) and M-grade Rs 2,970-3,040 (Rs 2,970-3,040).